HOUSE OF REPRESENTATIVES

FRIDAY, NOVEMBER 17, 1967

The House met at 12 o'clock noon.

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

I will hear what God the Lord will speak; for He will speak peace unto His people.—Psalm 85: 8.

O Lord, our God, we are beginning to discover that without Thee we are never at our best. It has taken some of us a long time to realize it. We have been too proud, too stubborn, too determined to have our own way. Somehow Thou hast caught up with us and we know that with Thee alone is life and love. May Thy spirit so come to life in us that we may truly live and triumphantly love.

We pray for the people of our beloved land that they, too, may grow in spirit and by Thy grace be made more than a match for the mood of this day.

Help us to work together for peace in our world, for justice among our citizens, and for good will in the hearts of all.

In the Master's name we pray. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

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

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

H.R. 2517. An act to amend sections 64a, 238, 378, and 483 of the Bankruptcy Act and to repeal sections 354 and 459 of the act;

H.R. 2518. An act to amend sections 337 and 338 of the Bankruptcy Act and to add new section 339;

H.R. 2519. An act to amend sections 334, 355, 367, and 369 of the Bankruptcy Act;

H.R. 2834. An act to amend the act of June 10, 1938, relating to the participation of the United States in the International Criminal Police Organization;

H.R. 3403. An act for the relief of Harry LeRoy Jones;

H.R. 3727. An act for the relief of Elpidio Dimacali Damazo and Natividad Simsuangco Damazo;

H.R. 3799. An act for the relief of the city of Pawtucket, R.I.;

H.R. 6324. An act for the relief of John A. Danisch;

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

H.R. 7811. An act for the relief of Richard Alan White; and

H.R. 8632. An act to amend sections 40c(1) and 52a of the Bankruptcy Act so as to reallocate part of the filing fee from the clerk's earnings to the referees' salary and expense fund.

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

H.R. 7427. An act for the relief of Maria Kolometroutsis; and

H.R. 12910. An act to establish a Judge Advocate General's Corps in the Navy, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2) entitled "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."

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

S. 687. An act for the relief of Tim Shik Chin;

S. 964. An act for the relief of Roberto Perdomo;

S. 1040. An act for the relief of certain employees of the Department of the Navy;

S. 1470. An act for the relief of the Ida group of mining claims in Josephine County, Oreg.;

S. 1652. An act for the relief of Anastasia D. Mpatziani;

S. 1664. An act for the relief of the city of El Dorado, Kans.;

S. 1918. An act for the relief of Dr. Gabriel Gomez del Rio;

S. 1925. An act for the relief of Dr. Ricardo Martinez Serrara;

S. 2031. An act for the relief of certain employees at the Naval Air Test Center, U.S. Naval Air Station, Patuxent River, Md.;

S. 2153. An act for the relief of Dr. Jose Rafael Montalvo y Urrutibeascoa;

S. 2199. An act for the relief of Oscar Juan Enriquez-Santos;

S. 2206. An act for the relief of Dr. Jorge Rolando Guerra-Reyes;

S. 2264. An act for the relief of Chi Jen Feng;

S. 2265. An act for the relief of Christopher Nicholas Rushton;

S. 2301. An act for the relief of Dr. Francisco Guillermo Gomez-Inguanzo;

S. 2381. An act for the relief of Dr. Jesus Adalberto Quevedo-Avila;

S. 2382. An act for the relief of Dr. Jose R. Sanchez;

S. 2384. An act for the relief of Jorge A. Marrero;

S. 2386. An act for the relief of Dr. Luis F. Rodriguez Iznaga; and

S. 2468. An act for the relief of Dr. George S. Ioannides.

WORK PLANS UNDER SECTION 2 OF WATERSHED AND PROTECTION AND FLOOD PREVENTION ACT

The SPEAKER laid before the House the following communication which was read, and, together with the accompanying papers, referred to the Committee on Appropriations.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C., November 16, 1967.

Hon. JOHN W. MCCORMACK,
The Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture today considered and unanimously approved the work plans transmitted to you by Executive Communication No. 1178, 90th Congress. The work plans involved are: Rancho Viejo, Tex.; Spring-Bull, S. Dak.; Main Street Canyon, Calif.; Big Running Water Ditch, Ark.

Sincerely yours,

W. R. POAGE,
Chairman.

THE PRESIDENT'S PRESS CONFERENCE

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

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

There was no objection.

Mr. ANDERSON of Illionis. Mr. Speaker, I have just listened to that portion of President Johnson's news conference where he was asked about his bill for a tax increase which is now stalled in the House Ways and Means Committee. In the most pious and sorrowful tones the President lamented that he was having a very difficult time to get this Congress to "act with fiscal responsibility."

What sheer hyprocisy. This is the same President who not long ago was boasting that in the short time he had been President he had tripled expenditures in several different areas of the Government. This is the same President who this year submitted a budget so loose and irresponsible that when we complete action on the various appropriation bills, we will have reduced it by around $6 billion.

No, Mr. President, any sermons delivered by you to Congress on the subject of fiscal responsibility are about as consistent with your past actions as it would be for the gentleman from Louisiana [Mr. PASSMAN] to get up here and tell us that he has consistently fought for bigger and expanded foreign aid programs.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 393]

Abbitt	Farbstein	Mathias, Md.
Adams	Findley	Meeds
Andrews, Ala.	Fino	Morgan
Annunzio	Ford, William D.	Pike
Arends	Fountain	Pucinski
Ashley	Fulton, Tenn.	Purcell
Aspinall	Fuqua	Reid, Ill.
Bates	Giaimo	Resnick
Belcher	Gilbert	Rhodes, Ariz.
Bell	Green, Oreg.	Rivers
Berry	Gurney	Robison
Bevill	Hagan	Rodino
Broomfield	Halleck	Rogers, Fla.
Brown, Ohio	Hanna	Rostenkowski
Burke, Fla.	Hansen, Idaho	St. Onge
Carey	Hansen, Wash.	Schadeberg
Celler	Harrison	Schwengel
Clancy	Hawkins	Scott
Clark	Hays	Shipley
Clawson, Del	Heckler, Mass.	Springer
Cowger	Herlong	Stephens
Davis, Wis.	Hicks	Stuckey
Dawson	Howard	Thomson, Wis.
Denney	Hull	Utt
Derwinski	Johnson, Pa.	Walker
Devine	Jones, N.C.	Watkins
Diggs	Kee	Whitener
Dingell	Kluczynski	Williams, Miss.
Edmondson	Laird	Willis
Edwards, Ala.	Landrum	Wilson, Bob
Eilberg	McClory	Wright
Eshleman	MacGregor	Wydler
Everett	Martin	Zion
Evins, Tenn.		

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The SPEAKER. On this rollcall, 332 Members have answered to their names, a quorum.

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

APPOINTMENT OF CONFEREE ON S. 2388, ECONOMIC OPPORTUNITY AMENDMENTS OF 1967

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. DANIELS] may be excused as a conferee on the bill S. 2388, and that the Speaker be authorized to appoint a Member to fill the vacancy.

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

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Michigan [Mr. O'HARA] to fill the vacancy.

FIVE FACTS STAND IN THE WAY OF A REPUBLICAN VICTORY IN 1968

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

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

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, the Republicans are trying desperately to claim victory in 1968. They are encouraging news stories that they have their best chance in years to capture the White House.

I hate to dash their hopes or shatter their morale, but there are a few facts worth considering before the victory celebrations begin.

Fact No. 1: 42 percent of the American electorate are Democrats, and 31 percent independents.

Fact No. 2: Only 27 percent are Republicans.

Fact No. 3: If every Republican voted for their candidate but he failed to win the votes of substantial numbers of Democrats and independents, the Republicans would lose.

Fact No. 4: The Republicans have yet to unearth a presidential candidate who can inspire confidence and trust among the American people.

Fact No. 5: The President will go to the American people in 1968 with more than 90 percent of his 1964 campaign pledges fulfilled—an unprecedented achievement.

In short, we Democrats will allow the Republicans to hold their victory celebrations this November; we will hold ours next November.

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATIONS, 1968

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 13893) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1968, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 13893, with Mr. PRICE of Illinois in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, it had agreed to an amendment striking section 106, ending on page 8, line 11, from the bill.

The Clerk will read.

The Clerk read as follows:

SEC. 107. (a) No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry to Cuba, so long as it is governed by the Castro regime, in addition to those items contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended, any arms, ammunition, implements of war, atomic energy materials, or any other articles, materials, or supplies of primary stategic significance used in the production of arms, ammunition, and implements of war or of strategic significance to the conduct of war, including petroleum products.

(b) No economic assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry items of economic assistance to Cuba, so long as it is governed by the Castro regime, or to North Vietnam.

AMENDMENT OFFERED BY MR. FRELINGHUYSEN

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

The Clerk read as follows:

Amendment offered by Mr. FRELINGHUYSEN: On page 8, line 12, strike out lines 12 through 25, inclusive, and strike out on page 9, lines 1 through 5, inclusive.

The CHAIRMAN. The gentleman from New Jersey is recognized for 5 minutes.

Mr. FRELINGHUYSEN. Mr. Chairman, at the close of the debate yesterday I indicated that I had a total of eight amendments to offer. This amendment is the third of the eight. I would like to ask unanimous consent to offer for simultaneous consideration four other amendments which are also at the Clerk's desk.

Let me say, in consideration of whether the unanimous consent should be granted, that in every case my motivation is based on the fact that there already is legislation on the subject covered by the sections which I propose to delete. In my opinion the identical language already is on the books, or similar language, or stronger language. This fact more than justifies the deletion of legislation of this kind from an appropriation act.

I am contemplating one more amendment, I might say, which would propose the deletion of section 119.

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

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

Mr. GROSS. Mr. Chairman, is a unanimous-consent request pending?

The CHAIRMAN. Not at this moment.

Mr. FRELINGHUYSEN. Mr. Chairman, I intended to make a unanimous-consent request.

Mr. GROSS. I think we ought to know what sections of this bill would be affected. The bill not having been read, we ought to know to what sections of the bill the gentleman proposes to offer amendments. I have an amendment I wish to offer to the bill, and I do not want to be ruled out.

The CHAIRMAN. Has the gentleman from New Jersey made his unanimous-consent request?

Mr. FRELINGHUYSEN. Mr. Chairman, I should like to make such a request. Before I do so, perhaps I should indicate what my amendments would propose to delete from the bill.

The pending amendment which I have just offered proposes the deletion of section 107.

The second amendment that I would offer would propose deletion of section 109. The third amendment would propose the deletion of section 114. The fourth amendment would propose the deletion of section 116. The fifth amendment would delete section 117.

Now, I should like to renew my unanimous-consent request.

Mr. GROSS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. FRELINGHUYSEN. Mr. Chairman, getting to the subject of the deletion of section 107, I should like to point out that section 620(a) of the Foreign Assistance Act already has similar language. The language to which I refer, which has been on the books, for some time—I hestitate to read it, because it takes so long—is far more inclusive, I might say, than the language proposed by section 107. Let me begin with section 620(a):

SEC. 620. PROHIBITIONS AGAINST FURNISHING ASSISTANCE.—(a) (1) No assistance shall be furnished under this Act to the present government of Cuba; nor shall any such assistance be furnished to any country which furnishes assistance to the present government of Cuba unless the President determines that such assistance is in the national interest of the United States. As an additional means of implementing and carrying into effect the policy of the preceding sentence, the President is authorized to establish and maintain a total embargo upon all trade between the United States and Cuba.

(2) Except as may be deemed necessary by the President in the interest of the United States, no assistance shall be furnished under this Act to any government of Cuba, nor shall Cuba be entitled to receive any quota authorizing the importation of Cuban sugar into the United States or to receive any other benefit under any law of the United States, until the President determines that such government has taken appropriate steps according to international law standards to return to United States citizens, and to entities not less than 50 per centum beneficially owned by United States citizens, or to provide equitable compensation to such citizens and entities for property taken from such citizens and entities on or after January 1, 1959, by the Government of Cuba.

(3) No funds authorized to be made available under this Act (except under section 214) shall be used to furnish assistance to any country which has failed to take appro-

priate steps, not later than 60 days after the date of enactment of the Foreign Assistance Act of 1963—

(A) to prevent ships or aircraft under its registry from transporting to Cuba (other than to United States installations in Cuba)—

(i) any items of economic assistance.

(ii) any items which are, for the purposes of title I of the Mutual Defense Assistance Control Act of 1951, as amended, arms, ammunition and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, or items of primary strategic significance used in the production of arms, ammunition, and implements of war, or

(iii) any other equipment, materials, or commodities, so long as Cuba is governed by the Castro regime; and

(B) to prevent ships or aircraft under its registry from transporting any equipment, materials, or commodities from Cuba (other than from United States installations in Cuba) so long as Cuba is governed by the Castro regime.

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

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

Mr. KYL. Mr. Chairman, is the difference between the section of law from which the gentleman is now reading and the amendment in the bill the provision which gives the President "authority to do otherwise" if he deems it in the national interest? Is that a difference?

Mr. FRELINGHUYSEN. As I just said, there is a provision which allows the President to determine in such cases where it is in the national interest that aid can be given.

Mr. KYL. If the gentleman will yield further, there is no such language I can find in the amendment offered by the committee at this time. Is that correct?

Mr. FRELINGHUYSEN. The gentleman is correct. The full text of section 107 of the bill reads as follows:

SEC. 107. (a) No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry to Cuba, so long as it is governed by the Castro regime, in addition to those items contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended, any arms, ammunition, implements of war, atomic energy materials, or any other articles, materials, or supplies of primary strategic significance used in the production of arms, ammunition, and implements of war or of strategic significance to the conduct of war, including petroleum products.

(b) No economic assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry items of economic assistance to Cuba, so long as it is governed by the Castro regime, or to North Vietnam.

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

Mr. FRELINGHUYSEN. I yield to the chairman of the committee.

Mr. PASSMAN. Mr. Chairman, under the language just referred to by the gentleman, section 107(a), does it contain a Presidential determination?

Mr. FRELINGHUYSEN. I just answered the gentleman that I see no such language, Mr. Chairman.

Mr. PASSMAN. Does the language of the authorization bill contain a Presidential determination?

Mr. FRELINGHUYSEN. I just answered that question, I think, Mr. Chairman.

Mr. PASSMAN. I am sorry. I did not hear the gentleman's answer.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(On request of Mr. KYL, and by unanimous consent, Mr. FRELINGHUYSEN was allowed to proceed for 5 additional minutes.)

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman. I would like to add that this discussion does show the difficulty of legislating on the floor and comparing fairly complicated and extensive language differences between legislative proposals and legislation on the books.

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

Mr. FRELINGHUYSEN. I yield to the gentleman from California.

Mr. LIPSCOMB. Mr. Chairman, I believe I understand what the gentleman is trying to do, which is to strike language from the legislation we are now considering and prove that similar language is already in the Foreign Assistance Authorization Act. But we are working now at a time when we are not sure. The gentleman states that the language in the present bill before us is duplication. We have no assurance whatsoever that what the gentleman is doing will not reduce the effectiveness of both the language in the Foreign Assistance Act and the language contained in this bill.

Mr. FRELINGHUYSEN. I might say to the gentleman, if the Appropriations Committee had done its homework and had compared the language already on the books with respect to foreign assistance with the language in its own bill, the Members would be able to see that the language already on the books is far more comprehensive than the proposed language.

Mr. LIPSCOMB. If the gentleman will yield further? The language the gentleman now seeks to delete from the appropriation bill is not new language this year. It has been in the bill for some time.

Mr. FRELINGHUYSEN. I have not contended that it is new language. The fact that it is old language makes it no less subject to criticism and analysis and discussion. Quite obviously, the rule does allow us at least to look at the language, even though it may have been incorporated in previous appropriation bills.

Mr. LIPSCOMB. Am I wrong in my view that by having it in both bills we are doubly sure?

Mr. FRELINGHUYSEN. I do not believe, I might say to the gentleman, that this gives one iota of assurance. I believe all it does is befog and confuse the issue, because in some respects this language does differ. If we want a policy position with respect to Cuba and North Vietnam or trade with Communist countries, it seems to me we speak with more assurance speaking with one voice instead of two. For that reason, the placing of policy statements and restrictions of this kind should be in authorization bills only. If we need improvements from time to time, we should improve those acts. We should not involve ourselves now in policy determinations attempting to compare the value of additional language which may conflict to some extent on a particular subject.

Mr. LIPSCOMB. If the gentleman will yield further, in the law which the gentleman has before him, the Foreign Assistance Act, where does it cover the following language:

To any country which sells, furnishes, or permits any ships under its registry, to carry to Cuba, so long as it is governed by the Castro regime.

Mr. FRELINGHUYSEN. I might say to the gentleman, if he will read the language of the law the answer will be obvious.

Section 620(a)(3), subsection (B):

No funds authorized to be made available under this Act (except under section 214) shall be used to furnish assistance to any country which has failed to take appropriate steps,

* * * * *

(B) to prevent ships or aircraft under its registry from the transporting any equipment, materials, or commodities from Cuba (other than from United States installations in Cuba) so long as Cuba is governed by the Castro regime.

The gentleman is demonstrating, without any question, my point that this situation is already covered in the law more explicitly than it would be by this attempt in an appropriation bill.

Mr. LIPSCOMB. As I said earlier, I understand what the gentleman is attempting to do, but I am concerned because we are doing this in a rush on the floor. I do not want in any way to weaken the administration of either the Foreign Assistance Authorization Act or the foreign assistance appropriation bill.

Mr. FRELINGHUYSEN. I might say my intent is not to weaken the administration of the Foreign Assistance Act. My purpose is to let there be but one clear voice of Congress, already expressed. Congress should not speak with confusion. There are different provisions on basic problems. This may result in conflict and a lack of ability to move at a time when we need to move.

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

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

Mr. KYL. The matter of Presidential discretion is apparently the item which bothers a number of Members at this point. If the language presently in the bill remains in the bill there is a technical question. Would it repeal the Presidential discretion which is already in the law? This is not an amendment of the section, actually.

Mr. FRELINGHUYSEN. The gentleman makes a good point. To what extent would this apparently flat prohibition prevent the use of the discretionary power of the President?

Mr. KYL. Which exists.

Mr. FRELINGHUYSEN. I would think this would be a clear reason to avoid a possible conflict between two different laws. Why not leave the Presidential de-

termination language already in the act, and which we certainly are not attempting to repeal here, and not confuse the issue by having a flat prohibition?

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if you recall, the distinguished chairman of the Committee on Foreign Affairs [Mr. MORGAN], voted for the rule to bring out the bill that is presently under consideration. Many Members have strong feelings about the legislation in this bill. If we attempt to water this bill down and take out the sections that we thought would give the Congress and the country protection, then I am of the opinion that you are going to wind up without any bill whatsoever. Mr. MORGAN, the great chairman of the Committee on Foreign Affairs, is absent today. He expressed no objection to this language at the time we were considering it in general debate yesterday. I have not had an opportunity to ascertain as to whether or not all of this legislation is carried line by line verbatim in the Committee on Foreign Affairs' authorization bill. We did not think so at the time we put the language in our bill. I certainly hope the members of the Committee will vote this amendment down. We are not going to be able to rewrite this bill to satisfy the wishes of a few of my friends who are assigned to the Committee on Foreign Affairs. I certainly hope it will be voted down. If it is an exact duplication word by word, then, of course, adjustments can be made when the bill goes to conference. I hope the Committee will vote down this amendment and let us get on with consideration of the bill.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield to me?

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

Mr. LONG of Maryland. Mr. Chairman, I also urge the Committee to vote this amendment down.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I am glad to yield to the gentlewoman from New York.

Mrs. KELLY. I thank the gentleman from Louisiana for yielding.

Mr. Chairman, the great chairman of the Committee on Foreign Affairs is absent today and cannot therefore take part in this debate. On my part, I have rarely if ever tried to speak for anyone else. I cannot speak for the chairman but I think the record should be made clear. I understand that he voted for the rule. I understand why he voted for the rule. It is my understanding that he gave a commitment to those who wanted to have this bill brought to the floor without delay. But I also understand that he did not do it with any particular desire to have a rule which would waive points of order against legislation in this appropriation bill. That is what I am told and that is what the members of the Committee on Foreign Affairs and those of us who are endeavoring to straighten out the confusion this committee is in today believe. We are endeavoring to eliminate the confusion by striking out the duplication which this bill would create. I am completely in favor of the amendment suggested by my colleague [Mr. FRELINGHUYSEN] and I hope his amendment prevails.

Mr. PASSMAN. Mr. Chairman, I hope that the Committee will vote down this amendment. We believe we have a good bill. There are good and sufficient reasons why we have this language in the bill. I think it would be a mistake to weaken the language in the bill. I trust the amendment will be voted down.

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

Mr. Chairman, we have been up this hill and down this hill before. This is the same issue, as I see it, that has been before this House time and time again. The amendment contained in the bill before us which the gentleman's amendment would strike—and I oppose the striking amendment—reinstates language which I offered on the floor of this House a number of years ago that makes it mandatory—and that is the issue—makes it mandatory and not discretionary with the President to provide no aid to Cuba.

I know how he has exercised that discretion in the past. He has exercised the discretion, so far as I am concerned, coming from a district and a State 90 miles from Cuba, a Communist-dominated nation in the solar plexus of the Western Hemisphere—he has exercised it to the point where if something is not done, the Communist control of Cuba will be there ad infinitum. If something is not done by the President and by the State Department and by this Congress mandating the executive branch of the Government no longer to give aid to countries trading with Cuba, this country itself will not be doing all in its power to deal with Cuban communism.

Mr. Chairman, this problem is going to be here unless we act with firmness. This Communist-dominated nation is going to remain and the threat of a foreign ideology exists through the operations of the Communists 90 miles from our shores if they are allowed to continue to be there and yes, even, the missiles that were there and were maintained are to some extent there now or if not, can be reinstated and thus, it poses a constant threat to our freedoms.

Mr. Chairman, the threat in the future is to the same extent as it existed in the past. As Castro arms, trains guerrillas and gets economically more entrenched, the threat becomes entrenched.

Mr. Chairman, we have to make up our minds as to whether we are going to mandate the executive branch of the Government to do something about this situation, or whether we are going to give to the President the discretion to make the determination that weakens our resolve. That is the difference.

Mr. Chairman, the wording is very clear. The present law says that—

> No assistance shall be furnished under the Act unless the President determines that such assistance is in the national interest of the United States.

Mr. Chairman, how did that "unless" get in there? It got in there as a substitute to my amendment without such discretion that I offered to the Foreign Assistance Act which contained the restrictions which in my opinion I felt were necessary. The gentleman would strike the language in this bill similar to my previous amendment. I say this, Mr. Chairman, because the distinguished gentleman from Florida [Mr. FASCELL] offered the substitute that gave the President such discretion and thus defeated my amendment providing for no aid to Cuba. I opposed the weakening Presidential discretion in consideration of the Foreign Assistance Act of 1963 and I oppose it now.

Mr. Chairman, I hope the bill, as it came from the committee will be enacted. It is consistent with my amendment in 1963. Otherwise, we are going to get nothing done and the threat is going to still remain there. As it is under the Fascell language of section 600(1) that was substituted for my nondiscretion, absolute prohibition amendment.

Mr. Chairman, we spend billions of dollars to fight communism 6,000 miles away, but yet we do little that is effective about fighting communism when we have it at our own back door. In other words, we are not willing to stand up and make sure the money of the taxpayers is not used for Cuba, directly or indirectly in this effort, while we spend billions other places far away to fight distant communism.

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

Mr. CRAMER. I yield to the distinguished gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, I wish to compliment the gentleman from Florida [Mr. CRAMER] for answering very quickly, understandably, and with clarity the question to my question even prior to my asking it.

Mr. CRAMER. And, Mr. Chairman, there is a further exception which this proposes to do something about, and that is section 692 which reads:

> Except as deemed necessary by the President in the interest of the United States, no assistance shall be furnished to the government while Cuba is under the present government.

So, Mr. Chairman, there are two exceptions that this action, in the bill before us if approved, would repeal. I want those discretionary exceptions eliminated and the Frelinghuysen amendment would reinstate them.

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

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

Mr. TAFT. Mr. Chairman, I would like to say to the gentleman from Florida that I feel the gentleman raises a very interesting question.

At the outset I would like to say that I agree with the gentleman that a mandatory provision against and to Cuba is needed. I have long supported such a proposal. I supported it when the gentleman from Florida offered it in a prior Congress.

However, it is my opinion that the gentleman is incorrect in his position that the passage of this legislation now pending before the House, without the amendment striking it, would have the effect of removing the prior discretion of

the President. This is not correct. We have had a second and specific statement to the effect that the legislation is not being repealed in this legislation. It is important that our position be clear and unequivocal. Passing this language will confuse it. The amendment should be adopted.

Mr. CRAMER. Mr. Chairman, I will say to the distinguished gentleman from Ohio [Mr. TAFT] that insofar as the spending of any money under this authorization is concerned, in my opinion it clearly represents a further restriction, beyond basic law, that the Congress clearly intend to do and that is that we should not extend this type of aid to countries which trade with Cuba, and that is what we have got to do. I agree, however, we cannot avoid the effect less restrictively in an appropriation bill than contained in the basic act but a restriction on spending having the effect of limiting spending is proper and is accomplished, and should be.

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

Mr. CRAMER. I yield to the gentleman.

Mr. MIZE. This entire matter of Presidential determination I feel should be looked at rather carefully, because the legislation to which it applies here and elsewhere, differs widely. For example, the Banking and Currency Committee with reference to the Export-Import Bank bill said in the matter of Presidential determination that the President must notify both the House and the Senate 30 days before such determination is made, and it has got to be approved by the appropriate committees of the Congress. In this Foreign Assistance Act the wording is entirely different. The Banking and Currency Committee strengthened that language considerably. I feel that this entire matter of Presidential determination should be standardized.

Mr. CRAMER. Yes, and the President does not have to consult Congress under the amendment which is offered which has the effect of reinstating the less restrictive basic act. The gentleman indicates another example of the congressional efforts to limit Presidential discretion.

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

Mr. Chairman, were it not for the fact a point of order would be made against it, I would introduce an amendment to H.R. 13893, the foreign aid appropriation bill, to provide that no funds could go to any country whose vessels harass or seize American fishing vessels on the high seas outside the 12-mile limit. I recognize that such an amendment should have been offered during debate on the foreign aid authorization bill last August, however, Mr. Chairman, at that time I was being assured by the Department of State that conditions were looking good for negotiations to resolve the problems which have arisen by Ecuador's and some other Latin American nations' claim of 200 miles jurisdiction off their coast.

But, since then, Ecuador has militantly harassed, machine-gunned, and forced into port, another American fishing vessel, the *Puritan*, dispelling in my mind, any desire on their part to negotiate. Incidentally, Mr. Chairman, the owner of the *Puritan* was compelled to purchase a license to fish at a price of over $16,000, even though she was sitting dead in the water, 70 miles off the Ecuadorean coast.

In the past few years American fishermen have had to risk their lives unnecessarily off Latin America in the pursuit of their vocation. They have been seized, chased, harassed, tied up in port for long periods of time and some men have even been shot. Fortunately, there have been no fatal incidents, but I do not understand why it should be necessary for American citizens to have to risk these physical dangers while working in a vital industry on the high seas.

Mr. Chairman, I have requested, and even introduced legislation to provide Coast Guard protection for these American citizens, but all I received in response was a State Department letter that they did not want to "meet force with force."

Well, Mr. Chairman, I firmly believe that force of some kind is necessary, be it force of argument, or force of withholding funds such as this foreign aid appropriation provides.

I am determined that as long as I am in this Congress, I will do my utmost to help American fishermen, and all other American citizens, from this type of thievery, both at home and abroad.

Again, I regret I cannot amend this bill so as to stop all aid to any nation illegally seizing our fish boats.

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

The amendment was rejected.

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

Mr. Chairman, in this, as in many others, I believe the membership realizes that there is no continuing resolution, there is no authority from this point on to make payments. The continuing resolution is resting with the conferees.

I should like to report to my colleagues what has been going on so that when we reach a crisis here in a few days they will understand that there have been no conferences since a week ago Wednesday to try to solve this very important question. And I would hope that the conferees of the House and of the Senate meet every day until this matter of a continuing resolution is resolved, because we are going to be in a real crisis here some day when the people are not going to be paid.

I agreed to the one bringing it up to November 9 in order that they could be paid through this payday, and this is probably one of the last paydays, and we are going to be facing a real problem.

But this House has voted on three occasions for a spending limitation. It seems to me we ought to be in conference working the will of this House, and not waiting until we are faced with a crisis of a number of people not being paid, and obligations of the Government not being taken care of.

I just want to point out one thing to the Members, and that is that limitation was $131.5 billion that this House approved. The President in his press conference today rather chided the Congress and said that it now appears that Congress will only cut about $1 billion out of the $145 billion in expenditures contained in his budget for fiscal 1968.

The President said we were only going to cut $1 billion. My distinguished chairman the other day said that we were going to cut $2.6 billion. But if we put a spending limitation on expenditures we will make some real savings for the American people.

So I would hope that the conferees will be back in session, and begin to discuss this matter and try to reach some solution.

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

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

Mr. PEPPER. Mr. Chairman, I thank the distinguished gentleman for being kind enough to yield.

From the districts of my colleague, the gentleman from Florida [Mr. FASCELL] and myself, we have been advised because of a misunderstanding apparently of the executive branch of the Government about the meaning of the continuing resolution, which was put through, that 700 people under the poverty program in Dade County in Mr. FASCELL's district and in my district are not going to be paid today.

Some of those people work in the day care centers, and some of them work in the neighborhood centers, some in other activities. They work under what we call the Economic Opportunity Program, Inc., which is the community action program, the approved economic opportunity program, and they get their money from grants so they were not literally on the Federal payroll. But they are, of course, a part of the program.

Mr. Chairman, they are very much concerned about this matter.

I spoke to the able Senator from my State, Senator HOLLAND, this morning. He said that it was the intention of the Senate conferees in the conference that the effect of this continuing resolution that all people who were working under the program up to November 9 shall be paid for that work at the next payday, and that he would be willing to make such a statement on the floor of the Senate, and invited me to inquire as to this of our distinguished colleagues in this body.

Mr. BOW. In reply to the gentleman from Florida, may I say that when the House agreed to the continuing resolution, through November 9, it was my impression and my intention that these people who were working would be paid through this payday. I would not want to penalize the people who are working because of an impasse here. And that is the reason I agreed to it.

I will not agree to any more, because we ought to settle this matter of the continuing resolution.

Mr. PEPPER. It was the intention, then, of the conferees on the part of the House, as I understood the able gentleman from Ohio, who was just speaking, that this would include a payday for these people who worked under this contract program up to November 9?

Mr. BOW. Yes; because that would be

the pay for that time that they worked. Does my distinguished chairman agree with me—I mean on the question of whether these people should be paid?

Mr. MAHON. Mr. Chairman, if the gentleman would yield, I am not sure what the facts and circumstances are in the case presented. It depends upon whether or not payment can be made in accordance with law.

There are certain programs that have gotten into difficulty. Wherever money is due it should be paid. But we cannot encourage a disregard of the law. I believe the case must rest on the facts. The continuing resolution expired on November 9. The previous resolution expired on October 23.

Mr. BOW. I will say to my distinguished chairman, this is not an attempt on my part to disregard the law.

It seems to me when we passed this resolution, it was for the purpose of taking care of the obligations up to this point. This is my feeling on it. But as of this point on, there is no opportunity to pay.

Mr. PEPPER. Will the able chairman allow me to say that I have consulted with the Economic Opportunity authorities and they have told me that there are 40 communities in the United States similarly situated to Mr. FASCELL's and mine where the people will not be paid unless we can have an understanding that those people who were paid on the last payday will get one more payday—and not beyond that—whether they were under a grant program dealing with or working for a contract agency—or literally getting their check directly from the Federal Government.

Of course, this means a great deal to many people in many communities throughout the country.

Mr. MAHON. Mr. Chairman, if the officials in the Office of Economic Opportunity, who are in charge of day-to-day administration, do not think they have the legal right to pay, I, of course, could not say that they should violate the law.

We have gotten into this predicament to a very considerable extent as the result of the long delay in getting the authorization bill for the Office of Economic Opportunity enacted.

Mr. BOW. May I just ask my distinguished chairman why we have not met in conference since a week ago last Wednesday to try to correct this situation?

Mr. MAHON. I think I would not have time to explain that since the gentleman's time is about to expire, but I will move to strike out the last word in a moment and comment on that if I may.

Mr. PEPPER. The able gentleman from Ohio [Mr. Bow] has been the leader in the effort to reduce expenditures and he is now making it clear that up until—and through this payday for work performed up to November 9—he does not intend anybody to be taken off the payroll or not to be paid for the services that they have rendered up until November 9. I am sure the gentleman from Ohio did not mean that those people who have been working to November 9 will not be paid.

Mr. BOW. That is paid up until this time.

Mr. PEPPER. It looks like we could collaborate on this matter and just recognize that anybody who has worked under this program should be paid.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. Bow] has expired.

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

Several of our departments and agencies have found that they had no authority to operate beginning July 1 because there was no authorizing legislation, and hence no appropriation.

So we in Congress passed continuing resolutions on several different occasions, and still the authorization bills were not enacted in all cases.

We find ourselves in some difficulty as a result of delays in authorization bills.

With respect to the continuing resolution which passed the House sometime ago, the last one, except for the one attached to the District of Columbia appropriation bill, we had a conference meeting with the other body on October 26.

We had another meeting on October 27.

The other body was adamant in its position against the so-called Whitten-Bow amendments and would not agree to the position taken by the House. We would not recede from our position and there was a deadlock.

We met again on October 31 and then we met again on November 3.

Then we met again on November 8, a week ago Wednesday, and we seemed to make some progress at that meeting. I am hopeful that some sort of settlement of this resolution can be achieved. It is not clear that it can. We plan to meet again next week.

But the House has not been willing to capitulate to the other body, and therefore we have not agreed. If we had gone over to the other body and agreed with the conferees of that body, and if we had brought back a simple continuing resolution, the matter could have been voted on again but we felt the House would not agree to a simple resolution. We are seeking to work out a compromise. The Senate conferees would not accept the House position. That is where we find ourselves at this time.

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

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

Mr. BOW. I think we should point out at this time the unwritten rule that is in the rule book which states that when one body passes a bill and another body amends that bill, they must recede. In case of failure of the bill, the body that amended the bill or the joint resolution takes the responsibility for failure of the bill or joint resolution. Therefore, the Senate having amended our bill, if there is a bill, should this crisis come, they must accept the responsibility. That is the rule of the conference.

Mr. MAHON. I thank the gentleman. The gentleman has made an interesting comment.

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

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

Mr. PEPPER. Mr. Chairman, what we are seeking to do now is to get an agreement as to what the intention of the continuing resolution was. If I am not being presumptuous, I see on the floor today the able gentleman from Kentucky [Mr. NATCHER]. I spoke to him yesterday first after the gentleman from Florida [Mr. FASCELL] and I heard from our people that 700 people would not be paid today, to determine whether or not it was the contemplation of that resolution, as he understood it, to include these people that I am talking about. He said, "Yes."

Then we went to see the able gentleman from Ohio [Mr. Bow], and he said, "Yes."

Mr. MAHON. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

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

There was no objection.

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

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

Mr. PEPPER. The able Senator from Florida [Mr. HOLLAND], who apparently was one of the senior representatives of the other body, said that that was his understanding, and he would so state on the floor of the other body. If we could get unanimity that that is what was intended, it seems to me the executive agency, for this one payday alone, would recognize the intention of the conferees who have reported out this resolution.

Mr. MAHON. Mr. Chairman, the agencies are pretty liberal in interpreting the law in their favor, and if the lawyers in the Office of Economic Opportunity do not believe that they can legally pay these people, I would be inclined to accept their view rather than my own off-the-cuff view with respect to the specific problem that may be confronting the agency.

I would be glad to look further into this question and do what I can as a member of the House Appropriations Committee to be helpful. But I am not willing to put a construction on the question which the people who have much to gain by this construction are unwilling to place upon the matter themselves.

Mr. Chairman, under leave granted, may I add that the last extension of the continuing resolution was included in the District of Columbia Appropriation Act, 1968. This extension was from October 23 to November 9.

It seems to me to be quite clear that since November 9 there has been no authority for the agencies that do not have their regular appropriations for fiscal year 1968 to incur new obligations. I do not see how any discussion in the House and/or the Senate can change the fact that the authority contained in the continuing resolution is not now effective and has not been since November 9.

I asked our staff to make a quick check

this afternoon, and as I understand the situation with regard to the Office of Economic Opportunity, there are certain grant programs under the community action program that have expired since November 9 that probably would have been extended if the authority existed to make the additional grants. Frankly, I know of no authority they have to make such additional grants and I am informally advised that their lawyers know of no such authority.

I regret that this situation may result in the disruption of programs and perhaps also in personal hardship in some instances. However, as I explained, we have tried several times to resolve the differences between the House and the Senate on the extension of the continuing resolution that is now in conference, and have been unable to do so. We are seeking to resolve the matter.

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

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

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

Mr. PEPPER. I thank the able gentleman. Would the distinguished chairman of the Appropriations Committee be good enough to have his technical people look into this matter to see if possibly before the end of the day appropriate statements might be made in the two bodies that might resolve this dilemma?

Mr. MAHON. Mr. Chairman, does the gentleman from Indiana yield?

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

Mr. MAHON. Mr. Chairman, I would certainly be glad to cooperate in every possible way. I hope a way can be found to pay people who have been working. I am in favor of doing everything we can legally do to alleviate this hardship. I want to cooperate with the gentleman. I commend him for undertaking to be helpful to people who are involved in this situation.

Mr. PEPPER. Mr. Chairman, I thank the gentleman very much.

Mr. ADAIR. Mr. Chairman, one of the arguments advanced by those who supported the writing of legislation in this appropriation bill, contrary to the usual rules of the House, was the fact that the Foreign Affairs Committee, and perhaps especially the conferees on that bill, took so much time in conference. It was, however, pointed out that the time we took in conference was to a considerable degree the fault of Members of the other body who were absent and thus made the holding of conferences impossible. It is interesting today, Mr. Chairman, to observe now that members of the Appropriations Committee are here complaining that they, in turn, are having difficulties getting to an agreement with conferees of the other body.

Now, Mr. Chairman, under the circumstances, I think it only fair that members of the Foreign Affairs Committee offer to assist the members of the Appropriations Committee in their efforts to get to an agreement.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 108. Any expenditure made from funds provided in this title for procurement outside the United States of any commodity in bulk and in excess of $100,000 shall be reported to the Committees on Appropriations of the Senate and the House of Representatives at least twice annually: *Provided*, That each such report shall state the reasons for which the President determined, pursuant to criteria set forth in section 604(a) of the Foreign Assistance Act of 1961, as amended, that foreign procurement will not result in adverse effects upon the economy of the United States or the industrial mobilization base which outweigh the economic or other advantages to the United States of less costly procurement outside the United States.

Mr. KYL. Mr. Chairman, I have a pro forma amendment.

Mr. Chairman, in section 108, we find the language which says the President must make a determination that foreign procurement shall not result in adverse effects upon the economy of the United States. In the interest of time, I refer Members to the sections on page 17 and 18, for the Inter-American Development Bank, which includes $300 million for payment of the third installment of supplementary contributions of the United States for the International Development Association, $104 million, in the next section, for the Export-Import Bank, and $2,550,000. All of these things together become very important in our consideration of this legislation when we read the news of the day.

According to an authoritative financial paper, the Wall Street Journal, the U.S. deficit in international transactions deepened in the third quarter, indicating the 1967 dollar outflow will be the largest in 3 years. The overall deficit was a seasonally adjusted $670 million. The Commerce Department reported the most adverse showing since early 1965. The surplus of merchandise trade slipped only slightly from the second quarter, but bank lending overseas spurted. Foreign investments by banks, and business firms according to the Journal, were subjected by the Treasury today to tighter but still voluntary curbs for 1968 in view of this outflow.

Secretary Fowler in commenting said that the curbs have been "extended more often than we would like" but explained that:

This is a consequence of a large foreign exchange cost in connection with Vietnam.

This is a significant statement from the Secretary.

We must not—

He said—

in any way slacken our efforts to reduce the payments deficit.

He pointed out there will be more stress next year on getting companies to borrow abroad.

Here, Mr. Chairman, we have the Treasury Department of the United States urging American business on the one hand to reduce investments abroad, to borrow funds abroad. Then at the same time, in legislation which we consider today, we are trying to do just the opposite thing, plus having the Federal Government itself engage in the distribution of American dollars abroad.

I believe it is significant, when we consider this legislation for foreign aid today, to think a bit about the serious balance-of-payments problem and the inconsistent effort that we demonstrate downtown and here on this day.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 109 (a) No assistance shall be furnished to any nation, whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended, for any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

(b) No economic assistance shall be furnished to any nation whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended (except section 214(b)), unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

AMENDMENT OFFERED BY MR. FRELINGHUYSEN

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

The Clerk read as follows:

Amendment offered by Mr. FRELINGHUYSEN: On page 9, line 19, strike out lines 19 through 24 inclusive and on page 10, lines 1 through 18 inclusive.

Mr. FRELINGHUYSEN. Mr. Chairman, I realize the difficulty of one individual arguing with the distinguished Committee on Appropriations. I want to assure them, as well as all other members of this Committee, that I am seeking no argument. I hope on this amendment we can reach agreement.

My proposal is, quite simply, to strike section 109, which refers to limitations and restrictions on giving any aid or assistance to countries governed by Communists.

I do so not in any way to weaken the bill, or modify our attitude toward those countries. Intimation was made when I offered my last amendment that if it were accepted, and if certain language were deleted, that our attitude might in some way be weakened.

I do this primarily to avoid the inevitable confusion between conflicting but very similar policy statements—those made in an appropriation bill, which I consider inappropriate, and those already enacted into law.

I wish time would permit an adequate discussion of the differences in the language.

I refer specifically to section 620(b) and 620(f) of the basic Foreign Assistance Act of 1961, as amended.

Section 620(b) is a one-sentence section:

No assistance shall be furnished under this Act to the government of any country unless the President determines that such country is not dominated or controlled by the international Communist movement.

Section 620(f) reads as follows:

(f) No assistance shall be furnished under this Act, as amended (except section 214(b)), to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries:

Peoples Republic of Albania,
Peoples Republic of Bulgaria,
Peoples Republic of China,
Czechoslovak Socialist Republic,
German Democratic Republic (East Germany),
Estonia,
Hungarian Peoples Republic,
Latvia,
Lithuania,
North Korean Peoples Republic,
North Vietnam,
Outer Mongolia-Mongolian Peoples Republic,
Polish Peoples Republic,
Rumanian Peoples Republic,
Tibet,
Federal Peoples Republic of Yugoslavia,
Cuba, and
Union of Soviet Socialist Republics (including its captive constituent republics).

In contrast, the text of the language contained in section 109 of the bill before us reads as follows:

SEC. 109 (a) No assistance shall be furnished to any nation, whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended, for any arms, ammunition, implements of war, atomic energy materials, or any articles, materials or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

(b) No economic assistance shall be furnished to any nation whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended (except section 214(b)), unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

To summarize: the restrictions on aid to Communist countries are far stronger in the language already approved by Congress than in the language proposed in section 109. If we do not strike the language in section 109 we are going to set up conflicts in our attitude, give different directions to our executive branch of Government. I believe all should agree this is undesirable.

As an example of what I mean about restrictions, the bill proposes a simple restriction which says—and I read from page 10, lines 10 and 11:

No economic assistance shall be furnished to any * * * unless the President determines that the withholding of such assistance would be contrary to the national interest * * *

What does the existing law say, Mr. Chairman? It says that—

No assistance shall be furnished * * * to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism.

Surely there can be no argument that this kind of restriction on aid to Communist countries is more restrictive than the language proposed in this bill.

In addition, the language already on the books specifies specifically, by name, in section 620(f) those countries which qualify as Communist countries. So I urge favorable consideration of this amendment.

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

Mr. FRELINGHUYSEN. I yield to the gentleman from Indiana.

Mr. ADAIR. Mr. Chairman, in support of the gentleman's position, I point out here again there is certainly vagueness in the wording. For example, at the bottom of page 9 and the top of page 10 where reference is made to "materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended."

It seems to me that language is so vague as to invite the confusion of which the gentleman speaks. Therefore, I urge the adoption of his amendment.

Mr. FRELINGHUYSEN. I thank the gentleman from Indiana.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

It is perfectly obvious that the amendment offered by the gentleman from New Jersey would greatly weaken the language contained in section 109(a) of the committee bill which says:

SEC. 109. (a) No assistance shall be furnished to any nation, whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended, for any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

We do not allow any Presidential waiver whatsoever as far as military assistance to Communist countries is concerned. Under the next provision, 109(b), we do permit a Presidential waiver on economic assistance, but on military assistance we have it airtight. This amendment would destroy what the committee felt is absolutely necessary, and that is to prevent the executive branch of the Government from providing any type of military assistance to a Communist country.

I hope that the members of the committee will vote down this amendment.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the distinguished gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, as we indicated in the other amendment, I think it is pretty clear we should not be giving or selling arms even to friendly countries where this diverts resources from the primary purpose of foreign aid, let alone giving such assistance to the enemies of the United States.

Mr. PASSMAN. To the very able and distinguished Member from Maryland [Mr. LONG] I ask this question: Do you concur with me that this amendment would weaken the committee language and allow a Presidential determination, but under the language of our bill it is absolutely airtight and under no conditions can any type of war materiel be provided?

Mr. LONG of Maryland. I agree, and in my estimation, to do what the amendment proposes would in a sense be to lock the front door and leave the back door wide open.

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

Mr. Chairman, first I would like to ask the chairman of the committee to what Communist countries do we give military aid at this point?

Mr. PASSMAN. That is not a question. Under existing law no military assistance can be given to any Communist country but under the amendment proposed by the gentleman from New Jersey it could be done.

Mrs. KELLY. That was not the question. I asked you what laws are on the books which would allow the President to give military aid to any country known as a Communist country, referring specifically to the Foreign Assistance Act? There are none, and no military aid is being given to any Communist country.

Mr. Chairman, I take second place to no one in my determination to prohibit the sending of military arms to any country, as we say in this new time of cold war, known as a Communist nation.

Mr. Chairman, I was one of the authors of the Mutual Defense Assistance Control Act of 1950, known as the Battle Act, which was the first major law designed to deny arms and aid to Communist countries. I have continued over the years in supporting our adherence to the provisions of that act and the operations which are carried on under that law. I had a great deal to do in the Committee on Foreign Affairs with reference to the other law referred to by my colleague, the gentleman from New Jersey [Mr. FRELINGHUYSEN], the Foreign Assistance Act, and I have par-

ticular reference to section 620(b) of that act which lists all those countries to which no aid is to be extended.

Mr. Chairman, I want to add that as a result of these laws, we have denied military equipment and other forms of aid to Communist countries for many years.

We all remember, of course, that President Eisenhower some years ago made a determination which allowed the sale of our farm surpluses to Poland. In a letter sent to the Committee on Foreign Affairs he explained fully his reasons for that action as a result thereof, Public Law 480, surplus commodities were subsequently sold to Poland. I must say this, that the Polish people have appreciated that gesture on our part and that the good will generated by those sales helped to demonstrate that the free people on the other side of the Iron Curtain had not forgotten them.

So, Mr. Chairman, I say at this time that the new language proposed in the bill before us does not improve our law prohibiting aid to Communist countries. Such aid is already prohibited and the bill simply creates confusion and uncertainty. For that reason, I support the amendment of the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, will the distinguished gentlewoman yield?

Mrs. KELLY. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I would like to point out that the gentleman from Louisiana has intimated that the existing law in some way provides a loophole which allows the President of the United States to provide military assistance of certain kinds to Communist countries. I would suggest that the loophole is a very small one. There are very tight restrictions and conditions under which the President can operate. It is inconceivable to me that he could meet those conditions and provide military assistance to Communist-controlled countries.

Therefore, Mr. Chairman, I would think that a flat prohibition such as is presently contained in the law, with tight restrictions on the President, in cases vital to the national security, provides more than adequate protection. And, further, under no circumstance, as a practical matter, is any President of the United States going to supply military assistance to the Communist countries.

Mrs. KELLY. Mr. Chairman, I thank my distinguished colleague from New Jersey [Mr. FRELINGHUYSEN] for his contribution.

Mr. Chairman, I want to ask my colleague from New Jersey if he would ever offer any amendment in order to permit the sale of military equipment to any country under the control of the Communist Party?

Mr. FRELINGHUYSEN. Mr. Chairman, if the distinguished gentlewoman will yield further, I would say that it would be inconceivable. It is for this reason that I am calling attention to the very strict requirements contained in the present law, which I think are advisable. I refer to sections 620(f).

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

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

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

Mr. LONG of Maryland. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, I should like to ask any member of the Committee on Foreign Affairs if it is not true that in the authorizing legislation for our appropriation bill there is a phrase or clause which reads as follows:

> No assistance shall be furnished under this Act to the government of any country unless the President determines that such country is not dominated or controlled by the international Communist movement.

You do give the President the right of determination, do you not?

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

Mr. LONG of Maryland. I yield to the gentleman.

Mr. FRELINGHUYSEN. I assume the gentleman from Louisiana does not believe I, as an individual, am in a position personally to give the President anything.

Mr. PASSMAN. I am not talking about you as an individual, I am reading the language in the public law. Do I read it correctly?

Mr. FRELINGHUYSEN. The Congress of the United States has spelled out, if the gentleman will refer to section 620(f) of the Foreign Assistance Act, as to what we mean by Communist controlled. And it gives no leeway except in cases where it is felt it would be in the national security.

It is inconceivable that the President would find it essential to the national security to give military assistance to a Communist country.

Mr. PASSMAN. I agree. We would not expect the President to do so, but under the Foreign Assistance Act, as I read it, the President could make such an exception; could he not?

Mr. FRELINGHUYSEN. Well, I do not believe our President is a moron, and that he would——

Mr. PASSMAN. I did not say that. I am asking you the question: Could the President make such an exception?

Mr. FRELINGHUYSEN. I would suggest that the limitations on the President's authority are very restrictive, as I have stated three times. We are not giving him any freedom, and in any case it is inconceivable that he would abuse his power by giving assistance to Communist-controlled countries.

Mr. PASSMAN. I repeat my question. Section 620(b) of the authorization act states:

> No assistance shall be furnished under this Act to the government of any country unless the President determines that such country is not dominated or controlled by the international Communist movement.

Under that language the President could make a determination to extend assistance to a Communist country; could he not?

Mr. LONG of Maryland. It would seem to me that he could.

Mr. PASSMAN. But under the language of the bill presently under consideration, the President could not make this determination, could he?

Mr. LONG of Maryland. I will say to the gentleman that I believe that is right, and that is the way I believe it should be.

Mr. FRELINGHUYSEN. Mr. Chairman, could I ask the gentleman the meaning of the language in Section 109:

> No assistance shall be furnished to any nation, whose government is based upon that theory of government known as communism—

Does not that language mean that somebody has to make a determination as to whether that country is controlled by communism? Is it not appropriate that our own President should be given a reasonable amount of discretion to decide whether or not the country is controlled by communism? Surely the gentleman——

Mr. LONG of Maryland. But that is not the point that the gentleman is raising.

Mr. FRELINGHUYSEN. I am not raising the point, the gentleman from Louisiana is raising the point. I am saying that somebody has to be given discretion to decide whether a country is controlled by Communists. The intimation is that the Committee on Appropriations is in some way depriving the President of that right.

Mr. LONG of Maryland. The point of this legislation is that once the determination is made that the country is a Communist country, then the President would have no discretion.

Mr. PASSMAN. I want to state in section 107(b), which this amendment proposes to delete, that we do provide that the President may make the determination and give economic aid. But we positively close the door for a similar determination by the President on military assistance. I certainly hope the Committee will vote down this amendment.

Mr. LONG of Maryland. We not only lock the front door; we lock the back door.

Mr. PASSMAN. That is what we want to do and what the language of the committee bill is designed to do.

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

Mr. LONG of Maryland. I yield to the gentleman from Indiana.

Mr. ADAIR. Under the provisions of the proposed law, let me ask the gentleman: Who is to make the determination as to whether or not a country is under Communist domination?

Mr. LONG of Maryland. I would assume, if the gentleman is directing the question to me, that it would be made by those who have the job of administering the law.

But the point we are determining here or raising here is not the question of who determines whether a country is Communist but what discretion the President has once that determination is made, and whether we want to take that discretion away from him.

Mr. ADAIR. Then this amendment would have the effect of taking the dis-

cretion away from the President and lodging it with some administrator down the line to determine whether a country is Communist?

Mr. PASSMAN. That is not so under the language of our bill. The administrators of this bill would not have the discretion to make such a determination.

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

Mr. Chairman, there has been a good deal of discussion about the front door being closed and the back door being opened. I think the point which has been made very clearly in the language as presently stated in proposed section 109(a) opens it absolutely wide open.

As the gentleman from Indiana [Mr. ADAIR] just pointed out, the only prohibition indicated in section 109(a) relates to items, military items, contained on a list determined by the Administrator or AID pursuant to title I of the National Defense Assistance Control Act (22 U.S.C.A. 1611(a)).

Under that act, if the Administrator desires to declassify an item as military equipment, he may take it off the list which is provided under title I.

I think this just goes to point out the very serious dangers of taking up this kind of a provision on a bill that is primarily related to appropriations.

Actually, the door is open a great deal wider under section 109(a) than it is opened under any permissive provisions under any other act. I wonder if the Committee on Appropriations has considered this point and would care to comment on that.

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

Mr. TAFT. I yield to the gentleman.

Mr. PASSMAN. If the gentleman will refer to the Foreign Assistance Act of 1961, as amended, I will quote, from the gentleman's own authorization bill, section 620(b):

> No assistance shall be furnished under this Act to the government of any country unless the President determines that such country is not dominated or controlled by the international Communist movement.

That language provides that no assistance shall be furnished under this act to the government of any Communist country unless there is a Presidential determination that such country is not dominated, and so on.

Our language provides that no Communist country can be provided military equipment even if there is that determination.

Mr. TAFT. But for the provision to apply the military equipment must be military equipment listed on this list under title I of the Mutual Defense Control Act. The administration must make the determination. That list is authorized to be kept up to date and may be changed from time to time.

Mr. LONG of Maryland. Does the gentleman maintain that this rather clearly defined list of implements of war is not sufficiently comprehensive to cover all implemented weapons of war?

Mr. TAFT. I presume there are new weapons and new items of military equipment that may be determined from time to time. I would like to have the President and not the Administrator of the AID program have the discretion.

Mr. LONG of Maryland. You are talking about some day in the distant future when the meaning of what we are considering to be implements of war may have changed. At the present time this is a fairly comprehensive list.

Mr. PASSMAN. I certainly concur that this list should be updated as often as necessary. However, I, too, believe it is fairly comprehensive.

This committee felt that the President should not have that determination as to military assistance. If you want to make it more clearly defined as to what are strategic materials, then your committee should update the list of strategic materials.

Mr. FRELINGHUYSEN. The gentleman from Louisiana astounds me. Perhaps I do not understand but the gentleman apparently is saying that in effect the Appropriations Committee is trying to repeal section 620(b) of the Foreign Assistance Act.

Let me read from it.

> No assistance shall be furnished under this Act to the government of any country unless the President determines that this country is not dominated or controlled by the international Communist movement.

Is the gentleman from Louisiana saying, with respect to military equipment, that he does not feel the President should have any right or any discretion to decide whether a country is controlled by communism? I would think such a view would lend itself to an impossible situation.

Perhaps the Appropriations Committee has more wisdom than the President of the United States, but in the bill they have not replaced him as the entity that should make such a determination. I would think that the legislative record which we are building will make it impossible for anyone to move in any direction, yet it may well be important for the President to have the discretion to make a judgment with respect to a certain country so as to allow us to provide assistance, including military assistance, to that country.

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

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. ZABLOCKI. I submit that the debate we have just heard fully illustrates how little some Members realize what is already in the law—in the Foreign Assistance Act.

Section 109 of the appropriation bill in effect, opens the door instead of tightening the existing law.

The gentleman from Louisiana has read only a part of section 620 of the Foreign Assistance Act. He read only subsection (b) of that section. I suggest that the gentleman from Louisiana read also subsection (f) which has a more direct bearing on the issue at hand. Subsection (6) reads:

> No assistance shall be furnished under this act . . . to any Communist country. . .

The words "no assistance under this act" mean both military and economic assistance. There are no "ifs" or "buts" about it. Both types of aid are already prohibited, and the act spells out, as the gentleman from New Jersey has pointed out, the three conditions under which the President can waive this prohibition. Those three conditions are more stringent than any language proposed in the bill before us.

It pains me to see that it is the Members on the other side of the aisle who have led the fight to retain the language of existing law and who thereby have demonstrated confidence in our President. It is on this side of the aisle that we find people who apparently do not have sufficient confidence in our President to expect him to administer section 620(f) in a manner that serves the interests of our Nation.

Under the present act, no Communist country is receiving military assistance, and the gentleman from Louisiana knows that. This proposed language in the bill is window dressing. It can only create conflicts and confusion. It is unfortunate that we are dealing with legislation as important as this under these conditions.

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

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

Mr. PASSMAN. Is it not true that the language in the committee bill presently denies the right of determination to the President, whereas under your committee authorization bill language he can make a determination and provide military equipment to Communist countries? Is that not a statement of fact?

Mr. ZABLOCKI. As was so ably pointed out by the gentleman from New Jersey and the gentleman from Ohio and the gentleman from Indiana, under section 109(a), it appears that the members of the Appropriations Committee are unable to identify who will make the determination as to what government is based upon the theory of government known as communistic and is ineligible for assistance. The gentleman from Indiana pointed out that very likely some Assistant Secretary will make the determination. Under the Foreign Assistance Act it is clearly the President who will make the determination whether or not assistance can indeed be furnished.

Mr. PASSMAN. Does the gentleman have the time to answer my question? You made a statement, but you did not answer my question: In the legislation under consideration the President is not given the right to make a determination, but under the Foreign Assistance Act the President can make a determination to provide military equipment to Communist countries. Is that a statement of fact?

Mr. ZABLOCKI. Only if the President finds that the three criteria, carefully spelled out in the law, are met. And the three criteria in effect prohibit aid under any and all circumstances to any country which is a part of the communist conspiracy.

Mr. PASSMAN. I thank the gentleman for his confirmation.

Mr. ZABLOCKI. These criteria were accepted by the Foreign Affairs Committee and the Congress after careful study. I do not think we should willy-

nilly change them and possibly further bind the hands of the President. The President, under our Constitution, has the primary responsibility in foreign affairs. I do not think that he will abrogate these responsibilities and his powers to the Appropriations Committee. And I do not think that the Foreign Affairs Committee should abrogate its powers to the Appropriations Committee.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentlewoman from New York.

Mrs. KELLY. I thank the gentleman for yielding. Under the Mutual Defense Assistance Control Act and the Foreign Assistance Act there are prohibitions against giving military assistance to any country under Communist domination. That is already on the books. I thank the gentleman in that regard.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield for a question?

Mr. ZABLOCKI. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, to assist my understanding of what the present law is and how this bill may change it, let us assume for purposes of our understanding that one Communist country attacked another and that it was in our national interest to help one of them. Can we under the present law give such military assistance, and under the bill as proposed can we give such military assistance?

Mr. ZABLOCKI. If the President makes a determination to the effect that the three criteria spelled out in section 620(f) of the Foreign Assistance Act are met, positive action would, of course, be possible.

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

Mr. Chairman, I certainly did not intend to get into this debate. In the first place, I think we have debated this long enough. We should bring this to a close and get it to the Senate, so we can get out of this Congress before Christmas. I do not know what we are getting into a lather over about this particular provision. This provision has been in every appropriation bill since 1963. All of the sudden some of the members of the Foreign Affairs Committee, which I have a great respect and admiration for—I hope some day every single one of the members of it will become Secretary of State. I do. They deserve it. They work hard at it. All of the sudden, they feel that someone has invaded their jurisdiction. This provision has been in the bill since 1963. My good friend from Wisconsin, whom I love, came in here very dramatically and said the Senate has faith in the President.

Mr. ZABLOCKI. I meant the gentleman on the other side of the aisle. I did not intend to refer to the other body.

Mr. CONTE. All right. The other side. But, in fact, it was the other body that kept the authorization bill in conference. For week after week after week on the arms sales question, because they had no faith. It was not the House of Representatives. It was the House of Representatives that was trying to dilute and weaken that provision.

Mr. FRASER. Mr. Chairman, does the gentleman yield?

Mr. CONTE. I will be glad to yield shortly to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, I thank the gentleman for yielding.

I just want to say that I had not really intended to get into this debate. I knew there was some legislative difficulty in this bill. I think the gentleman had some hand in some of this. I must say I find the debate going on now disconcerting. I think the fact of the matter is that we have been aware of some of this for the first time, because we are aware of the fact that the Appropriations Committee did reach out and try to bring in new legislative areas. I cannot understand why the Subcommittee on Appropriations decided now it ought to become the legislative body with respect to foreign affairs.

Mr. CONTE. Mr. Chairman, I do not care to yield further. I have only a few seconds left.

Mr. Chairman, the point I am trying to make, in answer to the gentleman, is that this provision was in the bill since 1963. It may be that I agree it should not be in the bill, but why did the gentleman not come last year and tell me, or why did he not come before we sat down and marked up the bill and say, "I do not like that provision which has been in the bill since 1963"? Why did the gentleman from Wisconsin not take the floor last year or the year before or the year before that and say, "I do not like that provision in the bill. Take it out." Why wait until this late date in the session? A few members of the Foreign Affairs Committee may feel their feelings have been hurt. I can understand their feelings. I really can, but I feel we have to move on; we have to bring this session of the Congress to a close. I want to pass this bill today, and I want to go and sit with the Senate in conference and get this legislation passed.

Mr. ZABLOCKI. Mr. Chairman, the gentleman wondered why I had not opposed this provision in the past 3 years. Perhaps the members of the Foreign Affairs Committee were remiss. Nevertheless, it should not take 3 years for members of the Appropriations Committee to see the light and correct their ways and voluntarily strike the legislative provisions from the Appropriation Act.

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

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

Mr. FRELINGHUYSEN. Mr. Chairman, I share the gentleman's concern about going home for Thanksgiving at least. It seems to me the simplest way to do it is to drop some of the controversial legislative language which is in contradiction with language already on the books. It seems to me if we could have had a point of order made against this, we would not have had to get into a prolonged conference with the other body on the merits of this legislation, which surely we are going to do, as the gentleman indicated, and as has happened in the past.

I would think, if they could only see that they do not have all the wisdom, that there are provisions perhaps even better than the language proposed in this bill, and we might expedite the proceedings, and even now get a bill through.

It is for that reason I sought unanimous consent to have certain amendments considered en bloc. I regret that is not the case.

Mr. CONTE. If I may say so, there are only three new amendments in this bill that were added by the Foreign Operations Subcommittee. All the other sections of this bill were in the old language, in the old bill. There is nothing new here other than that. There are only three new amendments, and two of those are with respect to the selling of sophisticated weapons of war to basically Latin America and Africa.

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

Mr. CONTE. I yield to the gentleman from North Carolina.

Mr. JONAS. Is this not the situation: The committee has incorporated this language, which is a recommendation to the House. The Committee on Appropriations is not trying to run things. If the House does not like this language, the House can take it out.

Let us vote.

Mr. CONTE. The gentleman is absolutely correct. This language was adopted by the House before, not by the committee.

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

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

I take a little pride in the section 620 (f) of the Foreign Assistance Act, because I was the author of it a few years ago—about 5 years ago, I believe.

I just want the chairman of the subcommittee to assure me that this will not weaken that section one bit.

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

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

Mr. PASSMAN. It is the opinion of the members of the committee that it will not in any way weaken your language. It really will make it stronger, in the opinion of the members of the committee.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

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

Mr. LONG of Maryland. I agree with the chairman of the subcommittee. It will strengthen rather than weaken your language.

Mr. CASEY. Mr. Chairman, it took me 2 years to get this section in. I should like to see it kept in. I do not want to see it weakened a bit. It has been effective in the law.

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

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

Mr. CONTE. If I remember correctly—and I stand to be corrected—what the Members are arguing over, in trying to do this, is trying to make a change in the gentleman's language, which the House adopted a few years ago.

Mr. CASEY. I will not tolerate that, I assure the gentleman.

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

Mr. CASEY. I am glad to yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I would like to say, as the sponsor of the amendment, I am trying to protect the language the gentleman from Texas proposed, which is now section 620(f) of the law. Under the proposal of section 109 there would be a relaxation of the limitations on economic assistance. That section merely says that no economic assistance shall be furnished unless the President determines that the withholding of such assistance would be contrary to the national interest.

Without any doubt, this would be a watering down of the language presently on the books.

Mr. CASEY. The gentleman will recall that the language which I offered, which was adopted by the House, was to prohibit any and all assistance, and to make sure it was understood I listed the countries, but not limited to those countries we considered Communist. The other body put in the discretion with reference to the President making the determination, which follows under subsections (g) and (h) of section 620.

All I want to know—and I want a firm answer—is whether this will weaken this section or give more latitude and more discretion in the giving of aid to Communist countries?

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

Mr. CASEY. I will yield to any Member who can answer.

Mr. FRELINGHUYSEN. Without any question, it will weaken the language with respect to economic assistance. There is only one limitation proposed in section 109.

Mr. CASEY. The gentleman says it will weaken the language?

Mr. FRELINGHUYSEN. It will weaken the language. It simply says that no economic assistance shall be furnished unless the President determines that the withholding of such assistance would be contrary to the national interest. That is the only limitation, instead of the three limitations against all assistance, military and economic, in the present law.

Mr. CASEY. I do not want it weakened, myself.

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

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

Mr. PASSMAN. May I say to the gentleman from Texas, under section 107(a) relating to military, your language would be greatly strengthened. Section 107(b) relating to economic assistance, is, in my opinion, the same as that contained in your amendment.

The gentleman would be greatly fortified, in my candid opinion, for his years of hard work, if he votes against the amendment.

I believe the great chairman of the Committee on Appropriations concurs, and also the gentleman from Massachusetts now on his feet [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I want to say—and I believe the gentleman will agree with me on this—in regard to military assistance the language in the appropriation bill is much stronger and in regard to economic assistance I think the language is about equal. In both provisions in regard to economic assistance, the President has discretionary power.

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

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

Mr. FRELINGHUYSEN. For the legislative record if for nothing else, we are misrepresenting the facts. If we should accept section 109, it would be without doubt putting less strings on economic assistance to Communist countries, because the only limitation on the President would be that it was not contrary to our national interest instead of the three-point limitation in existing law. I do not see how any contention can be made that our insistence with the present law is stronger than their law is. By the wildest stretch of the imagination it would be hard to contend such a thing if that is the position of the gentleman from Louisiana as I understand it.

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

Mr. Chairman, I take this time—and it will be very brief—merely to take advantage of the development made by my colleague and fellow member of the subcommittee, the gentleman from Massachusetts [Mr. CONTE], because in the argument yesterday afternoon with many of my colleagues of like mind they were astounded to learn that some of this language has been in the bill for some time. We have been voting for it every year if we wanted to vote for foreign aid. I want to state here so the RECORD is very clear, there are items in this bill which I do not approve. One of them is this section. But there are other important things that have to be done in relation to foreign assistance and foreign aid which in weighing out the costs are even more urgent. So we have had to bear with this. But make no mistake about it, I do not approve of this language and tend to agree with the arguments made by the gentleman from New Jersey and those who support his view. What I am doing now is rubbing it in a little bit with some of my colleagues who yesterday told me what a horrible piece of legislation the committee bill was. We had only two committee amendments in the subcommittee markup.

There are very important issues in this bill that are at stake, as I see it. I will keep my eye clearly on the issue during the debate this afternoon. To me the issues have to do with military assistance to Latin America and Africa. I want to say to this distinguished Committee of the Whole that I am going to do everything I can to resist the State Department, or any other agency of our Government, if they allow prestigious materials of warfare to go to countries that cannot afford to bear the cost, and whose people are living at just barely the level of subsistence and in a state that has brought about the revolutions that we are hoping to prevent. And do not tell me they are going to get it some place else. That is exactly what happened in Indonesia some time ago. Over $1.5 billion of Russian materials of war went to Indonesia and we had but a small advisory mission there.

Our military assistance program was primarily a training program. May I say to everyone present that I do not oppose military assistance, but I do oppose military assistance of the kind that has been given in too many cases. I will support military assistance especially for training and basic internal security.

Let me remind you that today in Indonesia the greatest recovery problem we have in the postrevolutionary period in that part of the world is the fact that they have $1.5 billion that has to be paid back to the Russians. They are trying to figure out methods of repayment. We are trying to figure out a way to get back in there with economic assistance. But at no time did we provide significant military assistance except training. They received it from other countries. And look at what happened. I do not believe the taxpayers of this country want to support this kind of arms race.

I also want to say while I am on my feet that I believe such things as operation and maintenance money for decrepit and obsolete weapons systems is a crime, because all it is doing is supporting a privileged military class and putting a further burden on some of these poor countries. I am not going to recite the names of the countries, for obvious reasons, but I want everyone within the sound of my voice and all of the foreign diplomats in this city to hear what I am saying, because that is the way the people in this country, in my judgment, feel. I am confident this House shares that view.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike the requisite number of words.

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

Mr. O'HARA of Illinois. I am happy to yield to the distinguished gentleman from Indiana.

Mr. ROUSH. Mr. Chairman, for 8 consecutive years I have voted against the various foreign aid bills. I have not always done so with a clear conscience for within the program there are certain programs which are doing a great job for a minimum amount of money. But I must vote on the program as a whole. I have, in evaluating the value received as compared to the cost, found the program wanting. In 1951 and 1952 I was in Germany and there I saw a program which was succeeding beyond our fondest dreams. I looked with pride at the signs saying "Hier hilft der Marshall Plan." We had a definite goal. We accomplished that goal and then terminated that program. Our goals now are not so definite nor does there seem to be any time in sight when the foreign aid program will come to an end.

Also, today we are beset with many problems which require more than ever a priority directed spending of available funds. As we establish our priorities we must very carefully assess what this Nation is able to do and what it cannot do. We must also take into consideration the many legitimate demands for money here in our own country. I cannot help but believe that for us to do abroad for

citizens of other countries that which we fail to do here or can do here in this country for our own citizens is neither being wise nor prudent. It is being foolhardy.

The committee points out some of the results claimed by the Agency for International Development. It says that over 15 million textbooks have been distributed abroad. In America there are thousands of schools using outdated textbooks. It says that over 25,000 classrooms have been built abroad. In my congressional district there are areas where we have a desperate shortage of classrooms and where we do have adequate classrooms there is an unusually heavy local tax burden. Over 19 million students are enrolled in assisted schools abroad. In Indiana we have elementary, secondary schools and institutions of higher learning clamoring for funds which just are not available. It is pointed out that over 60,000 dwelling units have been built abroad. One of the most pressing problems confronting America is its housing shortage and every proposal to do something to help brings forth cries of dismay—some of them coming from the very people who support the foreign aid programs.

The report tells us that over 800,000 tons of fertilizer nutrient were provided abroad in 1966. I have farmers threatened with bankruptcy because of high costs of items such as fertilizer and low incomes. The report also shows that nearly 100 million people benefited from new water supply facilities, almost 800,000 new acres were irrigated and more than 600,000 acres of land reclaimed abroad during 1966. Well I have towns and cities in my district which cannot get Federal help for their own water supplies and sewage systems because there simply is not enough money to go around. In this country we have people in the West who desperately need irrigation projects financed and millions of acres which could be reclaimed which we are neglecting.

The report points out that in 1966 almost 20,000 firms abroad have received industrial credit loans. How many small business loan applications have been turned down in Indiana just because there was not enough money to go around?

Mr. Chairman, as much as we may want to do these things for all people, as much compassion as we may have for the people of the developing countries, as much as we may feel for their problems, we simply cannot afford to do these things. I cannot vote for a program which looks after needs abroad when I am forced by reason of fiscal problems to vote against, or for reductions in, domestic programs of the same nature which would take care of desperate needs at home.

Mr. O'HARA of Illinois. Mr. Chairman, it was my good fortune to be brought up to be a good loser. I was told by my father that one could win more friends in defeat if one were a good loser than one could win as a winner and that the best way to lose all one's friends was to be an arrogant winner.

Mr. Chairman, I was defeated yesterday and today I know I occupy the humble place of a loser. I fought for the honor and the prerogatives of the committee of my assignment. And, I might say that I do not have a better friend in this body and that there is no Member of Congress for whom I have a deeper affection, than the distinguished gentleman from Louisiana [Mr. PASSMAN]. But yesterday, when he was reaching out, the great statesman that he is, to take over the prerogatives of my committee, I had to fight even my dear friend. And, Mr. Chairman, I was right. But I was beaten. The side on which I fought lost 190 to 200. That meant that foreign policy responsibility passed to the Committee on Appropriations.

Mr. Chairman, I was not going to raise my voice today. I fully realized that would be a gesture in futility since the great Committee on Appropriations had taken over the legislative functions of the defunct Committee on Foreign Affairs. So, I was silenced, sidelined as it were. But now that I observe Members are raising their voices and their tempers seem frayed I venture to suggest a cooling-off period.

There has never been a President of the United States who did not regard the security of his country as a sacred obligation. Our country had a great President when I was a young man, and I am proud and I feel honored to serve in this Chamber with his grandson. I have served in the Congress under four Presidents, and with each the security of our country was an obligation deep rooted in mind and heart.

No, Mr. Chairman, let us not take away the power of the President of the United States to make decisions in foreign affairs, vital determinations that must be made, and often quickly.

Suppose tomorrow there were a change of government in Cuba, a new government had come into being, and that again the happiness of liberty had come to the people of the island of Cuba. Who would recognize the new government? How long would it be, how many dreary weeks and months, until our doors were reopened because we had deprived the President of the United States of the power to note a change in status quo?

Mr. Chairman, there is no area of greater delicacy than that of foreign affairs. Foreign policy is not a fabric that can be woven in the passions of legislative debate.

Mr. PASSMAN. Mr. Chairman, will the distinguished gentleman from Illinois yield?

Mr. O'HARA of Illinois. Yes, I yield to my good friend, the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, I thank the distinguished gentleman from Illinois for yielding and I wish to reciprocate fully, in view of the compliment that the gentleman paid to me, and to say that we have been friends for many, many years. We have lived in the same hotel. We have counseled together often. I am sure the gentleman from Illinois knows that I have the most profound respect for the gentleman, one of my great friends.

Mr. Chairman, I appreciate how the distinguished gentleman feels. But it is not entirely the fault of the gentleman from Louisiana with respect to this legislation. I have great respect for the great Committee on Foreign Affairs of the House of Representatives on which the distinguished gentleman from Illinois serves, but there were certain circumstances that made it necessary, and the majority of the members of the whole committee felt that we should bring out this bill which seems to be so distasteful to some members.

I hope the gentleman will not take it as a personal reflection.

Mr. O'HARA of Illinois. Not at all. The best of friends cannot always be in agreement and in a democratic society that is as it should be.

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

Mr. PASSMAN. Mr. Chairman, I wonder if we could reach some agreement on the remainder of time on this amendment and all amendments thereto.

We have been debating on this amendment for approximately 2 hours. I understand there are some 15 or 16 other amendments.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 2:25 p.m.

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

Mr. JONES of Missouri. Mr. Chairman, reserving the right to object, is it in order to move the previous question on this amendment now, inasmuch as we have had considerable debate on it, and I have been trying to receive recognition for approximately half an hour, but now I am willing to forgo my time.

The CHAIRMAN. The Chair will state that the moving of the previous question is not in order in the Committee of the Whole.

Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES] for 1 minute.

Mr. JONES of Missouri. Mr. Chairman, I do not care to ask for the privilege of revising and extending my remarks.

I would like to direct the attention of the gentleman from New Jersey to his remarks of yesterday, when he at least insinuated that I was dense, and could not understand, and then today the gentleman from Wisconsin made the statement that it takes the Committee on Appropriations 3 years to understand what is in this bill.

In other words, the striped pants boys seem to have all the intelligence, seem to have all the answers.

I want to say that I commend the Committee on Appropriations for writing some language in this bill which can be understood.

I want to say to the gentleman from New Jersey that the amendments he has offered would have done nothing but detract from the bill, and weaken the bill. Yesterday the gentleman wanted to take out Cuba, and now the gentleman wants to take out everything else.

This, as has been stated by the Committee on Appropriations, is for emphasis that we mean business; that we do not

want to deal with Cuba, and that we do not want to give any help or assistance to any of the other Communist nations, and those that have broken diplomatic relations with the United States.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. LONG].

Mr. LONG of Maryland. Mr. Chairman, I simply do not understand the arguments that have been made here that the Committee on Appropriations is legislating.

Chairman Dingley of Maine wrote in 1896:

The House in Committee of the Whole has the right to refuse to appropriate for any object, either in whole or in part, even though that object may be authorized by law. That principle of limitation has been sustained so repeatedly that it may be regarded as a part of the parliamentary law of the Committee of the Whole.

Further, Asher C. Hinds, in Hinds Precedents in 1908, stated that the appropriation may interfere with Executive discretion only in a negative way.

That is all that we are proposing to do here.

The gentleman from Illinois asked what would happen if the Government of Cuba should change very suddenly. Well, if it changed as much as the gentleman hoped that it would, then it would no longer be a Communist country, and we would have no reason to worry about it in that particular case.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Chairman, I want to point out that in my opinion what we are talking about is academic as far as foreign military assistance is concerned. There are $365 million appropriated in this bill, but under the defense appropriation there is probably a sum in excess of $500 million.

The restrictions in this bill apply so far as foreign assistance is concerned, and when you take the lion's share of military assistance out of this bill as we have done and put it in defense appropriations, you are removing every single restriction that we have under the foreign assistance bill. We are just debating among ourselves about restrictions which do not apply under the Defense Appropriation Act.

So far as that sum in excess of $500 million is concerned, there are no restrictions whatever in my opinion. We have let this tremendous appropriation ride through on the defense appropriation where it cannot be touched and now we are engaging in an academic exercise.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I rise in opposition to the Frelinghuysen amendment for the reason that it would give more delegated authority to the executive branch of Government.

It will be interesting to see when we get to the Latin American phase of this bill how much discretionary authority some of the Members of the House will want to give to the executive branch of the Government in the sale of military equipment to that area of the world.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. ZABLOCKI].

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

I might say that I, for one, have every confidence in our President. If that section of the bill will be modified by an amendment giving some discretionary authority to the President so far as the sales of military equipment are concerned, I would favor it.

I want to say at this time I deeply regret that the gentleman from Missouri took offense at my observation regarding the prevailing knowledge of what is in this bill and of what is and has been in the law. I gather he was also not pleased with my explanation regarding the reason why some of these provisions have been allowed to remain in previous appropriation bills.

I admire the gentleman very much and I have high regard for him. I must confess, however, that some members of the Committee on Appropriations did advise me that in their opinion there was a lot of "garbage" in the bill before us. That is not my expression; I am simply repeating what I was told.

I would hope therefore that these members would voluntarily put some check on the extraneous material which repeatedly finds its way into the appropriation bills.

In closing, I just want to say that section 109 of this bill, that part of it which deals with the military assistance, may be stronger on the surface than the language in the Foreign Assistance Act. Unfortunately, the bill does not identify who shall make the determination that a country is Communist and therefore ineligible for assistance.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Chairman, I support the committee bill as it is, without the amendment.

The chief reason I have taken the well of the House is because of the legislative situation. Remarks have been made here about this bill repealing previous law. Of course, those of you who are lawyers know that that is not so. This provision does not expressly repeal the other law and neither does it impliedly repeal the law. Unless we do something here on the floor of the House to strongly show that repeal is intended—and nothing so far has shown that—the result would be that if we pass the committee bill, the older law would still exist and the most restrictive of the two provisions would apply. That is what the law will be. It will not repeal the old law at all and the requirements of the old law will still exist.

As I say, the chief reason I have taken the well is that I favor the law as it was brought out by the committee and its added new restrictions. It does not repeal the other law at all.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN] to close debate.

Mr. PASSMAN. Mr. Chairman, I ask for a vote on the amendment.

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

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 114. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

AMENDMENT OFFERED BY MR. FRELINGHUYSEN

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

The Clerk read as follows:

Amendment offered by Mr. FRELINGHUYSEN: On page 12, line 8, strike out lines 8 through 12, inclusive.

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. FRELINGHUYSEN. Mr. Chairman, I should like to apologize to any member of this Committee who feels that he has been personally insulted or offended by what I may have said during the debate. Some of the subjects are quite difficult for me to comprehend, and certainly some of the lines of argument, but I did not mean to cast aspersions on any individual Member. I refer specifically to the comments of the gentleman from Missouri in that connection. My admiration for his sagacity, intelligence, and integrity ranks with all the other Members of the Congress.

Mr. Chairman, my amendment would eliminate section 114 from the bill. This amendment is very simple. The section I propose to delete is very simple and my amendment is very simple.

This language of the bill proposes that no foreign aid funds are to be used for any assessments, arrearages, or dues of any member of the U.N. It reads as follows:

SEC. 114. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

I would like to suggest, first, that I would doubt very much if it would be possible, even if anyone wished to, for appropriations by Congress to be used for direct purposes such as this.

I would like to suggest also that this basic problem has been discussed in some detail in the Foreign Affairs Committee and the Foreign Relations Committee. Language has been agreed upon in the act just signed into law, the Foreign Assistance Act of 1967. Let me read it. I realize time is short. It is section 620(u) of the Foreign Assistance Act.

In any decision to provide or continue to provide any program of assistance to any country under the Foreign Assistance Act of 1961, as amended, there shall be taken into account the status of the country with respect to its dues assessments and other obligations to the United Nations, and where such country is delinquent with respect to any such obligations, for purposes of the first sentence of Article XIX of the U.N. Charter the President shall furnish the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives a report setting forth the assurance given by the Government of the country concerned of the paying of its arrearages and placing its payments and obligations on a current basis, or a full explanation of the

unusual or exceptional circumstances which render it economically incapable of giving such assurance.

Surely, Mr. Chairman, this is an adequate and appropriate reaction on our part to the fact that some of the United Nations members have not paid their dues or regular assessments and are in arrearage. However, to suggest that in some way we can bring pressure by not appropriating funds is surely to miss the point entirely. No one is suggesting that funds could or should be used directly for that purpose. In the present law, recently enacted, is a provision saying that in giving any aid, consideration must be given to whether the recipient countries are in arrears. That is one of the factors which should be taken into consideration. It is aimed at any indirect subsidy, which is presumably also the intention of the Appropriations Committee in the language of the bill before us.

I would hope that calling the attention to the very specific requirement that the President take this into consideration would allay any suspicions that perhaps in one way or another the United States is subsidizing the assessments of other U.N. members. I can assure the Committee, so far as I know, that no such subsidy is presently being undertaken or is contemplated.

I think the maximum we should expect is that consideration be taken as to whether more could not be done by these countries. If they make little effort, it might be a factor against giving aid to these countries.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

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

Mr. LONG of Maryland. Mr. Chairman, I am a little puzzled about the point. If I gather the point of the gentleman, it is that there is nothing in the law at the present time or in practice that calls for the paying of dues or assessments of any nation in the United Nations, and that therefore this is not necessary.

Mr. FRELINGHUYSEN. That is not my point. If the gentleman listened, he would have heard I have very specific reference to the importance of the executive branch of the Government taking into consideration whether any nation is in arrears in its dues to the U.N.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(On request of Mr. JONES of Missouri, and by unanimous consent, Mr. FRELINGHUYSEN was allowed to proceed for 2 additional minutes.)

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Mr. Chairman, is there any prohibition in the Foreign Assistance Act prohibiting the United States from using funds to pay the arrearages?

Mr. FRELINGHUYSEN. Mr. Chairman, I might say to the gentleman, if he would read the bill closely, there is no prohibition in the language in the bill. The bill does not provide such prohibition. There is no prohibition that aid given to a country cannot be used by that country to pay its assessments.

Mr. JONES of Missouri. Mr. Chairman, may I say to the gentleman, the gentleman evidently does not read any closer than the gentleman intimates I do not read, because it says that "none of the funds appropriated or made available pursuant to this Act may be used to pay in whole or in part any assessments, arrearages," and so on.

The reason I say that is, I think, in fact, we are paying some of these assessments to some of these international organizations, under a subterfuge, by assessing a nation four one-hundredths of 1 percent and permitting them to put people on the payroll in excess of the amount of money they are paying. That is the thing I have been objecting to. I have tried to call it to the attention of this body yesterday, but evidently some people could not get it into their minds what I was trying to reach.

I do not want us to be suckers any more.

Mr. FRELINGHUYSEN. I might say, if the gentleman thinks this language is reaching to the problem of whether an individual country is paying an adequate U.N. assessment, this language will not correct the scale of assessments in the U.N. It would not prohibit any aid going to any country that we may think is not paying an adequate assessment to the U.N.

Mr. JONES of Missouri. No. It says that none of this shall be used to pay the assessment of dues. It does not say we cannot give aid to countries in arrears.

Mr. FRELINGHUYSEN. I might say no one is contemplating paying assessment of dues.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is not legislation in an appropriation bill. This is nothing more than a limitation, and by this limitation we simply preclude the executive from paying for the assessments, arrearages, or dues of any member of the United Nations. We hope the amendment is defeated.

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

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 116. No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country that sells, furnishes, or permits any ships under its registry to carry to North Vietnam any of the items mentioned in subsection 107(a) of this Act.

AMENDMENT OFFERED BY MR. GROSS

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

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 13, strike all of lines 4 through 8, and insert the following:

"SEC. 116. No loans, credits, guaranties, or grants or other assistance shall be furnished under this or any other Act, including the Foreign Assistance Act of 1961, as amended, to any country which sells or furnishes to North Vietnam, or which permits ships or aircraft under its registry to transport to or from North Vietnam, any equipment, materials, or commodities, so long as North Vietnam is governed by a Communist regime.

"Notwithstanding section 640 of the Foreign Assistance Act of 1961, as amended, no defense articles or defense services shall be acquired from, or provided to, any such country by any means under this or any other Act. Nothing in this or any other Act shall be construed to authorize the President to waive these provisions."

Mr. PASSMAN. Mr. Chairman, I reserve a point of order on this amendment.

The CHAIRMAN. The gentleman from Louisiana reserves a point of order.

Mr. GROSS. Mr. Chairman, I will be brief. This amendment has been before the House twice before, but I want to give some of the Members another opportunity to vote on it, particularly the gentleman from New Jersey [Mr. FRELINGHUYSEN], and the gentleman from Ohio [Mr. TAFT], who seemed to think that the language in some of the previous provisions of this bill was not tight enough. That was the argument they made a while ago. I want to give them a real, good, tight provision to vote on.

This is the amendment which was adopted when the foreign giveaway authorization bill was before the House. When the conference report came back, it had been stricken. It was offered again, and failed by only four votes on a rollcall vote in the House.

Now I seek to give the Members who voted against it on both sides of the aisle an opportunity to correct the mistake that they made previously only a few days ago.

This amendment goes much further than the pending bill in clamping down on the free world countries that are trading with the Communists of North Vietnam. It provides that no loans, credits, guarantees, grants, or other assistance shall be furnished under this or any other act. It provides that no defense articles or defense services shall be acquired from or provided to any country that ships the sinews of war to the Communists of North Vietnam.

The Members are well acquainted with this amendment. I am not going to belabor the point. I want to say once again that 63 British ships alone have delivered thousands of tons of supplies to the North Vietnamese thus far this year. In all conscience, this must be stopped. Anything less is a betrayal of our fighting men in that brutal war.

Mr. PASSMAN. Mr. Chairman, I insist upon my point of order.

The CHAIRMAN. The gentleman from Louisiana will state his point of order.

Mr. PASSMAN. Mr. Chairman, this amendment goes further than the provision in the bill, and refers to funds provided in this or any other act presently on the statute books.

The CHAIRMAN. Does the gentleman from Iowa desire to be heard on the point of order?

Mr. GROSS. Very briefly, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. GROSS. Mr. Chairman, on yesterday the present Chairman of the Committee of the Whole House on the State of the Union ruled as follows:

The section of the bill to which the amendment is offered is legislation which has been permitted to remain by waiver of points of

order. Such legislative provisions can be perfected by germane amendments.

The Chair then ruled:

The Chair is of the opinion that the amendment of the gentleman from Missouri is germane and therefore overrules the point of order.

I would say to the Chairman, this is an amendment providing a limitation to a provision of this bill which has been made in order by a rule waiving points of order.

The CHAIRMAN (Mr. PRICE of Illinois). The Chair is prepared to rule.

The gentleman from Iowa correctly states the ruling of the Chair on yesterday. That ruling indicated that the Chair held in order an amendment which was ruled to be a perfecting amendment to a paragraph in the bill that was conceded to be legislation on an appropriation bill but on which points of order had been waived in a rule adopted by the House.

The Chair holds that the amendment offered by the gentleman from Iowa is additional legislation on this bill not covered by the points of order that were waived.

The Chair holds that the amendment adds additional legislation on an appropriation bill; and therefore sustains the point of order.

AMENDMENT OFFERED BY MR. FRELINGHUYSEN

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

The Clerk read as follows:

Amendment offered by Mr. FRELINGHUYSEN: On page 13, line 4, strike out lines 4 through 8, inclusive.

Mr. FRELINGHUYSEN. Mr. Chairman, this amendment would strike out section 116 from the bill. I offer this amendment, Mr. Chairman, because—and again I call attention to the obvious—there is language already on the books, in the Foreign Assistance Act of 1961, as amended, namely, section 620 (n), which covers the case of North Vietnam. I might say it covers it with a considerable degree of particularity. It is in fact far broader than the language proposed in this bill. Let me read it. It reads as follows:

(n) In view of the aggression of North Vietnam, no assistance shall be furnished under this Act to any country which has failed to take appropriate steps, not later than sixty days after the date of enactment of the Foreign Assistance Act of 1966—

(A) to prevent ships or aircraft under its registry from transporting to North Vietnam—

(i) any items of economic assistance,

(ii) any items which are, for the purposes of title I of the Mutual Defense Assistance Control Act of 1951, as amended, arms, ammunition and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, or items of primary strategic significance used in the production of arms, ammunition, and implements of war, or

(iii) any other equipment, materials, or commodities; and

(B) to prevent ships or aircraft under its registry from transporting any equipment, materials, or commodities from North Vietnam.

Let me make two points: One is that the language already on the books is broader than the bill's proposal to limit assistance to countries which provide strategic aid to North Vietnam. It also limits aid to countries which are providing economic assistance to that country.

The gentleman from Iowa offered an amendment which would tighten up the language now contained in 620(n). I grant that his language tightens up the present law. There are certain loopholes in it. But I suggest that the committee thoroughly considered whether there should be an absolute prohibition or not. The committee decided against an absolute prohibition, and provided that if a country were taking appropriate steps within 60 days, that there should be no automatic prohibition of assistance to that country. The committee felt that in the process of tightening up we might be doing damage to friends of ours, or to those whom we have been aiding and who are doing their level best to comply with our restrictions.

Mr. Chairman, I hope that the present language, which applies not only to strategic materials but also to economic assistance, will be satisfactory to those who feel reference should be made to trade with North Vietnam. I would suggest that the reference is not appropriate in an appropriation bill. The language already enacted is entirely appropriate and is even more comprehensive than the language proposed in section 116.

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

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New Jersey [Mr. FRELINGHUYSEN].

The gentleman speaks of a loophole in the provisions written into this appropriation bill by the Committee on Appropriations. His amendment would provide a far bigger loophole in that under section 620 of the Foreign Assistance Act of 1961 it provides for discretionary authority to the President not to invoke any restrictions. Of course it would not be invoked. I was interested earlier to hear the gentlewoman from New York [Mrs. KELLY] speaking on the subject of the Battle Act. I do not know of a better act that has been presented to the Congress in my time on that subject, but it has never been used and it will never be used as long as we have willy-nilly Presidents who refuse to invoke the penalties provided for in the Battle Act. I do not recall that the Battle Act has been invoked on a single occasion. And, it has been on the statute books for some 15 or 17 years.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the distinguished gentlewoman from New York.

Mrs. KELLY. Mr. Chairman, I agree with the gentleman from Iowa, but I want to ask the gentleman one question: Can the gentleman name any country that our country—any Communist country—has given military equipment as outlined in this bill at this point?

Mr. GROSS. I suspect that Yugoslavia might be one. But, that is not the point. What we are trying to do here——

Mrs. KELLY. I want the record to show——

Mr. GROSS. Just a minute. What we are trying to do here is to get at and penalize those so-called free world friends who supply the Communists of North Vietnam and Castro's Cuba. That is what some of us are trying to do.

Mrs. KELLY. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. The gentleman from Wisconsin said he hoped that Members of the House would read the Foreign Assistance Act of 1961, as amended. If they do that, there will probably be more legislation of this type contained in the appropriation bills, because you can scarcely flip a page of that act without finding discretionary authority vested in the President. It is a travesty in that respect.

Mrs. KELLY. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. Yes.

Mrs. KELLY. Well, Mr. Chairman, I agree with the gentleman from Iowa that the Mutual Security and Control Act was not operated properly. However, I must say I feel that the prohibitions against military equipment and assistance to Communist countries was prohibited as a result of this act. The only one on which I will say I agree with the gentleman is insofar as Yugoslavia is concerned and what happened there? We were kicked out when we endeavored to live up to the operations of the Mutual Security Control Act, because they refused us the opportunity to review what they were doing with the equipment which we had furnished.

Mr. GROSS. I do not care whether it is guns, butter, wonder drugs, or what it may be that the treacherous British, Poles, Greeks, and others are shipping into North Vietnam. They are contributing to the killing of Americans, they are contributing to the patching up of the Vietcong wounded to return and kill more Americans. This is what I am opposed to. I hope that some day a Congress of the United States will put a stop to it by invoking penalties upon these so-called friends who are helping the enemy kill and wound thousands of Americans in a war in Vietnam.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment and I ask for a vote thereon.

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

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 117. None of the funds appropriated or made available in this Act for carrying out the Foreign Assistance Act of 1961, as amended shall be available for assistance to the United Arab Republic unless the President determines that such availability is essential to the national interest of the United States.

AMENDMENT OFFERED BY MR. FRELINGHUYSEN

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

The Clerk read as follows:

Amendment offered by Mr. FRELINGHUYSEN: On page 13, line 9, strike out lines 9 through 14, inclusive.

Mr. FRELINGHUYSEN. Mr. Chairman, again I rise to offer an amendment striking a section of this bill. The section

I propose to strike is section 117 which reads as follows:

SEC. 117. None of the funds appropriated or made available in this Act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for assistance to the United Arab Republic, unless the President determines that such availability is essential to the national interest of the United States.

I do so because the Congress has already expressed itself in no uncertain language with respect to the problem brought about by the actions of the United Arab Republic. True, Mr. Chairman, the language incorporated into the Foreign Assistance Act of 1967 does not refer specifically to the United Arab Republic. But under existing law it would be far broader than that.

Mr. Chairman, permit me to read this policy statement of section 102 of the act:

It is further the sense of the Congress that in any case in which any foreign country has severed diplomatic relations with the United States, the President should suspend assistance to such country under this or any other Act, including any program designed to complement assistance under this Act (such as sales of agricultural commodities under the Agricultural Trade Development and Assistance Act of 1954). When diplomatic relations are resumed, a further study should be made on a country-by-country basis to determine whether United States foreign policy objectives would be served by extending assistance under this or any other Act, including any program designed to complement such assistance.

Surely, Mr. Chairman, language as broad as that would lead to an automatic suspension of any assistance to the United Arab Republic, whereas the language incorporated in section 117 gives the President discretion—and I am surprised that the committee would give the President this discretion since they seem to doubt the way he would use it so frequently.

The President could give aid to the United Arab Republic under section 117. Even though diplomatic relations may not have been resumed with that country. Naturally I would assume there would be no move by the President to try to provide assistance to Egypt under such circumstances.

There is also language in section 620(t) of the Foreign Assistance Act of 1967, which would prohibit aid to countries which have broken diplomatic relations with us. It reads as follows:

(t) No assistance shall be furnished under this or any other Act, and no sales shall be made under the Agricultural Trade Development and Assistance Act of 1954, in or to any country which has severed or hereafter severs diplomatic relations with the United States or with which the United States has severed or hereafter severs diplomatic relations, unless (1) diplomatic relations have been resumed with such country and (2) agreements for the furnishing of such assistance or the making of such sales, as the case may be, have been negotiated and entered into after the resumption of diplomatic relations with such country.

The importance of the language in section 102 and section 620(t) also should be enough to satisfy those who, for one reason or another, are anxious that the United Arab Republic does not receive assistance—and I might say that I am included in that number.

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

Mr. FRELINGHUYSEN. I yield to the gentleman from Indiana.

Mr. ADAIR. I thank the gentleman for yielding.

I believe it is worth pointing out that when the Committee on Foreign Affairs was writing language to deal with this subject, we gave it the very closest scrutiny and attention. I also believe it is fair to point out that in this respect, when the language was first presented during the markup period of the bill, a special committee was designated to attempt to draw language dealing with this very sensitive diplomatic question.

As a result of that very great effort, language was drawn, and it was drawn not only through legislative efforts, but in consultation with members of the executive department. The language now in the bill is very inclusive, it is entirely appropriate, and greatly superior, as the gentleman from New Jersey has pointed out, to the language proposed here.

Mr. Chairman, I would urge the adoption of the gentleman's amendment.

Mr. FRELINGHUYSEN. I thank the gentleman.

Mr. Chairman, I would say that the Committee on Foreign Affairs would welcome any suggestions, at the time of the markup of the authorization bill, as to language that would be appropriate in circumstances like this, a delicate question like our relationship with other countries should not be considered in an appropriation bill.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I believe I should state that this particular language was put in the bill by the other body. It has been carried in this bill during the 2 previous years.

Mr. Chairman, I yield back the balance of my time.

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

The amendment was rejected.

AMENDMENT OFFERED BY MR. GROSS

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

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 13, line 14, strike the period, insert a colon, and add the following: "*Provided further*, That none of the funds provided in this Act or any predecessor Act shall be made available to the State of Israel until the Government of that country provides full and complete reparations for the killing and wounding of more than 100 United States citizens in the wanton, unprovoked attack in June 1967 by Israel's military aircraft and torpedo boats on the United States naval vessel, the *Liberty*."

Mr. PASSMAN. Mr. Chairman, I make a point of order against the amendment and will reserve the point of order so that the gentleman from Iowa may explain his amendment.

Mr. GROSS. Mr. Chairman, this amendment is self-explanatory. It simply means that none of the funds provided in this bill shall go to the State of Israel until that Government provides full and fair reparations for the more than 100 U.S. servicemen who were killed and wounded—I believe some 34 or 35 were killed and another 75 or 80 were wounded—in the unprovoked attack by Israel's military forces upon the U.S.S. *Liberty*.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. LONG of Maryland. It is my understanding that the State of Israel has offered to make reparations in connection with this regrettable incident. Does the gentleman dispute that?

Mr. GROSS. They have at least gone through the motions of apologizing for the attack.

Mr. LONG of Maryland. Is it not true that they have undertaken to make reparations and are offering to make reparations when it is ascertained as to what they might be?

I gather it will take some time to discover what the costs of the injuries may be determined to be and they should be allowed a decent time in which to do that. I do not think they have refused to accept their obligations.

Mr. GROSS. Under the terms of this bill there are several million dollars made available to Israel. My amendment will not deny them that money if, and when, they make full reparation for their attack on our vessel and its crew.

Mr. LONG of Maryland. Is it not the purpose of the gentleman's amendment simply to give a slap in the face to a friendly country that has already admitted it made a mistake and has offered to make full reparations?

Mr. GROSS. Let them pay those reparations and I do not want them to use our money for that purpose.

Mr. LONG of Maryland. Mr. Chairman, I ask the gentleman if he is willing to give them time and not to insult somebody gratuitously.

Mr. GROSS. This is not an insult. The gentleman from Maryland well knows that this is not an insult. Let them first compensate those to whom they caused so much pain and anguish. As a matter of fact, as I said yesterday, they should be denied a dollar of credit or anything else until this matter is settled.

Mr. LONG of Maryland. If this is not an insult, I would like to hear from the gentleman what he regards as an insult.

Mr. GROSS. I wonder how you would feel if you were the father of one of the boys who was killed or maimed on that U.S. naval vessel. I do not know what kind of descriptive word you would use to express your feeling in that connection—or perhaps you do not have any feeling with respect to these young men who were killed, wounded and maimed, or their families.

Mr. LONG of Maryland. Is it not true that many times we fire on our own troops in Vietnam and men are killed? Do not these things happen in war? Is there anything we can do to bring these men back to life? We all regret it but

does this excuse an attempt, through the gentleman's amendment, to give affront to a friendly country?

Mr. GROSS. The gentleman is making a most odious comparison and he ought to be the first to acknowledge it. We do not deliberately fire on our own troops in Vietnam unless a commander of troops calls for it. Our servicemen in Vietnam are killed and wounded by enemy fire. To try to compare the cause of our casualties in Vietnam with the casualties suffered in the attack on the Liberty comes dangerously close to characterizing Israel as an enemy. I have not said Israel is an enemy and I hope no one else will attempt to make such a comparison.

The CHAIRMAN. Does the gentleman from Louisiana insist on his point of order?

Mr. PASSMAN. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman will state the point of order.

Mr. PASSMAN. Mr. Chairman, this amendment goes beyond the appropriation of funds in this and other preceding acts.

Mr. Chairman, I ask for a ruling.

The CHAIRMAN. Does the gentleman from Iowa [Mr. GROSS] desire to be heard on the point of order?

Mr. GROSS. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Iowa is recognized.

Mr. GROSS. Mr. Chairman, this is clearly a limitation upon an appropriation bill; that the funds not be expended for the stated purpose unless the limitations are met.

Therefore, Mr. Chairman, the amendment I have offered is germane to the bill.

The CHAIRMAN. (Mr. PRICE of Illinois.) The Chair is ready to rule.

The amendment offered by the gentleman from Iowa [Mr. GROSS] refers to funds provided in this act or any predecessor act. It covers an area not covered by the amendment in the bill.

In the opinion of the Chair, it is clearly additional legislation and is not germane to the amendment in the bill.

The point of order is sustained.

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

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. JOELSON. Mr. Chairman, I just take this opportunity to refer to the question of the gentleman from Iowa of the gentleman from Maryland [Mr. LONG] as to whether or not he has feelings. I know Mr. LONG did not want to say this, himself, but he has a son who has served in the 101st Airborne Division in Vietnam, who was wounded twice, and received a Silver Star. I think this should answer the question as to whether the gentleman from Maryland has feelings for the parents of our young men in the armed services.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 119. The President is directed to withhold economic assistance in an amount equivalent to the amount spent by any underdeveloped country (as defined on page 142 of part 2 of the printed hearings of the House Committee on Appropriations on the fiscal year 1968 Foreign Assistance Appropriations) other than Greece, Turkey, Iran, Israel, the Republic of China, the Philippines, and Korea for the purchase of sophisticated weapons systems such as missile systems and jet aircraft for military purposes from any country.

AMENDMENT OFFERED BY MR. COHELAN

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

The Clerk read as follows:

Amendment offered by Mr. COHELAN: On page 14, immediately after line 16, insert the following:

"SEC. 120. None of the funds appropriated or made available by this Act for carrying out titles I, II, and VI of chapter 2, and chapter 4, of part I of the Foreign Assistance Act of 1961, as amended, may be used for financing, in whole or in part, any capital assistance project as estimated to cost in excess of $1,000,000, until the head of the agency primarily responsible for administering part I of such Act has received and taken into consideration a report on the review of the proposed capital assistance project, conducted by the Controller of such agency with such assistance from other divisions of such agency as he may request, which report shall set forth the Controller's views, comments, and such recommendations as he may deem appropriate with respect to the adequacy of the justification, feasibility studies, and prospects for effective utilization of such project."

Mr. ROONEY of New York. Mr. Chairman, I reserve a point of order to the amendment.

Mr. BINGHAM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BINGHAM. I have an amendment which I intend to offer to section 119. I believe the amendment offered by the gentleman from California would follow that, for it provides for an additional section. I wonder if the amendment to section 119 should not be considered first.

The CHAIRMAN. The gentleman is correct. Will the gentleman from California withhold his amendment?

Mr. COHELAN. Mr. Chairman, I withhold the amendment.

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

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

AMENDMENT OFFERED BY MR. BINGHAM

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

The Clerk read as follows:

Amendment offered by Mr. BINGHAM: On page 14, lines 7 through 16 strike all of section 119 and substitute the following:

"SEC. 119. In extending economic assistance to any underdeveloped country (as defined on page 142 of part 2 of the printed hearings of the House Committee on Appropriations on the fiscal year 1968 foreign assistance appropriations) the President is directed to take into consideration the extent to which the country in question is purchasing sophisticated weapons systems, such as missile systems and jet aircraft for military purposes not needed for external defense, and to withhold economic assistance to the extent that he finds the purpose of such economic assistance will be defeated by the purchase of such unnecessary sophisticated weapons systems."

Mr. BINGHAM. Mr. Chairman, I rise in some hesitation on this amendment, because I have great admiration for the gentleman from Massachusetts [Mr. CONTE], whose language I believe appears in section 119. I know what the gentleman is trying to do and I agree with his objectives, but I do not think the language as it appears in the bill is well calculated to achieve these objectives. I think on the contrary it may do a great deal of damage to the economic and technical assistance programs which are provided for in this act. Let me quickly explain why I believe that is the case.

First, there is a list of countries that are excepted from the amendment offered by the gentleman from Massachusetts, specifically Greece, Turkey, Iran, Israel, the Republic of China, the Philippines, and Korea. That list appears to me to be incomplete. There should be other countries that ought to be considered there for possible inclusion. What about Thailand? Certainly Thailand is subject to external dangers. What about India? India had to resist invasion.

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

Mr. BINGHAM. Mr. Chairman, if the gentleman is asking me to yield so he can accept my amendment, I will yield. Otherwise, I would like to finish my statement.

We must consider India as being subject to possible Communist aggression. And Ethiopia is threatened by Somalia, which is being armed by Communist countries. Ethiopia is in deep trouble. Morocco is being threatened by Algeria. These are some of the countries which would have to be included if we are going to have a list.

But I do not think we should have a list of this kind. For one thing, we cannot tell in advance whether there will be changes in the international situation that will require some sophisticated weapons to be used by other countries.

The section as it is drawn I believe to be wholly unworkable for this reason: There is no such thing as a given figure for any particular country's AID program, from which the amount of arms purchases could be withheld or deducted. It is like saying "2 cents off." Two cents off what?

The AID agency does not start off—and I have been in this aid business, and I know something about it—by saying to Ethiopia, "We have $10 million for you this year. Now let us figure out how we are going to spend it." That is not how it is done. We talk about projects, and we sign project agreements, and when those project agreements are signed, as we come to the end of the year, then we may have a total of what the AID program for that country will be for that year.

What the Conte amendment would require us to do is, if some arms purchase is made that we dislike, that we would then have to go back and say, "No, we will have to back away from this or that project contract. We cannot go through with it."

Finally, I think, Mr. Chairman, this is a punitive provision as it is now drawn. I think it would poison relations with a

lot of countries. There are many countries, for example, in Africa where we have small technical assistance programs going on just to show we are interested in their welfare and their development. They amount to a few thousand dollars. To say to them that if they purchase one jet plane, we are going to cancel out that program, just would not make sense. That would not stimulate the growth of the country we are interested in.

I agree that many countries waste funds on sophisticated equipment they do not need, but there are other ways they waste funds. They waste funds on corruption. Are we going to say that we will hold out so much aid if someone is found guilty of corruption? They also waste it by not having effective tax programs. Are we going to say we will withhold so much aid if they do not do so and so in terms of their tax legislation and enforcement?

I think the effect of the language as it is now drawn will not be to stop the use of military equipment but simply will be to interfere with and poison and destroy the usefulness of the technical and economic assistance programs which are covered in this bill.

My amendment would simply say that, where missile systems and jet aircraft are not needed for external defense, the President would be directed to withhold economic assistance to the extent that he finds the purpose of the economic assistance is being frustrated by the purchase of these unnecessary weapons systems.

That will do the job. It will give the President leverage with which to seek the elimination of these sophisticated weapons systems where they are not needed. It will also do the job of taking care of countries like Ethiopia and India, which do need sophisticated weapons, where they are threatened by Communist aggression.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

I do not know of any language in the bill which had any more thorough discussion than section 119.

As brought out by one distinguished member of the subcommittee, we have given the Latin American countries an average of $1.1 billion of economic aid annually during the past 5 years, and the same Latin American countries actually have been spending $1.5 billion annually for the same period for military assistance. If they had not been determined to build up military machines, they could have financed all of their own economic assistance programs and had $400 million left over to spend for some other purpose.

It is perfectly obvious to me that if we credit Latin American countries and other underdeveloped countries with billions of dollars, with which they can satisfy the needs of their economies, that releases to those nations the dollars or foreign exchange they earn from their exports to buy military equipment. We are defeating the purpose of our economic aid to them when we permit these countries to spend their own resources on military equipment.

I hope that the amendment will be voted down, so that we may continue to help the Latin American countries with economic assistance to help them increase the standard of living of their people. I do not want them to liquidate their own resources on military equipment.

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

I might say I had planned to offer an amendment to strike section 119 of this bill. However, in view of my lack of success with previous amendments, and for other reasons, I have decided against it.

I cannot resist imposing on the Committee's time—and I realize it is late—to point out that this subject also was under the serious, direct, and very considered judgment by the Committee on Foreign Affairs. If the Committee on Appropriations had views, individually or collectively, it might have been well to have had their views at the time the authorization bill itself was put together.

Let me read section 620(s) dealing with this general subject. I should like at least to raise the question whether this language does not cover in a better way the problem represented by these underdeveloped countries than the language in the committee bill.

Section 620(s) reads as follows:

> In furnishing development assistance under this Act, and in making sales under the Agricultural Trade Development and Assistance Act of 1954, as amended, the President shall take into account (1) the percentage of the recipient or purchasing country's budget which is devoted to military purposes—

I should like to say that this seems a better test of whether or not assistance should be provided, than simply to confine ourselves to the problem presented by so-called sophisticated weapons. This means a determination must be made as to the entire amount being spent for any weapons. I continue—

> and (2) the degree to which the recipient or purchasing country is using its foreign exchange resources to acquire military equipment.

Again, this is broader language than the committee proposal.

Section 620(s) continues:

> When the President finds that development assistance under this Act, or sales under the Agricultural Trade Development and Assistance Act of 1954, are being diverted to military expenditures, or a recipient or purchasing country is diverting its own resources to unnecessary military expenditures, to a degree which materially interferes with its development, the President shall terminate such assistance and sales until he is assured that such diversion will no longer take place. No other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

I would suggest that this is strong language. It would surely create a very direct responsibility on the administrator of these programs, and indeed on the President himself, to think carefully before he provides assistance to a country which he thinks is incapable of supporting a program or is straining its resources which should be used for development. We do not need language both in an appropriation bill and in the authorization bill to express our concern about this problem. I hope that we could do without the language in section 119 altogether.

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

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

Mr. OTTINGER. I thank the gentleman for yielding.

I support the gentleman from New York, though I agree with the gentleman from New Jersey that it would be better to have nothing. It seems to me the language composed by the gentleman from New York accomplishes the very worthwhile objective that the committee seeks to serve, which is to discourage underdeveloped countries from wasting their money which is provided by various AID programs on arms, but avoids mischief which could inadvertently take place under the language of the Committee on Appropriations. I hope that the Committee will support the amendment of the gentleman from New York.

Mr. FRELINGHUYSEN. I agree with the gentleman, if we must have legislation written in an appropriation bill, the language of the gentleman from New York is far preferable to that in the committee bill.

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

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

Mr. CONTE. Mr. Chairman, that was a real fallacious argument the gentleman from New York just made. Why, this amendment to my amendment does nothing, because, will not the gentleman agree with me, that the President of the United States has that power at the present time to withhold any funds from any country? Answer that question.

Mr. FRELINGHUYSEN. Since I have the time, I would like to use it, if the gentleman from Massachusetts will permit.

Mr. CONTE. Why do you not answer that question?

Mr. FRELINGHUYSEN. I just have taken the trouble to read the language giving the President authority.

Mr. CONTE. I have read it.

Mr. FRELINGHUYSEN. I might say to the gentleman that I have not yielded to him. I might if he gives me half a chance to finish my sentence.

I emphasize that the President has very strict instructions in the language of the Foreign Assistance Act.

Mr. COHELAN. Mr. Chairman, I move to strike the last word, and if the gentleman from New Jersey will take the well, I will be glad to carry on the colloquy with him.

I want to say to the House, as the gentleman well knows, I have tremendous admiration for the gentleman from New Jersey and for the work that he has done for many years in his Committee on Foreign Affairs. However, I take strong issue with the gentleman when he persists in the implication that we on the Committee on Appropriations are not really fully competent on these delicate problems. I realize that the gentleman does not quite want to go that far, but the fact of the matter is I have been

sitting on this committee for some time now, and before I came on it I was on the Committee on Armed Services. So I am not entirely ignorant about military matters or miltary assistance programs. It further so happens that I tend to agree with the gentleman more than I disagree with him, but I find it a little irritating when he persists in suggesting that the members of this committee, who examined the matter in great detail, are not quite aware of what we are talking about. I am sorry that all of our colleagues have not read these justification books which I hold in my hand. I refer especially to classified material. I would like to recite them, if I could. I regret that we seem always to be inhibited in our conversations because of the obvious sensitivity with respect to classified data and specific countries. But even the unclassified data reveals detailed economic and social facts; for example, the gross national products, per capita incomes, literacy rates, life expectancies, growth rates, income distributions, and defense data.

And, the more we read about it, and the more we understand the past mistakes that have been made, it seems to me that we as legislators are hoping to see that we do not repeat it. That is all which is involved here.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield to me?

Mr. COHELAN. I want to be sure that I give my distinguished colleague from New Jersey [Mr. FRELINGHUYSEN] an opportunity to respond. I did not intend to make a speech here.

Mr. FRELINGHUYSEN. I am not sure just what I have said over the past 2 days that leads the gentleman from California [Mr. COHELAN] to think that I do not respect, appreciate, and understand the knowledge, the foresight, and the perception of the Committee on Appropriations.

My sole point has been that it is an inappropriate place, meaning appropriations—in fact, it is forbidden by the rules of the House to have the Committee on Appropriations take a policy position. I am saying, however, that the appropriate place for that determination to be made is in an authorization bill.

We fully understand the perception, the understanding and the initiative as well as the energy of the members of the Committee on Appropriations. However, it is better directed in an authorization bill than to be wasted upon or to be put into the wrong kind of bill, in an appropriation bill.

I am not arguing about the mistakes of the past, I am simply pointing out the fact that authorization bill, or the basic legislation for previous years, already covers almost every point which is in contention here. One or two of those points are covered in a different way which might deserve at least additional consideration. There might be improvements made, had the Committee on Appropriations used the authorization route, instead of taking it unto themselves to write this legislation.

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

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

Mr. CONTE. I think that my distinguished colleague, the gentleman from New Jersey [Mr. FRELINGHUYSEN] fails to realize the fact that we adopted the rule providing for the consideration of this legislation upon yesterday.

Mr. FRELINGHUYSEN. I would say to the distinguished gentleman from Massachusetts that I am well aware of that fact, although I was hoping that it would not be adopted because of the present situation in which we find ourselves.

Mr. CONTE. Mr. Chairman, if the gentleman will yield further, the gentleman is well aware of the fact that the rule providing for the consideration of this bill was adopted by a vote of 200 to 190, a rule providing for the consideration of this bill and, in effect, saying that we can do this.

Mr. COHELAN. Mr. Chairman, I wish to comment further with respect to this matter. Actually, when one goes through and reviews the materials, year after year, and when one goes back and examines the mistakes that have been made in the nonclassified book, in the green book, one finds a cumulative total of military assistance that has gone to some countries where that result has been absolutely disastrous. We have seen this happen enough to want to halt such waste and bad policy.

Mr. Chairman, I want to tell the members of the Committee how impressed I was while doing my field work, which our friends in the press so often criticize when I had a Minister of Defense of an African country tell me, in effect, "Please do not be so good to us; you are killing us." He said, "We do not need all this; all we want is a little Swiss defense program."

However, Mr. Chairman, some of the more advanced military assistance people from our country come in and advise. In some cases there are such things involved as sales, and there are other prosaic incentives for encouraging military assistance.

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

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

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

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

Mr. BINGHAM. Mr. Chairman, I would like to have a statement from the author of section 119 as it now appears as to why, for example, Greece which is currently under a military dictatorship, is an exception to this provision and is permitted to buy sophisticated military equipment without difficulty; whereas, a country such as Ethiopia which is threatened from aggression by Somalia is not?

Why are the Philippines excluded, while Thailand is not excluded?

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

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

Mr. OTTINGER. Mr. Chairman, I yield to the gentleman from Maryland [Mr. LONG].

Mr. LONG of Maryland. Mr. Chairman, the gentleman from New York asked why we exclude sophisticated weapons going to some countries and not to others. What we wanted to do was to make sure that sophisticated weapons did not go to countries that do not need them or had no justified requirement. These sophisticated weapons are to go to countries that are on the frontier of Communist aggression and not those countries which are not on the frontier of Communist aggression.

Greece is close to that frontier, furthermore Greece is in NATO, and so we felt that Greece should be made a recognized exception.

Mr. BINGHAM. Does the gentleman from Maryland feel that India, which has suffered an invasion by Communist China, is not entitled to sophisticated weapons?

Mr. COHELAN. Mr. Chairman, if the gentleman will yield further, I would reply to that and say that there are classified matters involved in this discussion. I can only say to the gentleman that we offered India certain military aircraft. I would further say to the gentleman that they would not take it because they wanted hotter and more sophisticated equipment. I would further like to say to the gentleman that they obtained this equipment from Russia. Since they decided to accept military assistance from us we have contributed to the defense of their country in very substantial dollar terms.

Mr. BINGHAM. That is not an answer to my question.

Mr. LONG of Maryland. May I say to the gentleman——

Mr. OTTINGER. Mr. Chairman, I decline to yield further to the gentleman from Maryland.

I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

Mr. Chairman, my question is whether it is the committee's feeling that a country that has been subjected to an invasion by Communist China is not reasonably entitled to have sophisticated equipment for its defense?

Mr. LONG of Maryland. Mr. Chairman, if the gentleman will yield, I would like to answer that question.

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

Mr. LONG of Maryland. Mr. Chairman, I believe we gave India her chance. We gave India a great many weapons, and I believe most of us realize that they used them, not against the Communist aggressors, but against a friendly country—or a country, at least, which is to us—and one that we were hoping to help.

I might say to the gentleman that my first concern with this whole business was when I was in the Amritsar-Lahore sector of the 15th Indian Division Headquarters, and I saw a whole park full of tanks which we had given to Pakistan destroyed by tanks and antitank weapons we had given to India. At that time it dawned on me that our foreign aid

program had achieved the ultimate in perversion.

Mr. BINGHAM. I am as disturbed as the gentleman from Maryland is about the India-Pakistan question. But I would say to the gentleman that he should remember that India was attacked by Communist China, and we did provide help, and there is help that is needed on that frontier today.

We cannot get away from rivalries between some of the nations. Does the gentleman suppose that by the passage of this legislation we can solve the problems that exist between Pakistan and India?

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

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

Mr. CONTE. Mr. Chairman, I want to answer one part of this question—the Indian answer was sufficient as far as I am concerned, but the gentleman mentioned Thailand twice, and that was when I asked the gentleman to yield.

The reason Thailand is not in here, and Laos is not in here, is because they are in the Defense bill, they are not part of this bill.

Mr. BINGHAM. That is pertinent to my question about Thailand, but not to my question about Ethiopia.

Mr. CONTE. I can give the gentleman the answer about Ethiopia. I feel that there should be no more arms for Ethiopia. Ethiopia is the oldest Christian nation in the world, and it has the highest illiteracy in the world in that nation. I have been in Ethiopia twice. I have traveled that country from top to bottom. They have more misery and sickness in Ethiopia than any country in the world, and they are spending all of their money on military equipment, and not by my vote are they going to get any more.

Mr. BINGHAM. The gentleman misses the point that I have tried to make.

Mr. CONTE. Let the United Nations go in there and take care of the situation. I am not going to be a peddler of war armaments.

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

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

Mr. REUSS. Mr. Chairman, I would like to say on this question of whether Ethiopia, India, or any other country should be added to the exceptions, that we should let the Congress decide that. Whenever it becomes apparent in the future that a given country like Ethiopia, or whoever it might be, needs sophisticated weapons, and that we want to subsidize them by further economic aid, then I am prepared to vote for that if it is in the national interest. But I do not believe Congress should abdicate its authority. I hope the House will support the Committee on Appropriations, and vote down the Bingham amendment.

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

Mr. Chairman, I would like to make a comment in regard to the types of weapons that have been given to the Near East and Southeast Asian countries in past years.

First of all, let me say that most of the military sales in the years from 1962 to 1966 went to the developed areas. The percentage, I believe, was nearly 90 percent.

In regard to the military assistance that went to the less developed countries, may I say that a good part of it went to the South Asia-Far East region. It went to countries on the borders of the Communist empire.

I would also like to comment on this question of Greece where at the present time there is a great deal of difficulty over Cyprus between Greece and Turkey.

I want to call the attention of my colleagues to the fact that the President of the United States has withheld major weapons, of the type here discussed, from those countries for the reason that we do not want them to get into an arms race and into a conflict. We have withheld that type of aid from Greece recently and I am sure that the President will do it again if in the future similar circumstances should arise in other areas that could lead to open conflicts.

Mr. FRASER. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentleman.

Mr. FRASER. I would just like to say, I do not think this is a very good provision. But I want to say that the reason this is in the bill is because the U.S. Government has not done a very good job with respect to the allocation, or the sale of arms around the world.

To that extent, I am sympathetic with what the authors of this amendment are trying to do.

We sold some attack A4–B's to Argentina.

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

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

Mrs. KELLY. Mr. Chairman, I yield further to the gentleman from Minnesota [Mr. FRASER].

Mr. FRASER. Mr. Chairman, I think our Government has made some serious errors as to where these weapons are to be sold and transferred to nations around the world. I, therefore, respect the motive that lies behind the amendment that has been offered by the subcommittee. But I am unhappy about the fact of the sale of sophisticated aircraft to Argentina which apparently set off an arms race in Latin America.

I am unhappy about the fact that we have continued to give military aid to the country of Greece which is under a regressive military dictatorship.

The only reason I am not going to stay with the subcommittee on this is that I think in actual practice this amendment will work a hardship on some democratic nations and would allow those countries that are relatively better off to conduct an arms race of their own and put at a serious disadvantage other countries which may be threatened by such an arms race.

In voting for the Bingham amendment, I want the members of the subcommittee to understand that I fully appreciate their concern. I think the Pentagon ought to take notice of the deep concern that exists in this House of Representatives about the practices that they have followed.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman from Maryland is recognized.

Mr. LONG of Maryland. Mr. Chairman, I would like to read a clipping which illustrates the problems we open for ourselves when our Government consents to sell jets and other sophisticated weapons to very poor countries. Here is a clipping from the Evening Star of November 15 of this year. It is datelined Copenhagen, Denmark:

> Sweden's plane makers see the possibility of lucrative new markets in light of Washington's decision to permit the sale of advanced U.S. fighter aircraft to Latin American nations.
>
> The Swedish Saab concern hopes to push its 105XT training, reconnaissance and low-level attack fighter, which has General Electric engines in the export version, in Latin America.
>
> And if Saab can get a foot in the market with the 105XT, it has ready the mach 2 all-weather Draken lined up as the next step up the ladder. For any country which has the means for a really sophisticated air force the Viggen will be coming onto the market in the mid 1970s.

We are providing the means. The purpose of the passage in the appropriation bill to which this amendment objects was to prevent the waste and diversion of economic aid from the true purpose for which it was planned, namely, to help poor countries to achieve a better standard of living for their people to increase the sum of human happiness, and to prevent those people from going Communist and thereby presenting a world threat to the United States.

This provision would not have been necessary if the administration—and I am glad to hear the gentleman from Minnesota say what he did—had not shown repeatedly that it cannot be relied upon to prevent such waste and such diversions. We have had the administration come before us both in committees and in informal meetings—for example, in Congressman REUSS' office—and to state in the blandest and most disingenuous way that sales of 1,000-mile-an-hour planes would serve a useful purpose, one that would not really divert resources from schools, roads, and agricultural improvement.

Second, even if it would, the military of this country insist on it, and we were trying to get along with the military in these countries.

Third, that when all else failed, those planes were really useful for antiguerrilla purposes, in spite of the fact that only one of the countries proposing to buy these planes even claims any guerrillas, and the fact that a plane like this, traveling at the rate of 2,000 miles an hour, will not stay in the air long enough to fight guerrillas. Two hours at the most is the longest we can get them to stay in the air over Vietnam, and we have not had the slightest use of the high-speed jetplane in fighting guerrillas.

All that the amendment of the gentle-

man from New York proposes to do is to open the back door after we in the committee have closed the front door. What he wants to do is to leave it up to the President and the administration, when repeatedly the President and the administration have shown that they put such a construction on their powers that they are going to go ahead and sell these jets. They have made that clear. They have said so again and again. And I do not see why we do not believe what they say. We want to stop them from selling these jets and sophisticated weapons systems.

The question has been asked as to why this should be done in an appropriation bill. It is being done in the appropriation bill because the authorizing committee did not do its job. It is the job of the Appropriations Committee to make sure that the money of this country is spent wisely and is not wasted. We have written into the bill purely negative limitations. There is no constructive legislation in the bill. That is the job of the authorizing committee, and we are not writing such new legislation into this bill. We are merely saying what cannot be done.

From time immemorial this has been the function of the Appropriations Committee, and I defy anyone on the Foreign Affairs Committee to say anything to the contrary.

Mr. Chairman, I hope that the Committee will vote down this amendment because it would open up the back door and leave it open, when I think our job is to close all doors and keep them closed.

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

Mr. LONG of Maryland. I yield to the gentleman from California.

Mr. COHELAN. I thank the gentleman for yielding. I just want to refer to two points: First, in reference to some of the ironies of military assistance—and this has already been referred to—the only reason I comment is because my good and dear friend, the gentleman from New York [Mr. BINGHAM] has raised the subject. In fact, it was because we gave such substantial weapons systems to one of these countries that we got into trouble with the other country.

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York.

Mr. Chairman, at the outset I hope everyone will vote against the amendment and thereby support section 119 as in the bill.

Let me state further, Mr. Chairman, the provision that was supported and passed by the conference committee, in regard to this particular aspect, says that when the President finds that development assistance or sales under the Agricultural Trade Act are being diverted to military expenditures, or a recipient or purchasing country is diverting its own resources to unnecessary military expenditures to a degree which materially interferes with development, the President shall terminate such assistance and sales until he is assured that such diversion will no longer take place.

Why are we giving economic assistance to every country in Latin America and to many of the countries in Africa? Because they do not have the economic resources to do the job themselves. We consider all of the countries in Latin America at this time to be developing countries.

Then why did we sell 50 airplanes to Argentina, as the gentleman from Minnesota has mentioned, and trigger off the arms race in Latin America, which caused Chile to go in and buy the British Hawks, and which caused Peru to come in to buy Mirages and F-5's. We were the ones who triggered off that arms race.

Our provision concerning the sale of sophisticated weapons is an attempt to stop just this kind of dangerous situation from happening. It is a fair provision. Let me explain again what it does. It says only that if any country in Latin America or in Africa goes out to buy this sophisticated military equipment, these weapons of war, then their economic assistance will be cut accordingly.

So, for example, under this provision, assuming the proposed purchase of planes by Peru from France costs $24 million, we would then cut economic assistance to Peru down by $24 million. This would discourage these countries from going out and getting into this crazy arms race, which they have gotten into. It would also say to them, if they do not want to make appropriate self-help efforts on their own behalf to improve their economic situation, we will reduce our assistance to them.

Let me read a statement from the Foreign Minister of Chile, Gabriel Valdez:

> Each year $1.4 billion is being spent for military assistance in Latin America.

He further stated that these costs, and I will quote:

> Take the clothes off the backs, and food from the stomachs, and education from the minds, of children.

I could not agree with him more. For 9 years I have stood in this well and I have pleaded for foreign aid. I have taken the tough side on this issue because foreign aid certainly has little appeal with the people back home, but I cannot go on. I cannot continue supporting aid to countries who need money so desperately for food and for clothing and for medicine and for education, and who take this desperately needed money and divert it to buy weapons of war.

I hope this amendment, which gives this discretion to the President, is defeated, because we know what will happen. I hope section 119 is passed as is.

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

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

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

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

The gentleman from Massachusetts has just made a very eloquent speech, as is his wont, but if we consider this dispassionately and carefully and quietly, we will see that my amendment does exactly what the gentleman wants to do without damaging the technical assistance programs and the economic assistance programs which the gentleman so much believes in.

The gentleman speaks—and most of the references this afternoon have been also—to Latin America, and this is where some of the outrages have occurred. There are no external threats of aggression to amount to anything in Latin America. I would agree to that. But this section is not limited to Latin America.

I would not agree—and I was shocked to hear the gentleman say—that a country like Ethiopia is not threatened—a country which once tried to defend itself against aggression, and which now is threatened by Somalia.

I should like to say further, the gentleman says that Thailand is not on this list, because military assistance to Thailand is not covered in this bill.

That is not the point. The point is that this section directs that economic assistance to Thailand be withheld if Thailand purchases from any source sophisticated weapons. I defy the gentleman to read it any other way.

The whole point here is that it is a great danger to try to list specific states and to say, "Now, for the next year, these are the only states we in the Congress say can buy sophisticated weapons. If other states do it, we will penalize them. We will hurt them."

There is another point. We will have to be snooping around, for all of these countries, to see whether they do buy sophisticated weapons. We will have to be snooping around in various African countries. Nigeria has been in trouble lately. I do not know whether Nigeria is using sophisticated weapons in the rebellion or not. We would have to go snooping to see. If we found that they were we would have to say that the technical assistance we give Nigeria, which is not large, would be reduced or cut out.

There are many countries to which we give small amounts of technical assistance, only a few thousand dollars, just to show that we are interested and to maintain a presence. If those countries decide they want to buy one jet aircraft—this is not limited to supersonic jets, but covers any kind of jet—if they want to buy some jet which they believe they need, we will have to cut out that technical assistance program, because the jet would cost a lot more than the small amount we might be spending on technical assistance for them.

I believe in this economic and technical aid program. I hate to see underdeveloped countries misuse their resources for military assistance. But please do not use this kind of meat-ax approach, that would allow no flexibility, that would be regarded as punitive by these various countries, as interfering with their sovereignty.

Let us do this in such a way as to give the President leverage to use. He has not had such leverage before. The authorizing legislation gives him some leverage, and my amendment would give him more. Let us direct the President to go to these countries and say, "Congress has directed me that we will have to cut your assistance if you use sophisticated weapons you do not need for external defense purposes."

I thank the gentleman for yielding.

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

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

Mr. PASSMAN. We are not selling any military aircraft to Thailand. What aircraft Thailand has is the result of past military assistance programs for Thailand.

This is good legislation. We certainly hope the Members will support the committee.

I thank the distinguished gentleman for yielding.

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

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

Mr. OTTINGER. I am very much in sympathy with my friend from Massachusetts. I wish he had drawn an amendment so that I could support it. I believe there are a great many countries involved here. An amendment, soundly drawn, would give additional leeway. Many countries are threatened by communism, such as Laos, Cambodia, and Thailand, and they may well want to purchase some weapons some day. Automatically our aid program would be cut off.

I could even favor an absolute restriction. I agree that there should be an absolute restriction. But the amendment is not properly drafted. Any such absolute restriction should provide for exceptions for any country that might in the future become the victim of a Communist attack or "war of liberation." There should be greater flexibility in the exceptions to meet various unforeseen and unforseeable changes of circumstance.

For the time being, the too flexible language of the gentleman from New York is far preferable to the too restrictive language of the bill.

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

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

Mr. CONTE. I want to make it clear that Laos and Thailand are both in the defense bill. As the gentleman pointed out, they are not buying airplanes. We give them airplanes. They are all part of the Vietnam complex of South Vietnam, Laos, and Thailand. They have all been taken out of here and put in the defense appropriation.

Mr. OTTINGER. Mr. Chairman, if the gentleman will yield further, that is not correct. It does cover them.

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

Mr. MOSS. Mr. Chairman, I move to strike the requisite number of words, and I yield to the gentleman from California [Mr. COHELAN].

Mr. COHELAN. I thank the gentleman for yielding.

I shall be very brief. I just want to address my remarks to my very dear friend, the gentleman from New York, because it is rare when we disagree with one another on a foreign policy matter.

In terms of U.S. flexibility, I, too, am in favor of that.

I want to remind the gentleman and other like-thinking Members of this body that the foreign aid authorization bill passed by only eight votes. I suggest to them that if this clause is not in the bill they will have a very difficult time in passing this legislation.

I believe what the American people are saying through us that abuse of this military assistance has got to stop.

The gentleman mentioned a couple of countries. I am reluctant to refer to specific countries. But he mentioned one country in particular and said it was threatened by another country. I happen to know something about that particular country. It is spending about 3 percent of its budget, which it cannot afford, on defense matters now. It is buying all the wrong things.

We are aiding and abetting it to the tune of over $100 million in the last 10 years for strategic reasons which we think are important to our national interest. But I want to say, without making any reference to that country by name, that it has a per capita gross national product of $58 and a population of 20-million-odd people, and I do not think they ought to have jet aircraft to fight guerrillas. The people in my district do not want them to buy that kind of fancy hardware when they desperately need help to meet their national needs.

As far as economic assistance is concerned, I will go all the way with the World Bank, all the way with the International Bank for Reconstruction and Development, and all the way with the African Development Bank and AID development loan and technical assistance. I have seen many of these projects, and they were excellent projects. But I do not want to see this military hardware infection spread into these societies by my country.

And mark this: We are not through with revolution in Africa. I predict that if we persist in arming these areas, they will turn on one another.

Incidentally, this is not limited to the countries named in this bill. I think in the long term we need to examine what is going on in some of the other countries, as has been referred to by the gentleman from New York [Mr. BINGHAM]. I agree with him about Greece. Greece has to be examined very carefully.

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

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

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

Mr. PASSMAN. I wonder if we can reach an agreement on the amount of time we need to finish this amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 6 minutes.

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

There was no objection.

Mr. GROSS. Mr. Chairman, in listening to this last phase of debate on this bill, I wonder if Congress ought to beef up the Arms Control and Disarmament Agency, the super-duper agency that some of you created a few years ago, with another $10 or $20 million a year to prove even more effectively how ineffective it really is.

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

Mr. GROSS. Yes. Briefly.

Mr. COHELAN. Mr. Chairman, this is one of the happiest moments in my 9 years in the House of Representatives, because it is the first time I have agreed with the gentleman from Iowa.

Mr. GROSS. That we ought to dispense with the Arms Control and Disarmament Agency?

Mr. COHELAN. That we ought to beef them up.

Mr. GROSS. Get rid of it, lock, stock and barrel.

Of course, this debate only proves more clearly than ever that this place, instead of being called the model city of the United States, should be called malfunction junction.

But I really arose to ask some of you whose hearts have been bleeding about the underdeveloped, and who know what part this bill plays in their lives, to tell me something about Nigeria. I understand that there have been around $200 million expended in Nigeria to make a showcase of that country. I have been unable to find out how much there is in the budget for this country that is now going through a civil war having washed out $200 million of our taxpayers' money.

Mr. Chairman, I wonder if somebody could tell me what is in the budget for Nigeria as contained in this bill?

Mr. CONTE. Mr. Chairman, if the gentleman will yield I shall undertake to answer the question of the gentleman. That is all classified material. If the gentleman from Iowa will come up here, I shall be happy to show it to him.

Mr. GROSS. How nice.

Mr. CONTE. I think the gentleman from Iowa knows the circumstances surrounding these figures.

Mr. GROSS. No, I do not or I would not have asked the question. It is nice to keep all of this information under wraps, so that we can go on spending more money there. I assume that some of the money is being expended over there to provide weapons and materiel to certain segments of that country's population to decimate the population by the thousands, weapons which have been supplied by us as well as by the Russians.

Mr. CONTE. The gentleman from Iowa is not telling me that you do not receive that information before the Committee on Foreign Affairs?

Mr. GROSS. Let me tell the gentleman that you do not have time to get much of any information in the Committee on Foreign Affairs.

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

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

Mr. PASSMAN. Mr. Chairman, in clarification, I think we should state for the record that both economic grant aid and military aid to these countries is justified to the Congress on an "illustrative" basis. None of the funds recommended in this bill is earmarked for any country. The Executive may or may not provide economic or military assistance to these nations, unless it is specifically precluded in the legislation.

Mr. Chairman, I have always referred to the fact that we are dealing with an "illustrative program" and it is so be-

cause the executive may spend the money in any way they wish.

Mr. GROSS. I am sure that the gentleman from Louisiana will agree with me that for all the taxpayers' money that has been ladled out in Nigeria, money for this so-called showcase government, we have not received very much in return.

Mr. PASSMAN. I might say that the glass is rather muddled and the showcase does not look too good.

Mr. GROSS. Mr. Chairman, if the gentleman from Louisiana will stay on his feet, what about the case of Liberia?

Mr. PASSMAN. Mr. Chairman, if the gentleman will yield, if I have the figures——

Mr. GROSS. As I have the figures, we have spewed out about $210 million to that country; is that not correct?

Mr. PASSMAN. That is correct.

Mr. GROSS. Has that effort and that expenditure of that amount of money brought up their literacy rate, or are they still about 90 or 95 percent illiterate, and still a country with the highest infant mortality rate of all the African countries?

Mr. PASSMAN. Mr. Chairman, if the gentleman will yield, those statistics are not too readily available.

Mr. GROSS. And, let me ask the gentleman from Massachusetts [Mr. CONTE] how much was expended upon that Presidential Palace in Liberia?

Mr. CONTE. About $12 million. As the gentleman from Iowa will recall, I had a few words to say about that.

Mr. GROSS. Well, thank you and good night. I will be unable to stand much more discussion of this $2.7 billion bill without becoming nauseated.

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

The amendment was rejected.

AMENDMENT OFFERED BY MR. COHELAN

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

The Clerk read as follows:

Amendment offered by Mr. COHELAN: On page 14, immediately after line 16, insert the following:

"SEC. 120. None of the funds appropriated or made available by this Act for carrying out titles I, II, and VI of chapter 2, and chapter 4, of part I of the Foreign Assistance Act of 1961, as amended, may be used for financing, in whole or in part, any capital assistance project as estimated to cost in excess of $1,000,000, until the head of the agency primarily responsible for administering part I of such Act has received and taken into consideration a report on the review of the proposed capital assistance project, conducted by the Controller of such agency with such assistance from other divisions of such agency as he may request, which report shall set forth the Controller's views, comments, and such recommendations as he may deem appropriate with respect to the adequacy of the justification, feasibility studies, and prospects for effective utilization of such project."

Mr. ROONEY of New York. Mr. Chairman, I reserve a point of order against this amendment.

The CHAIRMAN. The gentleman from New York [Mr. ROONEY] reserves a point of order against the amendment which has been offered by the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Chairman, this is a simple amendment. It was included in the foreign aid authorization bill which we passed this session, but it was somehow lost in conference.

The investigation which prompted this amendment was performed by the distinguished gentleman from California [Mr. Moss], his distinguished colleagues on the Foreign Operations Subcommittee of the Government Operations Committee, and the able staff of that committee.

This amendment is designed to correct an obvious deficiency in the capital assistance program of the Agency for International Development.

The record of the Agency for International Development is, I regret to say, less than good. There have been too many poorly planned and managed capital assistance projects. This is evidenced by the number of congressional reports, GAO reports, and even the Agency's own audit report issued year after year. Those reports disclose numerous instances of poorly planned and managed projects.

In spite of section 611 of the Foreign Assistance Act which was enacted to prevent such happenings, millions of dollars have gone to finance less than satisfactory projects. Obviously, an additional control—independent of the existing procedures for capital assistance—must be built into the processing mechanism.

This amendment would do just that. It provides that when more than $1 million is provided for any capital assistance project, the Agency must consider the findings of the Agency's Controller as to the project's justification, feasibility, and prospects for effective utilization. Placing this additional review responsibility in the Office of the Controller allows for an independent preaudit outside the planning machinery which already exists. This should help greatly to insure the success of the project.

The additional workload required by this amendment would be very little. However, the benefits derived in terms of well-founded projects effectively utilized and maintained could be phenomenal. For example, if we take the Agency's capital assistance lending for the past fiscal year and apply the $1 million criteria, this amendment would affect 50 loans out of a total of 64. But they would represent 98 percent of the total dollar value of loans signed during that year. As of the end of the 1967 fiscal year, there were 60 loans of this type authorized but not signed. If all these were to become loans in the current fiscal year, this amendment would affect only 47 out of the 60 loans. But—significantly—they would represent 98 percent of the total dollar value.

This amendment would help to prevent the building of power plants that sink into swamps, such as the thermal power plant in Santa Cruz, Brazil; schools without teachers, such as the school construction program in northeast Brazil; and roads that go nowhere, such as the road in southern Peru that ended at a mountainside. Unfortunately, AID has supported such projects in the past. We should make sure this never happens again. Too much of this program has been audited after the fact. What it needs is some preaudit.

Mr. Chairman, in short, this amendment would provide the additional control needed to make sure that AID assisted projects are justified, feasible, and will be effectively utilized and maintained. This can be accomplished with little additional workload by a preperformance audit, before millions of dollars of U.S. assistance are committed to such projects.

Mr. Chairman, we need this additional control and I strongly urge adoption of this amendment.

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

Mr. COHELAN. I yield to the gentleman from Connecticut.

Mr. MONAGAN. Mr. Chairman, I thank the gentleman for yielding.

I wish to say that I agree wholeheartedly with the amendment offered by the gentleman from California. I would add that I offered this motion in the committee during the consideration of the authorizing legislation, and it was accepted unanimously, but as the gentleman knows it was lost in the conference.

I believe this would be helpful in the administration of this legislation.

Mr. COHELAN. I thank the gentleman. I am very happy to present this amendment to the House at this time.

Mr. Chairman, I yield back the balance of my time.

Mr. ROONEY of New York. Mr. Chairman, I must insist upon my point of order to the pending amendment.

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

Mr. ROONEY of New York. Yes. The point of order is based on the fact that this puts language in the bill, by this amendment, which would cause additional duties to be performed, and it is therefore legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from California desire to be heard on the point of order raised by the gentleman from New York?

Mr. COHELAN. Mr. Chairman, I was not aware that this procedural point would be raised. It would seem to me that, on the basis of the arguments that have been going on almost the entire afternoon, and on the basis of the references made by my distinguished colleague from Maryland in reference to the functions of the Committee on Appropriations, that I will choose to regard my proposal as a limiting amendment, and therefore germane to the argument before us today.

The CHAIRMAN. The Chair is ready to rule.

The amendment offered by the gentleman from California adds a new section to the bill which would impose additional duties, determinations, and obligations upon the head of an agency that are not now required under existing law. Therefore the Chair holds that the amendment proposes additional legislation on an appropriation bill.

The Chair, therefore, sustains the point of order.

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

Mr. Chairman, I rise at this time to make several inquiries of members of the Committee on Appropriations. But before I do so, I want to apologize if I have offended any member of the great Committee on Appropriations by questioning their knowledge of what is contained in their bill.

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

Mr. ZABLOCKI. I am delighted to yield to the gentleman.

Mr. BOW. I just want to say to the gentleman, he does not have to apologize to any member of the Committee on Appropriations on his birthday. I wish him many more happy birthdays.

Mr. ZABLOCKI. I thank the gentleman very much.

Mr. Chairman, we have just concluded reading title I. I have a question or two to ask of the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN] regarding section 118.

I have a strong suspicion of the provisions of section 118. I seem to recall that a similar provision originated in the other body some time ago and was put into an earlier appropriation bill by the other body.

Mr. PASSMAN. The distinguished gentleman is correct. This language—section 118—was placed in the bill by a Member of the other body last year and we just carried it forward in the bill this year. I do not recall any opposition to the amendment last year when we brought back the conference report.

Mr. ZABLOCKI. I do thank the chairman.

I thought I recognized this as the so-called Birch Bayh amendment which deals with the purchases of certain steel products for our military in Vietnam.

The country particularly involved in these provisions is Korea. Korea can and is supplying galvanized sheets for Vietnam under tightened regulations drawn by AID. But I submit that one important factor that the proponents of this amendment have not considered is that Korea is also supplying combat forces in Vietnam. In my judgment, Mr. Chairman, it is shortsighted on our part to impose a penalty on Korea by making it difficult for that country to continue her economic development through provisions such as the one contained in section 118 of the bill.

I may add, Mr. Chairman, that I thought of offering an amendment to strike out section 118 of the bill. I feel that such action was warranted because the subject of the Bayh amendment has been examined and reexamined by the House and the other body on a number of occasions. Last year, our chairman set aside an entire session of our hearings in order to hear the distinguished Senator from Indiana. We also took testimony from the executive branch. After careful and repeated study, our committee, the House and the other body would not support the Bayh amendment. But somehow it became part of law—not in a legislative bill but once again in an appropriations bill.

This is not good legislation. It imposes an unnecessary restriction which is not in our national interest. It penalizes an ally who is fighting at our side in Vietnam.

I feel strongly that this section should be stricken from the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—FOREIGN ASSISTANCE (OTHER)

FUNDS APPROPRIATED TO THE PRESIDENT

PEACE CORPS

For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act (75 Stat. 612), as amended, including purchase of not to exceed five passenger motor vehicles for use outside the United States, $105,000,000, of which not to exceed $28,400,000 shall be available for administrative expenses.

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

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

The CHAIRMAN. The Chair will count.

Mr. DELANEY. Mr. Chairman, I withdraw the point of order.

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

Mr. Chairman, on numerous occasions I have taken the floor of the House to praise the work being done by the Peace Corps and to bring to the attention of our colleagues some particularly noteworthy accomplishments of the Corps. Today, the future of the Corps growth and development is at stake and I rise to urge the House to restore the $12.7 million cut from its appropriation by the Appropriations Committee.

From the very first day of the Corps, economy has been a key word. Every effort has been made to cut costs wherever and whenever possible and I believe the figures speak for themselves—in fiscal year 1962 there were 919 volunteers at an annual average cost of approximately $9,000 per volunteer. In fiscal year 1967 there were some 11,600 volunteers at an annual average cost of $7,453 per volunteer. In just 1 year, costs were cut by $414 per volunteer.

At every level—from senior officials of the Washington staff to the volunteers in the field, from the Washington operations to those overseas—nonessential spending has either been drastically reduced or completely eliminated. There never have been any frills in the Peace Corps and this agency serves as proof that the "fat" can be cut from the Federal budget.

However, with an appropriation of only $105 million, the Corps will become smaller. Instead of the planned strength increase to over 12,000 volunteers, it will drop to approximately 10,600—a reduction of about 1,000 volunteers.

The Peace Corps has proved the validity of working from the bottom up rather than from the top down in Asia, Africa, Latin America, and the Near East. It has demonstrated the success potential of community-development techniques of having our people live with the people they are assisting in the slums that surround all of the major cities of these countries and in the countryside in the rural peasant villages. It has demonstrated the importance and practicality of stimulated self-help—and the economy of such programs. It has shown that work in primitive societies does not necessarily require highly skilled, highly paid technicians—that the average citizen of this country can play a meaningful role in the development of a country where infant mortality is over 50 percent and the people do not know the significance of feces disposal, water impurities or a sound diet. It has proven the feasibility and efficacy of intensive language and cultural preparation of our foreign cadres, of having them live within the communities they serve rather than in isolated American ghettos; of having them receive compensation comparable to their host counterparts and play roles not as superior advisers but as coequals.

Mr. Chairman, I could go on at great length about the many and meaningful successes and accomplishments of the Peace Corps, of its universal acceptance throughout the world at every strata of society, and of its bold new approach—and I must say a refreshing one—to our overseas relations. However, I feel very strongly that the most urgent issue now before us is to take prompt action to restore these urgently needed funds to the Corps appropriation so that it can follow through on already planned programs, increase its strength and effectiveness, and fully honor the commitments made to some 58 foreign governments.

While I have consistently urged that economies be practiced in all Federal agencies and programs, and that Federal spending can and should be curtailed and reduced, I am convinced the Corps has done everything it could in this regard and is now operating at top efficiency. I have received Jack Vaughn's assurances that he and his staff will continue to probe for economies.

Mr. Chairman, from the conversation with my colleagues in both Houses, from the public pronouncements of praise for the Peace Corps so many have made on the floor of Congress and elsewhere, I know that the large majority of Members share my views. I hope the conferees on this measure will substantially restore this unfortunate cut.

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

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

There was no objection.

Mr. MESKILL. Mr. Chairman, I did not vote for the foreign aid authorization bill, nor the conference report, and I am opposed to the foreign aid appropriation bill, H.R. 13893.

It is time for the American people and the American Congress to face this issue bluntly.

Since the beginning of our foreign aid program, following the end of World War II, our people have furnished foreign governments more than $130 billion. Some $48 billion of this has gone for armaments. Many of these alleged

allies vote against us in the United Nations, work against us, mock us, insult us, and many of them now supply our enemies in Vietnam.

Foreign aid has been marked by innumerable examples of mismanagement. We have financed yachts for tyrants, palaces for petty potentates, airlines for countries whose citizens have no place to fly. Our weapons go around the world, fostering civil wars and underpinning the power of totalitarian regimes. They have made possible wars between allies.

Foreign governments, in large measure because of our aid dollars, have purchased so much of our gold that U.S. gold reserves have dropped from $24 billion in 1949 to $13 billion now. In addition, there are in foreign hands $29 billion in dollar claims payable in gold—more than twice the amount of gold we have with which to pay it.

Our national debt is now approximately $340 billion and costs us more than $15 billion a year in interest charges. Unless our fantastic level of Government spending is checked, the value of the dollar will sink out of sight.

We are well past the stage at which our resources were needed to reconstruct Europe and Japan from the destruction of World War II. They are no longer prostrate. They are healthy, growing, and prosperous. It is the United States which is bleeding now—and we are the bulwark of the free world. If we go down, the whole free world structure will come crashing with us. And our national debt is 50 percent greater than the total debt of all the other nations of the free world.

It seems to me, Mr. Chairman, the first object of our foreign policy should be to preserve the strength of our country, not to hunt for new outlets through which to leak our lifeblood.

Yesterday, we voted to continue the war on poverty. I am glad to see us turning our attention and our resources to the relief of our own people. There is much wrong with the administration of the war on poverty, but there is an advantage to it which is lacking in the foreign aid program: the fact that the antipoverty program is at home where we can keep an eye on it. Foreign aid is run through 74 capitals around the world, each with its own bureaucracy, each well beyond the probing eye of citizens or Congress.

We have passed the point of diminishing returns in this program, Mr. Chairman. We are faced with the need to reconcile our policies to our people. And I submit that there is not a country in the world which cannot and will not see the logic of our taking such a position. No one will blame us for taking steps to secure the strength of our country, especially when they know that their very survival rests on the bedrock of American strength and resolution.

With the same faith and courage with which we undertook the task of rebuilding the free world more than 20 years ago, let us now accept the fact that this job has been done, as far as we can do it without damage to ourselves. Let us not decide the issue on the basis of the continuing needs of other countries, but rather let us decide this issue on the basis of our financial ability to continue this aid. Let us vote to end the program now.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

None of the funds made available because of the provisions of this title shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended) or any agency or national thereof, in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national, except when the President determines that such guarantees would be in the national interest and reports each such determination to the House of Representatives and the Senate within 30 days after such determination.

AMENDMENT OFFERED BY MR. BROCK

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

The Clerk read as follows:

Amendment offered by Mr. BROCK: On page 20, line 7, strike line 7 and all that follows through line 10 and insert in lieu thereof: "the Congress determines that such guarantees would be in the national interest."

Mr. BROCK. Mr. Chairman, this is a very simple amendment. It changes the exception clause with regard to Presidential determination to give that authority to the Congress instead of the President. The reason I offer the amendment is primarily in order to conform to an action which we have already taken in the Banking and Currency Committee. It adopted an amendment which I offered to the authorizing legislation of the Export-Import Bank, and which would make the determination available to the appropriate committees of the Congress, and they were to report to the Congress.

I am simply asking that we change the Appropriation Act to allow the Congress of the United States to make the determination, that if an exception is allowed to the furnishing of credits to a Communist nation, the determination be made by the Congress rather than by the administration.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment. Earlier I objected to giving the president the right to determine whether military assistance should go to Communist countries. I still feel that way. But under the Constitution our foreign policies are the prerogative of the President of the United States. One of his current policies is to build bridges to the East. While I may not agree with that policy I think this language—which requires a Presidential determination—is good language as it requires the President to take a second look before he uses the facilities of the Export-Import Bank to further his foreign policy.

The Export-Import Bank is operated to provide funds to promote the sale of American commodities only. The Bank is indeed well operated under the extremely able President, Harold F. Linder. Not only has the Bank made a tremendous profit for the American taxpayers, but it has also made it possible for American manufacturers and businessmen to earn billions of dollars in profits on the sale of their commodities to countries overseas.

The language on page 20 of the bill requires that each and every determination by the President to extend assistance to Communist countries must be reported to the House of Representatives and to the Senate within 30 days after such determination.

Personally, I have no desire to see the legislative branch assume the prerogatives of the executive and administer our foreign policy. I am wondering how ridiculous we would look if we were to ask the President of the Export-Import Bank to report to the Congress on his negotiations for loans and then to let the Congress determine that each such loan or guarantee is in the national interest. It is rather obvious that if such a proposal should be enacted, under our legislative processes it may require many weeks or months before the determination would be approved or disapproved.

In addition thereto, it would be usurping the power of the executive, and in this instance I do not consider that to be in the best interest of our economy.

I trust this amendment will be voted down, and let us continue on the same basis that we have operated in the past several years—since 1963, to be exact.

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

Mr. PASSMAN. I yield to the distinguished Speaker of the House of Representatives.

Mr. McCORMACK. Mr. Chairman, I join with the distinguished gentleman from Louisiana.

I think it is dangerous to tie the hands completely of the Chief Executive of our country.

This is not my feeling today. It is my feeling throughout the many years that I have been a Member of this body, without regard to the political affiliation of the President of the United States. During the 8 years of President Eisenhower's administration, I took the same position. I think it would be a dangerous thing to do, to establish a precedent that we might all regret. Without going unnecessarily into detail, because I think we are all acquainted with the basic questions and issues involved, I repeat that the language of the bill at least reserves in the President under certain limitations an exercise of his judgment, and one that should reside in any Chief Executive of our country.

I say this without regard to the political affiliations, because to me, as I have said, during the 8 years of President Eisenhower's administration, I never referred to him as a Republican, because he was my President—elected as a Republican, it is true, but he was the President of the United States.

The position I take today is one that I have consistently taken without regard to political tenor or political atmosphere of the administration in control. I urge the rejection of the amendment.

SUBSTITUTIVE AMENDMENT OFFERED BY MR. LIPSCOMB

Mr. LIPSCOMB. Mr. Chairman, I offer an amendment as a substitute for the

amendment offered by the gentleman from Tennessee [Mr. BROCK].

The Clerk read as follows:

Amendment offered by Mr. LIPSCOMB as a substitute for the amendment offered by Mr. BROCK: On page 20, line 6, place a period after the word "national", and strike the words "except when" and all of lines 7 through 10.

Mr. LIPSCOMB. Mr. Chairman, the purpose of this amendment is to strike out the part of title III which leaves the determination which the President has in the present language for giving credits to Communist countries or countries dealing with Communist countries. Under the present language, it says, "except when the President determines that such guarantees would be in the national interest and reports each such determination to the House of Representatives and the Senate within 30 days after such determination." The amendment I offer, strikes that language.

In this Congress we have had many days of debate over whether or not we should extend credit to a country which gives materiel and items to a Communist country which is supporting the Communist effort in North Vietnam.

At the present time there is under consideration with the Export-Import Bank, credit arrangements with the Fiat plant of Italy, to construct a plant in the Soviet Union. The Fiat Co. of Italy, it is reported, is seeking a $50 million loan from the Export-Import Bank. If we pass this substitute amendment, for example, it would be impossible, in my opinion, to go ahead with the Fiat deal with the Soviet Union.

I believe it is time that we came down to the fact that the Export-Import Bank should not be making loans to countries dealing with Communist countries who are supporting the Communist effort in North Vietnam against our best interests. That is the reason I have offered this substitute amendment to the House. It would in no way restrict the activities of the Export-Import Bank in worthwhile transactions. I know and believe the Export-Import Bank is a good organization which has done great good throughout the world.

But I see no value in the Export-Import Bank dealing with countries that deal with Communist countries which support the Communist war effort.

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

Mr. LIPSCOMB. I yield to the gentleman from Tennessee.

Mr. BROCK. May I inquire, is not the thrust of the amendment, stating no determination and no exception, essentially what the chairman of the committee recommended in other sections of the bill relating to the sale of arms?

Mr. LIPSCOMB. The whole debate today has revolved around this particular question. The debate the gentleman from Louisiana [Mr. PASSMAN] gave in opposition to the amendment of the gentleman from Tennessee was just the reverse of what has been going on in the Committee of the Whole all day. Therefore, I took the whole issue out of this bill by recommending deleting the entire section that referred to a Presidential determination.

Mr. BROCK. Will the gentleman yield for an additional comment?

Mr. LIPSCOMB. I yield.

Mr. BROCK. I support the gentleman's amendment. It is perfectly acceptable to me.

What we are saying, with all respect to the leadership, which has pointed out that the President should have this authority, is that my point is he has already made the determination that assistance to the Communist bloc is in the national interest of this country. I happen to disagree. Therefore, I believe we need this amendment. I believe it is imperative.

Mr. LIPSCOMB. I thank the gentleman from Tennessee. He has been very active and effective in his work on this matter.

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

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

Mr. GROSS. Is the gentleman aware that under section 620 of the Foreign Assistance Act of 1961, as amended, there is discretionary authority to the President, and this provision in the bill apparently impinges upon section 620 of the Foreign Assistance Act of 1961? I fear the discretionary authority is left to the President, even with the gentleman's amendment. I want very much to support the gentleman's amendment and I hope it will not be nullified.

Mr. LIPSCOMB. I believe it would be worthwhile that we adopt the substitute amendment which has been offered, and we would be on the right track.

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

Mr. LIPSCOMB. I yield to the gentleman from North Carolina.

Mr. JONAS. With reference to the comment made by the gentleman from Iowa. I do not care whether it is in the Foreign Assistance Act or not. If a limitation is imposed on these funds, they could not be used.

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

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the substitute amendment.

This language has been carried in the appropriation bill in identical form since December 1963. There have been no abuses that I know of.

We cross over this bridge annually, not only in our debate on this floor, but also in conference. This Bank is operated solely to promote the sale of American commodities overseas. The Bank makes a profit every year and in addition we get back badly needed dollars.

Of course, there is a lot of political mileage in this proposition, but I must face up to my responsibility as the representative of the committee that reported this bill to the House for its consideration, and I urge the Committee to vote down this amendment.

In addition, it is just a matter of weeks now, in all probability, before there will be legislation tightening this up, more or less, and, in all probability, proposing the adoption of at least one of the amendments offered today.

I trust that the substitute amendment will be voted down, and I ask for a vote.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from California [Mr. LIPSCOMB] for the amendment offered by the gentleman from Tennessee [Mr. BROCK].

The question was taken; and on a division (demanded by Mr. LIPSCOMB) there were—ayes 49, noes 63.

Mr. LIPSCOMB. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. LIPSCOMB and Mr. PASSMAN.

The Committee again divided, and the tellers reported that there were—ayes 58, noes 78.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BROCK].

The amendment was rejected.

AMENDMENT OFFERED BY MR. BROCK

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

The Clerk read as follows:

Amendment offered by Mr. BROCK: On page 20, lines 9 and 10, strike the word "within" and all that follows through line 10 and insert in lieu thereof "at least 30 days prior to such determination."

Mr. PASSMAN. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. BROCK. Certainly.

Mr. PASSMAN. Mr. Chairman, have we not already passed that part of the bill?

The CHAIRMAN. The Chair will state to the gentleman from Louisiana that we have not passed that part of the bill.

Mr. PASSMAN. I thank the distinguished Chairman.

Mr. BROCK. Mr. Chairman, if I may say to the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN], what I am trying to do, since the last amendment was defeated, is to at least give to the Congress advance notice before any decisions are made.

All I am saying is that instead of informing us after the fact, inform us 30 days prior to making such a determination.

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

Mr. BROCK. Certainly.

Mr. PASSMAN. I think it would be almost impossible to administer such an amendment, would it not?

Mr. BROCK. No; there is no difficulty in this amendment. All they have to do is to advise the Congress 30 days prior to making any such decision.

Mr. PASSMAN. Mr. Chairman, if the gentleman will yield further, how can they advise us 30 days prior to the day they make the determination?

Mr. BROCK. The point is, in response to the gentleman from Louisiana, I want the Congress apprised of the fact that this determination is going to be made. Then, if there is any objection on the part of the membership of the House of Representatives, we can take specific action as required because we would have advance notice, instead of being informed after the fact.

Mr. Chairman, I do not feel that this amendment needs any further discussion and, therefore, I yield back the balance of my time.

Mr. ROBISON. Mr. Chairman, I ask

unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. ROBISON. Mr. Chairman, practically every measure we consider these days can be related, in some fashion, to the military, diplomatic, and financial dilemma we face in Vietnam.

This was certainly true, earlier this week, when the House voted—and many who did so probably with misgivings—to hold the authorization for the antipoverty program at approximately last year's level of funding.

Interrelated to all this, of course, is that troubling question of Federal priorities—or national priorities, if one prefers—and there have been those who have suggested, and not without reason, that we have our sense of priorities mixed up when we continue to spend money, and a great deal of money, pursuing some sort of "solution"—the form of which our leaders are apparently not able to agree upon—to the bloody conflict in Vietnam, while so many of our domestic challenges go unfaced, and the needs of our own people go unmet.

Now, I do not here wish to engage in any debate, again, over "guns and butter"—or "guns or butter"—but the provisions made in this bill, the annual appropriation bill for foreign aid, for carrying on that "other war" in Vietnam, as we have come to think of it, and the extremely lucid and logical comments made about this on yesterday by the gentleman from Michigan [Mr. RIEGLE] impel me to suggest, as he has, that we had better look to our priorities in Vietnam, too, so long as we are so deeply entangled there.

As for myself, I have felt all along—as our involvement in Vietnam lengthened and deepened—that this was still a war that, in the long run, would be won or lost by the people of South Vietnam. And I have, on numerous occasions, expressed my concern over the manner in which we have been "Americanizing" that "other war" in Vietnam—the political contest with Vietcong—as well as the shooting war which, perhaps, in view of the inadequacies of the South Vietnamese Army, was the only way by which we had a chance to halt the continued aggression from the north, and give the people of the south their long-awaited opportunity to set up a viable government of their own through which they might preserve their right to self-determination.

But to also "Americanize" the political side of this conflict—no matter how pressing the need to do so might seem—is quite another thing. General Westmoreland is now, again, in Washington and has been giving both President and Congress a rather subdued report of such military progress as is being made; and there is even talk again that, after a year or two, we might even begin to be able to reduce our troop strength in Vietnam—though this is a message of hope we have heard before.

However, it is a good deal harder for anyone in behalf of the administration to point to any reason for encouragement concerning the political side of the war—and one only has to read through some of the hearings conducted by the subcommittee that prepared this bill to discover the reasons why. On September 19—if you are looking for ready reference material in this respect—the gentleman from Michigan [Mr. RIEGLE] addressed this committee at some length on this facet of our Vietnamese problem, including excerpts from the testimony he had heard as a member of that subcommittee, and including especially excerpts of the various colloquies he had had with Rutherford M. Poats, formerly area director of the AID program in Vietnam and now Deputy Director of AID.

There is no need for me to repeat what the gentleman from Michigan [Mr. RIEGLE] set forth, for it is there in the RECORD for anyone to check, but it adds up to a very discouraging picture displaying a lack of self-sufficiency, a lack of motivation, a lack of resolve and a lack of commitment, so far, on the part of the South Vietnamese people—though this is surely not solely the fault of these people who have been pushed hither and yon for years, with no government and no leader really to rally around. But now, they have a duly elected government of their own, in which they should have, for the first time, some faith, and it would seem to me to be essential—if we are ever to dig ourselves out of this morass—that we require of that new government the doing of those things that it must do if this rugged experiment at trying to build something like democracy in Asia on which we have embarked is to possibly succeed.

Those things that it must do are not terribly complex, though undoubtedly difficult in the application. They involve such items as a meaningful program of land reform—without which the peasants in the South Vietnamese hinterlands will never identify either with the new government or with the war; a program of tax reform and of internal economic controls of the kind, as the gentleman from Michigan [Mr. RIEGLE] said yesterday, normally "would be associated with a country at war or on a wartime footing"; a program to wipe out the graft and corruption in and around Saigon that has previously hampered the allied war effort and damaged the credibility of prior South Vietnamese governments, as well as a renewed and redirected pacification program in which the South Vietnamese, themselves, must take the leading part.

Of course, Mr. Poats' testimony to the subcommittee was given some time ago, and there may since have been some improvement, but at the time of the hearings he did tell the gentleman from Michigan [Mr. RIEGLE] that—

> We are still increasing the American participation in what are normally the host government responsibilities.

And he also agreed, in effect, with the gentleman from Michigan [Mr. RIEGLE] when he suggested to him that, without our AID program to South Vietnam—which amounts to some $550 million in this bill—the South Vietnamese Government would likely collapse and, for all intents and purposes, the war would be over.

Now, surely Mr. Chairman, this is a discouraging state of affairs, and I would certainly agree with the gentleman from Michigan [Mr. RIEGLE] that we ought to insist of the new Vietnamese Government that it give us a commitment—or give its own citizens a commitment, for it makes really very little difference—to the winning of this struggle, however that term may be defined, equal not in dollars but in depth of resolution to that already made by our own Government. What we ask—or what we should be asking—is only such a commitment, not an overnight miracle, for this new government has barely gotten on its feet and no one can now expect too much of it in the way of deeds. Perhaps we already have some such commitment but, if so, the President has not made it known to us; and if there is one, for there are some small signs of improvement, then I think the President should tell us about it as best he can in view of the diplomatic problems involved, for there are more and more Americans, I feel sure, who are beginning to feel that if the South Vietnamese Government and people lack the wherewithal in will and resolution to see this thing through, then indeed, we ought to immediately reexamine our own commitment to them for—at least on the civil side—this is still their war and they have to win it.

Mr. Chairman, I believe this to be a matter of utmost priority in connection with our effort in Vietnam, and I would suggest to those who are critical of the course the President has been following that it would be well for them to address themselves to this facet of our overall problem rather than to that well-worn debate over whether to bomb or not to bomb, which, to my way of thinking at this point, is not a question that has much to do with how we come out of this dilemma, or even with how soon we could begin to have hope of doing so.

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

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

There was no objection.

Mr. CARTER. Mr. Chairman, in the year 1, the world's population was 250 million. In 1630, it had increased to 500 million. In 1830, it had increased to 1 billion. In 1930, it had increased to 2 billion. In 1960, the population was 3 billion. In 1975, it is estimated to be and it will be 4 billion. In 1984, 5 billion, and in 1993, 6 billion.

In the year 2,000, it will be 7 billion. Between now—1967—and the year 2,000, there will be 7 billion babies born in the world, it is estimated by the Population Council. Of this 7 billion, one-half of this number of children will be unwanted.

Do we today wish to cut our Technical Assistance Act from $210 million to $180 million, when the $30 million would help so much in population control. It is possible by improvements in agriculture and our population growth that the

world can support 5 billion people by the year 2000. It is extremely doubtful that it can support 7 billion people.

I ask today that the $30 million which has been struck from the budget request be restored in order that the world may provide something near adequate food for the youngsters to be born in the 33 years between now and the year 2000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BROCK].

The amendment was rejected.

Mr. BROWN of California. Mr. Chairman, I regret that I will be unable to support the foreign assistance program presented to us today in the form of H.R. 13893, the Foreign Assistance and Related Agencies Appropriation Bill of 1968. Because I feel very strongly that the United States has an obligation to contribute to the economic development of other nations requiring assistance, it is necessary that I justify my negative vote on this bill to my colleague in this House and to the people of this country.

There will be many others voting against this bill, many or most for motives that I do not share. There will be some who do not feel that this country has an obligation to help the poor nations of the world. I do not share this view. Some will vote against the bill because they feel we cannot afford economic assistance to other nations while we are at war in Vietnam and face a budget deficit approaching $30 billion. I do not share this view. Some will vote against the bill because they feel that it is insufficient, or contains policy restrictions they oppose. I am sympathetic to their concern, but that alone would not cause my opposition.

Why, then, do I oppose the bill? Mr. Chairman, I oppose this bill because it is not now, and has not been for many years, a foreign assistance bill. It is, instead, a U.S. military and economic policy assistance bill—dressed up with a few, and very few, trimmings of economic aid to the poor nations of the world. And as it has become less and less a program of assistance to the underdeveloped world, the U.S. policies which it actually does assist have become more and more policies which I cannot support.

Let us examine the $2,196,555,000 proposed in title I of this bill as foreign assistance. The largest amount, totaling $978,255,000 is composed of military asssistance, $365,000,000; supporting assistance, $600,000,000; contingency, $10,000,000; and State Department administrative expense for military programs, $3,255,000. All military assistance to Vietnam, Thailand, Laos, and NATO have been previously taken out of the bill and put into DOD appropriations. To have left them in would have been to make patently clear to all that the foreign aid bill is, primarily, a vehicle of U.S. military policy. The amount that remains is there essentially to attract the votes of those who do not believe in foreign aid but who will support to the hilt anything that enhances our military role around the world. The supporting assistance item, which the naive might consider to be for the benefit of the recipient country, is actually a device to lessen our own admitted overseas military expenses. It is defined quite clearly on page 15 of the report—Report No. 891, November 6, 1967—as:

> Finances programs in nations where the United States has immediate foreign policy interests. It is provided primarily to build the defensive strength of less developed nations threatened by Communist expansion and to avert dangerous economic and political instability in sensitive areas.

This can be read as "provides economic help in maintaining the armies of friendly military dictatorships." Two-thirds or more of this money goes to Vietnam. Since most of the underdeveloped countries friendly to us cannot support the kind of military forces we encourage them to maintain, we not only have to pay the cost of their military, but the supporting infrastructure of ports, highways, airfields, communications, munitions works, et cetera, upon which the military forces depend for effectiveness in time of need. Our need, I must say, rather than their need. If this kind of work is done in an area such as the Ryukyus, the United States considers it as a regular DOD expense. If we do it in Thailand, or other similar situations, we call it "foreign assistance." Such hypocrisy in the name of foreign aid I most utterly reject.

The next largest amount is the category of "Development Loans," which amount to $770,000,000. These are loans "which enable recipients to import U.S. goods and services essential to development which they cannot buy with their own scarce foreign exchange"—page 17, Report No. 891. In other words, these loans are to create markets for U.S. business—markets which would not otherwise be available. The U.S. Government, and the U.S. taxpayer, are creating captive markets for U.S. business, and in so doing are creating conditions ultimately harmful both to this country and the recipient nation. The U.S. will be harmed when it awakes to the realization that captive markets, bought by taxpayer dollars, are not a firm or helpful base on which to build economic relations with the underdeveloped world. The naive, or the cunning, who believe that our foreign assistance can or should be justified by the friends it buys us, will be rudely shocked that this large item of development loans turns out not to buy friendship but probably to create frustration and antagonism in the recipients. There are already poor countries of the world which are obligated to pay in interest on various types of development loans amounts approaching the direct economic assistance which they receive from the rich nations. This means they are approaching a condition of net outflow of foreign exchange in spite of their drastic need of a large net inflow. And as we continue with the development loan program this situation will get progressively worse. The poor countries can only afford to borrow money if they are in a position of rapidly increasing their GNP per capita. Practically none of them are. The loans become therefore a narcotic which will produce the illusion of progress for a time, but not the reality. When the crisis comes they will, of necessity, be forced to repudiate their loans, thus placing great strains on their political and economic relations with the rich nations. Development loans, except under the most unusual conditions, constitute a form of U.S. economic imperialism which, in the near future will come to acquire the same odium in the underdeveloped world as the old fashioned brand of political and military imperialism. And the differences are not as large as might appear on the surface.

What now remains of our munificient foreign assistance program? Basically only the funds for technical cooperation, development grants, and contributions to international organizations, plus a few incidentals. These add up to $448,300,000 or about 20 percent of the total. Although I have many criticisms of the administration of these particular funds, and of the heavyhanded way they are used as a tool of bankrupt foreign policy stands, I could be persuaded to support this expenditure. But when this 20 percent has to be taken along with an 80 percent which I cannot support, I can no longer close my eyes, hold my nose, and vote "aye."

What alternatives to foreign assistance exist as a means of solving the problems of the underdeveloped world? The first that I would suggest is a drastic curtailment of military expenditures in all poor countries. I would hope that the rich countries would set the example, but this is obviously unrealistic. Such expenditures take today about 5 percent of their gross national product, and is on the increase as world conditions become less stable. This figure, if applied instead to economic development, would provide almost precisely the amount which I have mentioned in other speeches as required to provide hope of economic progress sufficient to dampen the otherwise inevitable fires of violent revolution. Such a course can be achieved only if the rich nations cease to use the poor nations as proxies in the cold war, as we are doing in Vietnam, and many other parts of the world. Such a course requires a commitment to international peacekeeping, strengthening of the U.N. and the encouragement of gradual regional neutralization, with great power guarantees. I have referred to this in other remarks as establishing "Zones of Peace" around the world. A second alternative to foreign assistance is the simple one of establishing firm and adequate international price levels for the raw materials and food products which constitute the basic exports of the poor nations. A 10-percent increase in the market price of the commodities exported by the underdeveloped world would have added $30 billion to their economies in the last 10 years, more than they have received from the United States and other foreign aid. This should be coupled with the removal of all artificial restrictions on the foreign trade of these nations. It has been generally true that market fluctuations in basic commodities have more than offset U.S. foreign assistance to many Latin American countries, and similar conditions prevail around the world. Correct-

ing these conditions would supply the foreign exchange necessary for economic development in many or most poor countries and would do so in a way that would create pride and self-sufficiency—vital ingredients in the development process.

I have reached the pessimistic conclusion that today the world is racing on a treadmill and each year falling further behind. Until we break lose from that treadmill, we face only worsening conditions and further tragedy. Our knee-jerk reaction to the cliches of the cold war are hastening the time of disaster. Our increasing corruption of the foreign assistance concept has the same effect.

For the most fundmental of all reasons, the survival of the human race, we must change our course. I ask my colleagues to begin now.

Mr. ICHORD. Mr. Chairman, throughout the 7 years I have spoken out and voted against both the foreign aid authorization and the foreign aid appropriation bills. I have done so because I concluded years ago, even before I came to Congress, that our Nation, even though it is the wealthiest and most prosperous nation in the history of civilization, could not financially afford such an expensive and burdensome program. I am not opposed to foreign aid as such. I believe there are innumerable instances where expenditures can well be made in the field of foreign aid. But the determination as to whether such an expenditure should be made should be based solely on the national interest of the United States. I have not believed that a nation with the huge national debt we have carried for the past two decades and the repeated annual deficits could afford such expenditures. My voice in opposition to this measure might be weary but I still believe my position is correct. With the exception of the Marshall plan the returns of the foreign aid program have not justified and are not now justifying the costs.

The Committee on Appropriations is to be commended for the reductions that it has made this year in the program. These reductions were dictated by the very serious financial situation now confronting us. The reductions, I submit, are still too small. How can we justify to the American people grants of almost $5 million to four colleges and institutes in a foreign nation as shown on page 13 of the report? There is not a Member of this body who does not have a college in his district not in serious need of additional funds to administer its educational programs. How many of the Members have obtained that kind of grants for their own private and public colleges? The truth is they haven't even endeavored to satisfy these needs. There is no program authorizing such grants. Then, we also have the provision authorizing AID to pay up to 50 percent of the cost of surveys to evaluate investment opportunities in less developed countries. These are just a few of the excesses in which this Nation can not afford to indulge.

Mr. Chairman, I must again vote against this appropriation. Our national debt of $340 billion, our anticipated deficit this year of almost $30 billion, and our very serious balance-of-payments deficit which is severely aggravated by this measure leave me no other choice.

Mr. FRELINGHUYSEN. Mr. Chairman, before we finish our consideration of this bill, I would like to make note of one item which has been deleted, the $714,000 for the Partners of the Alliance program. It is my hope that some provision can be made to keep this highly successful program in operation.

Thirty-three States and the District of Columbia are paired with 34 areas of 16 Latin American countries to form the Partners of the Alliance program. For example, we now have some 14 U.S. States working on a State-for-State basis in Brazil alone. For example, the State of Missouri is working with the state of Para, and the State of New Jersey is working with Alagoas. Three of our States—North Carolina, Arkansas, and Utah—are working in Bolivia. The total of nonadministrative Government money into this program over the past 3 years has been $409,000 for transportation of people. As of last April the value of assistance from the private sector to Latin America has totaled $7.3 million. This means a cost-to-benefit ratio of 1 to 17. This is a hard value figure and does not reflect the intangible benefits of people working with people.

We are sending at no cost to the Government in the form of contracts, experts and/or technicians in the fields of agriculture, business, industry, education, and public health. Our partner States send these experts to their corresponding partner areas for the cost of only a tourist round-trip ticket and per diem expenses for these volunteers. The $714,000 deleted by the Appropriations Committee was to have been used for moving people with particular talents to aid in the process of development in Latin America. The program thus far has done more with less money than any other U.S. overseas program.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. PASSMAN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with a recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 13893) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1968, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT

Mr. BOW. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BOW. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Bow moves to recommit the bill (H.R. 13893) to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The question was taken; and the Speaker announced that the nays appeared to have it.

Mr. ADAIR. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 135, nays 177, not voting 120, as follows:

[Roll No. 394]

YEAS—135

Abernethy	Gross	Olsen
Adair	Grover	Pettis
Andrews, N. Dak.	Gubser	Poage
Ashbrook	Hagan	Poff
Ashmore	Haley	Pool
Baring	Hall	Price, Tex.
Battin	Hammer-schmidt	Pryor
Bennett	Harsha	Quillen
Betts	Harvey	Randall
Blackburn	Henderson	Rarick
Blanton	Hosmer	Reifel
Bow	Hungate	Reinecke
Bray	Hunt	Roth
Brinkley	Hutchinson	Roudebush
Brock	Ichord	Roush
Brown, Calif.	Jarman	Rumsfeld
Brown, Mich.	Jonas	Ruppe
Broyhill, Va.	King, N.Y.	Sandman
Buchanan	Kleppe	Satterfield
Burton, Utah	Kornegay	Saylor
Bush	Kuykendall	Scherle
Byrnes, Wis.	Kyl	Scott
Carter	Langen	Skubitz
Cederberg	Latta	Smith, Calif.
Clausen, Don H.	Lennon	Smith, N.Y.
Cleveland	Lipscomb	Smith, Okla.
Collier	Long, La.	Snyder
Colmer	Lukens	Steiger, Ariz.
Conable	McClure	Steiger, Wis.
Cramer	McCulloch	Stubblefield
Cunningham	McDonald, Mich.	Talcott
Curtis	McMillan	Taylor
Davis, Ga.	Marsh	Thompson, Ga.
Dickinson	Meskill	Tuck
Dole	Miller, Ohio	Vander Jagt
Dorn	Minshall	Wampler
Dowdy	Mize	Watson
Duncan	Montgomery	Watts
Fisher	Moore	Whalley
Flynt	Morris, N. Mex.	Whitten
Fulton, Pa.	Myers	Winn
Gardner	Natcher	Wyatt
Gathings	Nelsen	Wylie
Gettys	Nichols	Wyman
Goodling	O'Konski	Zwach

NAYS—177

Albert
Anderson, Tenn.
Ashley
Ayres
Barrett
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bolton
Brademas
Brasco
Brooks
Brotzman
Burke, Mass.
Burleson
Burton, Calif.
Byrne, Pa.
Cabell
Cahill
Casey
Cohelan
Conte
Corbett
Corman
Culver
Daddario
Daniels
Delaney
Dellenback
Dent
Diggs
Donohue
Dow
Downing
Dulski
Dwyer
Eckhardt
Edwards, Calif.
Edwards, La.
Eilberg
Erlenborn
Esch
Evans, Colo.
Fallon
Fascell
Feighan
Flood
Foley
Ford, Gerald R.
Ford, William D.
Fraser
Frelinghuysen
Friedel
Galifianakis
Garmatz
Giaimo
Gibbons
Gonzalez
Goodell
Green, Pa.
Griffiths
Gude
Halpern
Hamilton
Hanley
Hathaway
Hébert
Hechler, W. Va.
Helstoski
Holifield
Holland
Horton
Irwin
Jacobs
Joelson
Johnson, Calif.
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kastenmeier
Kazen
Keith
Kelly
King, Calif.
Kupferman
Kyros
Leggett
Lloyd
Long, Md.
McCarthy
McDade
McFall
Machen
Madden
Mahon
Mailliard
Mathias, Calif.
Matsunaga
May
Mayne
Miller, Calif.
Minish
Mink
Monagan
Moorhead
Morse, Mass.
Morton
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
O'Hara, Ill.
O'Hara, Mich.
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Passman
Patman
Patten
Pelly
Pepper
Perkins
Philbin
Pickle
Pirnie
Price, Ill.
Quie
Railsback
Rees
Reid, N.Y.
Reuss
Rhodes, Pa.
Riegle
Roberts
Robison
Rogers, Colo.
Ronan
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Roybal
St Germain
Scheuer
Schweiker
Selden
Shriver
Sikes
Sisk
Smith, Iowa
Springer
Stafford
Stanton
Steed
Stratton
Sullivan
Teague, Calif.
Teague, Tex.
Tunney
Ullman
Van Deerlin
Vanik
Vigorito
Waggonner
Waldie
Whalen
White
Widnall
Wolff
Yates
Young
Zablocki

NOT VOTING—120

Abbitt
Adams
Addabbo
Anderson, Ill.
Andrews, Ala.
Annunzio
Arends
Aspinall
Bates
Belcher
Bell
Berry
Bevill
Broomfield
Brown, Ohio
Broyhill, N.C.
Burke, Fla.
Button
Carey
Celler
Chamberlain
Clancy
Clark
Clawson, Del
Conyers
Cowger
Davis, Wis.
Dawson
de la Garza
Denney
Derwinski
Devine
Dingell
Edmondson
Edwards, Ala.
Eshleman
Everett
Evins, Tenn.
Farbstein
Findley
Fino
Fountain
Fulton, Tenn.
Fuqua
Gallagher
Gilbert
Gray
Green, Oreg.
Gurney
Halleck
Hanna
Hansen, Idaho
Hansen, Wash.
Hardy
Harrison
Hawkins
Hays
Heckler, Mass.
Herlong
Hicks
Howard
Hull
Johnson, Pa.
Jones, N.C.
Kee
Kirwan
Kluczynski
Laird
Landrum
McClory
McEwen
Macdonald, Mass.
MacGregor
Martin
Mathias, Md.
Meeds
Michel
Mills
Morgan
Mosher
Pike
Pollock
Pucinski
Purcell
Reid, Ill.
Resnick
Rhodes, Ariz.
Rivers
Rodino
Rogers, Fla.
Rostenkowski
Ryan
St. Onge
Schadeberg
Schneebeli
Schwengel
Shipley
Slack
Staggers
Stephens
Stuckey
Taft
Tenzer
Thompson, N.J.
Thomson, Wis.
Tiernan
Udall
Utt
Walker
Watkins
Whitener
Wiggins
Williams, Miss.
Williams, Pa.
Willis
Wilson, Bob
Wilson, Charles H.
Wright
Wydler
Zion

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Evins of Tennessee for, with Mr. Kirwan against.

Mr. Everett for, with Mr. St. Onge against.

Mr. Jones of North Carolina for, with Mr. Annunzio against.

Mr. Andrews of Alabama for, with Mr. Aspinall against.

Mr. Hull for, with Mr. Hicks against.

Mr. Fountain for, with Mr. Celler against.

Mr. Walker for, with Mr. Addabbo against.

Mr. Rogers of Florida for, with Mr. Gilbert against.

Mr. Rivers for, with Mr. Purcell against.

Mr. Bevill for, with Mr. Rodino against.

Mr. Whitener for, with Mr. Meeds against.

Mr. Staggers for, with Mr. Slack against.

Mrs. Reid of Illinois for, with Mr. Tiernan against.

Mr. Michel for, with Mr. Ryan against.

Mr. Watkins for, with Mr. Kluczynski against.

Mr. Zion for, with Mr. Arends against.

Mr. Devine for, with Mr. Mathias of Maryland against.

Mr. Wiggins for, with Mr. Schneebeli against.

Mr. Williams of Pennsylvania for, with Mr. Taft against.

Mr. Anderson of Illinois for, with Mr. Pollock against.

Mr. Hansen of Idaho for, with Mr. Broomfield against.

Mr. Rhodes of Arizona for, with Mr. Button against.

Mr. Harrison for, with Mr. Bell against.

Mr. Broyhill of North Carolina for, with Mr. Schwengel against.

Mr. Martin for, with Mr. Adams against.

Mr. Chamberlain for, with Mr. Carey against.

Mr. Clancy for, with Mr. Dawson against.

Mr. Belcher for, with Mr. Dingell against.

Mr. Berry for, with Mr. Edmondson against.

Mr. Cowger for, with Mr. Farbstein against.

Mr. Fino for, with Mr. Gallagher against.

Mr. Gurney for, with Mrs. Green of Oregon against.

Mr. Burke of Florida for, with Mr. Gray against.

Mr. Brown of Ohio for, with Mr. Hanna against.

Mr. Davis of Wisconsin for, with Mrs. Hansen of Washington against.

Mr. Stuckey for, with Mr. Bates against.

Mr. Abbitt for, with Mrs. Heckler of Massachusetts against.

Mr. Conyers for, with Mr. Tenzer against.

Mr. Fuqua for, with Mr. Thompson of New Jersey, against.

Mr. Johnson of Pennsylvania for, with Mr. Macdonald of Massachusetts against.

Mr. Willis for, with Mr. Morgan against.

Mr. Shipley for, with Mr. Hawkins against.

Mr. Del Clawson for, with Mr. Wright against.

Mr. Derwinski for, with Mr. Charles H. Wilson against.

Mr. Mosher for, with Mr. Pucinski against.

Mr. Edwards of Alabama for, with Mr. Rostenkowski against.

Mr. Eshleman for, with Mr. Pike against.

Mr. Findley for, with Mr. Clark against.

Mr. Schadeberg for, with Mr. Fulton of Tennessee against.

Mr. Bob Wilson for, with Mr. Herlong against.

Mr. Thomson of Wisconsin for, with Mr. Howard against.

Mr. McClory for, with Mr. Hardy against.

Mr. McEwen for, with Mr. Hays against.

Mr. Utt for, with Mr. Kee against.

Mr. Williams of Mississippi for, with Mr. Resnick against.

Mr. Mills for, with Mr. Udall against.

Mr. Stephens for, with Mr. Wydler against.

Mrs. BOLTON and Mr. SISK changed their votes from "yea" to "nay."

Mr. HOSMER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 167, nays 143, answered "present" 2, not voting 120, as follows:

[Roll No. 395]

YEAS—167

Albert
Anderson, Tenn.
Ashley
Ayres
Barrett
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bolton
Brademas
Brasco
Brock
Brooks
Brotzman
Burke, Mass.
Burton, Calif.
Byrne, Pa.
Byrnes, Wis.
Cabell
Cahill
Cohelan
Conable
Conte
Corbett
Culver
Daddario
Daniels
Delaney
Dellenback
Dent
Diggs
Donohue
Dow
Downing
Dulski
Dwyer
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Fallon
Fascell
Feighan
Flood
Ford, Gerald R.
Ford, William D.
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Garmatz
Giaimo
Gibbons
Gonzalez
Goodell
Gray
Green, Pa.
Griffiths
Gude
Halpern
Hamilton
Hanley
Hathaway
Hébert
Hechler, W. Va.
Helstoski
Holifield
Holland
Horton
Howard
Irwin
Jacobs
Joelson
Johnson, Calif.
Karsten
Karth
Kastenmeier
Kazen
Keith
Kelly
King, Calif.
Kupferman
Kyros
Leggett
Lloyd
Long, Md.
McCarthy
McDade
McFall
Machen
Madden
Mahon
Mailliard
Mathias, Calif.
Matsunaga
Mayne
Miller, Calif.
Minish
Mink
Monagan
Moorhead
Morse, Mass.
Morton
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
O'Hara, Ill.
O'Hara, Mich.
O'Neill, Mass.
Ottinger
Passman
Patman
Patten
Pelly
Pepper
Perkins
Philbin
Pickle
Pirnie
Price, Ill.
Quie
Railsback
Rees
Reid, N.Y.
Reuss
Rhodes, Pa.
Riegle
Robison
Rogers, Colo.
Ronan
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Roybal
St Germain
Scheuer
Schweiker
Selden
Shriver
Sisk
Smith, Iowa
Stafford
Stratton
Sullivan
Teague, Calif.
Teague, Tex.
Tunney
Ullman
Van Deerlin
Vanik
Vigorito
Waldie
Whalen
White
Widnall
Wolff
Yates
Young
Zablocki

NAYS—143

Abernethy
Adair
Andrews, N. Dak.
Ashbrook
Ashmore
Baring
Battin
Bennett
Betts
Blackburn
Blanton
Bow
Bray
Brinkley
Brown, Calif.
Brown, Mich.
Broyhill, Va.
Buchanan
Burleson
Burton, Utah
Bush
Carter
Casey
Cederberg
Cleveland
Colmer
Cramer
Cunningham
Curtis
Davis, Ga.
Dickinson
Dole
Dorn
Dowdy
Duncan
Edwards, La.
Fisher
Flynt
Foley
Galifianakis
Gardner
Gathings
Gettys
Goodling
Gross
Grover
Gubser
Hagan
Haley
Hall
Hammer-schmidt
Harsha
Harvey
Henderson
Hosmer
Hungate
Hunt
Hutchinson
Ichord
Jarman
Jonas

Jones, Ala.	Myers	Sikes
Jones, Mo.	Natcher	Skubitz
King, N.Y.	Nelsen	Smith, Calif.
Kleppe	Nichols	Smith, N.Y.
Kornegay	O'Konski	Smith, Okla.
Kuykendall	Olsen	Snyder
Kyl	O'Neal, Ga.	Stanton
Langen	Pettis	Steed
Latta	Poage	Steiger, Ariz.
Lennon	Poff	Steiger, Wis.
Lipscomb	Pool	Stubblefield
Long, La.	Price, Tex.	Talcott
Lukens	Pryor	Taylor
McClure	Quillen	Thompson, Ga.
McCulloch	Randall	Tuck
McDonald, Mich.	Rarick	Vander Jagt
McEwen	Reifel	Waggonner
McMillan	Reinecke	Wampler
Marsh	Roberts	Watson
May	Roth	Watts
Meskill	Roudebush	Whalley
Miller, Ohio	Roush	Whitten
Minshall	Ruppe	Winn
Mize	Sandman	Wyatt
Montgomery	Satterfield	Wylie
Moore	Saylor	Wyman
Morris, N. Mex.	Scherle	Zwach
	Scott	

ANSWERED "PRESENT"—2

Collier Rumsfeld

NOT VOTING—120

Abbitt	Farbstein	Pollock
Adams	Findley	Pucinski
Addabbo	Fino	Purcell
Anderson, Ill.	Fountain	Reid, Ill.
Andrews, Ala.	Fulton, Tenn.	Resnick
Annunzio	Fuqua	Rhodes, Ariz.
Arends	Gallagher	Rivers
Aspinall	Gilbert	Rodino
Bates	Green, Oreg.	Rogers, Fla.
Belcher	Gurney	Rostenkowski
Bell	Halleck	Ryan
Berry	Hanna	St. Onge
Bevill	Hansen, Idaho	Schadeberg
Broomfield	Hansen, Wash.	Schneebeli
Brown, Ohio	Hardy	Schwengel
Broyhill, N.C.	Harrison	Shipley
Burke, Fla.	Hawkins	Slack
Button	Hays	Springer
Carey	Heckler, Mass.	Staggers
Celler	Herlong	Stephens
Chamberlain	Hicks	Stuckey
Clancy	Hull	Taft
Clark	Johnson, Pa.	Tenzer
Clausen, Don H.	Jones, N.C.	Thompson, N.J.
Clawson, Del	Kee	Thomson, Wis.
Conyers	Kirwan	Tiernan
Corman	Kluczynski	Udall
Cowger	Laird	Utt
Davis, Wis.	Landrum	Walker
Dawson	McClory	Watkins
de la Garza	Macdonald, Mass.	Whitener
Denney	MacGregor	Wiggins
Derwinski	Martin	Williams, Miss.
Devine	Mathias, Md.	Williams, Pa.
Dingell	Meeds	Willis
Edmondson	Michel	Wilson, Bob
Edwards, Ala.	Mills	Wilson, Charles H.
Eshleman	Morgan	Wright
Everett	Mosher	Wydler
Evins, Tenn.	Pike	Zion

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rostenkowski for, with Mr. Rumsfeld against.

Mr. Pucinski for, with Mr. Collier against.

Mr. Kirwan for, with Mr. Evins of Tennessee against.

Mr. St. Onge for, with Mr. Everett against.

Mr. Annunzio for, with Mr. Jones of North Carolina against.

Mr. Aspinall for, with Mr. Andrews of Alabama against.

Mr. Hicks for, with Mr. Hull against.

Mr. Celler for, with Mr. Fountain against.

Mr. Addabbo for, with Mr. Walker against.

Mr. Gilbert for, with Mrs. Reid of Illinois against.

Mr. Purcell for, with Mr. Michel against.

Mr. Rodino for, with Mr. Watkins against.

Mr. Meeds for, with Mr. Zion against.

Mr. Slack for, with Mr. Devine against.

Mr. Tiernan for, with Mr. Wiggins against.

Mr. Ryan for, with Mr. Williams of Pennsylvania against.

Mr. Kluczynski for, with Mr. Hansen of Idaho against.

Mr. Arends for, with Mr. Rogers of Florida against.

Mr. Mathias of Maryland for, with Mr. Rivers against.

Mr. Schneebeli for, with Mr. Bevill against.

Mr. Taft for, with Mr. Whitener against.

Mr. Pollock for, with Mr. Staggers against.

Mr. Broomfield for, with Mr. Harrison against.

Mr. Button for, with Mr. Broyhill of North Carolina against.

Mr. Bell for, with Mr. Martin against.

Mr. Schwengel for, with Mr. Chamberlain against.

Mr. Adams for, with Mr. Anderson of Illinois against.

Mr. Halleck for, with Mr. Cowger against.

Mr. Bates for, with Mr. Clancy against.

Mrs. Heckler of Massachusetts for, with Mr. Belcher against.

Mr. Carey for, with Mr. Rhodes of Arizona against.

Mr. Dawson for, with Mr. Fino against.

Mr. Dingell for, with Mr. Berry against.

Mr. Edmondson for, with Mr. Gurney against.

Mr. Farbstein for, with Mr. Burke of Florida against.

Mr. Wydler for, with Mr. Brown of Ohio against.

Mr. MacGregor for, with Mr. Davis of Wisconsin against.

Mr. Tenzer for, with Mr. Stuckey against.

Mr. Thompson of New Jersey for, with Mr. Abbitt against.

Mr. Macdonald of Massachusetts for, with Mr. Conyers against.

Mr. Morgan for, with Mr. Fuqua against.

Mr. Wright for, with Mr. Johnson of Pennsylvania against.

Mr. Charles H. Wilson for, with Mr. Willis against.

Mr. Hawkins for, with Mr. Shipley against.

Mr. Pike for, with Mr. Del Clawson against.

Mr. Clark for, with Mr. Derwinski against.

Mr. Fulton of Tennessee for, with Mr. Mosher against.

Mr. Herlong for, with Mr. Edwards of Alabama against.

Mr. Hardy for, with Mr. Eshleman against.

Mr. Hays for, with Mr. Findley against.

Mr. Kee for, with Mr. Schadeberg against.

Mr. Udall for, with Mr. Bob Wilson against.

Mr. Gallagher for, with Mr. Thomson of Wisconsin against.

Mr. Resnick for, with Mr. McClory against.

Mr. Hanna for, with Mr. Utt against.

Mrs. Green of Oregon for, with Mr. Williams of Mississippi against.

Mrs. Hansen of Washington for, with Mr. Mills against.

Mr. Springer for, with Mr. Stephens against.

Mr. Corman for, with Mr. de la Garza against.

Mr. Laird for, with Mr. Denney against.

Mr. COLLIER. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. PUCINSKI]. If he had been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. RUMSFELD. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. ROSTENKOWSKI]. If he had been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

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

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

There was no objection.

LEGISLATIVE PROGRAM FOR WEEK OF NOVEMBER 20

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of asking the distinguished majority leader the program for the remainder of this week and the agenda for next week.

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

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

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the distinguished minority leader, the remaining program for the week is the consideration of the rule on H.R. 8. The consideration of the bill itself, if the rule is adopted, will go over to a later date.

Mr. GERALD R. FORD. It was my understanding that there may be a conference report from the Committee on Armed Services on some bill. Is that correct?

Mr. ALBERT. The gentleman from Massachusetts [Mr. PHILBIN] did speak to me about one.

The SPEAKER. The Chair might state that there have been scheduled a couple of unanimous-consent matters, one with respect to Senate amendments and the other one on a matter to go to conference.

Mr. ROSENTHAL. Mr. Speaker, will the minority leader yield?

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

Mr. ROSENTHAL. Mr. Speaker, I address my question to the distinguished gentleman from Oklahoma, the majority leader. Is there great urgency for the consideration of this rule to be considered at 5:35 o'clock on Friday night?

Mr. ALBERT. The matter is one of high privilege. It has been worked out with the leadership on both sides, and if the rule is adopted, we can put over the consideration of the bill until after the Thanksgiving holidays.

Mr. ROSENTHAL. This is something you feel is of high urgency that must be taken up now?

Mr. ALBERT. It has been programed, and it is a matter of privilege. I should say the consideration of the rule is in order at this time and it has been on the program.

Mr. BOLLING. Mr. Speaker, will the distinguished minority leader yield?

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

Mr. BOLLING. Mr. Speaker, in all fairness to all concerned, I think this situation should be understood. The distinguished chairman of the Committee on Rules some time ago served notice that

he was going to call up the rule under the rules of the House. The reason that the matter is being considered now—and I have his permission so to state—is that he is insisting on his right as a member of the Committee on Rules to call up the rule.

Mr. ALBERT. I appreciate what the gentleman has said, because it is an exact statement of the situation.

Mr. COLMER. Mr. Speaker, will the distinguished minority leader yield?

Mr. GERALD R. FORD. I yield to the distinguished gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, the gentleman from Missouri stated the facts correctly. This bill has been reported out of the committee for months. It passed this House by a vote of about 5 to 1 last year and no action was taken thereon. It has been hanging fire here, and I did exercise my privilege as a Member of this House under the rules of the House by serving notice some weeks ago that if it were not programed, I would exercise the privilege of calling it up.

Mr. ALBERT. Mr. Speaker, if the gentleman from Michigan will yield further, I thank the gentleman from Mississippi for his comments.

Mr. GERALD R. FORD. Mr. Speaker, may I inquire of the distinguished gentleman from Oklahoma as to the program for next week?

Mr. ALBERT. Mr. Speaker, if the distinguished minority leader will yield, the program for next week is as follows:

For Monday and the balance of the week we have for the consideration of the House eight suspensions and 11 District bills which are as follows:

H.R. 13933, to authorize modifications in the Interstate System;

H.R. 8376, to provide that the U.S. District Court for Eastern District of New York shall be held at Brooklyn and Mineola, N.Y.;

H.R. 12010, to grant the consent of the United States to the Wheeling Creek Watershed Protection and Flood Prevention District compact;

H.R. 9063, to amend the International Claims Settlement Act of 1949;

S. 1003, to amend the Flammable Fabrics Act;

H.R. 11527, to release conditions in a deed convening land to the University of Maine;

H.R. 13489, to amend the Federal Credit Union Act;

H.R. 13273, to amend the Marine Resources and Engineering Development Act of 1966;

H.R. 6647, to authorize inspection of foreign-registered motor vehicles in the District of Columbia;

H.R. 9606, to exempt from taxation property of the National Society of the Colonial Dames of America;

H.R. 12019, to exempt from taxation property of the B'nai B'rith Henry Monsky Foundation;

H.R. 10337, to amend District of Columbia Minimum Wage Act;

H.R. 13401, to amend Chanceries Act to clarify agreements with the government of the District of Columbia;

H.R. 13402, to authorize certain buildings for chanceries;

H.R. 13403, to amend grandfather clause regarding locations of chanceries;

H.R. 13480, to amend the District of Columbia Motor Vehicle Safety Responsibility Act;

S. 1227, to provide for recordation of judgments or decrees of the U.S. District Court for District of Columbia;

S. 764, to amend the District of Columbia Traffic Act; and

S. 770, to amend the act establishing a public crematorium in the District of Columbia.

Also, for Monday we have, of course, the call of the Consent Calendar; and

S. 1031, to amend the Peace Corps Act, under an open rule with 2 hours of debate;

House Joint Resolution 859, to extend the emergency provisions of the urban mass transportation program, under an open rule with 1 hour of debate; and

H.R. 12603, National Visitor Center Facilities Act of 1967, under an open rule with 2 hours of debate, making it in order to consider the committee substitute as an original bill for the purpose of amendment.

On Tuesday will be the call of the Private Calendar.

Mr. Speaker, I might add we expect to complete the consideration of this legislative program by Tuesday evening.

Of course, Mr. Speaker, conference reports may be brought up at any time and any further program may be announced later.

Mr. HALL. Mr. Speaker, will the distinguished minority leader yield to me at this point?

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

Mr. HALL. Mr. Speaker, I noted that there are a number of bills on the Consent Calendar, before we get into the consideration of the bills which are scheduled to be considered under suspension of the rules. This represents a rather long list and on which during the consideration thereof it will probably require many long hours of consideration.

Also, I notice on the list a long list of legislation for the District of Columbia.

Mr. Speaker, it is even more apparent than actually the distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT] indicated in announcing the program for Monday and the balance of the week, that we have a rather large and busy program for next week, a progam which will take us beyond "turkey-eating time."

I also notice, Mr. Speaker, that we do not have scheduled for the consideration of the House H.R. 8, the very bill which we have been discussing and on which a discussion has especially been had by the distinguished members of the House Committee on Rules.

Could the gentleman from Oklahoma give us any idea, since we are going to take up the rule providing for the consideration of this bill tonight, when such bill might be programed, if the rule is adopted?

Mr. ALBERT. Mr. Speaker, will the distinguished gentleman from Michigan yield further?

Mr. GERALD R. FORD. I yield further to the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, that is a matter which we will have to discuss with the author of the bill, the distinguished gentleman from Texas.

Mr. HALL. Mr. Speaker, if the distinguised minority leader will yield further, I think it is a matter of interest to the Members of the House, inasmuch as we are going to discuss the rule and evidently are going to pass it late on Friday evening, or at least consider it, whether the bill provided for under the rule might be scheduled at this session or the next session of Congress.

Mr. POOL. Mr. Speaker, will the distinguished minority leader yield?

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

Mr. POOL. Mr. Speaker, I am perfectly satisfied that the committee and the majority leadership will take care of this matter in a satisfactory manner insofar as I am concerned, and I am not going to ask tonight when they are going to schedule it. However, I am satisfied that they are going to schedule it for the consideration of the House.

Mr. HALL. Mr. Speaker, if the distinguished minority leader will yield further, I thank the gentleman from Texas for his faith, and greater faith than this hath no man.

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

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

Mr. COLLIER. Mr. Speaker, recognizing the fact that the distinguished chairman of the Committee on Rules has certainly and properly exercised the rights which are his prerogatives to call up this rule, as a practical matter I can see no sense at this hour in taking up the rule when the bill is not even scheduled for the consideration of the House.

Mr. Speaker, I think most Members of the House feel that way.

Mr. ALBERT. Mr. Speaker, will the distinguished minority leader yield further?

Mr. GERALD R. FORD. I yield further to the gentleman from Oklahoma.

Mr. ALBERT. The gentleman from Illinois [Mr. COLLIER] may not be able to see any logic in taking up the rule at this time, but the gentleman may not be able to see everything that is involved.

Mr. COLLIER. Well, I am not unique in that respect, although it does seem to me that this represents a most unique approach to the situation.

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

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

Mr. GROSS. Mr. Speaker, I think we ought to have some assurance that if we are going to take up this rule tonight we ought to have some assurance that this bill will be considered by the House of Representatives.

Mr. ALBERT. As far as I am concerned, if the gentleman will yield further, there is no intention to hoodwink anybody. The distinguished gentleman, the chairman of the Committee on Rules, under the rules of the House served notice that he was going to call this matter up. The leadership had hoped this could be done at a time that could accommodate the entire legislative program. The gentleman has agreed to do

this, and that is why it is being called up now.

Mr. GROSS. But of course it is up to the distinguished majority leader and the Speaker to program it.

Now, may we have the assurances that this bill will be considered after the Thanksgiving holiday this year?

Mr. ALBERT. It will be considered, as far as I am concerned, this year, because it is a privileged matter and the leadership has been notified that it would be called up.

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

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

Mr. CEDERBERG. I thank the gentleman for yielding.

Mr. Speaker, in view of the heavy program on Monday, in order to handle it could we ask unanimous consent that we come in at about 9 o'clock in the morning on Monday, and work until midnight?

Did someone object?

Mr. GERALD R. FORD. I yield to the majority leader.

Mr. ALBERT. I trust that the Members in their wisdom will study the various bills which are on the program and give them careful consideration, and I believe after such consideration they will understand that the Speaker, in putting down these bills for suspension, has used wise discretion in that these are matters that should be considered under suspension of the rules, and I am sure that the House will cooperate with us in expediting the business of the House.

Mr. CEDERBERG. If the gentleman will yield further, I was being somewhat facetious with that statement, but I do believe there is some merit in coming in a little earlier on a day like that, either at 11 o'clock a.m., or at 10 o'clock a.m., because otherwise we can be working until 10 or 11 o'clock that night, and if we could come in a little bit earlier I would believe it would be better for all.

Mr. ALBERT. If the gentleman will bear with me, I will be glad to discuss the matter with the leadership on the other side at an appropriate time, and come to a decision on that before we adjourn tonight.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

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

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 8, TO AMEND THE INTERNAL SECURITY ACT OF 1950

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 509 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 509

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8) to amend the Internal Security Act of 1950. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Un-American Activities, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The Chair recognizes the gentleman from Mississippi for 1 hour.

Mr. COLMER. Mr. Speaker, if I may have the attention of my colleagues, as far as I am concerned the hour will not be used. But, Mr. Speaker, I want to say with all possible emphasis that I have no apologies to offer to anyone for the action that I have taken in this matter. Yes, the hour is late. I hope the Members will bear in mind that it is also late in Vietnam. I hope the Members will also bear in mind that, while they may be a bit inconvenienced here today, they do not have to wade through the mire and the muck and the swamps of Vietnam like those boys whom we have drafted and sent over there while some people over in this country are sabotaging the efforts those boys are putting forth over there, and for which they are shedding their precious blood.

This bill was considered late in the session last year just before the Congress adjourned. It passed this House by a vote of 275 to 64. Because of the lateness of the session or because of the misguided thinking possibly of some people, the other body did not consider the bill.

Your Committee on Un-American Activities reported this bill on May 31, 1967, and it has been languishing here ever since. If you think this is strong language on my part, let us see what the bill would do, just briefly. The immediate purpose of the activity on the part of these people I have just referred to is to strengthen the Communist forces engaged in armed conflict with the United States, while at the same time obstructing the Government of the United States and its armed forces in the execution of their commitments in Vietnam, so as to facilitate the seizure of South Vietnam by Communist agencies.

I want to repeat what I have said a hundred times more or less in this House and elsewhere. I do not know whether we should be in Vietnam or not. But the fact is that we are there, and the fact is that our boys, your boys from your home town and my home town, are over there. Only last Saturday I dedicated a building, an armory, to two of the boys who had died there.

What would this measure do? It would stop such action as occurred out on the west coast last year when some of these people—call them pacifists, call them anything you want to—actually laid down on the tracks to prevent the movement of troops, while others were gathering material and money to send over to the enemy. This bill is designed to stop that kind of activity.

A great American once said something to the effect, "My country right or wrong but my country" That is my attitude.

Something should be done about this. Why is there such a division in this country? Why do we have marches on the Pentagon? I believe that one of the reasons is the appeasement policy that has been followed in this country by those misguided people.

Mr. Speaker, I am going to keep my word. I am not going to speak at length on this subject. Those of you who want to go home and explain to your constituents, to the mothers and the fathers of these boys over there, that you were not willing to protect them here on the home front can do so.

But so far as I am concerned, I am going to give them every ounce of protection that I can.

Mr. Speaker, I now yield the usual 30 minutes to the distinguished gentleman from Tennessee [Mr. QUILLEN].

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

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

Mr. Speaker, I compliment the gentleman from Mississippi, the distinguished chairman of the House Rules Committee. It seems to me, too, that these boys in Vietnam—those living and those dead—are speaking to us today.

To you, from failing hands we throw
The torch; be yours to hold it high
If ye break faith with us who die,
We shall not sleep.

As the able gentleman from Mississippi [Mr. COLMER] has stated, House Resolution 509 provides an open rule with 2 hours of general debate for the consideration of H.R. 8, entitled "Obstruction of Armed Forces."

The purpose of this bill is to prohibit certain actions against the Armed Forces of the United States when they are engaged in armed conflict, whether or not Congress has declared war.

Two broad categories of action are prescribed by the bill. Section 402 prohibits the solicitation, collection, or delivery of money or property to the foreign power engaging in the war with our forces. Section 403 prohibits the obstruction of either men or supplies for our military.

The bill as reported is identical with H.R. 12047 as it passed the House last October by a 275-to-64 vote. The Senate did not act on this measure.

The reasons for the bill are again detailed by the committee report. They include: First, continuing efforts by peacenik types throughout the country to collect money, supplies, and blood for the Vietcong; second, efforts by these same groups to disrupt the flow of supplies to our men in Vietnam; third, the belief that current laws are not adequate

to resolve these problems, a belief denied by a number of Federal agencies, who, nonetheless, do not prosecute violators of current law and seem to have no intention of doing so. Pages 9 through 11 list current law applicable and show the complete lack of utilization in this field of enforcement.

Officially, the Department of State, the Attorney General, the Department of Commerce, the Treasury, and the Army have all said the bill is not needed.

But it is needed.

> To you, from failing hands we throw
> The torch; be yours to hold it high
> If ye break faith with us who die,
> We shall not sleep.

Dissenting views are submitted by the gentleman from Iowa [Mr. CULVER]. He does not believe the bill is necessary and relies on the official stated positions noted above to sustain his position.

Mr. Speaker, when thousands of our finest young men are giving their lives in Vietnam, it is deplorable to think that anyone would give help to the enemy in any way. I feel very strongly that this legislation is badly needed and should be passed in order to afford some measure of protection for our fighting forces.

I know of no objection to the rule, and I urge that it be granted.

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

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

Mr. HALEY. Mr. Speaker, the speaker now in the well of the House said the Attorney General of the United States says that this bill is not necessary. If this bill is not necessary, then how does he explain the fact he is allowing the war effort on the part of this Nation—whether he agrees with it or not—to be disrupted, such as military trains, military operations, by a march on the Pentagon, the most sensitive part of the Armed Forces of this Nation?

I just cannot understand Mr. Clark saying a bill of a similar character is not needed. If we had laws that could be enforced against this bunch of "goons" and "termites"—and that is what they are—then I believe he has been derelict in his duty in enforcing those laws and putting them in the penitentiary, where many of them belong.

Mr. QUILLEN. I agree with the distinguished gentleman. I do not understand why not only the Attorney General but also the Department of State, the Department of Commerce, and the Department of the Treasury all feel that this bill is unnecessary. They are not reaching out with their hearts in memory of these men fighting and dying for the red, white, and blue of our flag.

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

Mr. QUILLEN. I am happy to yield.

Mr. HALEY. If Mr. Clark does not believe this bill is necessary, I wish he could have stood at the graveside of an only son of a very close friend of mine, only a few weeks ago. This was a boy I practically raised, a boy who had given his life in the defense of this Nation. I believe he gave it gladly, because he felt that was an obligation he owed. Let Mr. Clark go back and tell the mother of this fine young man that a bill of this kind is not necessary.

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

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

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Missouri [Mr. BOLLING].

Mr. BOLLING. Mr. Speaker, I hesitate to speak even very briefly on this matter.

Things have been said which I believe should not be allowed to stand in the RECORD without some comment.

I happen to be a strong supporter of the U.S. action in Vietnam, as I was of our action in Korea.

I still believe it is possible for a person to disapprove of this bill and to oppose this bill and to be a perfectly loyal, committed, and dedicated citizen.

I merely wanted the record to show that no one challenged that remark.

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

GENERAL LEAVE TO EXTEND

Mr. COLMER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this subject.

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

There was no objection.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken.

Mr. ROSENTHAL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 212, nays 37, not voting 183, as follows:

[Roll No. 396]

YEAS—212

Abernethy
Adair
Albert
Andrews, N. Dak.
Ashbrook
Ashmore
Ayres
Baring
Battin
Bennett
Betts
Blackburn
Blatnik
Boggs
Bow
Brademas
Brasco
Bray
Brinkley
Brock
Brotzman
Brown, Mich.
Broyhill, Va.
Buchanan
Burke, Mass.
Burleson
Burton, Utah
Bush
Byrne, Pa.
Byrnes, Wis.
Cabell
Cahill
Carter
Casey
Cederberg
Cleveland
Collier
Colmer
Conable
Conte
Corbett
Cramer
Cunningham
Curtis
Daddario
Davis, Ga.
Dellenback
Dickinson
Dole
Dorn
Dowdy
Downing
Dulski
Duncan
Dwyer
Edwards, La.
Eilberg
Esch
Evans, Colo.
Feighan
Fisher
Flood
Flynt
Ford, Gerald R.
Friedel
Fulton, Pa.
Galifianakis
Garmatz
Gathings
Gettys
Gibbons
Gonzalez
Goodell
Goodling
Gray
Green, Pa.
Gross
Grover
Gubser
Hagan
Haley
Hall
Halpern
Hammer-schmidt
Harsha
Harvey
Hébert
Henderson
Horton
Hosmer
Hungate
Hunt
Hutchinson
Ichord
Jacobs
Jarman
Joelson
Johnson, Calif.
Jonas
Jones, Ala.
Kazen
Keith
King, N.Y.
Kleppe
Kyl
Kyros
Langen
Lennon
Lipscomb
Long, La.
Lukens
McCulloch
McDade
McDonald, Mich.
McEwen
Machen
Mahon
Mailliard
Marsh
Mathias, Calif.
Matsunaga
May
Mayne
Meskill
Miller, Ohio
Minish
Minshall
Mize
Monagan
Montgomery
Moore
Morton
Myers
Natcher
Nichols
O'Konski
O'Neal, Ga.
Patman
Patten
Pepper
Perkins
Pettis
Pirnie
Poage
Poff
Pool
Price, Ill.
Price, Tex.
Pryor
Quie
Quillen
Railsback
Randall
Rarick
Reifel
Rhodes, Pa.
Riegle
Roberts
Robison
Rogers, Colo.
Rooney, N.Y.
Roth
Roudebush
Roush
Rumsfeld
Sandman
Satterfield
Saylor
Scherle
Schweiker
Scott
Selden
Shriver
Sikes
Sisk
Skubitz
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Smith, Okla.
Snyder
Stafford
Stanton
Steed
Steiger, Ariz.
Steiger, Wis.
Stratton
Stubblefield
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Tunney
Vander Jagt
Vanik
Vigorito
Wampler
Watson
Watts
Whalen
Whalley
White
Whitten
Widnall
Winn
Wolff
Wyatt
Wylie
Wyman
Young
Zablocki
Zwach

NAYS—37

Ashley
Boland
Bolling
Brown, Calif.
Burton, Calif.
Cohelan
Culver
Dow
Eckhardt
Edwards, Calif.
Foley
Ford, William D.
Hathaway
Hechler, W. Va.
Helstoski
Kastenmeier
Kupferman
Leggett
Long, Md.
McCarthy
McFall
Mink
Nedzi
Nix
O'Hara, Ill.
O'Hara, Mich.
O'Neill, Mass.
Rees
Reid, N.Y.
Reuss
Rosenthal
Roybal
St Germain
Scheuer
Van Deerlin
Waldie
Yates

NOT VOTING—183

Abbitt
Adams
Addabbo
Anderson, Ill.
Anderson, Tenn.
Andrews, Ala.
Annunzio
Arends
Aspinall
Barrett
Bates
Belcher
Bell
Berry
Bevill
Biester
Bingham
Blanton
Bolton
Brooks
Broomfield
Brown, Ohio
Broyhill, N.C.
Burke, Fla.
Button
Carey
Celler
Chamberlain
Clancy
Clark
Clausen, Don H.
Clawson, Del
Conyers
Corman
Cowger
Daniels
Davis, Wis.
Dawson
de la Garza
Delaney
Denney
Dent
Derwinski
Devine
Diggs
Dingell
Donohue
Edmondson
Edwards, Ala.
Erlenborn
Eshleman
Everett
Evins, Tenn.
Fallon
Farbstein
Fascell
Findley
Fino
Fountain
Fraser
Frelinghuysen
Fulton, Tenn.
Fuqua
Gallagher
Gardner
Giaimo
Gilbert
Green, Oreg.
Griffiths
Gude
Gurney
Halleck
Hamilton
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Hardy
Harrison
Hawkins
Hays
Heckler, Mass.
Herlong
Hicks
Holifield
Holland
Howard
Hull
Irwin
Johnson, Pa.
Jones, Mo.
Jones, N.C.
Karsten
Karth
Kee
Kelly
King, Calif.
Kirwan
Kluczynski
Kornegay
Kuykendall
Laird
Landrum
Latta
Lloyd
McClory
McClure
McMillan
Macdonald, Mass.
MacGregor
Madden
Martin
Mathias, Md.
Meeds
Michel
Miller, Calif.
Mills
Moorhead
Morgan
Morris, N. Mex.
Morse, Mass.
Mosher
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Nelsen
Olsen
Ottinger
Passman
Pelly
Philbin
Pickle
Pike
Pollock
Pucinski
Purcell
Reid, Ill.
Reinecke
Resnick
Rhodes, Ariz.
Rivers
Rodino
Rogers, Fla.
Ronan
Rooney, Pa.
Rostenkowski

Ruppe	Taft	Whitener
Ryan	Tenzer	Wiggins
St. Onge	Thompson, Ga.	Williams, Miss.
Schadeberg	Thompson, N.J.	Williams, Pa.
Schneebeli	Thomson, Wis.	Willis
Schwengel	Tiernan	Wilson, Bob
Shipley	Tuck	Wilson, Charles H.
Slack	Udall	Wright
Springer	Ullman	Wydler
Staggers	Utt	Zion
Stephens	Waggonner	
Stuckey	Walker	
Sullivan	Watkins	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Pucinski for, with Mr. Fraser against.
Mr. Kirwan for, with Mr. Celler against.
Mr. Brooks for, with Mr. Ryan against.
Mr. Fascell for, with Mr. Hawkins against.
Mr. Kornegay for, with Mr. Resnick against.
Mr. Fountain for, with Mr. Bingham against.
Mr. Dent for, with Mr. Conyers against.
Mr. Waggonner for, with Mr. Thompson of New Jersey against.

Until further notice:

Mr. Dawson with Mr. Hanna.
Mr. Herlong with Mr. Hanley.
Mr. Hamilton with Mr. Ottinger.
Mr. Mills with Mr. Moorhead.
Mr. Pickle with Mr. Olsen.
Mr. Stephens with Mr. Holland.
Mr. Karth with Mr. McMillan.
Mr. Passman with Mr. Macdonald of Massachusetts.
Mr. Irwin with Mr. Diggs.
Mr. Morris of New Mexico with Mr. Howard.
Mr. Clark with Mr. Kee.
Mr. St. Onge with Mr. Anderson of Illinois.
Mr. Addabbo with Mrs. Bolton.
Mr. Barrett with Mr. Arends.
Mr. Farbstein with Mr. Broomfield.
Mr. Abbitt with Mr. Chamberlain.
Mr. Gilbert with Mr. Devine.
Mr. Carey with Mr. Bates.
Mr. Adams with Mr. Edwards of Alabama.
Mrs. Kelly with Mr. Clancy.
Mr. Daniels with Mr. Zion.
Mr. Annunzio with Mr. Button.
Mr. King of California with Mr. Harrison.
Mr. Andrews of Alabama with Mr. Bell.
Mr. Morgan with Mr. Don H. Clausen.
Mr. Delaney with Mr. Erlenborn.
Mr. Giaimo with Mr. Hansen of Idaho.
Mr. Aspinall with Mr. Belcher.
Mr. Kluczynski with Mr. Eshleman.
Mr. Donohue with Mr. Del Clawson.
Mr. Bevill with Mr. Berry.
Mr. Madden with Mr. Gurney.
Mr. Edmondson with Mr. Derwinski.
Mr. Moss with Mr. Brown of Michigan.
Mr. Philbin with Mr. Findley.
Mr. Evins of Tennessee with Mr. Biester.
Mr. Rodino with Mr. Fino.
Mr. Miller of California with Mr. Halleck.
Mr. Fallon with Mr. Frelinghuysen.
Mr. Shipley with Mr. Cowger.
Mr. Hays with Mr. Davis of Wisconsin.
Mr. Rostenkowski with Mr. Gude.
Mr. Holifield with Mr. Gardner.
Mr. Rivers with Mr. Broyhill of North Carolina.
Mr. Hull with Mr. Denney.
Mr. Multer with Mr. Wydler.
Mr. Jones of North Carolina with Mr. Burke of Florida.
Mrs. Sullivan with Mr. Bob Wilson.
Mr. Charles H. Wilson with Mr. Johnson of Pennsylvania.
Mr. Tenzer with Mr. Schneebeli.
Mr. Whitener with Mr. Williams of Pennsylvania.
Mr. Tiernan with Mr. Mathias of Maryland.
Mr. Udall with Mr. Kuykendall.
Mr. Karsten with Mr. Watkins.
Mr. Purcell with Mr. Ruppe.
Mr. Rogers of Florida with Mr. Michel.
Mr. Hardy with Mr. Reinecke.
Mr. Williams of Mississippi with Mr. Rooney of Pennsylvania.
Mr. Staggers with Mr. Laird.
Mr. Wright with Mr. Mosher.
Mr. Corman with Mr. Wiggins.
Mr. Slack with Mr. Latta.
Mr. Anderson of Tennessee with Mr. Nelsen.
Mr. Tuck with Mr. Utt.
Mr. Hicks with Mr. Lloyd.
Mr. Ullman with Mr. Thomson of Wisconsin.
Mr. Murphy of New York with Mr. McClory.
Mr. Dingell with Mr. Thompson of Georgia.
Mr. Willis with Mr. McClure.
Mr. Blanton with Mr. Taft.
Mr. Everett with Mr. MacGregor.
Mr. Walker with Mr. Springer.
Mr. Fulton of Tennessee with Mr. Schwengel.
Mr. Landrum with Mr. Martin.
Mr. Gallagher with Mr. Morse.
Mr. Murphy of Illinois with Mr. Pelly.
Mr. Fuqua with Mr. Pollock.
Mrs. Green of Oregon with Mrs. Reid of Illinois.
Mr. Pike with Mr. Schadeberg.
Mr. Stuckey with Mr. Ronan.
Mrs. Griffiths with Mrs. Heckler of Massachusetts.
Mrs. Hansen of Washington with Mr. Rhodes of Arizona.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

ADJOURNMENT TO 11 A.M. MONDAY, NOVEMBER 20, 1967

Mr. ALBERT. Mr. Speaker, after consulting with the distinguished minority leader, and in response to petitions from some Members, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock on Monday next.

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

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 8629, TO AMEND THE ACT OF JULY 4, 1966

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8629) to amend the act of July 4, 1966, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? The Chair hears none, and appoints the following conferees: Messrs. ROGERS of Colorado, WHITENER, JACOBS, POFF, and WIGGINS.

WEST POINT FOOTBALL TEAM CANNOT PARTICIPATE IN BOWL GAME

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

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

There was no objection.

Mr. HÉBERT. Mr. Speaker, I had not intended to take the floor to discuss this matter today, but occurrences of the last few hours have compelled me to bring to your attention again a situation as related to the betrayal of the football team of West Point and the cadet corps and the Army in its entirety by the Secretary of the Army in surreptitiously ruling that the Army football team could not participate in a bowl game, and insinuating that it smacked of professionalism.

Since the news media carried this announcement, my telephone this morning has been ringing with calls of protest from people in all parts of the country.

The American people have been heard from and I am sure the people will continue to be heard from.

I am sure that those individuals who would shed crocodile tears on the overemphasis, so-called, of football and athletics at West Point could well read again what perhaps one of the greatest West Pointers of all said about this competition:

> Upon the fields of friendly strife, are sowed the seeds
> That in other days and other fields will bear the fruits of victory.
> —DOUGLAS MACARTHUR.

They shall also recall what the Duke of Wellington said after the Battle of Waterloo, that, "The Battle of Waterloo was won on the playing fields of Eton."

Another story that General MacArthur told is well known and bears repeating at this time. When he was a young aide with President Theodore Roosevelt, they were attending a football game. General MacArthur said just at the height of the game the President looked over at him and said, "Douglas, I would rather be the quarterback on that field than the President of the United States."

This is serious business that is going on now where reflection is cast on two other Academies, the Air Force Academy, which has participated in two bowl games, and the Naval Academy, which has participated in five bowl games. It is also an absolute affront to the Board of Visitors to West Point of 1955, which advised that the policy of the Academy should be to accept a bowl invitation.

The most damaging thing I think is the strike that has been made against the morale of the cadets. They were all led to believe that they would participate.

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

Mr. HÉBERT. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Will the gentleman tell us where West Point might play if it plays in a bowl game?

Mr. HÉBERT. I have every assurance and can say that West Point would have been in the Sugar Bowl Game at New Orleans if this prohibition had not been placed against them. The Cotton Bowl in Dallas was also interested in the West Point team, and they could have gone there. To the gentleman I can say if West Point had received an invitation from the Sugar Bowl and had been allowed to play in the Sugar Bowl its opponent could well have been Oklahoma, the

State so ably represented by our distinguished majority leader. I am sure if such had occurred my dear friend would have been there to cheer his old alma mater, the University of Oklahoma.

Secretary of the Army Stanley Resor and Chief of Staff Harold K. Johnson, in refusing to allow West Point to accept a football bowl invitation delivered a body-blow to the morale of the West Point football squad, the corps of cadets, and the entire Army.

This action is going to strike the match to the biggest fire of resentment that I can conceive. It was a precipitous decision by Secretary Resor and General Johnson. It was confirmed after I had made a personal plea to Secretary Resor and had pointed out to him that a policy of allowing the academies to participate in bowl games was set forth in the report of the 1955 Board of Visitors at West Point.

I discussed the matter at length with Secretary Resor on Tuesday afternoon. Today he called me at a quarter of 1 and informed me that he had not changed his position. He reaffirmed his decision and said an announcement would be made to the corps at 1 o'clock. I asked him to withhold the announcement until the matter could be discussed further and in depth. He said he could not do this. Of course, this modus operandi is typical of the Pentagon. When decisions are made, the Congress is only informed after the decision is made and the public announcement comes within minutes. This is par for the course.

In reference to the recommendation of the 1955 Board of Visitors, the Secretary said he questioned my interpretation of it. I informed him that I knew what the intent of the Board was because I was a member of the Board and had personally joined in the recommendation. Again, this is typical in so many departments of the Government telling Members of Congress what their intent was. In other words, they have a habit of reading our minds and coming up with answers that were never present.

The decision of 1955, made by a Board of Visitors chaired by Gen. Lucius Clay, had the full approval of Col. Earl H. Blaik, who was at that time athletic director and coach at West Point

Secretary Resor told me that participating in bowl games smacks of professionalism. Is he charging the Air Force and Naval Academies with professionalism in athletics? Both the Naval Academy and the Air Force Academy have participated in several bowl games since 1955.

Secretary Resor also told me a bowl game would take players away from their studies too much. I pointed out to him that all other athletic teams at the Military Academy are invited and have participated in postseason contests such as invitational tournaments or elimination tournaments. The football player is being discriminated against.

He also advanced the specious argument of Vietnam. I think the young men in the Army in Vietnam would rather have an Army team in a bowl game to cheer for than a college team of boys from their home State who are not giving any service to their country.

It must also be noted that participation in a bowl game is worth approximately $250,000. It must further be noted that the entire athletic program at West Point is supported by football revenue. Not $1 of taxpayers money or appropriated funds is used. The entire athletic program relies exclusively on gate receipts.

It is a mystery to me why the Secretary of the Army felt compelled to make a hasty decision against bowl games before an invitation was officially extended.

It is a mystery to me why the Secretary of the Army did not wish to at least first ascertain the desires of the members of the West Point football team and the cadet corps as a whole. It is my understanding that the players and the rest of the cadets were enthusiastic about participating in a bowl game.

It should be remembered that in a short while many of these young men will be commissioned junior officers and will be assigned to combat duty in Vietnam. The kind of combat duty a junior officer faces is the most dangerous kind, leading small units in actual fighting. It seems to me a shame that these young men could not be given the special joy of playing in a bowl game before going to such hazardous duty for their country.

As chairman of the Subcommittee on Armed Services with jurisdiction over the three Military Academies, I have insisted and persistently made every effort to bring a uniform policy to each one of the three. I have succeeded in doing it thus far, and I will continue to pursue this policy in connection with the participation of the service academies in bowl games. The American people own the service academies, not individuals. The American people have a right to see the service teams in all its activities.

This action on the part of Secretary Resor and General Johnson will bring an outburst of indignation throughout the country and I hope it does because it will encourage the Congress to force needed changes.

RISING PRICES IS A TAX INCREASE

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

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

There was no objection.

Mr. DORN. Mr. Speaker, let us consider some examples of the impact on all of us of an additional rise of 3 percent in consumer prices which, using the Korean experience as a guide, might result in the absence of the surcharge.

The figures are very instructive.

A single individual with $900 of money income would pay no surcharge; he would be exempt. But a 3-percent additional rise in prices would actually decrease the real income of this individual 4 percent since such a person typically must spend more that his meager income on current living, making up the difference by going into debt or drawing down on savings. This would be equivalent to a 4-percent tax on his income.

For the single individual living on $5,000, the surcharge would impose a tax of $67, equal to 1.3 percent of his income. The burden of the additional 3-percent rise in prices would amount to $144, equal to 2.8 percent of his income—a smaller relative burden than for the individual with $900 income—but still be above the burden of the surcharge.

At the $20,000 income level the surcharge burden would rise in relative terms to 2.5 percent of income and amount to $492, while the additional 3-percent rise in prices would amount to $540.

Turning to a family of four we again see the same unjust pattern of the burden distribution of inflation compared to the surcharge. At $2,500 and at $5,000 of family income no surcharge is paid. In contrast, the burden of the additional price rise is equal to $82 or 3⅓ percent of income at $2,500, and $147 or 3.1 percent at $5,000.

At $10,000 of family income, the surcharge would amount to $111 or 1.1 percent of income. The burden of the 3 percent price rise would be $285 or 2.9 percent.

Some individuals and families in each of these ranges will, of course, experience a rise in incomes when prices rise. These people would not be hurt as much by inflation as would others whose incomes are fixed, but in the end everyone loses. While the surcharge exempts entirely the low income families and individuals, the price rise would place its heaviest relative burden on families and individuals in the lowest income ranges.

But the overall result of a 3 percent additional price rise would be to diminish the real income of the overwhelming majority of the American people far more than the average loss of 1 percent flowing from the tax surcharge.

Moreover, the cost of inflation may be even greater than these annual comparisons indicate, because once a wage-price spiral begins it usually generates price increases every year for several years, while on the other hand, the surcharge is to be temporary, for so long as hostilities continue in Vietnam.

VIETNAM—"THE RIGHT PLACE, THE RIGHT TIME, THE RIGHT ENEMY"

Mr. DORN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. DORN. Mr. Speaker, Vietnam is a prime force in our lives—it has been for some years and it shall continue to be for some time to come. Around such prime and major forces legends are built. Mythology develops. A myth is a story which repeated again and again takes on the aspect of truth even when the facts do not support such a conclusion.

Vietnam is a subject which evokes much discussion and exchanges of opinion. Some of this exchange these days is fact; some of it, mythology. We have

heard on the floor of the House these past few weeks much honest discussion but we have also heard much argument that is closer to myth than it is to rock bottom fact.

We have heard that this Nation seems bent upon a course of winning in Vietnam by the sheer and deliberate bombing of the north. We have heard that this Nation of ours is supporting a government of "landowners and military elite" who will never be able to provide strong national leadership. We are told that the people of Vietnam do not want to defend themselves and that its army does not want to fight. We are informed that there is no real progress in Vietnam, that we are stalemated, that something is wrong when we cannot achieve short term victory.

Given the ideas advanced in some of these myths, I would probably believe them too but from time to time we have to clear out the underbrush with a good solid whack and see what the facts really are. Let us look again at some of these myths:

Are we trying to win this war through more and more bombing?

The President in March of this year, in his letter to Senator HENRY M. JACKSON of the State of Washington, said the following:

> We never believed aerial attack on North Vietnam would, alone, end the war. We did, however, have three objectives. The first was to back our fighting men and our fighting allies by demonstrating that the aggressor could not illegally bring hostile arms and men to bear against them from the security of a sanctuary.
>
> Second, we sought to impose on North Vietnam a cost for violating its international agreements.
>
> Third, we sought to limit or raise the cost of bringing men and supplies to bear against the south.

If there is anyone who believes the mythology that we can win in Vietnam by bombs lobbed in the north, they are misled. The position is clear. In a guerrilla, politico-military kind of conflict—as we see in Vietnam—weapons are only a part of the tools of the trade. We use what we can when we can. As Ambassador Henry Cabot Lodge has often told us, there will be conflict as long as the guerrilla infrastructure is still in place.

We hear many reports of this new government in Saigon. We hear that it is a government of landowners, that it is a government of the military elite. There are landowners and military men in the government; certainly if we turn to this very House we will see that many of our own Members served through periods of emergency and some even professionally in our Armed Forces.

Vietnam has military men in her government. In a country which has been at war for more than 20 years, the military provided social mobility, a place where able men could excel and serve their country. Many of their military would have been farmers and teachers. Picture our country's professional men if World War II had been prolonged for another 15 years.

We can examine the membership of the new Senate recently elected. Eleven of the Senators are teachers; 11 are military or former military; 11 are lawyers; eight merchants or industrialists; five doctors; three civil servants; one architect; two pharmacists; six engineers; one labor leader; one veterans organization leader. The youngest is 30; the oldest 71. The average age is 48.

The important and vital fact is that in the midst of an armed aggression the Vietnamese people went to the polls and elected men of their choice.

We have just seen that the province chief formerly of Binh Dinh has been sentenced on charge of corruption. We ask ourselves if this is going to be a real goal of this government, a cleaning of their own house in the midst of a regular "shooting war." They have promised this would be a goal and they have not even yet been allotted their 100 days. They have an upper and lower house now as well as an elected President and appointed Prime Minister. How will this system work—let us give them the time to activate their new institutions.

We are told that the people of South Vietnam do not want to be saved. We are told that its army does not want to fight. We are told that we should turn the war back to the Vietnamese. I do not accept these myths. Vietnam does want to be saved; its army is willing to fight to save it and we never have taken the "show" away from them. The war is still their war. Our advisers, if you should ask any of them, would say simply, they are there to "work themselves out of a job." Any viable nation-building, any rooting out of the guerrilla infrastructure—no matter how enlightened our advice—must be done by the South Vietnamese. This is nothing new. We have placed troops into that country to give the Vietnamese people an option, to give them a "fighting chance," to give them what we believe is an inherent right, to find their own road, elect their own government, pursue their own destiny.

> In my book, the Republic of Viet-Nam Armed Forces have conducted themselves with credit.

General Westmoreland tells us—

> As I tour the country several times a week, I am encouraged by the obvious improvement in the morale, proficiency and quality of their fighting forces.

Another general from another war, Gen. Omar Bradley said in the November 14 issue of Look magazine:

> After tramping throughout the length and width of South Vietnam . . . I am convinced this is a war at the right place, at the right time and with the right enemy.

How many of us heard reports, real and imagined myths about the Korean troops with whom we shared foxholes in the conflict of the 1950's. We may have doubted the excellence of their army for a while then; we do not doubt it now. When leadership is given the opportunity to develop, these troops proved themselves many times over. Ask any man fighting with them in Vietnam about the effectiveness of Korean troops.

We hear we are wallowing in a stalemate. General Bradley, fresh from his trip to South Vietnam spoke to this:

> I don't call it a stalemate when, almost everywhere the enemy is avoiding contact and our troops are progressively digging him out and pushing him back. I don't call it stalemate when, by every measurement, the other side is getting weaker and we are getting stronger. The war is like no other in my experience. There are no great wall maps on which to draw lines and say, "Here is the front." The front is everywhere.

We are told there is little pacification progress. Progress in such a war is necessarily a slow moving thing. You cannot always read progress in the amount of enemy killed or the amount of schoolhouses built or roads improved or wells spilling water. Progress might be a Vietnamese agriculture chief responding to a farmer and the need for special fertilizer for the first time—not how many farmers attended a cooperative meeting. The reaction of a Vietnamese hamlet population to the destruction of a schoolhouse they built in their own sweat and with their own labor is more important than the fact that we built 200 in one province in 14 months. We are beginning to accumulate an excellent record, numerically yes, but we do not accept the myth that all progress can be reported in statistics.

What was the progress recorded in American cities in the 1920's when gangs and gangsters ran rampant? What measurement did we make when the first private citizen protested the evils of the protection racket for the first time. What statistical machine is going to tell you what this very Congress will accomplish before adjournment?

The recent Israel victory has been proclaimed as a 6-day victory but General Dayan in his visits to the Vietnam front acknowledged that here were two different kinds of wars. He made it clear that neither he nor any other great soldier could win this one quickly.

We hear we are crying for victory. Who has heard that word being used? I have not. We have asked for an honorable settlement. The other side has so far chosen not to listen.

I remember a story presented in the Cecil B. DeMille film "The Crusades," that Richard the Lionhearted met Saladin in one of the battlefield tents. Richard had a sword powerful enough to split a table but Saladin had a scimitar with a cutting blade sharp enough to slice a length of silk veil in two. Here were two adversaries fighting two different kinds of war. Richard, if he were to win, would have had to change some of his strategy. He did not.

I think we will have to change some of our rules for measuring the progress of this war. One of the weapons the enemy can use against us is our impatience. This war calls for more patience and we Americans are an impatient people. This war calls for time, and we are not quite willing to allot that much time. I believe with General Bradley that this is a war at the right place, at the right time and with the right enemy.

In Vietnam we are a part of a sweeping revolution. We must harness its energies in partnership with the Vienamese in order to build a nation resilient and durable and representative. We are not trying to impose our system but we would not take it unkindly if they felt that they could borrow some of our ideas of de-

mocracy and representation and old-fashioned fence mending.

It is a complex war and a long war and myths grow easily. We should look carefully into the myths we have begun to accept automatically and weigh and examine and consider them. There is nonproductive doubt and there is positive and constructive doubting. There is honest questioning. There is constant reexamination of our objectives in light of the best information available. That is an axiom of sound government.

In this nation-building, in this defense of Vietnam in partnership with its people, what we need is a little time and a little patience and with these vital commodities I believe we shall prevail.

PARKS ARE FOR PEOPLE

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SAYLOR. Mr. Speaker, George B. Hartzog, Jr., Director of the National Park Service, was a participant in the program of the National Reclamation Association's annual convention in Honolulu, Hawaii.

At that time Mr. Hartzog delivered a thought-provoking speech challenging not only the National Reclamation Association, but the American people, to keep and preserve our National Park Systems for all of the people of the United States.

Mr. Hartzog's speech follows:

REMARKS BY GEORGE B. HARTZOG, JR.

I welcome the opportunity to appear as a part of this panel to express my viewpoints on the theme of your conference: Recreation and Resources—the New Accommodations.

I am delighted to share this platform with Mr. Michio Takata, Hawaii's widely known and highly respected Director of Fish and Game, who will speak on the effects of reclamation projects on fish and wildlife values.

Mr. Carroll Swearingen, the panel member from Texas, is one of the foremost authorities on water-related outdoor recreation, and he will discuss this subject as it relates to conflicting water uses.

Dr. William Siri from the University of California, and distinguished representative of the Sierra Club, will help all of us to better understand some of the complexities involved in accommodating competing needs in the use and preservation of natural resources.

It will be my privilege to highlight, briefly, some of the issues arising out of management of competing programs and the cost-benefit consideration involving our alternatives in resource use.

One might say that the ambition of this panel, as, indeed, the purpose of this conference, is to seek solutions to the question which conservation poses today: shall we have a living environment, or must we accept living conditions which steadily deteriorate?

The great poet Robert Frost once said, with the characteristic wisdom of a man who has lived close to nature, "What makes a nation in the beginning is a good piece of geography."

As a Nation, we have been blessed with the greatest and richest piece of geography on earth. I doubt that many of you here, and I believe you are predominantly Westerners, would take issue with the statement that the richest and most spectacular of these blessings lie in the great Western part of our country, distributed lavishly but perhaps inequitably among the Western states.

It is a coincidence of nature, geography, and our national growth pattern that two of the great conservation agencies—the Bureau of Reclamation and the National Park Service—both have their origins in the West.

Yellowstone in Wyoming, Montana, and Idaho, was established by Congress in 1872 as our first National Park to protect its unique thermal features, its abundant wildlife, and its scenic lakes, rivers, and gorges. Yosemite in California was established soon after.

Nearly three-quarters of a century ago, legislation was signed by President Theodore Roosevelt to create the Bureau of Reclamation. Its mission was to concern itself with the conservation, development and use of the water resources in the arid parts of the West.

In those long-ago years of our beginnings, our mutual problems were vastly different from those of today. In 1900—two years before the Bureau of Reclamation began its work, the District of Columbia had twice as many people as the area we now know as Arizona. California, for all its size and celebrated attractions, was home to fewer than one and a half million people, something under eight per square mile. Other Western states were even more sparsely settled. While most of the West was arid, there was water enough for all if adequate collection and distribution systems could be devised.

In that same year, there were six National Parks, with an annual visitation of about 100,000. With a total population of only 76 million people—most of whom did little traveling beyond the nearby county seat or a summer cottage at the lake—the impact of too many human feet or too many wheels wasn't a serious problem.

You all know how the picture has changed. Today, 200 million people live in the United States, most of them crowded into huge population centers.

Last year, we recorded more than 133 million visits to well over 200 areas of the National Park System.

Last year—and, indeed, for many years before—states, counties, cities, towns and other governmental groups, fought for a share of the West's available water supply.

To put it simply, we have all virtually been overwhelmed by people, by houses, by concrete, by automobiles, by asphalt, by the insatiable demands and pressures fostered by an affluence unequalled in history.

In past years, we could each go our own way, doing our own jobs. Scant attention was paid to a basic truth then acknowledged by only a few far-seeing men: That everything in nature is hitched to something else; that anything we do, sooner or later, affects someone else. Perhaps we could, at one moment in time, afford the luxury of a myopic viewpoint toward the use and management of natural resources. But the world did not stand still, and it never will.

No longer can anyone disregard his neighbor. The pressures are too great—the needs are too urgent.

This is not visionary rhetoric. I know, and you know, that somehow we must learn to meet all of man's needs with the resources that are available to us. This is the ultimate challenge of conservation. Whatever else may intrude upon the national conscience or absorb our time and treasure, this challenge is the major fact of life in 1967.

This does not suggest that we have not been trying to meet the challenge. We have been trying, and I think great progress has been made. Certainly the seeds of cooperation at all levels have taken firm root, and all of the groups and organizations represented here can take justifiable pride in what has been done. We have proved that we can work together, if there is the will—even though sometimes the will has to be encouraged, and sometimes it takes a while to get it worked up.

Let me cite two instances to make the point.

A controversy plagued us for several years with our sister agency—the Bureau of Reclamation—in the operation of Jackson Lake in Grand Teton National Park, one of the crown jewels in the National Park System. I am sure many of you have visited this park, and been thrilled by the splendor of its chain of peaks mirrored on the waters of Jackson Lake.

However beautiful, this lake is a reservoir, and has been since 1907. Water is stored, and released down the Snake River to maintain storage at Palisades Dam and provide water for irrigation of crops in Idaho.

In earlier years, the water was let out of Jackson Lake during the height of the visitor season. The quality of a park experience was impaired by this drawdown and recreational opportunities downstream on the Snake River were curtailed in late summer. In 1961, the drawdown was 39 feet—not much compared to an average drawdown of around 185 feet at Fontana Lake bordering the Great Smoky Mountains National Park—but 39 feet at Jackson Lake was ruinous for the park.

I'm happy to report that we have resolved most of these problems in our negotiations with the Bureau of Reclamation. The lake level is now maintained during most of the summer season when the park is full of visitors. The release schedule has been adjusted to accommodate our visitors, to provide adequate water in the Snake for its full recreational use, and to maintain the other necessary downstream uses.

I had hoped that a similar accommodation of program needs at Fontana Lake, a TVA multi-purpose project, could be in operation by this date. Unfortunately, we have not had similar success.

Of all the blights that destroy scenic values, few are worse than powerlines. We've had some hard problems on this score. We've solved some and failed to solve some, and some are still unresolved. One recent case at Natchez Trace Parkway is eloquent testimony to interagency cooperation.

Here the TVA planned to locate its 500 KVA Maury-Davidson transmission line along the route proposed for the parkway, near its Nashville terminus. In this location, the powerline would have destroyed the very values we sought to protect.

So we started talking, and this last spring an effective and supportable alternative was found. The line is now under construction and when it is finished, it will not be an eyesore to the people using the parkway.

I wish the powerlines at Estes Park, Colorado, had been located with similar concern for scenic values, but in that day and time, esthetic considerations were not so urgent.

In the October-November issue of *Reclamation News*, which carried the program for this conference, the headline on the lead story is: "Creative Water Management, Reclamation's Future." The subhead is: "In this theme, our Hawaiian Convention stresses sensibility to change and ingenuity in action."

In all our history as a Nation, we have been far too insensitive to the effects of the changes we have inflicted on our resources base and on our landscape. Our ingenious works often have been thrust upon the land without heed of consequences. Too often the dollar signs on the benefits we could see outweighed the intangible values too few of us could understand.

The time has come when the consequences of our acts can no longer be ignored, or

lightly passed over. There must an upsurge in sensitivity for our total environment.

Most of the projects proposed by the Corps of Engineers or the Bureau of Reclamation or the TVA are analyzed in terms of their cost/benefit ratio. Such factors as irrigation benefits, settlement opportunities, economic growth, area redevelopment, flood control, power, fish and wildlife, and recreation values all enter the formula.

The purposes behind these projects are legitimate, and ways must be found to serve them. But we must achieve them without destruction of other values which are just as great, and which serve the whole public.

Dollar signs and numbers and mathematics are cold and hard and exact. We're so used to thinking in these terms that we overlook or ignore the fact that few of life's real values—and I use the word life in its broadest sense—can be tagged with a dollar sign. These are the values no formula I've seen can adequately reflect.

This is true in the Glacier View Dam site on the Flathead River, which we oppose. It is true in the proposal to build another high dam in the Colorado River, which we also oppose. It is true in the Buffalo River Dam project in Arkansas, which we oppose.

What dollar value would you put on the shrines of our history? How would you compute in dollars the true value of Crater Lake or of the swift, clear North Fork of the Flathead River in Glacier National Park?

Of what dollar value is the experience to look into or be in the Grand Canyon, carved through eons of time? How do you measure in dollars the thrill of your five-year-old son catching his first fish from a clear, cool stream? What is the dollar value of saving an endangered species of our earth?

How would you compute the cost/benefit ratio of a wilderness, or of the ecological treasure represented by the proposed Kauai National Park here in Hawaii?

I can't give you a formula, but these values are as real as the yield of an irrigated alfalfa field, or the industry supported by more kilowatt hours of electricity.

As a people, as a society, we have the power to effect massive changes in our environment. Indeed, we have done just that—and often the results testify to our lack of intelligence.

Where are we going from here?

No one knows for certain what our world will be like 50 or 100 years from today. Much will depend upon our personal and national attitudes toward the kind of life we want our descendants to have.

Will we provide a heritage of individual strength, an environment rich in the values most of us have enjoyed in our lifetimes? Or will we leave behind us only the wretched remnants of something that was great?

A substantial body of scientific thought suggests a program of education to limit population. Since man is the greatest predator, pollutor, spoiler, and destroyer perhaps there's great validity to that viewpoint. Perhaps we need the "Malthusian belt" Aldous Huxley talked about 35 years ago. Perhaps we need a broader and more specific source of revenue that can be directly used to preserve and protect what is left of our heritage. At the very least we need better tools and more "sensibility to change and ingenuity in action."

If we don't, there may be little in the future worth worrying about.

IN DEFENSE OF THE U.S. CONGRESS

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SAYLOR. Mr. Speaker, it has become popular with the press and people in all walks of life to criticize the U.S. Congress when, therefore, one is willing to rise to its defense it comes as a pleasant surprise.

J. Allen Overton, executive vice president of the American Mining Congress, in a speech before the Portland Cement Association convention, delivered an outstanding address in defense of the legislative branch of the Government. His challenge to the convention and to all America to correct the declining prestige of Congress should be read by all Americans.

Mr. Overton's speech follows:

The American Mining Congress is honored by your invitation to share in that portion of the program for this Portland Cement Association convention which involves your Safety Awards and Honors for several very significant reasons.

First, I am especially honored with the privilege of speaking here today before the chief officers of the companies who operate in every one of the 50 States of our Nation and who service every city, town and hamlet in the Nation. Seldom is a person accorded the privilege of visiting with such a distinguished and important element of our Nation's business leadership.

Secondly, I am honored by your invitation to address this Safety Awards Luncheon because the American Mining Congress has for a great many years placed an emphasis on safety which is second to no other undertaking in the mining industry, and by which effort the American Mining Congress became one of the pioneers in the safety efforts of industrial activities.

My third reason for being honored by having the opportunity to speak to you today—and the last one I will specifically state, although there are many others—is because of the long, friendly and close working association which the American Mining Congress has had with the cement industry through a very active and comprehensive membership of your companies. This association has given us a rare insight into your industry's problems and accomplishments. We are abundantly concerned with your problems and we share your pleasure in surveying your many accomplishments.

So we speak the same language, you and I. And we have many, many concerns in common.

You have heard much at these sessions about planning for safety, about accident prevention and the techniques which can bring your goals closer to the reach of every employee and every employer. Surrounded, as I am here today, by some of this Nation's most accomplished experts in these areas, I will not presume on your time by any discussion of the technical aspects in these fields which you know so well.

Your deliberations have involved you, too, in matters related to pollution abatement, an area of prime concern not alone to cement, but also to every other segment of mining, to all enlightened industry—and indeed to every man, woman and child in America. Again, I would not presume to engage in any technical discussion of this subject—except to point out the appropriateness of your consideration in a single session of these two subjects which are in the van of our industry's interest and also occupy a major portion of government considerations today.

Day by day, we in the private enterprise section of our economy are becoming aware of increasing involvement of government in our affairs. This is true of the subject of pollution controls and of the safety features of industrial activities. No longer are safety in the working place, control of stack emissions, quality of plant water discharges, noises from industrial operations, odors from some types of processing endeavors, and a host of other factors inherent in industrial operations treated as separate items of consideration. They all are bulked together now in Washington in a single designation—"Quality of Our Environment". The development of governmental interest in these fields is not limited to our working hours alone. In a recent report to the Department of Health, Education and Welfare, a special study group advocated that Federalism take over the direction and control of all aspects of human life during every waking and sleeping moment.

Such a broad concept of the government's appropriate role in the "new civics"—called "creative Federalism"—may cause additional concern and activity during our every waking moment and perhaps may even eat into a little of our sleep!

So, as we gather here to award Safety Honors, we are active in but a small segment of the total concern of our companies' involvement in a broad field of industry-government relationships.

I have apparently digressed from what might be expected for the topic of a talk at a Safety Awards luncheon. You may by now well wonder what in the world I intend to talk about. Since I have indicated that Safety is now involved in a much broader field than prevention of a cut or bruise in our daily work-a-day world and more comprehensive than any regional application of controls or regulations, I want to devote our attention to the real field of safety in which we are involved today—I wish to discuss with you for a few moments our first safety question—"How safe is America?"

Well, I'm from West Virginia.

In that garden spot of America, we're noted neither for our reticence nor for shortness of breath.

Therefore, true to the traditions of my forebears, when I find myself facing a gracious audience and confronting a live microphone I take advantage of a kindly situation.

I referred a moment ago to the many concerns we have in common. My business, as you know, keeps me pretty much in Washington, D.C. I have been there for many years, deeply involved in the processes of government—and keenly concerned about the growing impact of the governmental processes on virtually all of the business decisions which are made every hour of every day by many millions of Americans.

It is about the legislative process in Washington, with which I have been intimately associated for some 25 years—and more particularly about the dedicated men and women who make it work—that I want to visit with you today.

We are, all of us, much involved, on a personal, a company, an industry basis in virtually every action taken—every decision made—by the Senate of the United States and the United States House of Representatives. We see ourselves affected by legislative proposals in such diverse fields as taxation, foreign policy, military affairs, tariff and trade, appropriations—and the hardy perennials which command the very special attention of our industry, such as mine safety, pollution abatement, and the other items in the long litany.

But I want you to look with me beyond the specifics of these pressing legislative concerns. I want you to assess with me a condition which could well hold within itself the seeds of a development far more important to this Nation than the safety requirements of our daily occupation, more important than the very legislation on which the Congress acts.

I am concerned—very concerned—about the decline in Congressional prestige.

I am concerned—very concerned—that each and every one of us face up to his civic duty to do something about correcting this decline.

I am persuaded beyond the shadow of a doubt that the Congress of the United States is the last best hope of free men and free government. In saying this, I demean no other branch, no other arm, no other facet of our governmental structure. As I indicated a moment ago, I served in State government. Also, it was my great privilege to serve for several years (beginning in the middle 1950s) in the Executive Branch of the Federal Government in Washington. One of my most treasured keepsakes of that service is the framed Commission of Office, indicating appointment by the President and, equally important, confirmation by the Senate. As a lawyer who began his adult working life in the private practice of law, and whose only son is now engaged in the study of law, my respect for our Judicial system is ingrained and deep.

Yet, of all the great branches of our government, the Congress of the United States, as I see it, stands closest to the people, instinctively responsive to their wishes, steadily reflecting their hopes and aspirations.

The Senate of the United States has well been called the world's greatest deliberative body; the House of Representatives aptly labeled the Forge of Democracy. The impact of the Congress, and through it the impact of the people, on the other great branches of government is both obvious and pervasive. Graduates of the House and the Senate have served with high honor and great distinction at all levels of the Judiciary since the earliest days of this Republic. The White House too has been graced by those who first served on the national scene in the Congress of the United States. Indeed, three of the last four Presidents served first in the Congress. So too did the last five men who have served as Vice Presidents of the United States.

Despite all these obvious considerations, we have witnessed throughout most of our adult lifetimes—interrupted only now and then, subsiding only occasionally—a persistent, a relentless effort by the advocates of strong central government to downgrade the prestige of Congress, to tarnish its image before the public. For more years than most of us care to remember, we have seen this steady campaign, listened to the incessant drumfire of its single theme—that we ought somehow to regard Congress (the institution, and all to often the individuals who comprise it) as an assortment of buffoons, and worse.

This is a slander of low degree. It is totally unjustified. And we—every one of us—can and should start doing something about it, and now. This is our safety problem. This is the safety problem of the Republic.

From my many years of close personal association with the legislative process in Washington, I am a complete, a total believer in the skill, the dedication, the reliability of the men and women who serve in the House and the Senate. I don't always agree with what they do, and maybe that's as it should be. But they do reflect the attitudes of the folks at home, and I don't know of a single one among them who isn't ready and willing always to account to the folks at home for his actions and his votes.

But what's happening? What impression is the most prevalent impression about the Congress in the minds of the American voters? Buffoons, and worse, as I said a moment ago.

Now, why is this happening? Congress, unlike the Presidency, is not a highly personalized institution. Congress is impersonal, in great part because of its very size. This unwieldy, impersonal quality makes it easy for advocates of bigger and stronger central government to point an accusing finger at Congress, to lay the blame on Congress for a wide range of shortcomings which are properly chargeable to somebody else. The composite and grossly inaccurate result, after all these years, is that Congress is characterized before the public as dull, insensitive, an essentially selfish group serving only some narrow "special" interests and caring not a whit for the welfare of the people.

Add to that the few in Congress—and they are very, very few indeed—who have abused the power of their Congressional offices, or used their official positions for personal gain. The vocal critics of this very great institution need only one such case every decade—even the suggestion of a case will do—to reinforce the campaign of slander, abuse and ridicule. And Congress, again because it is so unwieldy and as an institution so impersonal, does not and cannot adequately defend itself.

In all this, who is the loser? Who loses when public confidence in the Congress is slowly eroded and finally undermined?

Everybody loses. Literally everybody. The Congress itself, the public generally, you and I—we all lose. The cause of good government is set back immeasurably.

And if we're going to turn this thing around—we'd better tackle it at the point where we have some likelihood of success.

You—yes, you—you'd better tackle it in the person of your own Congressman. Whether you like his politics, or whether you don't, get better acquainted with him. If you don't like the Congressman you have, maybe you can get another one next year. But you'd better get together now with the one you do have. Let him know your respect for the institution in which he serves. Let him know you don't put him or the Congress in this "buffoons, or worse" category.

The process must begin somewhere if we are ever to let Congress know there are people who understand and appreciate its role and its efforts. Your one Congressman and your two Senators add up to only three of the more than 500 Members in both Houses of Congress. Only three, but they're *your* three. This is a good place for you to start. Take these three as an assignment for yourself. Invite them to your meetings where you can. Go meet with them where you can. Maybe you can generate some local recognition—newspaper editorials, civic club activities, and the like—as your contribution to the start of a campaign to upgrade the Congress in the public's esteem, to restore it to its rightful position in terms of prestige, public understanding and appreciation of its very great significance.

You can do your part in all this without endorsing the reelection of a Congressman or Senator of whom you don't approve. Get behind your own candidate with all the steam you can generate. If you elect him, you'll obviously feel that much better. Don't apologize for opposing the reelection of an incumbent. Don't apologize for being a hard-working supporter of your own Party and your own candidate. The real genius of our system remains its basic two-Party character.

So, if you generate some public recognition for a Member or a candidate whom you do support, all the better in your view. If you feel that you're saddled with one you cannot support publicly, then let him know quietly and privately that you are not one who thinks Congress is sinking to the low estate its critics ascribe to it.

This will not be an idle gesture on your part. This is a civic obligation that squarely faces every one of us. And, if you're inclined to look for some return beyond your duty to improve the body politic—then I would only add that a prime rule of human behavior tells you that you'll achieve with that Member of Congress a better relationship, a better appreciation of your problems—if you make this effort, regardless of whether you and he agree politically, ideologically, or on a specific issue of the moment.

The time for this is now. Never before in these many years of my exposure to the workings of Congress have Members of the House and Senate seemed more sensitive to their unfortunate—and unfair—public image. Never before in these years have they seemed so much to need, and to welcome, the understanding of their constituents. And I would add that never before in these years have I felt that the Congress—collectively and individually—was as badly maligned and slandered as it is today.

We have many problems in Washington, you and I.

Industry's concerns with the processes of government add up to a big job, a many-sided job. That you know this is obvious. Your presence here, and the enthusiasm and purpose with which you participated in these very constructive sessions in Chicago give ample testimony of your awareness of that fact.

Yes—this activity we like to call Governmental Affairs is indeed a big job, a many-sided job. And I'm convinced that we single out the most important part of the whole undertaking when we say—

It's time to Speak Up.

It's time to Stem the Slanders.

It's time to let the House and the Senate know there are some who Salute its Integrity—who would Restore its Prestige—who would Proclaim Again free government's essential dependence on the Congress of the United States—who realize this is the *first* Safety Program of our industry—and who realize that America is only as safe as its Congress is strong and respected.

HIS ALIBI TRUE, KILLING SUSPECT FREED AFTER YEAR

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BINGHAM. Mr. Speaker, I was deeply shocked by the action of the House the other day, on the poverty bill, to the effect that a man accused of a certain type of illegal act is entitled to legal counsel only if he can afford to pay for it.

In these days there seems to be a tendency to forget our basic constitutional principle that a man is considered innocent until proven guilty.

It is well to remember that many an accused has been shown to be innocent in spite of a strong apparent case against him. A dramatic example of this was reported in the New York Times this morning. A Bronx man was accused and held for a year on a murder charge. The case against him seemed strong, but two court-appointed lawyers went diligently to work and proved his innocence.

The story follows:

HIS ALIBI TRUE, KILLING SUSPECT FREED AFTER YEAR—BRONX MAN PROVES HE WAS IN MASSACHUSETTS AT TIME OF HOLDUP SHOOTING HERE

(By Sylvan Fox)

Devoted efforts by two court-appointed lawyers won freedom yesterday for a 22-year-old former police trainee who had spent more than a year in jail awaiting trial for a murder that he could not have committed.

When the young man, William Chisolm, walked out of Bronx Supreme Court, it was the end of a nightmare that had begun in October, 1966, with his arrest for the holdup shooting of a Bronx furniture store owner.

The nightmare had the trappings of justice: arrest, identification by two witnesses, extradition, incarceration without bail, indictment for first-degree murder.

But Mr. Chisolm's court-appointed Bronx lawyer, Archie Gorfinkel, and an unpaid lawyer from Newport, R.I., Matthew Faerber, were convinced that justice was not being done. They believed Mr. Chisolm was not guilty and decided to prove it.

Mr. Gorfinkel, a 40-year-old former Bronx assistant district attorney and former State Senator, tell the story this way:

On Aug. 24, 1966, José Carrion was shot and killed during a holdup in his furniture store at East 162d Street and Third Avenue. Two women caught a fleeting glimpse of the two bandits who fled.

The women provided the police with descriptions of the killers, and an investigation led detectives to Hershey Boyer, 24 years old, of 1035 Freeman Street, the Bronx. Mr. Boyer and Mr. Chisolm, who are cousins, lived in the same building. Mr. Chisolm had vanished from his apartment and his usual haunts. The police sent out an alarm for him.

Two months later Mr. Chisolm was traced to the home of his mother, Mrs. Ann Williams of 101 Jones Street, Middletown, R.I. He was arrested and charged with the murder of Mr. Carrion.

EXTRADITED AS SUSPECT

At an extradition hearing in Rhode Island, the two witnesses identified Mr. Chisolm as one of the bandits they had seen leaving the furniture store. Mr. Chisolm was extradited to the Bronx, held without bail and indicted, along with Mr. Boyer, for first-degree murder.

During the extradition proceedings, Mr. Chisolm told his Rhode Island lawyer, Mr. Faerber, that he had gone to Middletown the day before the shooting, because his stepbrother had died, and thus could not have been involved in the Bronx murder.

Mr. Faerber found 10 witnesses who could verify this. He also found a receipt from a Fall River, Mass., department store, signed by Mr. Chisolm on the day of the shooting, for the return of a suit bought for his dead stepbrother.

In April, when Mr. Gorfinkel became Mr. Chisolm's lawyer, he joined in the campaign to prove the young man not guilty.

"When I first spoke to Chisolm," Mr. Gorfinkel said, "you know, you get cynical in this business, but he appealed to me when he told me his story. I believed him. From there on, I went all the way."

Mr. Gorfinkel rounded up the 10 witnesses found by Mr. Faerber—and 10 more who could swear Mr. Chisolm was in Rhode Island at the time of the shooting.

Armed with the names of witnesses and the department-store receipt, Mr. Gorfinkel went to the Bronx District Attorney's office, "and told them what I had and I requested that they reopen the investigation—which they did."

In the new inquiry, a Police Department handwriting expert confirmed that the Fall River department store receipt had been signed by Mr. Chisolm.

Yesterday Assistant District Attorney Irvin Goldsmith told Supreme Court Justice Arthur Markewich he would agree to dismissal of the murder indictment against Mr. Chisolm as soon as routine paperwork was completed. Mr. Chisolm was released on parole and will be formally discharged from custody on Nov. 22.

Mr. Boyer remains in jail, awaiting trial for the Carrion murder.

KING WARNS OF RIOTS IF AID MEETS DELAY

Mr. CONABLE. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ASHBROOK. Mr. Speaker, on October 4 of this year I discussed extensively the subject of civil disobedience and nonviolence as propounded by Dr. Martin Luther King. This issue and its interpretation by Dr. King are of considerable interest, judging from the hundreds of requests I have received for this material. A recent article in the Cleveland Plain Dealer indicates that King's program of massive nonviolence is to be carried forth more earnestly. According to the article by Joseph Eszterhas, King planned a 2-week retreat to plan ways to prod Congress and the Federal Government into action.

King was quoted as saying that a "cadre of 200 hard-core disrupters will be trained in the tactics of massive nonviolence." These "disrupters" will then go back to their cities and train other units. The object of this project is to hold a "nationwide city-paralyzing demonstration" centered in Washington but extending to 10 other cities.

I place the article, "King Warns of Riots if Aid Meets Delay," in the RECORD at this point:

KING WARNS OF RIOTS IF AID MEETS DELAY

(By Joseph Eszterhas)

The Rev. Dr. Martin Luther King Jr. warned yesterday of "massive winter riots in Cleveland, in Gary, or in any other ghetto" unless the business communities and federal government come to the immediate aid of the nation's poor.

"I want you to understand," King said, "I am not in favor of these riots. I will do everything in my power to help avert them. But, as a social analyst, I must speak honestly."

Unless immediate aid is given to the ghettos, he said, Mayors-elect Carl B. Stokes and Richard D. Hatcher will be only "two outstanding men we have set up as lambs for the slaughter."

King spoke to newsmen at the Fellowship Baptist Church of Christ, 1754 E. 55 Street, on what he called a "day of sober celebration."

King, Nobel Prize winner and president of the Southern Christian Leadership Conference, has been in Cleveland frequently since early summer furthering "Operation Breadbasket" and other antipoverty programs.

He said he was "very tired but very pleased about the dual victories of creative black power in Cleveland and Gary."

The election of Stokes and Hatcher, he said, represents a "new political fervor among America's Negro citizens."

He called this a "desperate quest to find someone to champion the cause of the poor and oppressed in our cities."

Neither Stokes nor Hatcher can "do it alone," he said. "They need federal aid against poverty. To cut the poverty program would border on criminal irresponsibility and would be an open invitation to violence and social disorder in the streets of our ghettos."

"Carl Stokes may have friends in Washington," he said, "but friends alone are not enough. He needs a strong poverty program and the support of Congress."

King said his next step would be a "two-week retreat in which he will plan out ways to prod Congress and the federal government into action."

"We will, if we have to, engage in massive nonviolence which will probably include acts of civil disobedience."

Strategically, he said, a "cadre of 200 hard-core disrupters will be trained in the tactics of massive nonviolence." These "disrupters" will then go back to their cities and train other units.

The object, he explained, is to hold a "nationwide city-paralyzing demonstration" centered in Washington but including simultaneous demonstrations in 10 other cities.

He said the cities had not yet been determined but added: "I would not rule Cleveland out.

"We have to find the middle ground between riots and timid supplication and we have to develop the moral determination to move down that road if we have to."

THE DAYTON JOURNAL HERALD URGES CHANGING THE ANTIPOVERTY BILL TO REMOVE PUBLIC OFFICIALS FROM COMMUNITY ACTION PROGRAMS

Mr. CONABLE. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. WHALEN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. WHALEN. Mr. Speaker, I would like to put before the House the editorial comments of the Journal Herald, of Dayton, Ohio, a distinguished newspaper in my district, regarding the change enacted concerning provisions of the community action program portion of the antipoverty bill.

In the editorial, Mr. Glenn Thompson, the highly respected editor of the Journal Herald, characterizes as a mistake the provision that gives control of community action programs to local governments.

I agree with Mr. Thompson's observations. I would point out also that he knows whereof he speaks: He is a member of the board of directors of our area's community action program agency, the Supporting Council on Preventive Effort—SCOPE.

I therefore invite the attention of my colleagues to this editorial, which appeared in yesterday's editions and which I insert at this point in the RECORD:

HANDS OFF POVERTY WAR

The House of Representatives in Washington made a mistake when it wrote into its war-on-poverty bill a provision that city halls or county courthouses might run, or name the agency to run, much of the war at the local level. The Senate ought to correct this.

The part of the war which is involved is the community action program. This is the part which SCOPE, with headquarters in Dayton, runs for six Miami Valley counties.

To split this up among the counties would result in a great loss of effectiveness and, almost certainly, abandonment of the program in some areas.

In many cities elsewhere, if the program were turned over to city hall, it would almost certainly be used for political patronage immediately.

The war on poverty has many things wrong with it. For one thing, its army was thrown together in haste and is held together with difficulty, especially when Congress is so whimsical and unreliable in providing the money.

There is room for a great deal more planning than now goes into the program. It needs closer scrutiny of its spending. It desperately needs realistic appraisal of the results obtained by its projects. Never has so much money been spent with so little serious inquiry into whether the dollars accomplished their purposes.

All in all, however, the war on poverty is doing good. A great deal of good. A good deal of competence also has been assembled in its organization at levels reaching from grass roots to Washington. This organization, of course, could be improved. But not by turning it over to local governments.

NORTH-CENTRAL FREEWAY

Mr. CONABLE. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. GUDE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GUDE. Mr. Speaker, reports of imminent decisions by the Secretary of Transportation Alan S. Boyd relative to Washington area transportation matters are of increasing concern to local and State governments of Greater Washington. Both planning and operational agencies of Maryland and Virginia jurisdictions have emphasized the need to implement and follow through on the longstanding plans by which the entire area can enjoy a true, balanced transportation system, and prevent the chaos resulting from continued delays and the total negation of constructive planning that this area has been experiencing.

I continue to work for the development of an effective transportation plan in the interest of all the citizens of our metropolitan area. I hope that my colleagues will note the manner in which the administration through the Department of Transportation is performing in these matters. I wish to call to the attention of the Members the following resolution of the Montgomery County, Md., Council:

RESOLUTION NO. 6-847: ENDORSEMENT OF NORTH-CENTRAL FREEWAY

Whereas, the North-Central Freeway has been shown as part of the Basic Freeway Plan (Part I) of the Mass Transportation Survey for the National Capital Region, which plan was approved by the National Capital Planning Commission and the National Capital Regional Planning Council on November 7, 1958; and

Whereas, A report to the President of the United States for transmittal to Congress by the National Capital Transportation Agency entitled "Recommendations for Transportation in the National Capital Region" dated November 1, 1962, endorsed the North-Central Freeway; and

Whereas, the need for the North-Central Freeway has been indicated in the Master Plan of Takoma Park-Langley Park Planning Area adopted by The Maryland-National Capital Park and Planning Commission, October, 1963, and the Preliminary Master Plan of Highways for the Metropolitan Washington Regional District in Montgomery and Prince George's Counties, published April 1967; and

Whereas, basic land use decisions for the rapidly growing Silver Spring Business District cannot proceed until there is a clear cut decision regarding the future of the North-Central Freeway; and

Whereas, the North-Central Freeway desired line is shown on the General Plan for the Maryland-Washington Regional District in Montgomery and Prince George's Counties, entitled ". . . on wedges and corridors . . .", prepared and adopted by the Maryland-National Capital Park and Planning Commission on January 22, 1964; and

Whereas, the District of Columbia Department of Highways and Traffic and the Maryland State Roads Commission, together sponsored and engaged the J. E. Greiner Company to perform an Engineering Feasibility Report for the North-Central Freeway within the District of Columbia and the Maryland Counties of Montgomery and Prince George's which was published October, 1964, at the cost of $350,000 resulting in the concept of the low level freeway, which proposal was recommended by the Maryland State Roads Commission to the Bureau of Public Roads; and

Whereas, the District of Columbia Department of Highways and Traffic sponsored and engaged the firms of Alan M. Voorhees and Associates and Wilbur Smith and Associates to prepare a study entitled "Traffic Planning for the North-Central Freeway" which was published April, 1966, at a cost of $64,200; and

Whereas, as a result of public reactions to the October, 1964, Greiner Report, the J. E. Greiner Company was again engaged to do a Supplementary Engineering Feasibility Report for the North-Central Freeway, which study was published November, 1966, at a cost of $115,700; and

Whereas, current planning and development within the urbanized southern portion of Montgomery County will be greatly affected by the deletion of the North-Central Freeway;

Now, therefore, be it resolved that the Montgomery County Council has previously supported and continues to support a balanced transportation system involving both highways and rapid rail transit, and

Be it further resolved that the Montgomery County Council endorses the need for the North-Central Freeway as planned and urges the Secretary and the Department of Transportation to reconsider any proposal which may delete the North-Central Freeway from the Interstate Highway System for the National Capital Area.

DUTIES OF PUBLIC AUTHORITIES IN SUPPORTING MUSIC AND THE THEATER IN THE UNITED STATES

Mr. CONABLE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KUPFERMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. KUPFERMAN. Mr. Speaker, my colleagues who are concerned with the operation of the arts and humanities program will be interested in the recent talk by President Herman D. Kenin, of the American Federation of Musicians, on the the subject of "Duties of Public Authorities in Supporting Music and the Theater in the United States."

This talk was given at the International Secretariat of Entertainment Trade Unions in London, England, and demonstrates that the trade unions of the world look to the United States for information in this field.

I am pleased that Abe L. Savage, the new director of public relations for the American Federation of Musicians, brought this to my attention, and I, in turn, bring it to my colleagues:

DUTIES OF PUBLIC AUTHORITIES IN SUPPORTING MUSIC AND THE THEATER IN THE UNITED STATES

(Remarks by Herman D. Kenin, president, American Federation of Musicians, at International Secretariat of Entertainment Trade Unions, London, England, September 28, 1967)

In his gracious invitation to me to address the International Congress, Alan Forrest included his excellent notes on the discussion of the same topic, which took place at the European meeting last November. It is my assignment to fill you in with similar information regarding the United States.

In his letter Alan remarked, "United States intervention in this field is, I believe, a new phenomenon."

This is quite true. But, I must add that if public intervention in the performing arts is comparatively new with us, so too is the business of our becoming a Nation.

It is barely one hundred years since our last frontier disappeared in America, and we finally began to put down economic roots from coast to coast. This might be borne in mind in making any assessment of public involvement in this particular area, as between your countries and mine. In other words, although man does not live by bread alone—and come to think of it—it would be calamitous for this particular audience if he did—he must start with the bread, before he can go on to "higher things". First comes the staff of life; the musical staff follows.

But if we in the United States are slow starters, we try to make up ground fast. Fortunately, one area in which we have been coming on is in the performing arts.

Let me illustrate by pointing to some fairly recent events. In September, 1961, a small group of Congressmen, headed by the indefatigable and dedicated Frank Thompson, Jr. of New Jersey, was carefully guiding through the House of Representatives an innocuous little bill which provided for the establishment of a Federal Advisory Council of the Arts.

The bill, I might add, carried with it no money appropriations or grants—with the exception of $100,000 per year for administration. Not a word about subsidies. Indeed the supporters of the measure bent over backwards to assure their colleagues, during the House discussion, that the bill had no such purpose or intent.

In the words of one speaker, "This is what you might call a status bill. What it does is to give status and recognition to the importance of culture in the United States."

As I recall, the overall mood of the House ranged from uninterest to apathy—with the exception of a few congressmen who were overtly hostile.

One of this last group took the floor to point out that in certain quarters poker playing was considered an artful occupation. He asked, "Is this going to subsidize poker players that get in trouble?" He was placatingly assured that it would not include poker playing.

Now let me give you another date—August 24, 1967—and quote from a long news story in the New York Times. The lead sentence of the story reads:

"The National Council on the Arts has recommended that Congress appropriate $139,000,000 next year to support the most extensive Federal Arts Program in the Nation's history."

This total was broken down, in the bill, as follows:

"Theater, $30-million; music, $33-million; radio, television and motion pictures, $22-million; visual arts, $20-million; dance, $14.5-million; architecture and design, $10-million, and state arts groups, $5.5-million."

In all candor, I must report to you that the chances for enactment by Congress of the total recommendation are slim. In America we are facing problems, at home and abroad, which will probably call for unprecedented Federal expenditures. Realistically, then, we must assume that there will be some sharp pruning of the initial figures.

Even so, to me the mose encouraging aspect of this proposal is that *it is being made*, despite the heavy financial burdens and commitments my country has elsewhere. The very fact that the proponents of subsidies for the Performing Arts can present such proposals in these times and be assured of serious Congressional consideration for them is as significant as the size of the amounts requested.

Thus, we have in the brief span of six years experienced a tremendous, almost unbelievable change in public climate for the performing arts. I think that an examination of the factors which have brought about this monumental change will help bring into proper focus the position of the United States today with regard to public intervention, responsibility and support in the broad area of the performing arts—particularly in music and the theater.

There have been two discernible trends. One is the mounting popular enthusiasm for the arts; second, there is a growing concern on the part of the Government for the state of the arts.

In both of these fields, I am happy to report, organized labor has taken a consistently purposeful role. What trade unions did was to create the economic well-being whereby the arts in America could attain a broad democratic base.

It was Walt Whitman, I believe, who said that to have great poets we must have great audiences too. Organized labor has provided that audience. Through its successful efforts to improve the material aspects of its members' lives, it has concurrently created new opportunities and higher aspirations for the more spiritual things of life as well.

As all of us here know all too well, these goals were not always easy of attainment. Too many times, indeed, they came with glacial slowness, and with great personal sacrifice. To put it another way—in many instances picket lines had to precede ticket lines.

I know that for an audience of this type I am laboring the obvious when I go into the contributions of organized labor toward the development of the performing arts. However, there are other audiences who do need an occasional reminder. This is especially true today when culture, in its many manifestations, has become the object of interest for groups and organizations who are not nearly as familiar with the accomplishments of organized labor as are you and I.

There are other areas too in which, by direct action, organized labor has helped spur and stimulate governmental attention to the performing arts.

My own organization, for example, has for a number of years been in the forefront of grass-roots political activity. Through more than 600 of our locals in the United States, we informed—and continue to inform—our representatives in Congress of our special interest in the expansion of the performing arts. In this activity we have received the enthusiasm and able cooperation of our other American entertainment unions.

Another recent and noteworthy development in the United States is the emergence of State Councils on the Arts. In 1960 there were none. Today there is one in each of our 50 states, as well as in the District Columbia, Guam, Puerto Rico and the Virgin Islands.

The record of accomplishment among these State groups varies greatly. A few, like the New York State Council on the Arts, are undertaking impressive programs to encourage and develop music, the theater and the dance. It is generally agreed that these bodies are already beginning to have a real impact on cultural activities and growing cultural awarement throughout the state. Others, however, are still in the formative stage, and are just beginning to acquire minimal budgets and experienced administrative personnel.

For the most part, this is also true of the city and county arts councils which have begun to proliferate in America. Today, we have more than 400 of these, the majority having been organized or established in the last three or four years. Although it is entirely too early to make any sort of evaluation, there is no question but that their potential is great, and that within the next few years these local groups may yet emerge as one of the potent forces in American grass-roots involvement with the performing arts.

In this very connection I want to report a project which will be soon undertaken in the United States, to explore the possibility of developing cultural programs in the community, by collaboration of trade unions and local art councils.

This project stems from the appointment at the 1965 AFL–CIO Convention of a subcommittee, consisting of President George Meany and myself, which was directed to study ways and means by which the AFL–CIO can assume "responsibility toward the goal of true involvement of labor in the cultural life of these United States."

As a result of this assignment, Mr. Meany and myself, on September 11th of this year, recommended to the AFL–CIO Executive Council a program for these goals.

I am happy to report that it was accepted by the Executive Council. The sub-committee recommendations were briefly, as follows:

1. That all AFL–CIO affiliates and members be urged to participate more actively in the policy making voice and Committees of Community Councils and Commissions.

2. That the AFL–CIO, through its staff and departments, develop pilot projects through central labor bodies in three communities (preferably, Louisville, Minneapolis and Buffalo) and one major production center, preferably New York City.

3. That the AFL–CIO staff develop relationships with area councils on all levels for the purpose of presentation to the public of specific performing arts produced on the local level.

Our recommendations to the Executive Council also provided that President Meany be authorized to expend a sum of up to $10,000 for the six months of the project's operation.

National Foundation Chairman for the Arts Roger L. Stevens has also assured us of his sympathetic consideration for the funding of three or four local pilot projects on a matching basis.

I believe that this program, even on its limited experimental basis, can mark a promising and exciting partnership between organized labor and the public leaders of the cultural life of the community.

Another area which deserves much more attention than I can give it here is the growing participation of American business and industry in the performing arts. I can literally fill pages with a mere enumeration of specific contributions which have been made to music and the theater by so called "Big Business".

Of course—I hasten to add—I shall not.

Instead, I should like to quote from the remarks of the president of one of New York's largest department stores, at a conference on *Business and the Arts* which took place there about a year ago.

He said:

"Society—and business—are both coming of age. Fifty years ago, a conference like this would not only have been most unlikely; we would have been hooted at as either a bunch of soft headed—do-gooders or a batch of sissies." "The answer for the retail industry is very simple and direct. Stores must reflect the developments, the interests, and yes—the dreams of their communities. Today, frankly, they are not dreaming of a chicken in every pot. Most of them have that.

"Instead they are dreaming of a community arts center, a community orchestra, a community theater—a place or places where they and their children can enjoy their new leisure creatively, intellectually, in the most civilized manner known to man—cultivating the arts and, of course, themselves . . . The catchword here is not more—but better, the spiritual if I may call it that, rather than the material."

There are a number of other causative factors and emerging conditions which are part of the picture I have tried to present to you, but I do not want to impose too much upon either your time or your patience. I am in complete argreement with that great orator who, when once complimented on the quality and brevity of his speeches, replied that he had discovered "in order to be immortal you need not be eternal".

Nevertheless, I must insert a word or two regarding the tremendous benefactions of our numerous foundations, funds, and endowments which have been forthcoming, in ever increasing numbers—and at the same time to express the appreciation of both the performer and the audiences for the benefits created by them.

I must add a sentence or two on the tremendous worth and geat excitement which have been generated for millions of youngsters in the public schools of America by the demonstrations of the living arts which are being arranged in public schools by grants from the Office of Education, which is one of the constituents of the Department of Health, Education, and Welfare.

I shall conclude by touching, for a moment or two, on what I consider to be two of the most important factors of all—in this democratic atmosphere in which my country's performing arts are beginning to flourish today.

The first one springs from a change in the United States in the semantics of a single word.

That word is "subsidy".

In the United States you can no longer frighten the public, or intimidate legislators, by denouncing subsidies for the arts as socialistic, or communistic. Sneers at the effete and "bohemiam" lives of the artistic fraternity fall on deal ears. Raising the bugaboo of federal control or domination of the Performing Arts produces no apprehensions.

That same legislator, who in 1961 wanted to know whether poker playing would be classified as a performing art, was guilty of nothing more than a heavy-handed attempt at humor.

If he were to make the same query today, however, he would be guilty of poor politics—and that, for a politician, is unforgiveable.

After all we Americans have not only known the word "subsidy", but have accepted it for many years as an economic fact of life.

Now we have gone a step further, and have broadened the definition to include the various ingredients of our national culture.

This is one great advance.

The other is of equally transcendent importance.

It stems from the fact that the winds of change are blowing throughout our land. The changes are far ranging. Their eventual effects can only be guessed at. But even today some of the outlines are emerging.

We can take it for granted that culture in America is no longer caviar to the general. It is no longer the pet of the few. It has been taken over and now belongs to the masses, in the true sense of that word.

And make no mistake. The taking over has not been a passing whim or fad. It is

total and complete by those who are receiving from it an enrichment of spirit and broadened esthetic horizons. These they now consider as essential to their daily life as food and drink.

To the extent that the people themselves can contribute to the availability and growth of these new valuables they will do so. To the extent that they cannot, they are turning to their legislators and public officials to make up the deficit.

Furthermore, they do not do this with hat in hand. They ask for it as a right—a right which has been conceded to them by their Government—just as that same Government has previously conceded their right to similar assistance in providing for other needs. And their public officials are beginning to respond.

For, let it be said of our legislators that if they are slow to innovate, they are quick to emulate. I do not say this in any disparaging sense. On the contrary, it is to their credit that they hasten to borrow, and to adapt to our own needs, progressive ideas regardless of source. And we are happy that this reception extends to these areas in which we are particularly involved.

"There is a tide in the affairs of men," Shakespeare wrote, "which taken at the flood leads on to fortune." I imagine he was referring to materialistic things, but I think the same concept might be applied elsewhere. I may be unduly optimistic, but I think I see that tide rising for the Performing Arts in America. I believe that we are not too far away from tremendously exciting cultural accomplishments.

Let me close with one final quotation from our late and beloved President Kennedy: ". . . the encouragement of art is political in the most profound sense, not as a weapon in a struggle, but as an instrument of understanding the futility of struggle between those who share man's faith.

"Aeschylus and Plato are remembered today long after the triumphs of imperial Athens are gone. Dante outlived the ambitions of thirteenth century Florence. Goethe stands serenely above the politics of Germany, and I am certain that after the dust of centuries has passed over our cities, we, too, will be remembered not for victories or defeats in battle or politics, but for our contribution to the human spirit."

It is a great privilege for me and my Union, as it is for all the other American entertaining Unions represented here today, to be in the center of the activity to which President Kennedy referred, and for each, in our own way, to help create the type of American civilization he envisaged.

DIRECT MAIL OPINION POLL ON AID TO DEPENDENT CHILDREN

Mr. CONABLE. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. BROCK] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BROCK. Mr. Speaker, I would like to bring to the attention of my colleagues what may be the most ridiculous scheme ever concocted by a supposedly responsible agency of the Federal Government. The Department of Health, Education, and Welfare's Bureau of Family Services is conducting a direct mail opinion poll on the aid for dependent children program, one feature of which is a bounty of $2 paid to each welfare mother who completes and returns HEW's questionnaire within a specified time limit.

According to the information that I have, HEW officials feel that—

> An AFDC recipient will more readily answer questions sent by mail for a special study when she is furnished a pencil (sent along with the questionnaire), when she is offered a small sum of money which will not affect the amount of her welfare check, and when she is aware that her replies will not be seen by persons involved in her contacts with the local welfare agency.

How nice it would be if such careful attention was paid to the feelings of the ordinary American taxpayer. Can you imagine the IRS sending out pencils and money to encourage full participation on April 15?

How in the world do you justify using tax money to pay an individual for furnishing information to a tax-supported agency from which she receives her livelihood? I have written to the Secretary of Health, Education, and Welfare for an explanation. I hope his answer will satisfy the taxpayers of this country who are even now being asked to kick in an extra 10 percent of their hard-earned dollars to help finance such essential Government operations.

VETERANS DAY

Mr. CONABLE. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SCHADEBERG. Mr. Speaker, I was deeply disturbed this morning, as were many of you, to read a touching letter in the Washington Post from the widow of the late Gen. George S. Patton, recounting her recent difficulty in attempting to purchase a flag for display on Veterans Day.

There will no doubt be a loud outcry in the newspaper from merchants who actually had flags available for public sale. The fact remains that Mrs. Patton did encounter real difficulty when she sought to display a new flag on a holiday which should make us proud of our heritage and should inspire new dedication to our Nation as we remember the millions of Americans who have served so that we might retain our freedom.

I have attempted to contact Mrs. Patton today in order to make certain that she has been able to obtain a new flag subsequent to her unsuccessful effort prior to November 11. It is my understanding that she is out of the city, but I would like to let this charming lady know that we in the Congress still revere our flag and make it available whenever possible. I am requesting that a flag be flown over the Capitol for Mrs. Patton, although I realize that there is the possibility that several of my colleagues will take similar action. If that is the case, I will donate the flag in her behalf to one of the many dedicated veterans' groups in my district in the name of the late general and his still very patriotic wife.

For those of you who did not happen to read the letter in this morning's paper, I ask that it be included at this point in the RECORD for your edification. I must say that I agree completely with the proposal put forth by Mrs. Patton.

The letter from today's Washington Post follows:

> VETERANS DAY
>
> As a member of a large military family whose participation over the years in each of this country's wars has made it acutely appreciative of the significance of Nov. 11, as both Armistice and Veterans' Day, I am disheartened to find that apparently some of our local merchants do not consider that significance worth observing. Today, as an example, I sought replacement for a worn flag, hoping to join many of our civilian neighbors in flying one from our house to mark the special occasion.
>
> After having been told by two hardware merchants that they hadn't been stocking them for some time, I went to the central branch of one of the Nation's largest chain department stores, where I had previously seen a flag display. This time the area was filled with Christmas decorations and I was told by the department salesman that all the flags had been put away in the warehouse until after Christmas. Surrounding us were placards announcing that the store was engaging in a "Veteran's Day Sale," but the merchandise was hardly patriotic.
>
> Perhaps it is time that *The Washington Post* considered emulating another major newspaper in this country which regularly marks each national holiday by printing a small replica of the *Stars and Stripes* on its front page with the reminder to its readers to "Fly your flag today!" Possibly with your influence our merchants might once again find that patriotism could also be profitable, as more of our fellow citizens came to recognize that it is neither hawkish nor dovish, but an appropriate declaration of our Americanism to display our country's colors on days of significance to our Nation.
>
> MRS. GEORGE S. PATTON.
>
> WASHINGTON.

PLEDGE OF ALLEGIANCE TO THE FLAG

The SPEAKER pro tempore (Mr. MATSUNAGA). Under previous order of the House, the gentleman from Tennessee [Mr. QUILLEN] is recognized for 5 minutes.

Mr. QUILLEN. Mr. Speaker, I am very distressed at the reaction of the OEO to the charge that the Pledge of Allegiance to the flag has been banned from OEO programs, which has the effect of branding several responsible citizens of the First District of Tennessee as liars.

While a personal attack on me by the OEO is of no significance, I will not let OEO cast aspersions on the people of the First District, and I am not going to sit idly by until I know that the Pledge of Allegiance is being carried out in every OEO program throughout the United States.

The denial and falsehood label from the public information director of the OEO in Washington is just another indication of what comes out of Sargent Shriver's propaganda machine, which has been grinding out distortions and falsehoods since he went with the program.

It was one of Sargent Shriver's underlings who first denied that OEO workers

were participating in the demonstrations throughout the country.

It was also one of Sargent Shriver's underlings who first denied that OEO workers were taking part in the riots that destroyed parts of many of our major cities.

And it was one of Sargent Shriver's underlings who first denied that any subversive activities were being carried out in any of the OEO programs.

I could go on and on about Sargent Shriver's propaganda machine turning out material favorable to whatever question is directed to the agency.

The mode of operation of the OEO since it was founded and put under the direction of Sargent Shriver has been first to deny any unfavorable criticism and then to ascertain the facts.

The people of our area are familiar with the handling of the Nashville, Tenn., "hate school" and the Appalachian Volunteers, Inc., headquartered in Bristol, Tenn., in which militant action and subversive activities were carried out.

I wired Sargent Shriver months ago for a complete report on the Appalachian Volunteers, and to date he has not replied. He deals highhandedly with the Members of the Congress as if he were a dictator.

I took the floor of the House to pass on to the Members the allegation made in my district by responsible citizens. I asked for a direct and personal reply from Sargent Shriver himself. To date, only an underling has responded.

There is no doubt in anyone's mind that Sargent Shriver runs a wasteful, badly administered operation. This has been evident since the program started.

I challenged Mr. Shriver on the floor of the House to either confirm or deny the report that the Pledge of Allegiance had been banned, but his propaganda machine quotes a directive dated August 21, 1967. What happened from the time the program started up until that time?

As I said, I am not going to sit idly by until I am convinced that there is no prohibition in any of his programs on reciting the Pledge of Allegiance to the flag anywhere in the United States. Neither am I going to sit idly by until the waste and bad administration have been corrected in his Office. He should be fired now without any further delay.

MARINE CORPS BIRTHDAY BALL CEREMONY

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BURKE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BURKE of Massachusetts. Mr. Speaker, may I take this opportunity to bring to the attention of the Members of the U.S. Congress information about the Marine Corps 192d birthday ball ceremony conducted by the Marine Air Reserve Training Detachment, U.S. Naval Air Station, South Weymouth, Mass. It was my privilege to be a guest at the festivities that started at the Weymouth Naval Air Station and were later concluded at a beautiful setting at the Dreamwold Inn at Scituate, Mass.

Personnel participating in the Marine Corps birthday ball ceremony were:

Col. Christopher M. Canan, commanding officer.

Maj. Pasquale J. Florio, pageant director.

Escorts were: Lt. Col. Albert N. Allen, executive officer; Maj. Clarence E. Jenkins, adjutant; Maj. Arthur R. Anderson, Jr., operations officer; Maj. Frederick J. Cameron, assistant operations officer; and 1st Lt. Roger A. MacIntosh, air control officer.

Also, M. Sgt. Everett W. Emmons, Jr., Gy. Sgt. Robert J. Barlow, S. Sgt. Donald L. Doby, Sgt. Donald J. Baumann, Cpl. Fred J. Baldock, and L. Cpl. Michael L. Copeland.

Color guard: Sgt. Jack W. T. Sterling, Sgt. James J. Martens, Cpl. James D. Coleman, and Cpl. Dannie L. Brown.

Cake escorts: Cpl. Charles R. Cooker, Jr., and Cpl. Milen T. Edris.

Birthday messages: Sgt. Maj. Bernardino R. Stabile and 1st Sgt. Charles J. Garland.

Manquins: Cpl. Glenn A. Gundy and Cpl. Abel J. Cirillo.

Tape: Gy. Sgt. Neal L. Smith.

Lights: Gy. Sgt. Eugene J. Nebelung.

Oldest marine: M. Sgt. David L. Schneibel.

Youngest marine: L. Cpl. Kenneth G. Sehavilim.

The history of the U.S. Marine Corps was reenacted in one of the most impressive ceremonies I have ever witnessed. I include the entire program as it was arranged:

MARINE CORPS BIRTHDAY BALL

House lights.

Music: Sound, general call.

ANNOUNCER. Marines, guests, and other ladies are requested to clear the floor. The ceremony will begin in 5 minutes.

Music: Music sounds Assembly Attention.

ANNOUNCER. Good evening, ladies and gentlemen, and welcome to the Marine Corps Ball. The ceremony will begin in 3 minutes and is divided into two parts. First, we will present a pageant recalling past Marine Corps birthdays, and then, the official cake cutting ceremony. It is requested that everyone remain seated during the pageant. Should it be impossible for those in the outer room to see, you may move to the main ballroom and stand against the wall.

(In 1 minute the house lights dim. Music plays. Adjutant walks on. Spotlight on Adjutant. Adjutant commands.)

ADJUTANT. Sound Adjutant's Call.

(Music plays Adjutants call. Spotlight off. Adjutant remains in place.)

ANNOUNCER. Good evening, ladies and gentleman, and welcome to the 192nd anniversary celebration of the United States Marine Corps. We join marines all over the world tonight in commemorating 192 years in which marines have given meaning to our motto "Semper Fidelis". Tonight, let us recall for you, some previous Marine Corps birthdays, on which men of our Corps, contributed to the traditions, which we now so proudly hail.

(Spotlight on Adjutant. Adjutant commands "Let the pageant begin.")

(Spotlight off Adjutant. Adjutant walks off floor. Music plays "American the Beautiful.")

ANNOUNCER. Nearly two hundred years ago, a small group of inspired and dedicated colonial Americans, planted the ideas of independence and freedom, in the new world. These ideas fired the imaginations of the Thirteen American Colonies, and took firm root in the hearts of courageous pioneers.

Freedom survives in these great United States today only because each generation of Americans has fulfilled its obligation, inherited from our forefathers, to protect it against the forces of tyranny. That tradition is nowhere better illustrated than in the intertwined history of the Marine Corps. It, like these United States, began modestly nearly two centuries ago.

(1775 figure moves to floor. Spotlight on. Music plays "Yankee Doodle.")

ANNOUNCER. November 10, 1775. The oppressive measures adopted by King George III and his Parliament, angered the American colonists, and led to open warfare in 1775. Thousands of poorly equipped, but courageous "minutemen" gathered to fight the British.

It was during this time that the Continental Congress met and resolved, to form two battalions of Marines, for the defense of the United Colonies. All hail the birth of our corps. (Pause.) At its birth a spirit was evident in this Marine Corps, which has grown through the years. Even as Captain Samuel Nicholas began the building of the Corps, at historic Tun Tavern, in Philadelphia, this spirit foreshadowed the creation of what was to become our Nation's force-in-readiness. Within months they were sailing to their first battle.

On March the third 1776, Captain Nicholas led 300 Marines, as they stormed ashore, in the first amphibious assault in our Nation's history—the raid on New Providence Island. Marines crossed the Delaware with Washington. Marines were at the battles of Trenton and Princeton. On July 4, 1776, the Second Continental Congress presented to the world a Declaration of Independence, that to this day is known as one of the great compositions of history.

(Spotlight off figure. Remove figure from floor. Bring 1812 figure on floor. Music plays "President's March.")

ANNOUNCER. November 10, 1812. The new Nation began to grow, and so did the corps. They learned that freedom must continually be defended.

Lt. Presley O'Bannon led a small group of Marines across the African desert, and captured Derne, Tripoli. For the first time in history, the American flag was flying over a fortress in the old world. In the war of 1812, Marines fought alongside Andrew Jackson down in New Orleans. Marines were aboard the *Chesapeake*, holding a British boarding party at bay, while Lawrence, mortally wounded, murmured "Don't give up the ship". . . . and at Bladensburg, a Marine battalion stopped 15 times their number. Yes, from this time on, there will be few years, when we don't find Marines fighting, in some corner of the world.

(Spotlight off figure. Remove figure from floor. Bring 1840 figure on floor. Spotlight on. Music plays "She Wore a Yellow Ribbon.")

ANNOUNCER. November 10, the 1840's. In the pest hole of Vera Cruz, on the slopes before Chapultepec, in the arid deserts of California, Marines were victorious. At Mexico City, the first U.S. troops to enter the city were Marines, led by the indestructible Captain Terrett. It was Lt. Nicholson, of the corps, who first raised the Stars and Stripes over the halls of Montezuma. The event is immortalized in our hymn. These were hard, tough, dedicated Marines, a breed made that way by the grand old man of the corps, Colonel Archibald Henderson, commandant for 39 years.

(Spotlight off. Remove figure from floor.

Bring 1871 figure on floor. Music plays "Battle Hymn of the Republic.")

ANNOUNCER. November 10th the 1870's. Marines completed the first in a series of successful landings in Korea. Captain McLane Tilton led his detachment in the assault, on the forts, guarding the approaches of Seoul. For their heroism in this fight, private Hugh Purvis and Corporal Charles Brown, were awarded medals of honor. Meanwhile, Marines were writing new pages of history for the corps, in expeditions and engagements throughout the world . . . Uruguay, Mexico, Haiti, Argentina, The Bering Sea, Chile, Panama, Nicaragua, Japan, Okinawa, and China.

(Spotlight off figure. Remove figure from floor. Bring 1900 figure on floor. Spotlight on. Music plays "Over The Sea")

ANNOUNCER. November 10, 1900. By now, the list of names, places and marines, forming the battle history of our corps, had grown to long to recite. (Pause) the *Maine* was sunk . . . America and Spain were at war. The first United States troops landed on Cuban soil . . . The Marines . . . first to fight . . . You know the place . . . Guantanamo Bay! Here, Huntington's battalion routed the Spaniards, in swift, well conducted fighting. Sergeant John Quick, stood amidst shot and shell, to signal the guns of the *Dolphin* offshore . . . He saved his fellow marines and earned the medal of honor.

In far off China, Private Dan Daly, single-handedly smashed three boxer attacks, outside the besieged legation in Peking . . . There was a marine for you!

(Spotlight off. Remove figure from floor. Bring World War I figure in. Spotlight on. Music plays "Over There, Mademoiselle.")

ANNOUNCER. November 10, World War I. Belleau Wood, Blanc Mont Ridge, and the crossing of the Meuse. Men will long remember those marines, and their army comrades, who outfought and defeated the elite Russian infantry . . . "Retreat hell! We just got here". After successfully repelling German attacks, the devildogs swept them from the battlefield. Allied enthusiasm knew no bounds. This was the turning point. General Pershing pronounced the action "the Gettysburg of the world war". A grateful French government re-christened Belleau Wood. "The wood of the marine brigade". Marines earned 13 medals of honor, and added another first for the corps, when a marine aeronautic company, was the first completely trained and equipped, American flying unit, sent overseas during the war.

(Spotlight off. Remove figure from floor. Bring 1930 figure on floor. Spotlight on. Music plays "Honeysuckle Rose.")

ANNOUNCER. November 10, 1930's. The so-called peaceful years between world wars, were anything but peaceful for marines. They put down revolts in Latin America, guarded the mails, fought bandits, and protected American interests everywhere. Meanwhile, they wrote the book on amphibious warfare, pioneered close air support, worked out the tactics for small wars, and counter-insurgency . . . places like Santo Domingo, Haiti, China, Guam, Nicaragua . . . names like Puller, Brown, Ellis, live in memory—became history—legends in their own time.

(Spotlight off. Remove figure from floor. Bring World War II figure in. Spotlight on. Music plays Glenn Miller.)

ANNOUNCER. November 10, World War II. The war to end all wars. The corps exploded from 19 thousands to almost a half a million men and women. (Pause) Battered and bleeding from the infamous attack, on Pearl Harbor, a desperate and determined Nation, built a mighty war machine—first to fight—marines—they stormed ashore at Guadalcanal. The old breed . . . and air-ground team, strengthened by the traditions, of those marines, who had gone before . . . skilled and professional in the attack. They fought, and ground their way, across the Pacific. New Georgia, Bougainville, Tarawa, Cape Glousester, Eniwetok, Saipan, Tinian, Pepeliu, Iwo Jima, Okinawa . . . names we will never forget . . . fortitude, courage and bravery, that the world will never forget. "Uncommon valor was a common virtue."

(Spotlight off. Figure off floor. Bring Korean figure on floor. Spotlight on. Music plays "China Night.")

ANNOUNCER. November 10, the Korean war. Only five years after World War II, our Nation joined with nineteen others, to fight and stop, a new tyranny, a new "ism". At first, the situation was desperate.

The defenders were pushed into a small perimeter at Pusan. (Pause) First to fight . . . Force in readiness. . . . A brigade of marines were thrown into the breech. . . . They were everywhere plugging holes . . . (Pause) and then a whole division of marines struck deep behind the enemy, at Inchon. Once again our reserves, proved their readiness, as they had in World Wars I and II. Once again, the air-ground team went into action . . . this was a new breed, but the same story . . . dedication, courage, professionalism, they carved new names in the hallowed halls. Koto-Ri, Hungnam, Chosin . . . in every clime and place. . . . It was freezing cold. . . . "Retreat hell! . . . We'll come out of here like marines . . . and we'll take our dead and wounded with us".

(Spotlight off. Remove figure from floor. Bring 1967 figure in. Spotlight on. Music plays "A Taste of Honey.")

ANNOUNCER. November 10, 1967. A new and bigger Marine Corps . . . but the marine is the same . . . first to fight . . . indomitable courage . . . ready . . . Da Nang, Chu Lai, Phu Bai Star Light, Harvest Moon, the demilitarized zone, Con Thien. . . . Major Reilly, Major Lee, Captain Barman, Captain Carroll, Sgt. Howard, Sgt. Coffman. New places, new names . . . marines . . . they fight in every clime and place, where they can take a gun. Their flag's unfurled to every breeze. (Pause) On this our 192nd birthday and for all our marines in Vietnam, we especially salute the Helicopter pilots and crewman, whose courage and skill, have meant life to so many marines, and to the Navy medical and Chaplain teams. We pay humble tribute to you. You wear our uniform, you share our victories, and more than share the fateful toll, of casualties. All hail our brothers in Vietnam.

(Spotlight off. Remove figure from floor. Music plays "America the Beautiful." Sergeant major and first sergeant move onto floor.)

ANNOUNCER. During the past 192 years, the Marine Corps, has been nurtured on tradition, devotion to duty, loyalty to country, and to the Corps. His deeds have established him, among the elite, in the history of warfare. Pride in himself, his Corps, and his country, is still his hallmark. From the Halls of Montezuma, to the shores of Tripoli, to Mount Suribachi, to the jungles of Vietnam, he's unfurled our flag, to every breeze.

(Move out microphone. Spotlight on. Messages are read.)

ANNOUNCER. The traditional MCB message authorized by Gen. John A. Lejeune will now be read by 1st Sgt. C. J. Garland. Ladies and gentleman, a birthday message from Gen. Wallace M. Green, Commandant of the Marine Corps. A birthday message from the CG, MARTC will now be read by Sgt. Maj. B. R. Stabile.

(Remove microphone. Spotlight off. Sergeant major and first sergeant march off floor. House lights up.)

(Music plays "Semper Fidelis." Escort personnel march in junior to senior.)

(Music plays "Attention." Escort off. Commands Present arms. commanding officer and guest walk in.)

ANNOUNCER. Ladies and gentlemen, entering the line of march at this time, the commanding officer of the Marine Air Reserve Training Detachment. Colonel Christopher M. Canan and the Honorable Mister JAMES A. BURKE, Congressman, from the 11th District of Mass.

Escort off. When commanding officer is in place commands "Order Arms."

Music plays "Attention Columbia." Color guard marches in an halts three-quarters down aisle.

Escort off. Commands "Present Arms." Music play "National Anthem."

Escort off. Commands Order Arms. Post the Colors. Color guard splits and moves to position.

Music plays "Marine Hymn." Cake escort wheel cake into room. Stop in front of colonel. Post.

Escort off. Commands Parade Rest.

Place microphone in front of colonel.

ANNOUNCER. Please be seated.

Commanding officer introduces head table, says a few remarks. Honored guest speaks.

Remove microphone from commanding officer.

Commanding officer says, "May I have the sword, sir?" Cake escort gives sword to commanding officer. Help with plates knife.

Commanding officer offers piece of cake to guest of honor. Next slice to oldest marine. Next slice to youngest marine.

ANNOUNCER. As is our custom, the honored guest is the first to taste the cake. The commanding officer then presents a piece of cake to the oldest marine on active duty. M. Sgt. David L. Schnieible, born September 7th 1908.

The next piece of cake is presented to the youngest marine on active duty, L. Cpl. Kenneth G. Sehavilim, born August 6th 1948. Who we hope, may one day, receive the first piece of cake.

Cake escort. Moves cake to side of floor.

Escort off. Commands Attention, Present Arms.

Music plays "Stars and Stripes Forever." Color guard marches from room.

When color guard has left, commanding officer and guests leave.

Escort off. Commands Order Arms. Escort march out in reverse order.

Cake escort marches out after escorts have cleared the room. Bring sword with you.

Music stops when cake escort has cleared room.

ANNOUNCER. Thank you for your kind attention during the ceremony. Dancing resumes in 5 minutes.

THE UNITED STATES CANNOT JUST "QUIT" VIETNAM

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. MOSS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. MOSS. Mr. Speaker, the increasing clamor in the United States for unilateral summary withdrawal from Vietnam does not reflect realism or understanding on the part of those who propose such action. However much one prays for peace or hopes for an end to conflict, it is still necessary to recognize the realities confronting this Nation which at the moment bears the burden of leadership throughout the world.

I think the matter is placed in perspective in an editorial contained in the Sacramento Bee of November 14, 1967, which I now include in the RECORD:

THE UNITED STATES CANNOT JUST "QUIT" VIETNAM

There is increasing clamor, in the United States and abroad, for the United States to withdraw summarily from Vietnam and say to the two Vietnams: "A plague on both your houses." The temptation is real but this represents a policy as unrealistic as that advocated by the most hawkish—that we move against North Vietnam with unlimited war and "get it over with."

The consequences of an abrupt American withdrawal are obvious:

It would lay bare all of Asia to a Communist sweep, either through political takeovers or with so-called "liberation" armies.

Red China would gain immeasurably in prestige. It is Red China which has talked the hardest war and with summary American withdrawal Mao Tse-tung would emerge as the uncontested power in all of Asia.

India with its 500 million people and its strategic location, politically and militarily, would be exposed to a siege by China more stern than it yet has experienced and there is grave question that India, internally weak, could stand up to the test.

Lastly, by pulling out summarily the United States would be caricatured as faithless in the eyes of the rest of the world—and in abandoning Vietnam totally, it also would have to abandon all in Asia. Even Japan probably would be forced, through the harsh realities, to come to some accommodation with Red China, which would insulate the United States influence even more.

No. The United States cannot just "quit."

It is caught on that other horn of dilemma, as well. It cannot accelerate the war to that total engagement urged by those who simply cannot understand why we do not go in and pulverize the North.

The only acceptable solution is political. And this solution would have to be the joint product of a paper war on many fronts—through neutrals, through the United Nations, through the courts of world opinion, through constantly applied pressures.

In the meantime, there is no alternative but to "hold." In the end, whatever peace can be extracted out of this difficult situation probably will come only after the United States goes from an aggressive war to a containment war—limited to defense and to a show of the Flag.

The Orientals have an inbred patience for this kind of attrition; only history will reveal whether we can beat them at their own game.

LABOR DISPUTE AT ABC

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. BURTON] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BURTON of California. Mr. Speaker, it is a cause of great concern to me that one of the leading radio and television stations in my district is now in its eighth week of a labor dispute, with no settlement in sight. This is one of a number of stations in various parts of the country owned and operated by the American Broadcasting Co. which is involved in a labor dispute with the National Association of Broadcast Employees and Technicians, AFL–CIO.

Obviously such a prolonged dispute presents a number of causes for concern: There is the concern for the welfare of the striking employees and their families and the financial hardship they are enduring. Then there is the deterioration in service to the community rendered by this company which operates in an area of public service under a franchise granted by the people of the United States. Also, there is the residual damage in labor-management relations which is the inevitable result of a prolonged strike.

Without attempting to judge and resolve all the issues involved in this dispute, I would nevertheless point out that one of ABC's major competitors, the National Broadcasting Co., negotiated with this same union and managed to come to terms without a strike. It is my understanding that NABET has asked ABC for a contract identical with the one achieved with NBC.

In view of this there is a temptation to reach the conclusion that ABC is playing a frivolous and capricious game with NABET, to the detriment of the public at large and the union members and their families in particular.

The suspicion is raised that ABC may be trying to use the strike to develop leverage for its proposed merger with the International Telephone & Telegraph Co. This merger, as I am sure my colleagues will recall, has been opposed by our Department of Justice. Certainly it is to be hoped that this large broadcasting firm would not stoop to manipulating its employees and their families as pawns in a larger game not related to the issues of the company's differences with NABET. Some positive effort by the broadcast company to bring about an early agreement with the union in this dispute would erase this suspicion.

PETITION FROM THE CWA

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. BURTON] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BURTON of California. Mr. Speaker, I have received a number of petitions addressed to Congress, which have been circulated by the Communications Workers of America, AFL–CIO. The headline on these petitions reads: "You don't like riots? Neither do we!" The petition then goes on to point out that jobs, housing, and education—in sufficient quantity and quality—are needed if we are to get at the basic causes of urban disturbances.

Many of my constituents have signed these petitions to this honorable body, and I am sure many of you have received some of these petitions, too. I would like to take note of the CWA petition campaign by having the complete text of the petition printed in the CONGRESSIONAL RECORD as follows:

PETITION TO THE CONGRESS OF THE UNITED STATES OF AMERICA—YOU DON'T LIKE RIOTS? WELL, NEITHER DO WE!

Americans everywhere agree that action must be taken now to eliminate the causes which lead to rioting and civil disturbances in our nation.

The recent lives lost and property damaged in riots that ravaged our cities proved that the cities and states cannot carry the burden alone.

Only the Congress of the United States has both the responsibility and authority to pass the laws and appropriate the funds for jobs, housing and education needed now by the millions of impoverished Americans.

History itself has taught us that where these three basic needs are left unmet, all races are trapped in filthy, rat-infested ghettos ripe for rioting or in deplorable conditions which are "dead-end." The answer is creative, constructive, practical program that will benefit *all* Americans directly or indirectly—not a giveaway!

Therefore, we, the undersigned, believe Congress must act by providing:

1. Jobs: Put people to work. As recommended by the President's Commission on Technology, Automation and Economic Progress, the government should become "the employer of last resort" by providing public service employment opportunities for workers who are unsuccessful in competing for jobs in private industry. This would put every American who is able and willing to work on a job.

2. Housing: Slum housing in this nation must go; unsafe, infested buildings must be cleaned up or closed down and decent shelter must be built. Money appropriated for this purpose must be spent carefully and efficiently, and new funds must be appropriated as needed.

3. Education: A policy should be adopted and implemented to provide free public education from pre-kindergarten up to and including the doctorate level for all, with only ability and motivation serving as qualifying factors.

By means of this petition, we make known to you that the American public demands the action that is needed now to solve the problems of the cities.

This petition sponsored by members of the Communications Workers of America, AFL–CIO.—*The Community-Minded Union.*

LATVIAN INDEPENDENCE DAY, NOVEMBER 18

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentlewoman from New York [Mrs. KELLY] may extend her remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mrs. KELLY. Mr. Speaker, the freedom-loving Latvians have never been numerous or powerful enoungh to defend their liberty in their historic homeland in the Baltics. Most of their modern history has taken an uneven and sad course, and during most of that time, they have been subjected to the regimes of alien overlords. In the late 18th century, their country became part of the czarist empire of Russia. When that regime was overthrown in 1917, the Latvian people asserted their freedom and proclaimed their national independence on November 18, 1918.

After that memorable day, Latvians enjoyed freedom for two decades, before they again lost their independence. During the interwar years, they worked hard to make their homeland safe from invaders. They rebuilt their war-ravaged country, reconstituted their democratic institutions, and lived happily under

their own democratic government. Unfortunately this interlude did not last long. The rise of a dictatorship in Germany and the aggressive designs of Stalin on Latvia threatened the country's independence. Early in World War II, Stalin carried out his design, and the Red army invaded, overran, and occupied Latvia in 1940. Then the country was annexed to the Soviet Union and Latvia became one of the Soviet Socialist Republics. Thus Latvia's independence was crushed.

From 1940 until the present time, the Latvian people have known no freedom. Since the end of World War Two, the Kremlin has strengthened its firm hold over the country and Latvia now suffers under the Communist totalitarian tyranny. On November 18, the 49th anniversary of the freedom of the Latvian people, we hope and pray for their independence.

PETITION FROM THE CWA

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. JACOBS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. JACOBS. Mr. Speaker, I wish to acknowledge and record receipt by my office of petitions directed to me by constituents of the 11th Congressional District of Indiana. The subject of these petitions is the stated need for action on a larger scale than ever before, to provide jobs, housing and education as long-range solutions to the riots in American cities. It is my understanding that these petitions were originated by the Communications Workers of America, a union widely known for its concern with problems beyond the plant gates.

It is my feeling that, through the act of affixing their signatures to these petitions, American citizens are showing their alertness to the dangers of future rioting in our cities, and hope to see something done about it before it is too late. I should like to make known by this means my own appreciation for this expression of public opinion in a matter of the utmost importance to our society as a whole.

The petition follows:

PETITION TO THE CONGRESS OF THE UNITED STATES OF AMERICA—YOU DON'T LIKE RIOTS? WELL, NEITHER DO WE!

Americans everywhere agree that action must be taken now to eliminate the causes which lead to rioting and civil disturbances in our nation.

The recent lives lost and property damaged in riots that ravaged our cities proved that the cities and states cannot carry the burden alone.

Only the Congress of the United States has both the responsibility and authority to pass the laws and appropriate the funds for jobs, housing and education needed now by the millions of impoverished Americans.

History itself has taught us that where these three basic needs are left unmet, all races are trapped in filthy, rat-infested ghettos ripe for rioting or in deplorable conditions which are "deadend." The answer is a creative, constructive, practical program that will benefit *all* Americans directly or indirectly—not a giveaway!

Therefore, we, the undersigned, believe Congress must act by providing:

1. Jobs: Put people to work. As recommended by the President's Commission on Technology, Automation and Economic Progress, the government should become "the employer of last resort" by providing public service employment opportunities for workers who are unsuccessful in competing for jobs in private industry. This would put every American who is able and willing to work on a job.

2. Housing: Slum housing in this nation must go; unsafe, infested buildings must be cleaned up or closed down and decent shelter must be built. Money appropriated for this purpose must be spent carefully and efficiently, and new funds must be appropriated as needed.

3. Education: A policy should be adopted and implemented to provide free public education from pre-kindergarten up to and including the doctorate level for all, with only ability and motivation serving as qualifying factors.

By means of this petition, we make known to you that the American public demands the action that is needed now to solve the problems of the cities.

This petition sponsored by members of the Communications Workers of America, AFL-CIO. The Community-Minded Union.

PRESIDENT JOHNSON ENJOYS STRONG SUPPORT OF PRIME MINISTER SATO

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. MORGAN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. MORGAN. Mr. Speaker, President Johnson and Prime Minister Sato of Japan have reaffirmed the close friendship and mutual respect that links our two nations. During his visit, the Prime Minister reaffirmed to the President his view that reciprocal action should be expected of Hanoi for a cessation of bombing of North Vietnam. And he also expressed support for the U.S. position of seeking a just and equitable settlement in Vietnam. He noted that he had found widespread support during his trips in Southeast Asia for free world determination to check Communist aggression.

Japan has a strong and stable democratic government under the effective confidence in elections held early this year.

On the international scene, our Japanese friends, who for a decade and a half concentrated on building up and strengthening their own country particularly in the economic sphere, are playing an increasingly important role.

Japan's many initiatives during the past year or two in support of Asian regional development, for example her leading role in the establishment of that very promising institution, the Asian Development Bank, are vitally important for the future of Asia. Happily, although our two countries are geographically separated by a mighty ocean, we share a very similar view of the world scene. We are bound by other ties. Japan is our largest overseas trading partner—our two-way trade is now about $6 billion a year. We have a multitude of mutually beneficial exchanges in the scientific and cultural fields. But most of all we value Japan as a strong and effective partner in our common task of bringing about peace and a better life for all the people of Asia. This partnership has been strengthened by the skills of two great leaders—Lyndon B. Johnson and Eisaku Sato.

Under unanimous consent, I insert into the RECORD the joint communique issued yesterday by these two leaders following their meeting at the White House:

JOINT COMMUNIQUE BETWEEN PRESIDENT LYNDON B. JOHNSON AND HIS EXCELLENCY PRIME MINISTER SATO OF JAPAN

I

President Johnson and Prime Minister Sato met in Washington on November 14 and 15, 1967, to exchange views on the present international situation and on other matters of mutual interest to the United States and Japan.

II

The President and the Prime Minister declared that the United States and Japan, guided by common democratic principles of individual dignity and personal freedom, will continue to cooperate closely with each other in efforts to bring about world peace and prosperity. They took note of the importance of reinforcing the authority and role of the United Nations as a peace-keeping organization, of promoting arms control and a reduction of the arms race, including the early conclusion of a Non-Proliferation Treaty, as well as of rendering effective assistance to the developing countries, particularly those in Southeast Asia.

III

The President and the Prime Minister exchanged frank views on the recent international situation, with particular emphasis on developments in the Far East. They noted the fact that Communist China is developing its nuclear arsenal and agreed on the importance of creating conditions wherein Asian nations would not be susceptible to threats from Communist China. The President and the Prime Minister also agreed that, while it is difficult to predict at present what external posture Communist China may eventually assume, it is essential for the free world countries to continue to cooperate among themselves to promote political stability and economic prosperity in the area. Looking toward an enduring peace in Asia, they further expressed the hope that Communist China would ultimately cast aside its present intransigent attitude and seek to live in peace and prosper alongside other nations in the international community.

IV

The President reaffirmed the continuing United States determination to assist the South Vietnamese people in the defense of their freedom and independence. At the same time, he made it clear that he was prepared to enter into negotiations at any time to find a just and lasting solution to the conflict. The Prime Minister expressed support for the United States position of seeking a just and equitable settlement and reaffirmed Japan's determination to do all it can in the search for peace. He also expressed the view that reciprocal action should be expected of Hanoi for a cessation of the bombing of North Vietnam. The Prime Minister noted that he had found widespread support during his Southeast Asian trips for free world efforts to cope with Communist intervention and infiltration.

The President and the Prime Minister agreed that it is important that the new Government in South Vietnam continue its progress toward stable democratic institutions and the social and economic betterment of its people.

V

The President and the Prime Minister exchanged views frankly on the matter of security in the Far East including Japan. They declared it to be the fundamental policy of both countries to maintain firmly the Treaty of Mutual Cooperation and Security between the United States and Japan in order to ensure the security of Japan and the peace and security of the Far East. The President and the Prime Minister recognize that maintenance of peace and security rests not only upon military factors, but also upon political stability and economic development. The Prime Minister stated that Japan is prepared to make a positive contribution to the peace and stability of Asia in accordance with its capabilities. The President stated that such efforts on the part of Japan would be a highly valued contribution.

VI

Referring to his recent visits to the Southeast Asian countries, the Prime Minister explained the efforts these nations are making in a spirit of self-help toward achievement of greater welfare and prosperity for their peoples, but noted their continued need for assistance in their efforts. The Prime Minister stated that it is the intention of the Government of Japan, in meeting this need, to continue its efforts to provide more effective bilateral and multilateral assistance to the Southeast Asian region particularly in the fields of agriculture, fisheries, transportation and communication, by increasing the amount of assistance and liberalizing its conditions. The Prime Minister described the encouraging trends which he had observed particularly in Southeast Asia toward greater regional cooperation and he cited the promising prospects for the Asian Development Bank and its Special Funds. He further stated that it is the intention of the Government of Japan to make greater use of these institutions by assisting in further expanding their operations. Recognizing the need to strengthen economic assistance to the developing areas, particularly to the Southeast Asian countries, the President and the Prime Minister agreed to maintain closer consultation with each other in this field.

VII

The President and the Prime Minister frankly discussed the Ryukyu and the Bonin Islands. The Prime Minister emphasized the strong desire of the Government and people of Japan for the return of administrative rights over the Ryukyu Islands to Japan and expressed his belief that an adequate solution should promptly be sought on the basis of mutual understanding and trust between the Governments and people of the two countries. He further emphasized that an agreement should be reached between the two governments within a few years on a date satisfactory to them for the reversion of these Islands. The President stated that he fully understands the desire of the Japanese people for the reversion of these Islands. At the same time, the President and the Prime Minister recognized that the United States military bases on these islands continue to play a vital role in assuring the security of Japan and other free nations in the Far East.

As a result of their discussion, the President and the Prime Minister agreed that the two Governments should keep under joint and continuous review the status of the Ryukyu Islands, guided by the aim of returning administrative rights over these Islands to Japan and in the light of these discussions.

The President and the Prime Minister further agreed that, with a view toward minimizing the stresses which will arise at such time as administrative rights are restored to Japan, measures should be taken to identify further the Ryukyuan people and their institutions with Japan proper and to promote the economic and social welfare of the Ryukyuan residents. To this end, they agreed to establish in Naha an Advisory Committee to the High Commissioner of the Ryukyu Islands. The Governments of Japan and the United States of America and the Government of the Ryukyu Islands will each provide a representative and appropriate staff to the Committee. The Committee will be expected to develop recommendations which should lead to substantial movement toward removing the remaining economic and social barriers between the Ryukyu Islands and Japan proper. The existing United States-Japan Consulative Committee in Tokyo will be kept informed by the High Commissioner of the progress of the work of the Advisory Committee. It was also agreed that the functions of the Japanese Government Liaison Office would be expanded as necessary to permit consultations with the High Commissioner and the United States Civil Administration on matters of mutual interest.

The President and the Prime Minister also reviewed the status of the Bonin Islands and agreed that the mutual security interests of Japan and the United States could be accommodated within arrangements for the return of administration of these islands to Japan. They therefore agreed that the two Governments will enter immediately into consultations regarding the specific arrangements for accomplishing the early restoration of these islands to Japan without detriment to the security of the area. These consultations will take into account the intention of the Government of Japan, expressed by the Prime Minister, gradually to assume much of the responsibility for defense of the area. The President and the Prime Minister agreed that the United States would retain under the terms of the Treaty of Mutual Cooperation and Security between the United States and Japan such military facilities and areas in the Bonin Islands as required in the mutual security of both countries.

The Prime Minister stated that the return of the administrative rights over the Bonin Islands would not only contribute to solidifying the ties of friendship between the two countries but would also help to reinforce the conviction of the Japanese people that the return of the administrative rights over the Ryukyu Islands will also be solved within the framework of mutual trust between the two countries.

VIII

The President and the Prime Minister exchanged views on trade and economic policies following the successful conclusion of the Kennedy Round negotiations. They considered that a continued expansion of world trade would be in the best interests of both countries and pledged continued close cooperation in pursuit of this objective. They reaffirmed their support for policies which would lead to a freer flow of trade and further liberalization of other international transactions. They agreed that their two Governments should continue to consult closely regarding trade and economic problems between the two countries with a view to finding mutually satisfactory solutions. They noted that early restoration of balance in each of the two countries' worldwide international payments was of basic concern to both and agreed to assist each other toward this end. In this regard, and with a view to making possible the continuation and expansion of mutually beneficial trade and financial relationships between the two countries and promoting the development and stability of the Asia-Pacific area, they agreed to enhance the usefulness of the Joint United States-Japan Committee on Trade and Economic Affairs by establishing at an early date a subcommittee. This subcommittee will be a forum for consultation on economic and financial matters of importance to both countries, including the short and longer-range balance of payments problems of the two countries.

The President and the Prime Minister expressed their satisfaction with the active and expanding scientific cooperation between Japan and the United States. They especially recognized the contributions made by the United States-Japan Cooperative Medical Science Program which was established as a result of their last meeting in January 1965, and the continuing achievements of the United States-Japan Committee on Scientific Cooperation.

The President and the Prime Minister discussed the peaceful exploration and use of outer space, and noted with satisfaction the recent entry into force of the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies, a new milestone in mankind's progress towards peaceful uses of outer space. They reviewed space cooperation to date between the United States and Japan, and surveyed possibilities for future cooperation. They agreed that the two Governments should look more closely into such possibilities, focusing on the development and launching of earth satellites for the scientific research and peaceful utilization of outer space.

The President and the Prime Minister, aware of the increasing importance of the oceans as a source of food for the world's growing population and as a source of minerals, have agreed to seek ways of greatly expanding United States-Japan cooperation in research and in development of technology for the utilization of marine resources through the United States-Japan Conference on Development and Utilization of Natural Resources. For this purpose they have agreed that as part of the United States-Japan natural resources program, there should be prepared a report and recommendations to the two Governments looking to cooperation between the two countries in this field.

The President and the Prime Minister recognized that the promotion of peaceful uses of atomic energy has immense possibility of furthering the welfare of mankind and noted with satisfaction that there exists a close cooperative relationship between the two countries in this field. In this connection, the two leaders expressed satisfaction with the smooth progress of the current negotiations to conclude a new agreement for cooperation in this field. The Prime Minister welcomed in particular the intention of the United States Government to increase the supply of such nuclear fuel as U235 and plutonium to Japan.

X

The President and the Prime Minister were satisfied with their second meeting which was extremely useful and expressed their desire that close personal contact continue in the future.

FOOD FOR THOUGHT

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROSENTHAL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, the Thanksgiving holiday season is close at hand, and this delightful holiday is the best time to take stock of our Nation's plentiful assets. As Americans, we have indeed been the recipients of much material wealth. Our food resources, in particular, are so vast that we have come to view what little hunger that still exists in our land as a blemish so outrageous that it demands immediate redress. Hardly ever have men been so estranged from the concept of hunger that proof of its existence should be rejected as unreal.

The poor and the hungry of this Nation are not alone in seeing some irony in Thanksgiving celebrations. All American consumers who wish to enjoy Thanksgiving dinners must first pass through a trial of wits made necessary by food packagers. Modern packaging and labeling practices are among those items least worthy of thanks by American consumers.

The following article by Harriet Van Horn, in the November 15 New York Post, discusses the issue of truth in packaging most effectively:

FOOD FOR THOUGHT

(By Harriet Van Horne)

With Thanksgiving drawing near, a housewife's thoughts turn to the feast and its fixings. We hear such harrowing tales of hunger these days that a small sting of guilt walks with us to the supermarket. Wherever we look, there's all-cheering plenty with her flowing horn. Autumn is perhaps the one season of the year that turns marketing into a rich esthetic experience. Or it would if one could only keep that cost of living index out of mind, to say nothing of the shady practices of food packagers.

Lately I find myself brooding over these matters as I stand rapt before mounds of apples, polished to a ruby gloss. Who can resist new apples, or boxes of cool, wine-dark grapes or flaming persimmons with their soft, secret sweetness? Even the squash, that pig's snout among the fruits of the earth, takes on a bizarre beauty in this setting.

But the beauty isn't all that takes the housewife's heart. Her greatest satisfaction in buying fresh foods is the certain knowledge that Nature—wise, honest, unpackaged, unrefined, unadulterated old Mother Nature—is not going to cheat her.

When you buy a sack of apples or a bunch of celery you need have no worries about slack weight, false labels, make-believe bottoms, dishonest dilutions or dangerous foreign bodies. If you buy a huge, 10-ounce garden tomato it is not labeled "jumbo economy size." It's simply a big, fat tomato and you pay a little more, not less. One ought to rejoice in the fruits of the autumn because they never cheat us, and never mind the esthetics.

A housewife is not so blessed as she pushes her little cart among the packaged and canned goods. There's a corrupt tree somewhere in the food industry and it has been bringing forth corrupt fruit. That famous truth-in-packaging bill hasn't yet brought the whole truth to our jars, boxes and tins.

It isn't likely that Miss Betty Furness, the consumer's friend at court, will bring about any significant reforms, either. And let nobody quip, "Well, that's show business." It's Congressional business. And the business of lobbyists, pressure groups and all sorts of special interests. And my indignation, which rises to fever pitch whenever I notice how much empty air exists between the contents of a box and its top, has been raised even higher by a new book, "The Thumb on the Scales or the Supermarket Shell Game."

In this angry but always reasonable tirade against the food cheats, A. Q. Mowbray indicts not your local A&P or Food Fair but the huge packagers and processors of foodstuffs. American shoppers, who spend $71,000,000,000 per year for groceries deserve a fairer deal. In Mr. Mowbray's view, they "have their pockets picked" every time they buy a 100-foot roll of waxed paper that's 75 feet or a large economy size jar of coffee that screams, "seven cents off." Sometimes the price is not only *not* off, it's higher.

Against all such chicanery the truth-in-packaging bill, passed last year, was supposed to protect us. As Sen. Philip Hart originally conceived the bill, it did just that. But a formidable opposition, led by Sen. Everett Dirksen, the business man's friend, succeeded in emasculating the bill. The food industry was asked to write "voluntary" standards of practice, another case of the fox guarding the chicken coop. We are, it sometimes seems, a manipulated society, not a free one.

The defense of the food people is that the average housewife is too shrewd, too quick and clever to be deceived by any sort of trick label or packaging. Well, the American housewife is lovable, well-meaning and generally sensible. But she's no match for the merchant princes of the grocery world.

THE LAW AND GENERAL HERSHEY

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROSENTHAL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, according to a report in this morning's New York Times, General Hershey has apparently done it again. The Director of our Selective Service has requested Government appeal agents to act as informers by turning in all men whom they believe are violating our draft laws. I sincerely hope that this latest tampering with our legal system will be canceled.

General Hershey has demonstrated his casual attitude toward our legal tradition even more dramatically in the past. Last week, he instructed local draft boards to revoke deferments of those students who obstruct the administration of draft laws, thus making military service equivalent to a punishment. This dishonors both our military services and our courts. His instructions would violate both legal due process and the commendable service tradition of our Armed Forces by making such service a penalty for law violations. All in all, it has been a busy week for the general.

I would like to direct the attention of my colleagues to the following trenchant editorial on this subject that appeared in the November 12 edition of the Long Island Press:

DISRESPECT FOR THE LAW

Selectice Service Chief Lewis B. Hershey has good reason to be angry with draft law violators—but his remedy is the wrong one.

Gen. Hershey, apparently encouraged by the White House, would revoke the deferments of college students who won't carry their draft cards or who interfere with draft or military recruitment. Those liable to the draft who violate the law, he said, should be offered the choice of military service or jail.

We went through something like this last year when Gen. Hershey was rebuffed by the courts for recommending that the local draft boards deprive some sit-in demonstrators in Michigan of their deferments and reclassify them as eligible for the draft. The Court of Appeals ruled the action illegal because the draft boards had violated the registrants' right to free speech.

Congress has since passed a law providing maximum penalties of five years in prison and a $10,000 fine for persons who illegally interfere with the draft law or regulations issued under it.

It is up to the courts—not the draft boards—to deal with possible violations. And the distinction must be carefully drawn between those who simply protest against the draft and those who violate the law.

What's more, it is demeaning to the service and all the royal youngsters doing their stint to equate that service with jail. A violation of the law should send someone to jail, not into the army.

If it is true, as Gen. Hershey charges, that the Justice Department has not been getting after draft violators vigorously enough, then it would make more sense for the White House to get Justice on the ball than to prod Gen. Hershey into exceeding his authority.

It seems that everyone involved in this mess is treating the law poorly—the extremists for carrying their anti-draft protest beyond the law; the Justice Department for dragging its feet in going after them, and the Selective Service chief for trying to usurp the functions of the courts.

VETERAN TEACHERS

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. HELSTOSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. HELSTOSKI. Mr. Speaker, the other day President Johnson made an eloquent plea to the leaders of the various veterans organizations for assistance in recruiting our returning veterans into the field of teaching—especially in the ghetto areas of our Nation.

I have received a copy of the President's remarks and have found them to be of great interest to me. As a former schoolteacher, I feel that the President's proposal has much merit behind it and if the Veterans' Administration presents any specific program to the House Veterans' Affairs Committee, of which I am a member, I feel that it will receive the support of all the members of the committee, and we can enact the necessary laws to put this proposal into effect.

Because of the country's need for improved education of our youth, I believe that my colleagues should have the benefit of the President's remarks on this subject. Therefore, Mr. Speaker, I include the President's remarks in the RECORD, as follows:

REMARKS OF THE PRESIDENT AT THE RECEPTION FOR LEADERS OF VETERANS' ORGANIZATIONS

First I want to ask your understanding for my being late. I have been late most of my life. But I seem to be—as age advances and the Prime Minister has come to town a—little later than usual.

I am sorry that I couldn't be here with you when the reception began.

For all last year and this year we have been hoping that we could get together. Bill Driver has talked to us a number of times about it—also the Veterans Committees in the House and Senate—to have a little reception here in honor of the Veterans organizations who provide the leadership for the veterans of this country.

There are 26 million men and women who have served this nation, who have protected it—and who are protecting it this hour.

Last weekend I saw thousands of them. General Wheeler asked me to try to come to see the Marines on the Marine Anniversary. I ate so much Marine cake I don't get on the scales anymore.

But I have had my problems with the Marines as some of you have observed from the newspapers.

All my life being an old Navy man—and seeing Senator Yarborough here an old Army man—we just have to put up with these Marines because every time you hear from them they say, "The Marines have landed and everything is in good shape."

So I told them on my visit that is just exactly what happened to me right here in the White House. The Marines landed and everything is in good shape and we are going to have a wedding here in a few days.

While we are working on this one over here in the Mansion for my daughter, one of them was messing around over here in my office and married my secretary.

But I went out to see these fighting young men and women who represent the very best in America.

We first went to Fort Benning, Georgia. I have never been more inspired than when I saw the men who were taking their parachute jumps there, and when I saw them out practicing guerrilla warfare.

Then we went to El Toro and Camp Pendleton for the Marines.

Then we went out on the Enterprise Carrier and spent the night with 5,000 men and saw them take 100 planes off in the afternoon and night and bring them in. The Enterprise, you know, has been on Yankee Station out in Vietnam and will be back out there again in January.

Then we went to the Air Force where our fighter and bomber pilots were just coming from Vietnam—men with over 100 missions.

Then we wound up in Yorktown with the Coast Guard.

So we covered them all.

I had dinner in the Captain's Cabin with enlisted men. They were looking down at Admirals who were sitting at the other end of the line. The fact that one of them was from Comfort, Texas was purely coincidental.

But I don't need to tell you that these young men and women and their fighting comrades in Vietnam represent the very best that this country produced.

If there is one thing I learned from talking to all the Generals, Admirals, enlisted men and the others, it is that we are giving them a quality product of manhood and womanhood today that they have never received before.

That is no compliment to you and I, Ralph. But they are better than we were.

Every man there told me they were better than we were. That, we are very proud of.

I know you veterans are very proud of it because we are going to need our best for the tough, demanding, unfinished business that is ahead. We have plenty of it.

I want to get down to business very quickly because I have an idea and I want to make a sale. I want to promote you. I want to get you in here to roll up your sleeves and start doing something for these veterans, as you have been all of these years.

Last year, 600,000 veterans returned to civilian life. Next year, it will be 800,000. Every month we are mustering out about 70,000 veterans—every month, 70,000.

Eric Hoffer, our longshoreman friend from out there in California, calls these veterans the "seed of the future." You city boys may not know what that means, but we farmers do.

They are a very great, tremendous, natural resource—and national resource. We ought to realize that and recognize it. Their energies, their ambitions, and their efforts are going to determine what kind of a country we live in and the kind my grandson lives in.

I want to plant this seed. I want to put it down where it will do the most good in the most fertile soil. I want it to grow. I want to harvest the children in this country because education is the guardian genius of democracy. If you don't want totalitarianism, if you don't want dictatorship, if you don't want communism, you just pour the education to them. That is what we are doing.

I talked to the leaders of the land-grant colleges this morning. I am talking about our elementary school problems tomorrow, but I am talking to you now about educated children—my own roots have been in the classroom. That is where the action is; that is where the future is. When I leave here, that is directly where I am going—to the classroom because nowhere is the challenge of tomorrow greater than it is in our schools and particularly in our elementary schools.

Nowhere is it more real or more urgent than in the ghetto schools.

I doubt that any of you here live in a ghetto. But you ought to live in one long enough to understand what it is about—and have a little compassion—to decide to do something about it.

If we don't, it is going to wreck our Nation. The children in these ghettos need the teaching most and they get it least.

If you were a teacher, would you like to be a college professor, or would you like to be a high school teacher? Yes, in that order—and an elementary school teacher? Yes, elementary school teacher in a ghetto? That is the last place you want to be.

So that all the good ones are pulled out of there. We have to put somebody back there who wants to do something about cleaning up those ghettos and doing something about those poor children—the ones who need it most. That is what I want to talk to you about right now.

These are the children who can't recognize the picture of a Teddy Bear. This is a serious situation when we are living in a world where four out of 10 children, and four out of 10 adults, and four out of 10 people cannot read "cat" and cannot spell "dog".

Then we talk about how proud we are of the 20th Century. They are A-plus students when it comes to recognizing a rat because they have had more experience with rats than they have had with Teddy Bears; or a garbage can, or a knife, or a beer bottle.

They can't tell you about colors because their lives are so drab. Why? Because too often there is no one in the house to ever teach them, no one to read to them, no one to give them any kind of good example, no one to give them loving discipline.

We have two wonderful daughters. I think the thing that is helping them more than any other thing is every morning when they wake up, every night when they go to bed, and every time their mother sees them in the daytime she always says, "Remember, mother has got confidence in you and mama cares. You are loved. You are loved." She says that to the two daughters all the time.

But these poor ghetto children don't have that, because their mother is gone and their father—they don't have one sometimes because he is not there.

Our figures show that between now and 1975 2½ million teachers will enter or reenter elementary school teaching. We will only need 2.2 million.

But here is the problem: Our high schools will have more than they need and our grade schools will not have what they need; 6,000 less than they will need every year between 1970 and 1975. But it is even worse than that.

The schools that are going to suffer are the schools where the children need the teachers the most—the ghetto schools, the forgotten rural schools, the little bordertown schools, the Indian reservation schools.

The richer schools can pay higher salaries, they can offer better working conditions—they can hire the teachers.

But the poor schools just cannot. Too often they get the dregs and the leftovers. They need the best teachers the most. They get the worst ones.

Here is the job that I want you to do for me. Here is the new battle ground where I think our Veterans belong. I want them not only to protect our freedom abroad—I want them to protect our freedom and our liberty right here in our cities.

I want to find Veterans who want to teach. I want to give them the chance to teach these neglected children. They are teaching in Vietnam now.

One of the things that I am most proud of is the compassion that our soldiers, particularly our Marines right up in the DMZ are showing for poor children—their health problems, their education problems. They fight all day and go at night to teach them. That is where I got this idea.

Four and a half million Veterans have been discharged since Korea. In that 4½ million only 100,000 of them are teaching—67,000 Veterans are discharged every month and only 1500 teach.

So I want to encourage many more Veterans to teach. All you Veteran Service officers from all of the States were invited here. Your representatives are here tonight. I got my picture made with you. Are you listening? I want to talk to you right now.

I want to encourage more Veterans to teach. If they don't know how to teach now, I want to, with some of my Senators' and Congressmen's help, help them be taught how to teach themselves—and we want to teach them how to teach.

These men and women have something rare, something unusual, and I think something wonderful to offer if they have served in our uniform. They can bring to the ghetto classrooms what few others can. They can bring there whatever children need—example, experience, integrity, honor, courage, faith, hope and love of country demonstrated by being there when they needed you.

There are too many children who do not have a father or mother in the house. The men of Vietnam can show them what a man can be and what a real man is like—and what a man should be.

I don't know anyone in the world who can show it better than the men who have worn the uniform in Vietnam or other places and come out.

So who knows what the challenge to democracy is better than they do? Many of our Veterans are no strangers to the agonies of the ghetto. They know the suspicion and hostility of the ghetto. They fought for their own freedom in the ghetto. Some of them came out of there.

Then they went to fight for a nation's freedom in Vietnam. Now they can come home to continue the fight as teachers to win freedom for others who need them desperately.

One month after I came into office I said: "Why can't we lower the IQ requirements, the mental requirements, and why can't we lower the physical requirements so we can get out and at least take some of these boys who might not be good soldiers or good fighters, but teach them to get up early in the morning, to get a cold shower, shave and be on time—give them some discipline and training—and they might learn to mow a lawn.

I saw Mr. McNamara on the plane. Then I got Senator Russell down and went hunting

with him—and got him to agree to take 12,000. Now we have 100,000. They have already enlisted 49,000 who have an average of fifth grade reading ability.

We are bringing them out of these places and putting them in there. You know the proudest thing I heard on this trip was one old seasoned, crusty General came up to tell McNamara the story of the program.

We said, "What about these at the bottom of the heap who we brought in and trained?"

He said, "I got the shock of my life. We have 47 of them who are going to officer's schools."

That shows you. I want to get some of these men who have come back from fighting for their country trained to be teachers—we don't know what we will call them; we will call them the Veterans Teachers or something—to come and go into these ghettos over the country; go there, stay with them, and teach them so we can save those children, those cities, our country.

Therefore tonight I am requesting and appointing the Veterans Administrator, William Driver—there has never been a better government employee—he is like the rest of us. He has out-married himself.

But I am asking Bill Driver to work closely with Secretary Gardner, Commissioner Howe, and to keep in contact with the House Veterans Committee, members of both parties, and the Senate Labor and Welfare Committee, and Finance, who handle veterans legislation—work closely with them—because I want them to develop a plan to enlist the returning veterans in this challenging new assignment.

I want to invite your thoughts on it. I want your organizations to give us any suggestions you can about it. I talked to Mr. McNamara about it during my lunch hour today when Mr. Bunker was sitting there.

I said, "This is what I am going to suggest tonight if I can get there. I don't want somebody undercutting me tomorrow—how do you feel about it? Is it not a good idea or is it?"

He approves it wholeheartedly.

So we will go out before these men are discharged and, with the help of the veterans organization, we will say to these men, "You not only have protected our freedom wherever that flag has gone, you followed it and you brought it back without a stain on it. You can protect our citizens and our future right here at home by taking this job. If you are not qualified to do it now, we will qualify you to do it. We will give you training that is necessary and you get out there and give these children the kind of teaching they are entitled to in the richest Nation in the world—that is going to have a Gross National Product of $850 billion next year."

I think you care about the veterans. I think you care about the country. I don't think I am presumptuous in assuming that.

If you do care about the veterans, and you do care about the country, here is a chance to do something for both of them.

You always have to pay for your supper. You have paid by listening.

Thank you very much.

OUR NATION'S PRIDE AND STRENGTH IS IN MEN LIKE CPL. GEORGE R. GIBSON

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. CASEY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CASEY. Mr. Speaker, in this day and age, when the great unwashed minority of beatniks, peaceniks, Vietniks, and others of their ilk hold undue attention in the public eye, we are often prone to forget that a far greater majority of our men serve our country's cause with quiet courage and valor. Theirs is the true strength of our Nation—strength, courage, and valor often far above and beyond the call of duty, such as exemplified by Marine Cpl. George R. Gibson of Pasadena and Houston.

Here is a man who now holds the Nation's second highest award for valor and courage in combat, and his is a story in which all America can take pride. His is a story in keeping with our Texas heritage of the citizen-soldier. To this young man, to his parents, Mr. and Mrs. G. W. Gibson, 3308 Bluefield, Pasadena, and to those who are proud to call him friend and neighbor, I extend my own sincere congratulations. May the Almighty ever grant our Nation men like George R. Gibson.

I urge my colleagues and the American people to read the story below, containing the official citation which accompanied the award of the Navy Cross to Corporal Gibson, and to share with me the great pride in this outstanding American:

CORPORAL GIBSON GAVE GREAT PERSONAL VALOR

PASADENA.—Want to know what a hero does that makes him a hero?

Then read the citation that accompanied the Navy Cross given recently to Corporal George R. Gibson, whose parents, Mr. and Mrs. G. W. Gibson, live at 3308 Bluefield in Pasadena.

Though Corporal Gibson is now a Houston resident, he has worked in Pasadena and is well-known here.

It has been said that more attention is given the draft card burners and the protestors than the loyal Americans.

Read, then, what Corporal Gibson was doing while some "Americans" were playing at being hippies, burning their draft cards and otherwise failing to contribute.

The award was presented to Corporal Gibson by Lt. Gen. Lewis W. Walt, Marine Corps deputy chief of staff during a Navy Day program in Houston. Here's what the accompanying citation said:

"CITATION

"For extraordinary heroism as an Automatic Rifleman while serving with the Second Platoon, Company E, Second Battalion, Fourth Marines during Operation Prairie in Vietnam on 8 August 1966. His platoon was being evacuated by helicopter from an area northwest of Cam Lo, Quang Tri Province, when it was attacked by North Vietnamese Army units utilizing automatic weapons fire and barrages of hand grenades. The half of the platoon that had not been successfully evacuated was quickly surrounded. Casualties mounted as enemy forces in reinforced company strength threatened to overrun the friendly positions. Corporal Gibson observed a Marine, wounded and helpless, almost within the grasp of the advancing enemy.

"He immediately, with complete disregard for his own safety, left his covered position and exposed himself to murderous enemy fire to provide fire support for the evacuation of the wounded man. The Platoon Commander rallied the platoon for a counter-attack and Corporal Gibson leaped from protective cover and charged into the enemy fire. Although painfully wounded by a grenade, he continued to press the attack until the original positions had been retaken.

"Knowing their only chance to hold was to obtain more ammunition, he unhesitatingly crossed twenty-five meters of fire-swept terrain and returned with the badly needed ammunition. Observing a machine gun that was not manned, Corporal Gibson immediately put it into action and, disregarding barrages of enemy grenades and accurate small-arms fire directed at him, courageously stood his ground until the North Vietnamese withdrew to reorganize for another attack.

"The second attack was accompanied by vicious automatic-weapons fire and grenades, and despite being painfully wounded again by machine gun fire, he continued to fight, killing six additional enemy. The North Vietnamese set up a machine gun that threatened to enfilade the Marine position. Corporal Gibson moved out on the fire-swept slope in full view of the enemy, flanked the weapon, and single-handedly knocked it out, killing its crew.

"His courageous initiative, indomitable fighting spirit and unselfish devotion to duty were contributing factors in the successful removal of the wounded and in saving the lives of many of his comrades. His great personal valor reflected the highest credit upon himself, the Marine Corps and the United States Naval Service.

"For the President:

"PAUL H. NITZE,
"Secretary of the Navy."

THE DANGER OF INVESTIGATIVE FILES

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. EDWARDS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. EDWARDS of California. Mr. Speaker, on November 14, 1967, a speech was delivered on the floor of the House describing the alleged activities of certain employees of the United Planning Organization in Washington, D.C. The primary target of the speech was a young, able, and thoroughly admirable lawyer, Mr. Hal Witt, who was for a time the acting executive director of UPO, and who is now its deputy director. The allegations against Mr. Witt, given under the protection of congressional privilege, were in general that he was a member of, or a contact of, certain organizations which did not find favor with the speaker; that he was the son of his father; and that he had the misfortune to choose as his attorney, for the defense of a minor police matter 7 years ago, an attorney who has represented the Communist Party.

The young man responded to each of the allegations against him by denying most of them, but answering each of them pointblank. Although the speaker who castigated Mr. Witt denied that he was accusing Mr. Witt of being a Communist, the implication was clear.

I am not here today to go over each of the specific charges made against Mr. Witt, because I believe his response speaks for itself, and I am inserting it as an appendix to the statement in the CONGRESSIONAL RECORD. What I am concerned with, however, is that the speaker alleged that the source of his information was the FBI files as well as help from the House Committee on Un-

American Activities and the Washington, D.C., police. If that is the case, then we have a far more serious problem reflected in this incident.

I, myself, was a member of the Federal Bureau of Investigation for a number of years. At that time, as now, J. Edgar Hoover, the Director, had insisted that the investigative files of the FBI not be made available to those outside of the agency. His stated reason is that the investigative files are not screened for truth or falsity; that they contain every tidbit of information that can be picked up, including malicious gossip, outright falsehood, and even the meanderings of unbalanced minds. Therefore, merely because information is contained in the FBI files does not mean that it is true and correct. No Government agency, including the Department of Justice, dares rely on information merely because it is in the FBI file. Before a criminal prosecution is brought, information is checked and doublechecked, because of the awareness that investigative files are, of necessity, like sponges: they absorb everything; they screen nothing.

I would assume that similar caution would apply to police files of the Metropolitan Police Department. We should also be aware of the fact, by this time, that the files of the House Committee on Un-American Activities similarly cannot be trusted, when disgorged, to reflect only the truth.

Therefore, Mr. Speaker, I am disturbed for two specific reasons. First of all, that investigative files filled with hearsay, malicious gossip, falsehood, and flights of fancy, should be the basis for serious charges against any individual. Second, I am disturbed that the sanctity of those files have been breached. Are investigative files of the FBI that are refused even to courts, because of their unreliability, to be blithely leaked to any Congressman who desires them? Are investigative files of the Metropolitan Police Department available for character assassination on the floor of the House? And lastly, to what extent has the House Committee on Un-American Activities been the collector, the coordinator, and the culprit in this most unfortunate incident?

These are serious questions; questions which we should all ponder. Charges so lacking in substance that can be made against Hal Witt can be made against any of us. This House has the responsibility to find the answers to these questions. If, in fact, investigative files of the FBI and the Metropolitan Police Department were improperly opened and made available, how did it happen and how can it be prevented from happening again?

I am hopeful that we are not in for a new period of McCarthyism, a period which I had hoped we had outgrown. The Washington Post, in a brilliant editorial, cogently summed up this most unfortunate, regrettable incident. I offer this editorial at this time for insertion in the RECORD, as well as the story in the Washington Post of November 15, 1967:

[From the Washington (D.C.) Post, Nov. 6, 1967]

BROYHILLISM

It is necessary to characterize Congressman Broyhill's attack on Hal Witt, deputy director of the United Planning Organization, in plain terms for precisely what it is: it is cowardly and contemptible—cowardly because it was made behind the curtain of congressional immunity, contemptible be-it was made up of the sort of spittle customarily dribbled out by the House Un-American Activities Committee. It accused an honorable and able young lawyer of "close and frequent" Communist connections on the basis of his alleged—and denied—membership in organizations the Congressman dislikes and on the basis of his father's bad reputation many years ago.

It happens that this attack comes at a time when Hal Witt has just rendered a service of exceptional importance to this community. Without compensation, he helped as co-counsel to conduct the long series of appeals which led finally to the release of the Giles brothers and the correction of a shocking injustice. His whole record as a member of the bar and as a public servant entitles him to respect and confidence.

The incident reminds one, almost inescapably, of a moment in the so-called Army-McCarthy hearings nearly 14 years ago when Sen. Joseph McCarthy made a similar slurring attack on a young lawyer associated with the Army's special counsel, Joseph N. Welch. Moved to tears, Mr. Welch said to the Senator: "Until this moment, Senator, I think I never really gauged your cruelty or your recklessness . . . Have you no sense of decency, sir, at long last? Have you left no sense of decency?"

[From the Washington (D.C.) Post, Nov. 15, 1967]

BROYHILL LAYS RED LINK TO WITT

(By Peter Milius)

Rep. Joel T. Broyhill, (R. Va.) yesterday accused Hal Witt, deputy director of the United Planning Organization, of having "close and frequent" Communist connections.

"I do not say Mr. Witt is a Communist," Broyhill said. "I do not know. I do know that a very real question as to his loyalty should prohibit his employment by a public agency."

Witt replied angrily later in the day that Broyhill's statement was "disgraceful, irresponsible and untrue," and challenged him to make it off the House floor. A Congressman is not legally liable for what he says in the House Chamber.

Broyhill's accusations were his second attack on UPO in two weeks. The Virginia conservative is fighting the antipoverty bill now on the House floor. He claims the antipoverty program fosters dangerous radicalism, and is offering UPO as an example.

Witt is one of 15 people Broyhill named yesterday, who now have or once had some kind of connection with UPO. His complaints against them ranged from supposed Communist associations to narcotics convictions to membership in the Student non-Violent Coordinating Committee and CORE.

Broyhill, in his bill of particulars, said that Witt's father, Nathan, was a communist, that Witt is on the executive board of SANE (an anti-war group) and "a frequent attendant, if not a member, of the Washington American Forum, successor to the Progressive Party here." Broyhill also said that Witt belongs to the local committee to abolish the House Un-American Activities Committee, and that his name is on the mailing list of the Fair Play For Cuba Committee.

The Congressman found significance in the fact that Witt's attorney, when he was arrested for disorderly conduct here in 1960 (at a Civil Rights demonstration) was Joseph Forer, whom Broyhill called "the leading attorney for the Communist Party, described by a member of the Communist Party as one of the most important Communists in D.C." Broyhill said finally that "according to information from FBI files, Mr. Witt has close and frequent association with many known Communist Party members."

Witt said he is no longer on the SANE board (though he noted that some Congressmen are members of the group), that he never heard of the Washington American Forum, that he has absolutely no connection with the anti-HUAC organization here and that he received no mail from the Fair Play for Cuba Committee.

He said he is not a communist, never has been, and has never sympathized with the Communist movement.

He has no idea what the FBI has in its files, Witt said, noting that if the FBI thinks he is a communist, "There is no telling who else they think is one." Forer, he said, is simply "a brilliant and able lawyer."

"My father" he said finally, "is indeed Nathan Witt." Witt said that Broyhill's statement was an attempt "to find a man guilty of association."

Forer said, "I guess everybody's a radical to that idiot Broyhill. What Broyhill says about me being a communist is a complete fabrication. He's a liar."

Broyhill's office could not identify the source of the statement that Forer was "one of the most important communists" here.

The office said the information about Witt's alleged connections with SANE, the Washington American Forum, the anti-HUAC group and the Cuba committee came from the Metropolitan Police Department's file. The office said that the information may originally have come from the FBI, but it was not sure.

Broyhill's aides said they assembled yesterday's allegation with help from HUAC as well as city police and the FBI.

The remarks from the CONGRESSIONAL RECORD of November 14, 1967, previously referred to, follow:

Mr. BROYHILL of Virginia. Mr. Chairman, last Wednesday, I discussed the use by many employees of the United Planning Organization in Washington of their connection with OEO as a springboard for promoting radicalism.

If you catch a burglar on the scene, and he has a record of burglary, is carrying a burglar's tool kit and a burglar's loot in his pocket, he becomes a suspect. Not necessarily one that will wind up in jail, or, if he does, one who will stay there, but a suspect nonetheless.

If you catch a man with blood on his hands and a dead body nearby, he is likely to be detained even under the current legal versions of arrest and confinement.

If you catch a known firebug at the scene of a conflagration, with a can of kerosene in his hands, the logical, but far too often not legal conclusion is that he is a likely candidate for a grand jury.

As I pointed out last week, Mr. Chairman, the Office of Economic Opportunity is loaded with people of questionable background and association who have been placed in positions of responsibility, and who are supposed to be training others to become useful and productive citizens. I stated at that time that I felt we are sowing the seeds of our own destruction when we provide financing for large numbers of radicals who use their working hours and the people they are supposed to train, to plan ways of turning their trainees against our Government and our way of life.

I have been asked for more specific details, Mr. Chairman, and I should like to name here a few of these public servants and tell you something about them.

Beginning at the top, a Mr. Hal Witt was Acting Executive Director of UPO from May until last month, and is now Deputy Director at $21,000 a year.

Mr. Witt is the son of Nathan Witt, a member of the Communist Party, U.S.A. He is on the executive board of SANE—a regular sponsor of antiwar demonstrations. He

is a frequent attendant, if not a member, of the Washington American Forum, successor to the Progressive Party here. He is on the Washington Area Committee To Abolish the House Un-American Activities Committee. His name is on the mailing list of the Fair Play for Cuba Committee. His police record reveals that when charged with disorderly conduct in 1960 he chose as his attorney, Joseph Forer, the leading attorney for the Communist Party, described by a member of the National Committee of the Communist Party, U.S.A., as one of the most important Communists in the District of Columbia. According to information from FBI files, Mr. Witt has close and frequent association with many known Communist Party members as well as financial backers of the Communist Party.

I do not say Mr. Witt is a Communist, Mr. Chairman. I do not know. I do know that a very real question as to his loyalty should prohibit his employment by a public agency.

The Daily Worker, January 10, 1965, advertised a meeting in New York City to honor the 40th anniversary of the Communist publishing firm, International Publishers. Listed as a featured speaker was Marion Barry, now a $50-a-day consultant at UPO. Barry was head of SNCC's New York office then, and moved to Washington in June 1965 to expand the SNCC office here. He had been arrested and convicted on various charges in Memphis and Knoxville, Tenn., and in Chicago. He became somewhat infamous in the District last year by kicking a door of a paddy wagon while being arrested. He led a march on the Capitol under the label of "Assembly of Unrepresented People," protesting the Vietnam war; led a bus boycott protesting fare increases; mapped the "Free D.C. Movement," boycotting merchants who refused to sign home rule petitions and contribute funds to home rule causes.

One of Barry's close SNCC associates is Rev. Channing Phillips, who heads the Housing Development Corp., recipient of around $294,000 in 1966 from UPO and $100,000 from HUD. He joined in the merchants boycott, cochaired the Coalition of Conscience, led a sleep-in at Bolling Air Force Base; chaired the Committee for Community Action in Public Education, which sponsored the school boycott and paid much of the expenses of the Hobson against Hansen case which resulted in the resignation of Dr. Hansen from his position as Superintendent of Schools in the District.

We all know the antics of Hubert Geroid Brown, known as Rap Brown. He was a UPO employee from March 1965 until June 1966, when he resigned to take the SNCC chairmanship from Stokely Carmichael.

Also active in SNCC while at UPO were Alan and Margaret McSurely, who left here to go to Kentucky where they were charged with possessing seditious materials, including Communist literature and films. While Alan McSurely was director of suburban programs for UPO, he, with two other UPO employees, William N. Hobbs and John Robinson, threatened the Arlington chief of police during a march sponsored by a group known as ACCESS in which they participated.

Incidentally, Mr. Chairman, the gentleman from Illinois [Mr. MICHEL] recently called to the attention of the House the fact that the same John Robinson was involved just last Tuesday in a violation of the Hatch Act, in passing out partisan political literature and working at the polls on election day. Here, Mr. Chairman, is an example of the Government paying a man for partisan political activity. The taxpayers of the United States will not tolerate this use of our funds.

Gaston Thomas Neil, a UPO worker in the Cardoza area, runs the New School of Afro Thought. He has spent time in St. Elizabeth's Hospital after being found not guilty by reason of insanity on a number of narcotics charges. He now has other charges pending against him not yet resolved. Meanwhile, he and a companion bought two Russian-type carbines in Alexandria in August, for what purpose we can only guess.

Ralph Fertig, former executive director of UPO Southeast Neighborhood House, helped with the school boycott. He came to UPO from Chicago, leaving behind unpaid judgments and a record including protests against the Un-American Activities Committee and advertisements urging clemency for the Rosenbergs.

Dick Jones, a UPO community organizer, Herbert Kelsey, a UPO housing coordinator, and Michael Searles, UPO housing adviser, are all SNCC members. Mrs. Willie Hardy, UPO Neighborhood council director, is in both SNCC and CORE.

This list would not be complete without Ruby Evans, UPO girls' service coordinator, who although not involved with the militants, urged her girls to refuse birth control information, telling them they should not be prevented from having illegitimate children if they want them.

Finally, Rufus Mayfield, the young hoodlum who was there when a TV set went through a window; when the Redskin band had to leave a ball game under police protection; when a fire broke out in a dime store; when trouble developed at the Coliseum and looting followed; when poverty warriors marched on the White House. In spite of a concerted effort of the Washington press to show his activities in a favorable light, he is constantly skirting the edge of trouble, and hundreds of 13 and 14-year-old boys acknowledge him as their leader.

Mr. Chairman, one radical in these OEO sponsored programs in a position to employ others can load a payroll with those who think and act as he does. This has happened in Washington, D.C., and may be happening all over the Nation. The decent people of this Nation—and I mean the decent poor as well as those living in better circumstances—deserve better leadership than UPO is giving them.

SOUTH FLORIDA AIDS POVERTY PROGRAM

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FASCELL. Mr. Speaker, we are all acutely aware of the hardships now facing local poverty programs across the country. The lack of funds to support the various programs has forced many to close down their operations, depriving the poor of the services and assistance which have meant so much to them in the past several years.

Some programs were terminated in my own district in south Florida, when Federal funds ran out.

I am proud to say, however, that the threat of closing was eliminated by the quick and wholehearted support of private and public organizations in Dade County.

Additional funds have been made available by the Dade County Public School Board, which has agreed to loan the poverty program $333,000 to help support the Headstart program. This money will pay for staffing the program which feeds and takes care of 2,400 disadvantaged preschoolers.

WKAT, a local radio station in Miami loaned $20,000 to the war on poverty to keep the legal services project going until the Congress completes its legislative action. In a release announcing their action, WKAT said it could not "see poor people needlessly suffer."

WKAT's expression of concern for the public welfare is indeed commendable, and I thank the station for its support of the poverty war at this critical time. I insert the WKAT editorial from November 8, 1967 at this point in the RECORD:

WAR ON POVERTY PROBLEMS

The Congress, debating financing for the war on poverty, declined to extend funds to continue the various poverty projects now underway while the debate goes on. This has created a crises of sorts in the local offices of the economic opportunity programs all across the country. In Dade County, it has threatened the action programs, including such projects as: Operation Head Start, day care centers, and the like, and it also would have brought to a standstill the legal services program; which through its eight neighborhood offices has 1,890 legal cases now pending in the courts. It is most unusual for a radio station, whose normal business is to report and reflect the news, to make the news. But, WKAT felt that the unfortunate poor who have entrusted their cases to this legal services program would be needlessly harmed if the cases were stopped, even though they were to be started again, if the Congress appropriates money to continue in the future. Therefore, WKAT felt is necessary, as a concerned part of our community, to loan the $20,000 necessary to keep the legal project going until the Congress does act. It was difficult for us to stand by, while politicians went about the business of professional politics, to see poor people needlessly suffer. We urge the Congress to debate and conclude this matter as soon as possible and to stop the unnecessary confusion that is spreading through this enormous project.

WESTMORELAND SEES U.S. PHASE-OUT IN 1969

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LEGGETT] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. LEGGETT. Mr. Speaker, the Washington Post contains a front-page story this morning which reads in part as follows:

VIET REPORT TO HOUSE UNIT QUOTED: WESTMORELAND SEES U.S. PHASEOUT IN 1969

(By Carroll Kilpatrick)

Gen. William C. Westmoreland was reported to have told the House Armed Services Committee yesterday that in two years the United States should be able to begin phasing out its operations in Vietnam.

Rep. Richard H. Ichord (D-Mo.) reported that the General, back for conferences with President Johnson and other high officials, emphasized that the "phaseout" did not mean a "pullout" in two years.

Rather, the General meant that a start in transferring to South Vietnamese troops some of the combat load Americans now

carry would be possible if all goes as expected, Ichord said.

The White House and Defense Department declined to comment on the report.

At the White House, meanwhile, Mr. Johnson reminded the Nation that mankind has not yet "found a way to preserve freedom without defending it."

At 11 a.m. today, the President will report to the Nation in a televised conference on the Vietnam talks he has had this week with Westmoreland, the U.S. commander in Vietnam, Ambassador Ellsworth Bunker and Deputy Ambassador Robert W. Komer. (The conference will be televised live on Channels 4, 5 and 7.)

The comment on the necessity of defending freedom came as the President presented the Medal of Honor to Staff Sgt. Charles B. Morris of Galax, Va.

Westmoreland, a house guest at the White House while here for consultations, stood with the President during the East Room ceremonies.

Earlier, Westmoreland expressed "cautious optimism" in a closed-door report to the Senate Armed Services Committee, Chairman Richard B. Russell (D-Ga.) reported. But he said the general "does not see any early termination of the war."

Russell said that the general reported "some gains" as well as "some difficulties." The difficulties, he said, relate to the sanctuaries the enemy has in Cambodia and north of the demilitarized zone and the "tremendous" supplies from other Communist allies.

"I think we are making progress, but we have a long hard road unless we move in and close all Communist shipping supplies," Russell said after hearing Westmoreland.

Sen. Henry M. Jackson (D-Wash.), another Committee member, said that Westmoreland believed North Vietnamese troops are better equipped now than previously but are not well led.

"He feels quite confident," Jackson said, "He sees the enemy losing steadily and continuously."

Bunker reported on the war to the Senate Foreign Relations Committee but failed to sway Administration critics. Sen. J. William Fulbright (D-Ark.) said there was "little to be encouraged about." Sen. Wayne Morse (D-Ore.) said facetiously that Secretary of State Dean Rusk had "loaned (Bunker) his cracked record." Sen. Albert Gore (D-Tenn.) said, "This is about the 13th optimistic report we've had."

CONFER WITH JOHNSON

Both Westmoreland and Komer conferred separately with the President yesterday. The latter is in charge of economic development programs.

Bunker conferred with the President earlier in the week and is expected to meet him again before returning to Saigon with Komer late next week. Westmoreland will leave earlier next week.

Secretary of Defense Robert S. McNamara told newsmen at the Capitol that this week's meetings do not signal significant policy changes. He said he did not "anticipate any changes." This has been the general view here of the week's conferences.

We are concerned today with Vietnam expenditures of nearly 800 million dollars a week. It is interesting to contrast the above article with the following article from Newsweek magazine of October 14, 1963, where we anticipated a stagedown by the end of that year in which we were spending $10 million per week.

The article follows:

VIETNAM: WIN WITH WHOM?

In Paris, on the eve of her departure for the U.S., Mme. Ngo Dinh Nhu was as radiant as ever. Was she frightened at the prospect of her visit to the U.S., a reporter asked Vietnam's "Dragon Lady," sister-in-law of President Ngo Dinh Diem. The emeralds in her ears glittered as she tossed her head. "The only thing I'm afraid of is hairy caterpillers." How about the Communist Viet Cong and their guerrilla war against the Vietnamese Government? "It is really not a war any more," smiled Mme. Nhu. "The scale of operations has been greatly reduced . . . I am optimistic."

In the past, Mme. Nhu's "optimism" about the war has not always been shared in Washington. But the Kennedy Administration, unable to dislodge the Ngo family from power in Saigon, has moved into another of its "Win with Diem" phases, and before she even stepped off the plane in New York this week, Mme. Nhu was pointing out that the White House has again come around to her way of thinking. After a whirlwind seven-day, fact-finding tour of South Vietnam, Secretary of Defense Robert S. McNamara and chairman of the Joint Chiefs of Staff Gen. Maxwell D. Taylor submitted a rosy report to President Kennedy. Its essence, as published in a formal U.S. policy statement: "The military program in South Vietnam has made progress and is sound in principle." A thousand of the 15,000 U.S. advisers may, in fact, be withdrawn by the end of the year, "[and] the major part of the U.S. task can be completed by the end of 1965."

"The political situation in South Vietnam remains deeply serious." And while Diem's repressive actions against the Buddhists have not so far "significantly" affected the military effort, "they could do so in the future."

McNamara had perhaps given Diem a slight slap on the wrist; but far more important was his apparent conviction that the war in Vietnam—which is costing the U.S. $1.5 million a day—is indeed being won with the House of Ngo in power. Many wondered, however, how McNamara could have reached such a firm conclusion on the basis of a seven-day guided tour of South Vietnam.

Gloss: It seems unlikely, newsmen reported from Saigon. In An Xuyen Province in the Meking Delta, for instance, the Viet Cong had gathered enough strength to overrun two major towns last month. It is a province where in one year Viet Cong guerrillas—according to U.S. Army estimates—have increased by 15 per cent. Yet U.S. soldiers on the spot claim McNamara was given the usual "glossy" briefing by senior officers. One officer who overheard what McNamara was being told later admitted: "We were in tears."

Others questioned the 1965 time limit President Kennedy has now set for the completion of the U.S. military mission. "After all, those Communist guerrillas have been out here fighting the French or Diem for nearly twenty years," noted one American official. The report, added Sen. Frank Church (Democrat, Idaho), was simply "designed to snuff out the spreading Congressional revolt against the Diem regime."

It is also quite clear that U.S. officials in Saigon are still deeply split. The CIA, Gen. Paul D. Harkins, and most of the military brass who shepherded McNamara around Vietnam are firm believers that there is no realistic alternative to Diem. Equally firmly, U.S. Ambassador Henry Cabot Lodge—who last week demanded, and got, the recall to Washington of CIA chief John H. Richardson—holds to the view that Diem cannot win and that he and his family must go.

Lodge may soon be proven right, for Diem remains widely unpopular. Last weekend, in the center of Saigon, another Buddhist monk, the sixth since June, burned himself to death in protest against the government. Three U.S. correspondents who tried to report the suicide were beaten up by Diem's police. It may be possible to win the war in the paddy fields, but it can certainly be lost in the cities.

In line with the literature I submitted into the RECORD yesterday, I want to further submit the following article of trepidation of the Vallejo Times Herald:

BOMBING TACTICS BEST?

The war we are bringing to North Vietnam is not directed against the people of that country but against its government. The aim is to make it as difficult as possible for Hanoi to wage guerrilla war in South Vietnam and ultimately to convince it of its futility. We are prepared to stop the bombing any time the North Vietnamese indicate they are willing to talk to us.

Extreme pains are taken to minimize civilian casualties in our raids. We are told that targets are removed with "surgical precision," although it is inevitable that bombs will stray and that there will be deaths among the civilian population.

We are also told that we have dropped as much tonnage on North Vietnam as in three years of bombing of Nazi Germany.

Against that former enemy, our policy was one of unconditional surrender. The object was to smash Germany completely. It was total war, against both people and government. The needless obliteration of a city like Dresden in the last months of the war was one fruit of that policy.

Unconditional surrender was a mistake, some historians argue. There were many in the German army and government who were ready to overthrow Hitler if the Allies had offered a negotiated peace. Whether this is true or not, whether some other alternative to unconditional surrender could have shortened the war, remains one of the imponderables of history.

Yet future history is being written in Vietnam right now and we have time to choose between alternatives.

It is impossible to wage war—limited or otherwise—against a government and not against the people it rules, however convinced we are that it is an evil government, however much we may feel it does not represent the true aspirations of its citizens.

We fail to consider that when people find bombs raining down upon them, they get mad. Their resolve stiffens, and larger political considerations mean nothing in the face of attacks by an alien enemy.

Hitler made the same mistake in Russia. He was unable to understand that Russian love of country transcended whatever desire the people may have had to be free of dictatorial communism.

All the simple North Vietnamese peasant knows is that American pilots are dropping bombs on him and that these Americans are as much an enemy as were the Japanese and the French.

He knows nothing of Geneva accords and cares not a whit about international legal niceties. He remembers only that all of Vietnam was once one country, and that one foreign power was driven out and has now been replaced by another.

WASHINGTON POST DEFENDS HAL WITT

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. KASTENMEIER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. KASTENMEIER. Mr. Speaker, last Tuesday, a Member of the House at-

tacked a young and able lawyer working on the poverty field in this area named Hal Witt. Regrettably, I was not on the floor at the time the charges against Mr. Witt were made. I had met Mr. Witt some years ago and know him at least well enough to be impressed by his conscientiousness and outstanding competence. I was pleased to note that the November 16 issue of the eminent Washington Post editorially, in sharply criticizing the attack on Mr. Witt, made the following reference:

It happens that this attack comes at a time when Hal Witt has just rendered a service of exceptional importance to this community. Without compensation, he helped as co-counsel to conduct the long series of appeals which led finally to the release of the Giles brothers and the correction of a shocking injustice. His whole record as a member of the bar and as a public servant entitles him to respect and confidence.

Unfortunately with the Nation again engaged in conflict, there is an increasing number of accusations made against others attacking loyalties and questioning patriotism. It is sad that this unfortunate concomitant of war is increasingly characterizing debate and public discussions in and out of Congress.

The Post's brief but notable testimonial to Hal Witt is worthy of the permanent RECORD.

PRESIDENT JOHNSON AWARDS THE MEDAL OF HONOR TO SGT. CHARLES MORRIS

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. DOWNING] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. DOWNING. Mr. Speaker, the Medal of Honor represents the highest civilian recognition of military bravery and valor which a grateful country can give one of its sons.

Yesterday, President Lyndon B. Johnson, in a touching ceremony which I was privileged to watch, presented that medal to Sgt. Charles Morris, of Virginia, for heroism beyond the call of duty in Vietnam. Sergeant Morris had suffered multiple wounds in Vietnam, yet still fought on for what he and we believe.

Mr. Speaker, the Congress honors itself with the presentation of this medal. It also honors the President who bestows the medal.

I hope one day the Congress will authorize a Medal of Honor for Presidents of the United States who have also served under fire and beyond the call of duty.

Lyndon B. Johnson deserves a medal like that.

Each man in his time and in his own area of responsibility fights the battle for freedom.

Sergeant Morris did it in the rice paddies of Vietnam.

Lyndon B. Johnson does it on the field of policy, foreign and domestic—bearing the criticism of friend and adversary alike.

Yet amidst all this, the President still pursues an honorable peace in Vietnam and in the world.

He has never lost sight of that consuming goal. And we must never lose sight of that goal.

Under unanimous consent I insert in the RECORD the President's eloquent and moving statement on the occasion of awarding the Medal of Honor to Sgt. Charles Morris at the White House on November 16:

TEXT OF PRESIDENT'S REMARKS AT CEREMONY AWARDING MEDAL OF HONOR TO SGT. CHARLES MORRIS, NOVEMBER 16, 1967

One of America's greatest war correspondents wrote about courage—intimately and well.

He called decorations for bravery "pinnacles of triumph" in a man's life, "that will stand out until the day he dies."

Ernie Pyle spoke for all wars—for all those moments when men must reach down into their deepest reserves of courage. He celebrated those times when men risk life for a principle—or a comrade—or a country.

On whatever field, on whatever day—war is an agony of spirit and flesh and mind.

After thousands of years of civilization, the saddest of human failures is this—the precious wealth of man's courage must still be spent on the battlefield.

But all the wisdom of the earth has not yet found a way to preserve freedom without defending it.

Staff Sergeant Charles Morris is one of those who defended freedom on the battlefield. He fought with dogged courage through long hours of hell. He fought above and beyond the call of his duty.

Just a few days ago, I returned from a journey across this land, where I met thousands of his comrades.

I stood with our sailors on the deck of a mighty carrier at sea—and with our airmen under skies filled with America's power. I saluted the men of the infantry and the Marines. I ended my trip at Yorktown, with the men of the Coast Guard.

Some of the men I saw were training for combat.

Many had already been there. They wore its badges—and some wore its wounds.

I saw other badges, too.

I saw the white carnations worn by wives of missing pilots.

I saw loneliness on the faces of waiting families.

I felt humble to be among these men and women. But I also felt a towering pride—pride in them—pride in this nation.

Some good day, war will be only a shadowed memory.

We will labor, with all our passion and strength, to quicken the coming of that day.

But until it comes, our lives, our safety, and our hope of freedom's survival are in the hands of all those who serve—here and in Vietnam.

Sergeant Charles Morris was there when America needed him.

Once before, I stood with him on one of his "pinnacles of triumph." At Cam Ranh Bay in Vietnam, just a little more than a year ago, I awarded Sergeant Morris the Distinguished Service Cross.

Today, I am proud to stand with him again—on a hero's highest summit.

Our nation is grateful to you, Sergeant Morris. God bless you.

Secretary Resor will now read the citation.

LEADER IN POVERTY FIGHT, CARL DEWEY PERKINS, AN ARTICLE IN THE NEW YORK TIMES ON NOVEMBER 11, 1967

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRADEMAS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BRADEMAS. Mr. Speaker, one of the principal reasons for our success in passing the bill to continue the war on poverty in the face of a concerted drive to kill or badly cripple this vital program was the leadership of the tenacious and hard-working chairman of the House Education and Labor Committee, Congressman CARL PERKINS, of Kentucky.

I believe that an article published in the New York Times on November 11, 1967, is most interesting in the tribute it pays to the hard-working and dedicated efforts of the distinguished chairman of this committee and under unanimous consent I place this article in the RECORD at this point:

LEADER IN POVERTY FIGHT

(By Carl Dewey Perkins)

WASHINGTON, November 16.—When the political world of Adam Clayton Powell of Manhattan crumbled last January, a big, seemingly bumbling man from the mountains of eastern Kentucky fell heir to one of the most sensitive jobs in Congress—chairman of the House Education and Labor Committee.

"Carl's no leader, that's for sure," one committee member said at the time. "But what could we do? He was in line for the job."

This week, Carl Dewey Perkins proved his critics wrong as he and key members of his committee steered the Administration's antipoverty program through the House virtually intact.

There were concessions, to be sure. The program was trimmed about $400-million. The control of community action programs was shifted to city halls and county courthouses.

But, for the most part, the program was held intact against repeated Republican efforts to dismantle the antipoverty agency, the Office of Economic Opportunity.

COALITION RETAINED

Most of the concessions had been made in committee to lure needed Southern Democratic votes in turning back the Republicans. But even then, painstaking work went into keeping together such an unlikely coalition of conservative and liberal Democrats.

For months, Mr. Perkins wandered around the House chamber and the Democratic cloakroom, placating some Democratic liberals unhappy with the concessions and assuring Southern Democrats that the concessions made the program more politically palatable to them.

"Boys, I need your help," he told Southerners.

He got it.

He is an unobtrusive, unsophisticated country lawyer. His tastes are simple, his clothes are usually a little rumpled. He is conscientious, often working far into the night.

He commands an almost worshipful following in his 23-county Congressional district, one of the poorest in the nation. Frequently, he drives all night from Washington to tour the lonely hollows and villages and hillside farms of the Appalachian region he calls home.

Born 55 years ago (Oct. 12, 1912) on a farm just outside Hindman, a small town in Knott County, Ky., Carl Perkins got his law degree in Louisville at the Jefferson School of Law and then went back home to practice law.

He became commonwealth attorney four years later, served in the Kentucky General

Assembly and then became Knott County attorney.

In 1948, when the Congressional seat became vacant in midterm, he was picked for the job by Gov. Earl Clements. He has won every election since.

GENUINE LIBERAL

A genuine liberal, probably the most liberal politician in Kentucky, Mr. Perkins is one of the stanchest Administration supporters in Congress.

During the last two years, when most of President Johnson's Great Society programs were born, Mr. Perkins voted with the Administration 95 per cent of the time.

He is the most persistent education advocate in Congress. For years, he has pressed for general Federal aid for school construction, and he plans to renew that fight next year.

A serious, earnest man, he avoids Washington's cocktail circuit.

He is married to the former Verna Johnson, a first grade teacher in a Washington school, and they have one son, Carl Christopher, 13 years old. They own modest homes in suburban Alexandria and on the outskirts of Hindman, a typical eastern Kentucky town that is just four blocks long.

His one hobby, aside from politics, is horseback riding. Last year, he sheepishly appeared in the House with his arm in a sling. He had broken it in a tumble from a horse.

POSTAL LIFE: A NEW PUBLICATION FOR CAREER POSTAL EMPLOYEES

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRADEMAS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BRADEMAS. Mr. Speaker, I would like to bring the attention of the Members to the fine job the Post Office Department has been doing with its new publication for career postal employees.

Postal Life, as the new magazine is called, is earning an appreciative following among the 610,000 dedicated workers who are responsible for the movement of more than 200 million pieces of mail per day.

In an army of employees as large as that in a postal system as widespread as ours, it is vitally important that there be a communications system capable of reaching all postal employees, regardless of job or level.

A magazine like Postal Life serves to counteract the sense of vastness and impersonal relations which can be overwhelming in an operation the size of the postal service. Employees need a feeling of direction and identity, and Postal Life represents a much-needed personal touch.

It brings the employee firsthand information on happenings and policies that affect his career and the mail service of the United States. It acts as a necessary liaison between Washington and postal employees throughout the Nation.

The best evidence of Postal Life's success is the mail the magazine has been receiving.

Mr. Speaker, under permission granted, I insert at this point in the RECORD a letter to the Postmaster General from Mrs. Mary J. Blanchard, of South Bend, Ind., who is a postal employee from my home district, commenting on Post l Life:

SOUTH BEND, IND.

Mr. LAWRENCE F. O'BRIEN,
Postmaster General,
Washington, D.C.:

I very much appreciated and enjoyed the new magazine, Postal Life.

It seems to me to be a step in the right direction which will inform the employees that something is being done to put the service in step with the rapid increase of the volume of mail.

It was most interesting to me to learn that schools will be conducted to properly train people using the new equipment, for I feel that in this particular field, probably due to the lack of funds, that many areas have been sadly lacking in sufficient training. In particular, the window clerks are put on the windows with the minimum of training and that, to me, seems one area of great importance, for they are the "Face and voice" of the postal service. There are few individuals who ever have contact with any postal clerk other than the mailman or the window clerk.

Your magazine was refreshing, for it revealed insights into the Postal system without having to mull through pages of gripes about wages, hours and so forth. These are things which people knew when they accepted the postal appointment but because (as a whole) they were not qualified for any specific skill, they were glad to accept and be trained at government expense. The other publications consist primarily of this.

Thank you again for the magazine. I shall look forward to receiving the next issue.

MRS. MARY J. BLANCHARD.

ADDRESS OF HON. COVEY T. OLIVER, ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS, AT THE LATIN AMERICAN FORUM, GEORGETOWN UNIVERSITY, NOVEMBER 14, 1967

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. SELDEN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SELDEN. Mr. Speaker, on Tuesday night of this week November 14, 1967, Assistant Secretary of State for Inter-American Affairs Covey T. Oliver addressed the Latin American Forum at Georgetown University here in Washington. Secretary Oliver outlined recent developments in six categories of the "action program" agreed to at the summit meeting of American Presidents at Punta del Este, Uruguay, in April.

Since there has been considerable discussion lately concerning what some prefer to call an "arms race" among certain Latin American nations, I think that Secretary Oliver's remarks in this connection need to be emphasized. As the Secretary pointed out, Latin American military expenditures in relation to their gross national products are lower than almost any other area of the world.

Mr. Speaker, the text of Secretary Oliver's speech follows:

THE ALLIANCE MOVES ON—A REPORT ON DEVELOPMENT SINCE THE SUMMIT MEETING

(Address by Covey T. Oliver, Assistant Secretary of State for Inter-American Affairs and U.S. Coordinator, Alliance for Progress, at the Latin American Forum, Georgetown University, Washington, D.C., November 14, 1967)

I am pleased to have this opportunity to be with you here tonight to talk about Latin America.

At the outset, I wish to pay tribute to Georgetown University and to the organizers of this Latin American Forum. There is a great need for this kind of intellectual investigation and interchange of opinion concerning inter-American relations. It is indeed a vast and complex subject which does not lend itself to simplistic statements or curbstone judgments.

The kaleidoscope of recent headlines on Latin America is to the average North American reader perhaps more confusing than illuminating. Is there really some kind of "arms race" going on? Does the death of Che Quevara mean that the problem of subversion is diminishing or growing? How much do Congressional cuts in the foreign aid bill damage prospects for the Alliance for Progress? Just what *is* United States policy towards Latin America?

These are fair questions; there has been a good deal of comment, criticism and debate in the past weeks on these general topics. Tonight I should like to outline for you my views as to the facts and considerations behind many of these questions. Let us review activities in the home hemisphere since the Summit Meeting of American Presidents in April.

Let us start with a definitive policy statement: the keystone of United States policy in Latin America is the Alliance for Progress. We are completely committed to this "vast effort to bring a better life to all the peoples of the Continent," as described in the Charter of Punta del Este. Our policy is directed toward assisting our neighbors to achieve self-sustained economic growth and better income distribution as soon as possible. We wish to see them economically strong, socially progressive and politically independent not only because of our clear desire to be "good neighbors"—but also because it is in our own national interest.

Now, there will be some who will consider what I have just said as so much rhetoric, merely noble words of idealism. So be it. We of this hemisphere who work with optimism and energy to achieve the goals of the Alliance for Progress should never be ashamed of being idealistic, for history has shown that idealism is essential to the attainment of great goals. The objectives of the Alliance do indeed represent a shining ideal—an ideal worthy of dedication of governments and millions of individuals who can both contribute and benefit.

Thus these objectives are the ideal, the genuine desire giving direction to our foreign policy. Shifting our focus from the mountain peak to the rocky and always uphill trail we must traverse, we ask ourselves: how has the hemisphere been doing under the Alliance, in terms of real progress and human welfare?

First, a general answer, then analysis: I conclude that while progress has certainly not been adequate to satisfy the tremendous needs of the people, it has been sufficient to assure the hemisphere that we are on the right track. Events have proved that those who advocate violence, chaos and foreign domination are simply not with it; they are old-fashioned and out of touch. There is growing confidence that though today's problems seem sometimes insurmountable, the Alliance for Progress goals *can* be reached through the peaceful revolution that is now underway.

As I have said elsewhere, it seems to me that historians of the future will divide the Alliance into three main phases.

Phase I, the first years, was a time for organization, for agreement on the nature of the problems, for stabilization and for mobilization of forces. It was a time for grappling with major economic problems—such as rampant inflation, balance-of-payment difficulties and other distortions that made social and economic growth almost impossible. These problems have not disappeared today, but Latin America has learned how to deal with them more effectively.

Phase II of the Alliance began with a turning point in inter-American history: the Summit meeting of the Presidents of America in Punta del Este. There the Presidents clearly outlined the course to be followed in the next "decade of urgency" and beyond, into Phase III, when many of the Alliance goals will have been met. Today, in this second phase, the emphasis will be on human needs and hopes, on institution-building, and modernization.

The "Action Program" of the Presidents called for activities under six specific chapters. Let us consider what has developed since the Summit in each of these categories.

Chapter I dealt with Latin American Economic Integration and Industrial Development, with a view to creating a Latin American Common Market starting in 1970 and having this common market "substantially in operation" by 1985. They have made a good start along this long and necessarily difficult route. The Latin American Free Trade Association and the Central American Common Market have met to begin the process of merging the two blocks eventually into a group embracing all of Latin America. Within LAFTA, there has been wide acceptance of the concept of automatic tariff cuts and other measures for intra-regional trade liberalization. There have been, not surprisingly, problems to work out: one is the crucial question of differing preferential treatment for the least-developed and for the medium-sized countries. LAFTA officials are presently working to resolve the differences, in preparation for another meeting on this subject early next year.

Meanwhile, the Andean countries—Chile, Colombia, Peru, Ecuador, and Venezuela—are establishing a temporary, sub-regional trade area to allow them to integrate more quickly, and the Commonwealth Caribbean is studying a similar move.

Economic integration, then is moving—still slowly, but with enough progress to provide encouragement that this Presidential directive will be carried out on schedule.

Let me underline the fact that we are talking about a *Latin American* Common Market, which is a Latin American initiative being carried out by Latin American leaders. The United States role is one of offering firm support for this Latin American undertaking. This support is expected later to be in the form of helping to finance some of the economic adjustments that will surely have to be made once the Common Market goes into operation; studies are now being conducted regarding these financial implications.

I cannot leave this subject without mentioning what I consider to be the single most important development since the Summit meeting. I refer to the new, dynamic Latin American leadership now largely determining the course of the Alliance for Progress. The Latin Americans were the major participants in creating the Action Program at Punta del Este, and they with just pride regard it as their own. Economic and political leaders of individual nations, as well as the directors of multilateral agencies in inter-American affairs, are taking imaginative, effective action. In these new and enlightened leaders we see symbols of the Alliance for Progress, the success of which, after all, will depend mostly upon what Latin Americans do for Latin America, rather than upon the relatively minor assistance that comes from outside sources.

Chapter II of the Action Program called for multi-national action in laying the physical foundations for economic integration through infrastructure projects. Within the vast expanse of the area there is great need to improve the movement of persons and goods and information; efficient telecommunications systems and interconnecting power systems are necessary. Nations jointly must develop international watersheds of frontier regions.

Much of this multinational action will be through sponsorship of the Inter-American Development Bank. A good beginning has been made. With pledges of an additional $1.2 billion, the IDB will substantially increase its funding of such multinational projects over the next three years. In this regard, the Congress a few weeks ago responded to President Johnson's request that U.S. support to the IDB be increased from $250 to $300 million annually, for three years.

Of particular significance has been the activity in the Bank's Preinvestment Fund for Latin American Integration in getting feasibility studies underway of projects which will accelerate multinational development. Areas in which the Fund is operating are transportation and telecommunications, as well as the River Plate Basin plan which would involve the five countries bordering that river and its tributaries.

The third in the Presidents' six items for action is entitled "measures to improve international trade conditions in Latin America." This, of course, is an area of great significance to Latin America, where all too often nations are largely dependent for export earnings upon a single product which in turn may be subject to serious price fluctuations in the world market. With the general trend showing lower prices for agricultural products exported by developing countries, plus higher prices for the finished goods they have to import, we can readily understand why many Latin Americans are deeply concerned about their "terms of trade."

We have made some progress in this difficult matter since last April. As directed by the Presidents, an inter-American Export Promotion Center is being established through CIAP, the Inter-American Committee for the Alliance for Progress, under the chairmanship of Dr. Carlos Sanz de Santamaria. An *ad hoc* committee of banana-producing countries is being convened to develop a joint approach to the European Economic Community on eliminating the EEC trade restrictions on bananas. After years of difficult negotiation, agreement was reached in October among major cocoa producers and consumers, towards international stabilization of cocoa prices.

World variations in coffee prices have created serious economic problems over the years, and the International Coffee Agreement has provided some much-needed stability since it went into effect in 1963. This agreement is now being renegotiated. At the August meeting in London of the Coffee Council, tentative agreement was reached on recommended revisions of basic export quotas, the most important issue for producing countries. Progress was also made on enforcement procedures. A final vote on these and other matters is expected at the November 20 meeting of the Coffee Council. Meanwhile, the United States and Brazil are working towards solution of a bilateral problem concerning Brazilian soluble coffee exports to this country.

Study of the matter of trade preferences for Latin America was recommended by the Presidents. Solutions here are not easy to achieve. We in the United States understand the strong views of developing countries regarding the importance of trade and we agree that some form of preference should be given to their products. We do not think, however, that the answer to their trade problems lies in the proliferation of the type of preferential arrangement now in effect in some areas which discriminates among developing countries.

Since the Summit, we have been working closely with the principal countries of Western Europe to develop the broad outline of a temporary, generalized system of preferences to be granted to all developing countries by the industrialized world. The Organization for Economic Cooperation and Development (OECD) Special Group on Trade with Developing Countries, consisting of representatives of the U.S., U.K., France and Germany, has agreed on a set of principles and guidelines which might form the basis for such a system.

In other words, the representatives found a consensus which could serve as the basis for a common position of OECD countries at UNCTAD–II next February. This consensus demonstrates two new and significant departures: (1) The United States is now willing to consider offering preferences, and (2) the Europeans are willing to consider a system of generalized preferences which would not discriminate against Latin American exports.

Chapter IV in the President's Action Program calls for modernization of rural life and increase of agricultural productivity, especially of food.

This is a long-range problem of great importance. For in addition to today's urgent need to create better living and working conditions for farm people—some 54 per cent of the entire Latin American population—we must face the fact that having enough to eat may be a stark problem for millions in Latin America in the years to come. Agricultural production simply is not keeping pace with population growth. And even today, many countries are having to use precious export earnings to import foodstuffs.

In the months elapsed since the Summit, we in the United States have been preparing to intensify our assistance in the agricultural area. More importantly, Latin American leaders themselves are giving new concentration to this requirement.

Significantly, CIAP at its recent meeting in Rio decided to take into account demographic factors in its future country reviews. This reflects a growing concern throughout the hemisphere regarding the food-population ratio.

Moving on to Chapter V of the Presidents' program: Education technological and scientific development, and intensification of health programs.

Two major initiatives within the framework of the Organization of American States are now underway in this field:

1) A group of truly distinguished scientists and educators from 12 OAS countries met in Washington in July. They agreed on a long-range program of multinational activities to be carried out by "centers of excellence" in Latin America. Their recommendations will be considered at a ministerial-level meeting of the OAS Inter-American Cultural Council in early 1968. (The U.S. member of this distinguished group is Dr. James R. Killian of MIT.) Thus, through the organized efforts of the inter-American scientific community, plans for a regional science program are taking shape.

2) Similarly, in Education and Culture, an inter-American educational development program is gradually being designed, under auspices of the OAS Inter-American Cultural council. It seeks to promote inter-American cooperation in this field.

Educational Television, with such great potential for teaching in all underdeveloped areas, has received a good deal of concen-

trated attention since the Presidents met. Experts have been conducting specific studies on opportunities in regional programs, and on the desirability of a multinational training center. Their recommendations will be presented to the OAS Cultural Council meeting in February.

These are a few of the current activities in this general field of education, which is indeed of very high priority in the development policy of Latin American nations. I wish we could take the time here to discuss in depth this question of current and future needs of education in Latin America.

Let me move on to the final item in the Action Program of the Presidents—one that has received a good deal of public attention recently: the elimination of unnecessary military expenditures.

The Latin American Presidents noted that the demands of economic development and social progress make it necessary to apply the maximum resources available in Latin America to these ends. They expressed their intention "to limit military expenditures in proportion to the actual demands of national security, in accordance with each country's constitutional provisions . . ."

Let me emphasize, in case there should be any confusion about U.S. policy in this question, that the United States firmly endorses the objectives of this statement. We do not wish to see our partners in the Alliance spend resources for unnecessary military equipment.

By "we" I mean both the Executive and Legislative branches of the United States Government. The Congress in the pending foreign aid legislation has directed the President to suspend financial assistance to those countries diverting their resources to unnecessary military expenditures and significantly sacrificing their economic and social development. This pending legislation underscores both the concern and the agreement on this subject which the Congress shares with the Executive Branch. At the risk of over-simplifying a complex issue, let me suggest these salient points to keep in mind:

(1) Latin American military expenditures in relation to their GNP are low—lower than any other area of the world except sub-Sahara Africa;

(2) Every independent State must, in the final analysis, determine whether its national requirements make necessary acquisition of specific types of military equipment, especially in view of the fact that Castro-inspired subversion, while now a diminished threat, does remain a threat;

(3) Thus we continue to believe that our Latin American neighbor governments will avoid "unnecessary" military expenditures. But we have indicated to certain countries that qualify that we would be prepared to permit the sale of modest military equipment consistent with their security needs;

(4) Consistent with the directives of the Presidents in Punta del Este, as well as the wishes of the U.S. Congress, the United States will of course continue to take into consideration a given country's economic situation, including military expenditures, in working out with that country bilateral assistance under the Alliance for Progress. Further we have been suggesting to our Latin American colleagues that CIAP, the Inter-American Committee of the Alliance, make this matter a regular part of the systematic CIAP country reviews;

(5) Initiatives are now underway in various Latin American countries to obtain broad agreement on arms limitations;

(6) All considered, while there are always differences of opinion on the extent of military modernization that may be necessary, neither we nor our Latin American colleagues see any arms race in the hemisphere.

These, then, might be considered the highlights of the post-Summit progress report to you—all too brief, simply because there is a great deal to talk about, and so little time. I should like to have discussed with you, for instance, plans and developments within the private sector, without whose broad benefits to Latin America the goals of the Alliance would be unreachable, out of the question.

Let me close by speaking to you on behalf of our friends in Latin America. For I know that many of these friends are worried—worried about us in the United States, about our attitudes, about what recent activities might mean in inter-American relationships. While our country is better reported to literate or listening Latin Americans than they are reported to us, nonetheless, it is difficult for our neighbors to appraise accurately the nature of our national problems as to Viet Nam and in our cities. They get an unclear picture, and it worries them. They examine proposals made to the Congress favoring protectionism and drastic cuts in our support to the Alliance for Progress—and they wonder just how much they can count on their friends in the North.

To be sure, some of their doubts may be due to their own lack of understanding of how the U.S. system of Government functions—the checks and balances, especially in the foreign policy field. Public declarations from many sources, carried to the corners of the hemisphere by the news services, might well leave many confused and even alarmed.

I must say that at this time I share the concern of many Americans regarding the potential damage to Alliance programs should the foreign aid bill be cut beyond the present approved authorization figure. Neither do I wish to minimize the psychological effect such a cut would have at this time, when Latin American leadership is reaching new heights of effectiveness, when the concept of self-help in local communities and in the area as a whole is producing important new gains for the Alliance. These very gains, however, give me a solid basis for believing that the American people in the long run will not let their neighbors down. I remain hopeful that the Congress will continue to be responsive to this opportunity by appropriating the full amount they have authorized for the Alliance for Progress.

Further, I do not believe that the much-publicized proposals for protectionist moves against imports will ever have success in the United States. Certainly, Latin America will be heartened by the firm determination of President Johnson, who recognizes that such protectionism would hit Latin America harder than many other areas, and has vowed that proposals of this kind shall not become law so long as he is President.

Meanwhile, as we are painfully aware, tonight while we wrestle with the burden of major hemispheric problems, there still remain too many in Latin America who are waiting for the Alliance to touch them in a more meaningful way. All of these efforts directed towards solution of problems outlined by the Presidents at Punta del Este must be translated into personal terms: a new opportunity, a saved child, a piece of land.

And so it shall be. We have but to believe that it can be done and to keep our ideals clearly in focus, as we set about doing what we can, with determination, step by step, day after day.

VETERANS' PENSIONS

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. TUNNEY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. TUNNEY. Mr. Speaker, I am introducing two bills today which I believe to be of great importance to our veterans and servicemen and I hope that early action is taken by the Congress on these measures.

The first would restore non-service-connected veterans' pensions which have been reduced or eliminated because of the receipt of increased social security benefits. When social security benefits have been approved, the Congress must insure that veterans and their dependents, now living on pensions, are not injured by a reduction in their pension.

The second would increase group life insurance for our servicemen from $10,000 to $30,000. The present maximum limits of $10,000 has been in existence since 1917. This is unrealistic today and should be increased. This bill would provide an automatic issuance of $15,000 in insurance to each serviceman regardless of rank. He would then be allowed to purchase coverage in increments of $5,000 up to a maximum of $30,000. The passage of this measure would be especially beneficial to our servicemen in Vietnam.

MODEL CITIES

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. BARRETT] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BARRETT. Mr. Speaker, I would like to commend Secretary Robert C. Weaver for his excellent remarks in announcing the model cities selections. He explained the extreme difficulty in making a selection from among the 193 applications received by the Department of Housing and Urban Development.

Clearly and concisely he documented the time-consuming process of reviewing these applications which included an interagency review committee composed of representatives from the Department of Health, Education, and Welfare; Labor; Agriculture; Commerce; and Justice; and the Office of Economic Opportunity.

Their mission was clear: To select those neighborhoods, all across the country, where the concentration and coordination of federally assisted programs could have the maximum impact in solving urban problems. And he spelled out the criteria by which they were guided:

Scope of the analysis of the problems involved.

Innovative approaches.

Capacity to carry out the program.

Commitment of city government and private groups.

Geography and population.

Also, Secretary Weaver expressed his hope that many of the cities that applied for the first round, and were not selected for planning funds, would join other localities in applying for the second round. He offered the services of the Depart-

ment to those cities which were unsuccessful to help them develop their applications for the second round.

Mr. Speaker, I found Dr. Weaver's remarks one of the fairest explanations ever to come from a Government official in announcing grant recipients. But, as might be expected, there are some who, dissatisfied with the results, allege that the selections were nothing more than political decisions.

Particularly noteworthy was the charge that since only nine of the sixty-three cities were in Republican Congressional Districts, the question must be raised as to whether merit was a total factor in this selection. For those who so freely employ this statistic, I say—look at the entire list, analyze it, and then you will not so readily charge political favoritism:

Only four States had four cities selected—New York, Massachusetts, Pennsylvania, and Texas. Of these four, three have Republican Governors.

Cities represented by influencial Members of both Houses of the Congress were often unsuccessful. Some were selected, others were not.

Both Cleveland, Ohio, and Los Angeles, Calif., are well represented by ranking Democrats and both have Democratic mayors but their applications failed to meet the program criteria.

And the list could continue. However, I believe that those without prejudice, can easily determine that model cities selections were not made on the basis of political circumstances. I commend Secretary Weaver and his Department for this fair and equitable treatment.

And I hope that none, in disappointment, will lay the blame on political decisions. The record simply does not support such an allegation.

So that my colleagues might read Secretary Weaver's excellent explanation of this selection process, I include the full text of his remarks in the CONGRESSIONAL RECORD:

STATEMENT BY SECRETARY ROBERT C. WEAVER, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, ANNOUNCING THE FIRST MODEL CITIES PLANNING GRANTS, WASHINGTON, D.C.

This is a tremendously significant day for the people of America.

I ask you to come here this morning to announce the list of cities selected to receive the first round of planning grants under the Model Cities program.

I don't think I ever recall, during my years in government, an event in the field of urban affairs which has generated so much interest, so much anticipation—and so much healthy involvement and competition, and so much promise for the future of our cities.

There were 193 applications filed for these planning grants. They came from communities of all sizes in all parts of the country. They came from communities with a wide diversity of problems. They came from communities determined and willing to do something about those problems.

Two factors emerged from these applications:

First, they comprise a searching and detailed pathology of the urban ills of America.

And, secondly, they brought forth greater ingenuity and imagination for the solution of those urban ills than ever had been seen before.

In the process, the self analysis and exchange of information and stimulation of thinking that took place in these communities has had an impact that will be of lasting benefit to us all.

Making a selection from among the 193 applications received by HUD was an extremely difficult and time consuming task.

The applications were reviewed not only by HUD, which is responsible for administering this program, but by an interagency review committee composed of representatives of the Department of Health, Education and Welfare; Labor; Agriculture; Commerce; and Justice; and the Office of Economic Opportunity. It, like the Model Cities Program itself, was truly an Administration-wide effort, cutting across the activities of many departments and agencies.

The purpose was clear: To select those neighborhoods, all across the country, where the concentration and coordination of Federally-assisted programs could have the maximum impact in solving urban problems.

The criteria by which the applications were judged were:

Scope of the analysis of the problems involved.

Innovative approaches.

Capacity to carry out the program.

Commitment of city government and private groups.

Geography and population.

The cities which were chosen—and, of course, the responsibility for the selection is mine—will share in the $11 million in planning funds which Congress has appropriated for the first round of applications. If they successfully complete the planning process, they will share also in the $300 million which Congress has just appropriated for supplemental grants and extra urban renewal funds expressly earmarked for Model Cities. Unfortunately, they will not be able to share in an additional $350 million which President Johnson had requested for this program—but which Congress did not appropriate.

There is, however, another $12 million in planning funds which has been appropriated for a second round of applications. We will soon be inviting applications for this second round.

It is our hope that many of the cities that applied for the first round, and were not selected for planning funds, will join other localities in applying for the second round. And we intend to work closely with those cities which were unsuccessful in helping them develop their appliciations.

Before giving you the list of cities, however let me emphasize one more thing just as clearly as I can.

This program is part of the great vision which President Johnson has had for the future of the American city and those who live there. It is part of a dream—or, if you will, a conviction—that this country has the energy and the resources and the will to build decent communities where Americans can live in comfort and in dignity.

The pathway leading up to this announcement today has been a long one, and has involved the efforts of many people, but none more than the President himself.

Long ago—even before the creation of the Department of Housing and Urban Development—he set up a task force charged with finding new approaches to building a decent urban life in America. Two of the men who were on that task force now serve with me in this department—Under Secretary Robert Wood and Assistant Secretary Charles Haar.

One of the ideas they and the other distinguished Americans associated with them proposed, and which President Johnson made part of his program, is what has become the Model Cities program.

The President fought against tremendous odds to win the authority for this program from Congress and against even greater odds to win the funds for it.

The funds Congress finally made available were far short of what he asked and what is needed. But they were short because there were some who sit in Congress who could not or would not see what this program meant to the people of this country.

It is my hope that as the cities we announce today move ahead in their planning and as more and more of those who live in these communities become involved, that perhaps the members of Congress will understand this program a little better and appreciate it a little more. Perhaps if they do, the story on next year's appropriations will be different.

For the Model Cities program to succeed, there must be full involvement of the skills, commitment, and resources of Federal, state, county, and city governments with neighborhood residents, private enterprise, organized labor, and community agencies and organizations of all types.

The neighborhoods that have been selected for the first round of the program represent every section of the country. They are in communities of all sizes. They have an incredible diversity and complexity of problems. They represent the hard core both of need and of opportunity in meeting our urban problems. They are on the cutting edge of American life. For in them we shall start now to transform blight and decay into health and hope.

In the target areas there are one million families, or over four million people. Nearly a third of the families have incomes of less than $3,000 a year, and the vast majority earn less than the median income level in the locality. A fourth live in substandard housing, and many more are overcrowded in deteriorating buildings. Unemployment is double the national level and there is substantial under-employment. A third of the adults have less than an eighth-grade education. The infant mortality rate is double that for the nation as a whole.

These figures reflect some of the major social, economic, and physical ills which will be the concern of the Model Cities program. It is designed to develop and carry out a comprehensive, coordinated attack to deal with the human and physical needs of the target areas. Its purpose is not to patch up the community but to uncover and deal with the root causes of its deficiencies.

And herein lies the true significance of the Model Cities and the reason the program has been so identified. Not only is it a more concentrated and fundamental approach to the basic problems of our cities than has ever before been undertaken. But out of it should come models for dealing with these problems throughout urban America.

Our task now is to work closely with the cities on the specifics of their proposals in order that effective programs can be launched in each of the neighborhoods. This will be given top priority and all of the other Departments and agencies concerned with urban problems will join with us as partners in this effort.

As soon as I have finished reading the names of the cities, printed lists will be available at either side of the room, and data sheets on each of the communities will be available on tables in the corridor outside.

I know that some of you want to get the word back to your offices as soon as possible, so we will interrupt the proceedings for about five minutes so those who need to do so can leave. Then we will reconvene to answer your questions. With me to help in that are Under Secretary Wood, Assistant Secretary H. Ralph Taylor who is responsible for the administration of the Model Cities program, and the Director of the Model Cities Administration, Walter G. Farr.

One last word:

President Johnson during recent conversations with President Diaz Ordaz of Mexico discussed the possibilities of a joint program for rehabilitating an urban area that

stretches across the borders of the two countries.

As a first step in implementing this proposal the Department of Housing and Urban Development is initiating conversations with Mayor J. C. Martin of Laredo, Texas, in an effort to assist him in qualifying the city for a Model Cities planning grant. It is hoped the authorities in Mexico will concurrently take action to initiate similar planning in Nuevo Laredo.

CITIES SELECTED FOR MODEL CITY PLANNING GRANTS

(City populations based on 1965 estimates)

Alabama: Huntsville (127,000).
Arkansas: Texarkana (21,000).
California: Fresno (156,000), Oakland (378,000), Richmond (83,000).
Colorado: Denver (520,000), Trinidad (10,000).
Connecticut: Bridgeport (156,000), Hartford (158,000), New Haven (151,000).
District of Columbia: Washington, D.C. (802,000).
Florida: Dade County (1,064,000), Tampa (305,000).
Georgia: Atlanta (535,000), Gainesville (18,000).
Hawaii: Honolulu (611,000).
Illinois: Chicago (3,520,000), East St. Louis (82,000).
Indiana: Gary (179,000).
Iowa: Des Moines (216,000).
Kentucky: Pikesville (5,000).
Maine: Portland (72,000).
Maryland: Baltimore (925,000).
Massachusetts: Boston (616,000), Cambridge (104,000), Lowell (87,000), Springfield (166,000).
Michigan: Detroit (1,660,000), Highland Park (36,000).
Minnesota: Duluth (104,000), Minneapolis (465,000).
Missouri: Kansas City (530,000), St. Louis (710,000).
New Hampshire: Manchester (90,000).
New Jersey: Hoboken (47,000), Newark (395,000), Trenton (107,000).
New Mexico: Albuquerque (242,000).
New York: Buffalo (505,000), Central and East Harlem, New York City, South Bronx, New York City, Central Brooklyn, New York City, (8,080,000), Poughkeepsie (37,000), Rochester (305,000).
North Carolina: Charlotte (230,000).
Ohio: Columbus (540,000), Dayton (260,000), Toledo (354,000).
Oklahoma: Tulsa (280,000).
Oregon: Portland (380,000).
Pennsylavnia: Philadelphia (2,030,000), Pittsburgh (560,000), Reading-Berks County (95,000), Wilkes Barre (59,000).
Puerto Rico: San Juan (580,000).
Rhode Island: Providence (190,000).
Tennessee: Nashville-Davidson County (261,000), Smithville-DeKalb County (11,000).
Texas: Eagle Pass (14,000), San Antonio (645,000), Texarkana (32,000), Waco (105,000).
Vermont: Winooski (8,000).
Virginia: Norfolk (322,000).
Washington: Seattle (565,000).

WHO'S BANKRUPT?

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. PATTEN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. PATTEN. Mr. Speaker, my colleague, GERALD FORD, is quoted as saying today "A man about to go into bankruptcy"—in commenting on President Johnson's news conference.

I know the personal and corporate income of this country is reaching a new high with all predictions that our GNP will top $850 billion in 1968. The American people have more jobs than ever in history. Our economy is strong.

President Johnson has led us in the finest domestic program in the history of our country, especially in Education, Health, and Welfare.

The Wall Street Journal today states home building is 76 percent ahead of last year's pace; auto production slated to climb 34 percent this week.

At this point I would like to insert in the RECORD an article by Joseph W. Sullivan, entitled "House GOP Activism Takes a Drubbing."

President Johnson is for America and for the people. The article follows:

HOUSE GOP "ACTIVISM" TAKES A DRUBBING

(By Joseph W. Sullivan)

WASHINGTON.—House Republican resolve to accentuate the positive has just about dissolved.

Whatever else it was, this week's floor skirmish over the "war on poverty" was a debacle for the self-styled GOP activists bent on tarnishing Johnson Administration programs by pushing contrasting, positive, proposals of their own.

Far from fracturing the Johnson poverty war, the antipoverty overhaul so arduously crafted by Republican Albert Quie of Minnesota and Charles Goodell of New York was itself demolished on the floor. And the demolition crew was by no means solely Democratic, although the remarkably unified assaults of Northern Democratic liberals and conservative Dixiecrats was assuredly a factor. Rather, most of the disintegration took place within the GOP's own ranks as a bevy of party factions, for a bevy of reasons, found fault with the one concrete design that architects Quie and Goodell managed to erect.

When the hour came Wednesday night to offer what they'd dubbed the GOP's "opportunity crusade" as a substitute for the Johnson "war on poverty," there was so much dissidence within the party that the entire design was scrapped. Instead, Minority Leader Gerald Ford cast his lot for the oldest of old shoe GOP legislative tactics: A hobnailed motion to whack $460 million from the $2.06 billion sought by the Administration to maintain the program unaltered.

ECONOMY BANNER

The motion carried handily, as the House GOP's predominant conservative wing and most Dixie Democrats once again coalesced behind the same economy banner that's enabled them to repulse or curtail hundreds of domestic spending schemes over the past three decades. But the motion's victory only adds force to the crushing defeat of the Quie-Goodell doctrine, which holds that any such negative strikes at Democratic programs must be coupled with a GOP presentation of alternatives. Ironically, as well, it marks abandonment of that doctrine, in the crunch by Minority Leader Ford, whose elevation to that post in 1965 was primarily the product of a campaign to put a more positive face on the party, a campaign in which Messrs. Quie and Goodell were two of the ring leaders.

"We lost," was all that the usually voluble Mr. Goodell chose to say under the sting of Wednesday night's reproof. His very taciturnity conveyed despair about the prospects, if not self-doubt about the wisdom, of the entire positive approach. Earlier this year he and Mr. Quie took a similar hiding when they tried to convert the Administration's many Federally directed aid programs for elementary and secondary schools into a single "block grant" plan allowing each state to set its own aid-use priorities.

After two set-downs on the two big issues that the GOP has attempted to raise in the House this year, further Quie-Goodell attempts at positivism figure to come haltingly if at all. And for the bulk of their party colleagues the moral is now clearly drawn: That espousing new or alternative programs courts trouble, that it's safer just to oppose unpalatable Administration programs outright or go along with those that can be swallowed.

The reversion is a product of a melange of external pressures on the GOP lawmakers and internal irritants among them. Though interrelated, they can be sorted under three major headings.

Probably the prime factor is the superior resources available to the party in control of the Federal Executive establishment for communicating its side of an issue, through the press and to affected interest groups, and for mobilizing grass roots support. A President can, almost inherently, command more attention for his denunciation than the minority party in Congress can for its proposals. The GOP's school aid plan, for example, received almost no press attention until Mr. Johnson began denouncing it as a dire threat to present assistance mechanisms. With program managers or aid recipients spread among hundreds of communities, moreover, such established ventures as school aid and the war on poverty are assured a cadre of boosters in every Congressional district in the land. Like human beings generally, they're inclined more toward the known functions of a familiar program than to an unknown. Republican design, especially when the Washington minions with whom they deal are portraying the GOP design as catastrophic.

Thus, in the case of both their school aid and antipoverty alternatives, Messrs. Quie and Goodell were outflanked on the propaganda front. Not only did their attempts to paint a favorable contrast to Administration programs fail to get much public notice, they weren't even able to combat all the abuse the Administration forces heaped upon them. And, as a result of this nationwide "communications gap," nearly every Republican in the House was subjected to a pummeling.

For example, in a Wednesday editorial that showed no awareness of the GOP "opportunity crusade" alternative, the Republican-inclined Detroit Free Press blasted Mr. Ford as a "blockhead" for failing to back extension of the existing program. The editorial sent quivers through all 12 Michigan Republicans in the House, according to one of them. Nor were they, or other big-state GOP delegations, immune to the appeals for as-is backing of the poverty war that came from more than a score of major companies, many of them holding contracts for the operation of job corps training centers and other antipoverty activities. According to House Democratic tacticians, the Administration enrolled the Washington representatives of 23 big companies to lobby for the program.

The prime internal factor leading to party burial of the Quie-Goodell push is what one liberal Republican has dubbed the "game" psychology that takes hold of the GOP during House floor fights. After invariably getting kicked around by the Democrats during the skirmishing that precedes decisive, record-vote decisions, according to the game theory, Republicans start itching for some kind of a victory. And in their gusto of the moment to clobber the Democrats on a floor vote, many appear to let ideology, long-range issue development and all other considerations give way to the fashioning of a motion that's tailored solely to win.

That's what happened Wednesday night, after three stormy days in which the Democratic Party's Northern and Southern wings had rebuffed every component of the Quie-Goodell "reform" package as they were offered in preliminary, piecemeal fashion.

Among them: Initiation of an Industry Youth Corps for routing unskilled school dropouts into private industry jobs through temporary Federal subsidization of their wages; "phasing over" the far-flung grid of job corps camps into a system of "residential skill centers" that would also lift problem youths out of bad home environments but would keep them in the urban community to which they ultimately must adjust; consolidating project Head Start for disadvantaged pre-school children with other Federal school aid programs in the Office of Education, and, most integral of all, providing a bigger guaranteed voice for the impoverished in shaping "community action" projects, along with continued independence for the private, nonprofit corporations that run these ventures in many localities.

LURE TO DIXIECRATS

The legislation's Northern Democrats managers had found the key to Southern help by providing for the transfer to elected city officials of control over all community action funds and personnel. The clear appeal of such a transfer: Elimination of the threat that Washington might fund some private group too zealous in its pursuit of Negro equality, or too hostile toward white community mores. The lure to Dixiecrats of this city hall hegemony transcended even their yearnings for Federal frugality; any GOP package proposal that coupled spending cuts with restoration of autonomy for community action groups would have failed to attract the Dixie backing needed to win the floor game.

"If all our great floor fighters could see beyond the end of the legislative day, it might have occurred to them that it would have done a lot more for the party to lose with our reform package than to win a naked spending cut," gripes one disaffected party liberal. "As a 1968 campaign issue, a record vote on the package plan would have provided ammunition to use against Democrats of every stripe. In urban liberal districts we could knock them for voting down our effort to keep the program out of the clutches of big city political bosses. In the South, we could hit them for failing to support the spending cut. And nearly everywhere, I think, we've got the best side of the issue when we say the program needs general overhaul."

Within the party, however, this is a minority view, weighing the Quie-Goodell plan's worth not in terms of Congressional districts already held by the GOP but in terms of those the party needs to capture to gain control of the House. The third big reason why positivism is on the skids within the party in the House is that not many lawmakers do their thinking in these terms. Although most pay lip service to the need for staking out positions that will enhance the party cause, a tough vote invariably leaves them urging an overall party position that enhances their personal positions with the homefolk.

For a dominant number of Republicans already in Congress—especially senior ones—"homefolks" is the suburbs and outcountry areas of the Middle West, so theirs is the prevalent viewpoint. And in the small towns of the Middle West, the Quie-Goodell concept of community action autonomy not only isn't a vote-getter, it might well be a vote-loser against a Democratic opponent championing city hall control of the poverty war to keep out radicals.

ANDERSON INDEPENDENT BLASTS REPUBLICAN GOVERNORS ON VIETNAM

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. PEPPER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. PEPPER. Mr. Speaker, the Anderson, S.C., Independent has bluntly stated what many of us have suspected for some time—Republican Governors are making a political football out of the Vietnam war.

At the annual Governors Conference in 1966, the Republican Governors willingly placed themselves behind the effort of this Nation to stop Communist aggression.

But in 1967 their tune has changed. With a Presidential election year ahead they have refused to support our war effort. As the Independent stated:

The purpose of these cynical maneuvers is obviously to keep the GOP's options open for next year's Presidential campaign.

They have sacrificed the national interest of the altar of political expediency. At a time when national unity is essential, the Republican Governors have added an element of disharmony to what should be a united front.

With their own party badly split over the war, with no constructive alternatives of their own, and with leading Republican Governors looking out more for personal than national interests, the Republican Party in 1968 expects to capitalize on the Vietnam war.

By refusing to follow the dictum of Senator Vandenberg—one of the most distinguished Republican advocates of a bipartisan foreign policy—that "politics stops at the water's edge" they will be justly repudiated by the voters on the very issue upon which they cynically hope to capitalize.

I include the editorial from the Anderson Independent in the RECORD:

GOP HOPEFULS PLAYING WAR POLITICS BUT CAN'T AGREE ON POLICY OF OWN

The Republican governors, who at the 1966 annual Governors Conference were willing enough and even eager to put themselves on record behind the American effort to thwart Communist aggression in Vietnam, blocked any Vietnam resolution at all at this year's annual get-together, which took place all at sea on a pleasure ship in the Caribbean.

South Carolina's Gov. Robert McNair said it was apparent political considerations caused the GOP contingent to block this year's resolution.

The resolution simply put the governors on record as supporting the U.S. war effort in Vietnam with emphasis on the men doing the fighting.

The resolution was not, as Gov. McNair noted, endorsement of the Johnson administration or was broad enough to serve as an umbrella over policies being followed.

Republican Chairman Harry Dent's charge that Gov. McNair was playing a role of "secret agent" for the President is too absurd to deserve comment.

Do the GOP governors have a Republican alternative of their own?

The fact of the matter is that they're split eight ways from Sunday on the issue.

California's Gov. Ronald Reagan thinks the Johnson administration isn't hawkish enough; New York's Gov. Nelson Rockefeller has edged a feather's distance toward the dove side; "Mr. Clean"—Gov. George Romney of Michigan—is still looking for a position to replace the one he held after his alleged "brainwashing" by administration personnel, including a fellow who now serves as his foreign policy advisor.

Ohio's Gov. James A. Rhodes alone desired to support a resolution backing the administration's policies, but he was outnumbered, or outshouted, by his Republican colleagues.

The purpose of these cynical maneuvers is obviously to keep the GOP's options open for next year's Presidential campaign.

Like the apocryphal editor who was asked where he stood on a controversial matter that had divided his town in twain, they haven't made up their minds, but when they do they'll be bitter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TIERNAN (at the request of Mr. JOELSON), for Friday, November 17, 1967, on account of official business.

Mr. STUCKEY (at the request of Mr. DAVIS of Georgia), for Friday, November 17, 1967, on account of official business.

Mr. RIVERS (at the request of Mr. ALBERT), for November 17 through November 27, on account of official business.

Mr. WHITENER (at the request of Mr. ALBERT), for today, November 17, on account of official business.

Mr. KEE (at the request of Mr. ALBERT), for Friday, November 17, Monday, November 20, and Tuesday, November 21, on account of official business.

Mrs. HANSEN of Washington, for November 17 through November 30, on account of official business in district.

Mr. HALLECK (at the request of Mr. GERALD R. FORD), through November 22, on account of official business as an official representative to the NATO Parliamentarian Conference.

Mr. FINDLEY (at the request of Mr. GERALD R. FORD), through November 27, on account of official business as U.S. delegate to NATO.

Mr. CHAMBERLAIN (at the request of Mr. GERALD R. FORD), through November 27, on account of official business as U.S. delegate to NATO.

Mr. BURKE of Florida (at the request of Mr. GERALD R. FORD), for today, on account of official business.

Mr. BERRY (at the request of Mr. GERALD R. FORD), through November 27, on account of official business as an official representative to the NATO Parliamentarian Conference.

Mr. BATES (at the request of Mr. GERALD R. FORD), through December 18, on account of official business as U.S. delegate to NATO and on official inspection trip to Vietnam.

Mr. ARENDS (at the request of Mr. GERALD R. FORD), through November 24, on account of official business as U.S. delegate to NATO.

Mrs. REID of Illinois (at the request of Mr. GERALD R. FORD), for the balance of week, on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CAHILL (at the request of Mr. CONABLE), for 1 hour, on November 21,

1967; and to revise and extend his remarks and include extraneous matter.

Mr. QUILLEN, for 5 minutes, today; to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. TENZER.

(The following Members (at the request of Mr. CONABLE) and to include extraneous material:)

Mr. WINN.

Mr. KLEPPE.

Mr. MCCULLOCH.

(The following Members (at the request of Mr. MONTGOMERY) and to include extraneous matter:)

Mr. WOLFF.

Mr. MOORHEAD.

Mr. IRWIN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 687. An act for the relief of Tin Shik Chin; to the Committee on the Judiciary.

S. 964. An act for the relief of Roberto Perdomo; to the Committee on the Judiciary.

S. 1040. An act for the relief of certain employees of the Department of the Navy; to the Committee on the Judiciary.

S. 1470. An act for the relief of the Ida group of mining claims in Josephine County, Oreg.; to the Committee on the Judiciary.

S. 1652. An act for the relief of Anastasia D. Mpatziani; to the Committee on the Judiciary.

S. 1664. An act for the relief of the city of El Dorado, Kans.; to the Committee on the Judiciary.

S. 1918. An act for the relief of Dr. Gabriel Gomez del Rio; to the Committee on the Judiciary.

S. 1925. An act for the relief of Dr. Ricardo Martinez Serrara; to the Committee on the Judiciary.

S. 2031. An act for the relief of certain employees at the Naval Air Test Center, U.S. Naval Air Station, Patuxent River, Md.; to the Committee on the Judiciary.

S. 2153. An act for the relief of Dr. Jose Rafael Montalvoy Urrutibeascoa; to the Committee on the Judiciary.

S. 2199. An act for the relief of Oscar Juan Enriquez-Santos; to the Committee on the Judiciary.

S. 2206. An act for the relief of Dr. Jorge Rolando Guerra-Reyes; to the Committee on the Judiciary.

S. 2264. An act for the relief of Chi Jen Feng; to the Committee on the Judiciary.

S. 2265. An act for the relief of Christopher Nicholas Rushton; to the Committee on the Judiciary.

S. 2301. An act for the relief of Dr. Francisco Guillermo Gomez-Inguanzo; to the Committee on the Judiciary.

S. 2381. An act for the relief of Dr. Jesus Adalberto Quevedo-Avila; to the Committee on the Judiciary.

S. 2382. An act for the relief of Dr. Jose R. Sanchez; to the Committee on the Judiciary.

S. 2384. An act for the relief of Jorge A. Marrero; to the Committee on the Judiciary.

S. 2386. An act for the relief of Dr. Luis F. Rodriguez Iznaga; to the Committee on the Judiciary.

S. 2468. An act for the relief of Dr. George S. Ioannides; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2. An act to amend titles 10, 32, and 37, United States Code, to strengthen the reserve components of the Armed Forces, and for other purposes;

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

H.R. 2517. An act to amend sections 64a, 238, 378, and 483 of the Bankruptcy Act and to repeal sections 354 and 459 of the act;

H.R. 2518. An act to amend sections 337 and 338 of the Bankruptcy Act and to add new section 339;

H.R. 2519. An act to amend sections 334, 355, 367, and 369 of the Bankruptcy Act;

H.R. 2834. An act to amend the act of June 10, 1938, relating to the participation of the United States in the International Criminal Police Organization;

H.R. 3403. An act for the relief of Harry LeRoy Jones;

H.R. 3727. An act for the relief of Elpidio Dimacali Damazo and Natividad Simsuangco Damazo;

H.R. 3799. An act for the relief of the city of Pawtucket, R.I.;

H.R. 6324. An act for the relief of John A. Danisch;

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

H.R. 8632. An act to amend sections 40c(1) and 52a of the Bankruptcy Act so as to reallocate part of the filing fee from the clerk's earnings to the Referees' Salary and Expense Fund; and

H.R. 7811. An act for the relief of Richard Alan White.

ADJOURNMENT

Mr. MONTGOMERY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 32 minutes p.m.), under its previous order, the House adjourned until Monday, November 20, 1967, at 11 o'clock a.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PERKINS: Committee on Education and Labor. H.R. 11276. A bill to authorize appropriations to carry out the Adult Education Act of 1966 for 2 additional years; with amendment (Rept. No. 955). Referred to the Committee of the Whole House on the State of the Union.

Mr. POAGE: Committee on Agriculture. S. 1477. An act to amend section 301 of title III of the act of August 14, 1946, relating to the establishment by the Secretary of Agriculture of a national advisory committee, to provide for annual meetings of such committee (Rept. No. 956). Referred to the Committee of the Whole House on the State of the Union.

Mr. POAGE: Committee on Agriculture. H.R. 6437. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to permit advance payments to wheat producers (Rept. No. 967). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of New York: Committee on the Judiciary. H.R. 11542. A bill for the relief of the town of Bremen, Ind.; with amendment (Rept. No. 968). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOORE: Committee on the Judiciary. H.R. 555. A bill to amend section 312 of the Immigration and Nationality Act to exempt certain additional persons from the requirements as to understanding the English language before their naturalization as citizens of the United States; with amendment (Rept. No. 969). Referred to the House Calendar.

Mr. MOSS: Committee on Interstate and Foreign Commerce. Report on world newsprint supply-demand outlook through 1969 (Rept. No. 970). Referred to the Committee of the Whole House on the State of the Union.

Mr. POAGE: Committee on Agriculture. H.R. 13706. A bill to amend the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes (Rept. No. 971). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of New York: Committee on the Judiciary. H.R. 4961. A bill for the relief of Donald E. Crichton (Rept. No. 957). Referred to the Committee of the Whole House.

Mr. SMITH of New York: Committee on the Judiciary. H.R. 5854. A bill for the relief of Mrs. E. Juanita Collinson; with amendment (Rept. No. 958). Referred to the Committee of the Whole House.

Mr. ASHMORE: Committee on the Judiciary. H.R. 7909. A bill for the relief of Manufacturers Hanover Trust Co., of New York, N.Y.; with amendment (Rept. No. 959). Referred to the Committee of the Whole House.

Mr. SMITH of New York: Committee on the Judiciary. H.R. 8391. A bill for the relief of Adel Lessert Bellmard, Clement Lessert, Josephine Gonvil Pappan, Julie Gonvil Pappan, Pelagie Gonvil Franceour de Aubri, Victore Gonvil Pappan, Marie Gonvil, Lafleche Gonvil, Louis Laventure, Elizabeth Carbonau Vertifelle, Pierre Carbonau, Louis Joncas, Basil Joncas, James Joncas, Elizabeth Datcherute, Joseph Butler, William Rodger, Joseph Cote, four children of Cicili Compare and Joseph James, or the heirs of any who may be deceased; with amendment (Rept. No. 960). Referred to the Committee of the Whole House.

Mr. MESKILL: Committee on the Judiciary. H.R. 10050. A bill for the relief of Capt. Russell T. Randall; with amendment (Rept. No. 961). Referred to the Committee of the Whole House.

Mr. SMITH of New York: Committee on the Judiciary. H.R. 11166. A bill for the relief of Earl S. Haldeman, Jr. (Rept. No. 962). Referred to the Committee of the Whole House.

Mr. MESKILL: Committee on the Judiciary. H.R. 13373. A bill for the relief of Richard C. Mockler (Rept. No. 963). Referred to the Committee of the Whole House.

Mr. MESKILL: Committee on the Judiciary. H.R. 11959. A bill for the relief of Robert E. Nesbitt; with amendment (Rept. No. 964). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 2270. A bill for the relief of Lt. David Campbell; with amendment (Rept. No. 965). Referred to the Committee of the Whole House.

Mr. SMITH of New York: Committee on the Judiciary. H.R. 4058. A bill for the relief of the JE-IL Brick Co. (Rept. No. 966). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROTZMAN (for himself and Mr. KYL):

H.R. 14068. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. GALLAGHER:

H.R. 14069. A bill to amend section 602 of title 38 of the United States Code to provide for certain veterans a presumption of service connection for mental disorders which develop within 5 years after separation from service; to the Committee on Veterans' Affairs.

By Mr. MINISH:

H.R. 14070. A bill to amend the Nurse Training Act of 1964 to provide for increased assistance to hospital diploma schools of nursing; to the Committee on Interstate and Foreign Commerce.

By Mr. WALDIE:

H.R. 14071. A bill to provide for orderly trade in iron and steel mill products; to the Committee on Ways and Means.

By Mr. DIGGS:

H.R. 14072. A bill to provide for a Federal Athletic Commission to regulate organized sports when and to the extent that such regulation is in the public interest; to the Committee on Interstate and Foreign Commerce.

By Mr. EILBERG:

H.R. 14073. A bill to provide for the issuance of a special postage stamp to commemorate the 50th anniversary of the independence of the Baltic States (Estonia, Latvia, and Lithuania); to the Committee on Post Office and Civil Service.

By Mr. TAYLOR:

H.R. 14074. A bill to amend the act of September 9, 1963, authorizing the construction of an entrance road at Great Smoky Mountains National Park in the State of North Carolina, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TUNNEY:

H.R. 14075. A bill to amend title 38 of the United States Code to increase to $30,000 the maximum servicemen's group life insurance which may be provided members of the uniformed services on active duty, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 14076. A bill to restore non-service-connected veterans' pensions which have been reduced or eliminated because of the receipt of increased social security benefits; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ANDERSON of Illinois:

H.R. 14077. A bill for the relief of Domenico Lo Brano; to the Committee on the Judiciary.

H.R. 14078. A bill for the relief of Giuseppe Noto; to the Committee on the Judiciary.

By Mr. BATES:

H.R. 14079. A bill for the relief of Lts. (jg.) Herbert F. Swanson, John C. Markowicz, John T. Cox, George T. Ankrum, and Gerald E. Sheldon; to the Committee on the Judiciary.

By Mr. DIGGS:

H.R. 14080. A bill for the relief of Lts. (jg.) Herbert F. Swanson, John C. Markowicz, John T. Cox, George T. Ankrum, and Gerald E. Sheldon; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.R. 14081. A bill for the relief of Salvatore Mazzola; to the Committee on the Judiciary.

By Mr. MORSE:

H.R. 14082. A bill for the relief of Filippo Butera; to the Committee on the Judiciary.

By Mr. OLSEN:

H.R. 14083 A bill for the relief of Shafiq S. Shaya; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 14084. A bill for the relief of Eustachio V. Favia; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 14085. A bill for the relief of Eduardo Emilio Latour; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 14086. A bill for the relief of Lts. (jg.) Herbert F. Swanson, John C. Markowicz, John T. Cox, George T. Ankrum, and Gerald E. Sheldon; to the Committee on the Judiciary.

SENATE

FRIDAY, NOVEMBER 17, 1967

The Senate met at 10 a.m., and was called to order by the President pro tempore.

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

Before the toil of a new day opens before us, we lay before Thee the meditations of our hearts: may they be acceptable in Thy sight.

We are conscious as we bow at this altar of Thy grace that if we live a life of prayer Thou art present everywhere. Amid the duties of these demanding days, by the spiritual resources that are found in Thee alone, restore our jaded spirits.

We come in deep anxiety concerning the world the next generation will inherit from our hands.

Facing decisions freighted with destiny, unite our hearts and minds, we beseech Thee, in a mighty purpose that our Nation's strength, material and spiritual, be dedicated to throw open the gates of more abundant life for all mankind.

Lord, in this hour of tumult,
Lord, in this night of fears,
Keep open, oh, keep open
Our eyes, our hearts, our ears.

We ask it in the name which is above every name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, November 16, 1967, be dispensed with.

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

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW—MODIFICATION OF ORDER

Mr. DIRKSEN. Mr. President, if the distinguished majority leader will yield, there has already been some inquiry—and there will be more today—as to whether or not there will be a Saturday session. I should like to ask the distingushed majority leader now.

Mr. MANSFIELD. Mr. President, I am delighted that the distinguished minority leader has raised that question.

I ask unanimous consent at this time that when the Senate completes its business this afternoon, it stand in adjournment until 10 o'clock tomorrow morning.

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

(Subsequently, this order was modified to provide for the Senate to adjourn from today until 10 a.m. on Monday, November 20, 1967.)

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

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

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

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of measures on the calendar, beginning with Calendar No. 737.

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

REFERENCE OF RELIEF BILL FOR N. M. BENTLEY PARTNERSHIP

The resolution (S. Res. 154) to refer the bill (S. 2224) entitled "A bill for the relief of N. M. Bentley, a partnership consisting of N. M. Bentley and George Markwalter," to the chief commissioner of the Court of Claims for a report thereon was considered and agreed to as follows:

S. RES. 154

Resolved, That the bill (S. 2224) entitled "A bill for the relief of N. M. Bentley, a partnership consisting of N. M. Bentley and George Markwalter", now pending in the Senate, together with all the accompanying papers, is hereby referred to the chief commissioner of the Court of Claims; and the chief commissioner of the Court of Claims shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 767), explaining the purposes of the resolution.

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

PURPOSE

The purpose of the proposed resolution is to authorize the Chief Commissioner of the Court of Claims to proceed under the provi-

sions of sections 1492 and 2509, of title 28, United States Code, and to report to the Senate at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States, and the amount, if any, legally or equitably, due from the United States to the claimants.

STATEMENT

The House of Representatives, in the 90th Congress, passed a bill, H.R. 1586, which would confer jurisdiction on the Court of Claims to consider and render judgment in this matter. Legislation in regard to this matter was introduced to both the 87th and 89th Congresses. In the 89th Congress the bill was identical to H.R. 1586 as received from the House. Previously, in the 87th Congress, H.R. 7823 was favorably reported to the House, with House Resolution 690 of that Congress, referring the matter to the U.S. Court of Claims as a congressional reference case.

For purposes of this claim the facts as contained in the House Report on H.R. 1586 are as follows:

"During the 87th Congress, this matter was the subject of a subcommittee hearing on June 13, 1962, at which time testimony was received from one of the claimants, Mr. George Markwalter, and a lawyer, appearing in his behalf, and by a representative of the Air Force. At that time, the committee concluded that the facts presented to the committee at the hearing and as outlined in the report of the Air Force on the bill indicated that this was a proper matter for reference to the Court of Claims under provisions of sections 1492 and 2509 of title 28 of the United States Code. The committee specifically found that questions of fact and law involved in the case are such that the scope of the court's inquiry under the provisions of those sections provide the best means of resolving the issues presented in connection with the claim.

"N. M. Bentley is a copartnership formed by N. M. Bentley and George Markwalter, doing business under the name and style of N. M. Bentley, of Macon, Ga. The copartnership entered into a contract with the United States numbered AF-09(603)-25991. The contract provided for exterior and interior painting of buildings at Robins Air Force Base, Ga., in an amount not to exceed $138,853.01. The bill H.R. 7823 relates to a claim for losses incurred in the performance of that contract during the years 1955-56. The claims are grounded on allegations that the losses were occasioned by errors and deficiencies in the specifications for the work covered by the contract by faulty testing of contract materials and resulted from and also by requiring the contractor to perform and repeat work in a manner actually outside the scope of the contract. It is also contended that all of these errors and faults were those of authorized agents of the United States, and the contractor was required to comply, because of the threat of contract termination on the grounds of default.

"In view of the previous consideration of this matter by the committee and the previous determination that this is a proper subject for judicial determination, it is only right that the committee confirm its prior conclusions by a recommendation that the bill H.R. 7823 be favorably considered. The congressional reference case could not be considered by the Court of Claims, because of a determination by the Supreme Court that that court could not render advisory opinions. However, the bill H.R. 7823 would cure the inability by making it possible for the Court of Claims to proceed to judgment. Accordingly it is recommended that the bill be considered favorably."

It will be noted that originally this bill was introduced and the House considered that a reference to the Court of Claims would be the proper way to handle the matter, but due to the decision in the case of *Glidden Co.* v. *Zdanok*, 370 U.S. 530, such reference could not be accomplished. This situation is set forth in the report of the Department of the Air Force of July 19, 1967, to Senator Eastland, chairman of the Committee on the Judiciary, U.S. Senate. Subsequent to the *Glidden* case, Congress enacted Public Law 89-681 which provided for congressional reference cases to be referred by either House or Senate to the Chief Commissioner of the Court of Claims for a report in conformity with section 2509, title 28. This law creates a new forum for reference cases by the Congress and that forum's report to the Congress on the question of legal or equitable liability.

Public Law 89-681 provided for the Chief Commissioner of the Court of Claims to accept reference cases as had previously been done by the Court of Claims. It is the conclusion of the committee that inasmuch as the new procedure has been provided this bill should be sent to the Chief Commissioner for his consideration and report to the Congress.

As is evidenced by the report of the Department of the Air Force, it would appear that factual and legal questions are controversial in this case and that the reference of the claim to the Chief Commissioner of the Court of Claims in Public Law 89-681 is appropriate. This is particularly true in view of the fact that such a reference was the conclusion reached by the Committee on the Judiciary of the House in the 87th Congress, but could not be accomplished under the *Glidden* case. The committee, therefore, recommends that the resolution, Senate Resolution 154, be considered favorably.

THE IKE IGNAC KLEIN CLAIM AGAINST THE GOVERNMENT OF HUNGARY

The bill (H.R. 3474) to require the Foreign Claims Settlement Commission to determine the amount and validity of the claim of Ike Ignac Klein against the Government of Hungary, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 770), explaining the purposes of the bill.

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

PURPOSE

The purpose of the proposed legislation is to waive applicable limitations and any prior determination so as to permit the receipt, consideration, and determination of the claim of Ike Ignac Klein by the Foreign Claims Settlement Commission in connection with Hungarian claims program. The bill further provides that any award made by the Commission will be paid by the Secretary of the Treasury from the war claims fund to the same extent as those made to other Hungarian claim awardees from the Hungarian claims fund. Any such award would be recertified to the Secretary of the Treasury pursuant to section 209(b) of title II of the War Claims Act of 1948, as amended.

STATEMENT

The facts of the case, as contained in House Report No. 417, are as follows:

"Mr. Ike Ignac Klein is a citizen of the United States who was born in New York City in 1893 and then taken as a child to Hungary. The difficulty in Mr. Klein's case was that prior to his return to the United States in 1964, he had on several occasions attempted to obtain an American passport and that on April 6, 1947, he was informed that he had lost his U.S. citizenship and was given a 'Certificate of the Loss of U.S. Nationality.' In order to claim under the claims program referred to in the bill, it was necessary for a claimant to establish that he was a national of the United States. On February 11, 1964, the Department of State reversed its prior holding that Mr. Klein had lost his U.S. nationality. In a hearing conducted on the bill on March 16, 1967, the subcommittee was advised that the initial ruling that Mr. Klein had lost his U.S. nationality was based on the fact that he was required to serve in the Austro-Hungarian Army during World War I. A reexamination of the actual circumstances of his military service led the Department of State to reverse its position. As has been noted, on February 11, 1964, that Department held that Mr. Klein had never lost his U.S. nationality and he was permitted to return to the United States. The problem in this case is that during the time when he might have claimed for his losses under the Hungarian claims program, Mr. Klein had been advised that he had no right to claim. When the Government modified its position, it was too late for him to file. Obviously, his only recourse in this situation was to appeal to the Congress for relief.

"The claim which is referred to in the bill is a claim for losses Mr. Klein suffered as a result of the damage or taking of his property in Hungary. Section 303 of title III of the International Claims Settlement Act of 1949, as amended, authorized the Foreign Claims Settlement Commission to receive and determine the validity and amounts of claims of nationals of the United States against the Government of Hungary arising out of the failure of Hungary to (1) restore or pay compensation for property of nationals of the United States as required by articles 26 and 27 of the treaty of peace with Hungary; (2) pay effective compensation for the nationalization or taking of property of nationals of the United States in Hungary; and (3) meet certain contractual obligations and other rights.

"Awards with respect to war damage claims under section 303, title III of the act, were payable out of money in the Hungarian claims fund, which consisted of proceeds of certain vested Hungarian assets in the United States.

"The filing period for claims under title III ended on September 30, 1956, and the program was completed on August 9, 1959, pursuant to statutory time limitations.

"No claim was filed by Ike Ignac Klein under title III of the International Claims Settlement At of 1949, as amended. As has been noted, Mr. Klein who was born in the United States in 1893, was a resident of Hungary from 1894 until 1964, at which time he was permitted to return to the United States as a citizen. It further appears that on several occasions Mr. Klein tried, unsuccessfully, to obtain an American passport and, on April 6, 1947, he received a 'Certificate of the Loss of U.S. Nationality.' On February 11, 1964, the Department of State reversed its prior holding in that it held that Mr. Klein had never lost his U.S. nationality and he was permitted to return to the United States.

"The above information appears in Mr. Klein's claim for war damages which he filed informally on July 8, 1964, pursuant to title II of the War Claims Act of 1948, as amended by Public Law 87-846.

"Title II of the War Claims Act of 1948, as amended by Public Law 87-846, approved October 22, 1962, provides, among other things, for claims of nationals of the United States for physical damage to, or loss of, real property and tangible personal property owned at the time by nationals of the United States, located in Albania, Austria, Czechoslovakia, the Free Territory of Danzig, Estonia, Germany, Greece, Latvia, Lithuania,

Poland, or Yugoslavia, or in territory which was part of Hungary or Rumania on December 1, 1937, but which was not included in such countries on September 15, 1947, which loss, destruction or physical damage occurred during the period beginning September 1, 1939, and ending May 8, 1945, as a direct consequence of military operations or special measures directed against property because of the enemy or alleged enemy character of the owner.

"Payment of these claims is made out of the war claims fund which consists of liquidated German and Japanese assets vested in the United States under the provisions of section 39 of the Trading With the Enemy Act.

"Mr. Klein's claim under title II of the War Claims Act was based on losses during World War II sustained by the firm of Klein & Laszlo, Oroshaya, Hungary, in which he held an interest, for war damages to certain buildings, machinery, inventory, and other items of personalty used in the business (exporting poultry and eggs). Claim was also made for losses to an apartment house in Budapest caused by bombing, and loss of certain personal belongings.

"The claim filed by Mr. Klein (No. W-18891) was denied on September 22, 1965, for the reason that the property upon which it is based was not located in that part of Hungary which is described under the War Claims Act. Oroshaya and Budapest were a part of Hungary as it existed on December 1, 1937, as well as on September 15, 1947. Moreover, war damages in the area where claimant alleges his losses were sustained, were provided for under title III of the International Claims Settlement Act of 1949, as amended. Section 208, title II of the War Claims Act of 1948, as amended, provides, in part, that 'No award shall be made under this title to or for the benefit of * * * any claimant whose claim under this title is within the scope of title III of the International Claims Settlement Act of 1949 * * *.'

"After recounting the circumstances and relevant provisions of law as outlined above, the Foreign Claims Settlement Commission in its report to the committee noted that the main purpose of the bill is to waive the statutory time limitations of title III of the International Claims Settlement Act of 1949, as amended, to permit the consideration of Mr. Klein's claim. It is also noted that the bill would authorize the payment of any award out of the war claims fund. The Commission's report also notes that since the amount in the Hungarian fund would only permit a small percentage of payment on approved awards, provision was made for a recertification of the Hungarian awards under title III of the International Claims Settlement Act for payment out of the war claims fund and that such payments are limited to 40 percent of the amounts recertified. The Commission's report notes that the bill authorizes an identical payment plan with respect to the claim of Ike Ignac Klein. The only difference would be that the payment of the initial award, if any, is to be made out of the war claims fund instead of the Hungarian claims fund. This is necessary because as is noted in the Commission's report, the Hungarian claims fund is presently exhausted. The Commission stated that it did not favor the payment of initial Hungarian war damage awards out of the war claims fund despite the fact that the Hungarian fund is now exhausted and states that there is a possibility that the Hungarian Government may make additional funds available for transfer to the Hungarian claims fund upon the conclusion of any future claims agreement with that Government. The Commission also noted that there were some 124 late filed claims under title III of the International Claims Settlement Act which 'undoubtedly' include a number of claims based on war damage arising in Hungary. The committee has considered these points and has concluded that they do not provide a basis for denying the consideration of Mr. Klein's claim.

"The committee has determined that this is a proper case for legislative relief. It is clear that the Government's initial refusal to recognize Mr. Klein's citizenship made it impossible for him to file his claim. Shortly after the Government reversed its position, Mr. Klein on July 8, 1964, filed a claim so that it appears that he was diligent in his attempts to assert a claim even though the limitations had expired. In the light of all of the circumstances of the case and the unique nature of the matter, it is recommended that the bill be considered favorably."

In view of the circumstances of this case, the committee agrees with the conclusions reached by the House committee. Accordingly, it is recommended that the bill, H.R. 3474, be considered favorably, without amendment.

APPOINTMENT OF ADDITIONAL CIRCUIT JUDGES

The bill (S. 2349) to provide for the appointment of additional circuit judges was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2349

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President shall appoint, by and with the advice and consent of the Senate, one additional circuit judge for the third circuit, two additional circuit judges for the fifth circuit, four additional circuit judges for the ninth circuit, and one additional circuit judge for the tenth circuit.

SEC. 2. Section 1(c) of the Act of March 18, 1966 (80 Stat. 75), pertaining to the appointment of four additional circuit judges for the fifth circuit is hereby amended in part by deleting the final sentence, providing, "The first four vacancies occurring in the office of circuit judge in said circuit shall not be filled." These judgeships are hereby made permanent and the present incumbents of such judgeships shall henceforth hold their offices under section 44 of title 28, United States Code, as amended by this Act.

SEC. 3. In order that the table contained in section 44(a) of title 28 of the United States Code will reflect the changes made by sections 1 and 2 in the number of circuit judges for said circuits, such table is amended to read as follows with respect to said circuits:

"Circuits	*Number of judges*
Third	Nine
* * * * *	
Fifth	Fifteen
* * * * *	
Ninth	Thirteen
* * * * *	
Tenth	Seven"

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report explaining the purposes of the bill.

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

PURPOSE

The purpose of the proposed legislation is to provide for the creation of additional circuit judgeships throughout the United States where the need for such judgeships has been found to be most urgent, and for other purposes.

STATEMENT

The Judicial Conference of the United States at its session in March 1966 directed the Administrative Office of the U.S. Courts to undertake a survey of the personnel requirements of the U.S. courts of appeals. Mr. Will Shafroth who retired in 1964 after 25 years of service with that office, took charge of the study as a special consultant. The Judicial Conference Committee on Statistics and Procedural Studies chaired by the Honorable Harvey M. Johnsen, senior judge of the U.S. Court of Appeals for the Eighth Circuit, was charged with general supervision of the survey.

Mr. Shafroth's report was submitted to the Judicial Conference at its meeting in March 1967. At that time an independent report by Judge Johnsen's committee was also submitted to the Conference. The recommendations of both the Johnsen and Shafroth reports were identical as to the need for additional judgeships in four of the judicial circuits.

The Conference endorsed those recommendations. This bill S. 2349 would implement them by creating one new judgeship each for the Third and the 10th Circuits, four new judgeships for the Ninth Circuit, and two new judgeships for the Fifth Circuit, and also by making permanent the four temporary judgeships created in 1966 for the Fifth Circuit.

In September 1964 the Judicial Conference adopted a policy of making comprehensive surveys of the business of the circuits and districts every 4 years, and the first of such regular surveys was then conducted. The Omnibus Judgeship Act of 1966 was the result of the 1964 survey, and six permanent and four temporary circuit judgeships were established by that act as follows: two permanent judgeships each for the Fourth and Sixth Circuits, one permanent judgeship each for the Seventh and Eighth Circuits, and four temporary judgeships for the Fifth Circuit. Additionally, a large number of district judgeships were created by that act. The Shafroth study was commissioned to determine what impact the new district judgeships might have on the work of the courts of appeals, and to investigate other methods that might be employed to increase the output of the courts of appeals.

The Shafroth and Johnsen reports concluded that whatever other steps might be taken, the new judgeships recommended are necessary to avert—and in the case of the Fifth Circuit, to alleviate—a crisis situation. Your committee agrees that the four circuits mentioned in the bill cannot await the general study in 1968. By that time the administration of justice in these circuits will be seriously impaired if steps are not taken now.

The main factors used to evaluate the need for additional judgeships are as follows:

1. Caseload per judgeship: This can be measured in two ways. The raw figure is the total of cases per judgeship that are docketed in the court. In many circuits, a substantial portion of the docket will be comprised of prisoner applications for postconviction relief. The method of screening and disposing of these applications varies widely among the circuits, and therefore tends to distort the comparative value of measuring the total caseload per judgeship. A more accurate comparison is obtained by calculating the caseload per judgeship without including prisoner applications for postconviction relief. For convenience of discussion, the raw figure will hereafter be referred to as total caseload, and the caseload without reference to postconviction relief applications will be called the refined caseload.

2. The backlog, or the number of cases pending, at the end of the fiscal year.

3. The trend of new case filings for the

future: This can reliably be based on a straightline projection of the trend during recent years.

4. The percentage of work attributed to visiting judges.

5. The median time for the disposition of a case, measured from time of filing to final disposition: An important aspect of this timespan is the amount of time during which cases tend to be held under submission after argument.

SUMMARY OF EACH OF THE CIRCUITS INVOLVED

1. Third circuit

This circuit of eight judges last received an additional judge in 1961. The total caseload per judge for fiscal 1966 was 60 as compared with the national average of 74. The refined caseload per judgeship was 54 as compared with the national average of 62. At the end of fiscal 1966, 372 cases were pending in this circuit but the figure grew to 487 by the end of fiscal 1967 an increase of almost 30 percent.

The trend of filings has risen sharply in the Third Circuit in the last 2 years. Although the projection of refined caseload per judgeship in 1972 is 66 as compared with the projected national average of 82 for that year, there are two important factors not reflected in this projection. First, new district judgeships created in 1966 will significantly increase the number of appeals, and second, recent growth in population and industry will substantially increase business for the court. Indeed, the total number of filings for fiscal 1967 is 24 percent higher than in fiscal 1966, which suggests that the 1972 projection is too low.

About 20 percent of the business of the court is handled by visiting judges. The median interval for disposition of cases in the period from fiscal 1960 through fiscal 1967 has increased from about 6 to about 8 months. At the end of fiscal 1967, 14 cases had been held under submission for more than 3 months, and of those, four had been held for more than 6 months.

2. Fifth circuit

This circuit received two additional judges in 1961, and four temporary positions were created in 1966, making a total of 13 judgeships. The total caseload per judgeship is 80 as compared with the national average of 74, and the refined caseload per judgeship is 69 as compared with the national average of 62. In fiscal 1966 visiting judges sat in more than 36 percent of the cases, and in fiscal 1967 about 25 percent of the output was the result of outside assistance. The projection for 1972 for refined caseload per judgeship in this circuit is 102 as compared with the projected national average of 82. The backlog in this circuit rose from 270 cases in fiscal 1960 to 1,024 cases at the beginning of fiscal 1968. During this same period, the median disposition time has almost doubled, rising from 6.2 months to 12 months. Currently, a total of 83 cases on the docket have been held under submission for more than three months. Of this number, 28 have been under submission between 6 and 9 months, and 12 have been held for more than 1 year.

The recommendations of S. 2349 would increase the size of this court to 15 permanent judges. At the hearings on this bill, the question was considered whether this relatively large number of judges might create more problems than would be solved by the added judicial manpower. This court in recent years has had the service of about 15 judges, however, when the contribution by visiting judges is considered. The Honorable John R. Brown, chief judge of the circuit, testified that he devotes a great deal of effort to rounding up visiting judges to assist with his docket. It is becoming more difficult to do this because other districts and circuits are themselves confronted with rising caseloads. Based on the performance of this circuit during the past few years and upon the testimony at the hearings, your committee believes that it is feasible to establish 15 permanent positions for this circuit. Further, to supply these permanent judgeships will decrease the necessity for outside help and in this respect reduce the administrative burdens on the chief judge.

3. Ninth circuit

This circuit of nine judges has not been given additional judgeships since 1954. Its total caseload per judgeship is 88 as compared with the national average of 74, and the refined caseload per judgeship is 72 as compared with the national average of 62. The 1972 projection for refined caseload per judgeship is the same as in the Fifth Circuit, 102 as compared with the projected national average of 82.

About 29 percent of the court's output in fiscal 1967 was produced by visiting judges.

The backlog has risen from 372 cases in fiscal 1961 to 824 cases at the beginning of fiscal 1968, and the median disposition time is slightly more than 9 months. There are 17 cases on the docket that have been under submission for more than 3 months, and of this number four have been held for more than a year.

The bill, S. 2349, would increase this bench to 13 permanent judges. As in the case of the Fifth Circuit, however, your committee believes this is a manageable number of judges. Your committee further believes that these judgeships are necessary at this time to prevent the circuit from developing the same critical backlog that has developed in the severely overworked Fifth Circuit.

4. Tenth circuit

This circuit of six judges last received an additional judge in 1961. The total caseload per judgeship is 91 as compared with the national average of 74, and the refined caseload per judgeship is 64 as compared with the national average of 62. The projection for refined caseload per judgeship for 1972 is 80.

The backlog in this circuit rose from 135 cases in fiscal 1960 to 400 cases at the beginning of fiscal 1967. During fiscal 1967 the court was able to reduce its backlog to 354 cases, but this was the result of a special drive that enlisted the assistance of visiting judges, and more than 31 percent of the workload in fiscal 1967 was handled by outside help. In fiscal 1966, about 13 percent of the docket was handled by visiting judges. The circuit has been able to maintain reasonable promptness in the disposition of cases, and the median time is less than 6 months, somewhat below the national average. Only one case on the docket has been pending for more than 3 months.

Your committee believes that an additional judge is needed in the Tenth Circuit at this time to permit the circuit to hold its own in the face of rising caseloads. In fiscal 1967 there were 100 appeals per judgeship commenced in this circuit as compared with the national average of 90.

BILLS PASSED OVER

The bills (H.R. 6111) to provide for the establishment of a Federal Judicial Center; and (S. 2247) to amend the Merchant Marine Act, 1936, to increase the Federal Ship Mortgage Insurance available in the case of certain oceangoing tugs and barges, were announced in sequence as next in order.

Mr. MANSFIELD. Mr. President, I ask that these two bills go over, and that the last bill considered this morning be Calendar No. 771.

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

COASTWISE TRADE OF THE VESSEL "ORION"

The bill (S. 2152) to authorize the vessel *Orion* to engage in the coastwise trade was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2152

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the vessel now known as the Orion (ex-Trinidad), owned by the Orion Towing Company, Inc., of Bartow, Florida, shall be entitled to engage in the coastwise trade upon compliance with the usual requirements and so long as such vessel is owned by a citizen of the United States. For the purposes of this Act, the term "citizen of the United States" includes any corporation, partnership, or association which is a citizen within the meaning of section 2 of the Shipping Act, 1916 (39 Stat. 729), as amended (46 U.S.C. 802).

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 786), 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

S. 2152, introduced by Senator Holland, would authorize the vessel *Orion* to engage in the coastwise trade. The *Orion* is a tug, 127 feet in length with a beam of 29 feet, 10 inches, and an average towing speed of 9 knots. The vessel, which is now owned by the Orion Towing Co., Inc., of Bartow, Fla., was built in American territory (Panama Canal) by the U.S. Government for the use of the Government. Because of the provisions of our coastwise trade laws, the vessel is now ineligible for coastwise privileges because it was not built within the United States.

In view of the hardship that would otherwise be imposed and because of the limited size and employment of the vessel, the committee recommends approval of the bill. The committee believes that this exception is of such a limited and restricted nature that it will pose no threat to the general goals of our coastwise restrictions or to the American shipbuilding industry.

COST OF LEGISLATION

Enactment of this bill would involve no expense to the Government.

BILLS INTRODUCED

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

By Mr. CARLSON:

S. 2671. A bill to provide for the control of noxious plants on land under the control or jurisdiction of the Federal Government; to the Committee on Agriculture and Forestry.

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

By Mr. CASE (for Mr. SCOTT):

S. 2672. A bill for the relief of Bee Ling Ang; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 2673. A bill for the relief of Parviz Sahandy, M.D.; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 2674. A bill for the relief of Lam Wai Man and Lok Chen Tat; to the Committee on the Judiciary.

RESOLUTION

BASIC PRINCIPLES FOR GOVERNING THE ACTIVITIES OF NATIONS IN OCEAN SPACE

Mr. PELL submitted a resolution (S. Res. 186) to express the sense of the Senate that the President should make all necessary efforts to place before the General Assembly of the United Nations a resolution endorsing basic principles for governing the activities of nations in ocean space, which was referred to the Committee on Foreign Relations.

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

CONTROL OF NOXIOUS PLANTS ON LAND UNDER CONTROL OF THE FEDERAL GOVERNMENT

Mr. CARLSON. Mr. President, yesterday I made a statement in connection with noxious weeds, and I inserted in the RECORD a resolution and a copy of a bill. The statement is found on page S16558.

Today, I offer the bill for introduction and appropriate reference.

The PRESIDING OFFICER (Mr. SPONG in the chair). The bill will be received and appropriately referred.

The bill (S. 2671) to provide for the control of noxious plants on land under the control or jurisdiction of the Federal Government, introduced by Mr. CARLSON, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

RESOLUTION CALLING FOR LEGAL PRINCIPLES IN OCEAN SPACE

Mr. PELL. Mr. President, on September 29 I called to the attention of this body the possibility of vast legal complications, indeed a threat of anarchy which could break upon us in the extraterritorial seas and seabeds which I have defined as ocean space. This problem faces us because of the immense speedup of our technological abilities in ocean space. At that time, I urged that action be speeded toward establishing a legal regime which would keep order in ocean space. As a first step toward such a regime, I introduced a six-point resolution, Senate Resolution 172. In the resolution, I emphasized that the extension of the rule of law to ocean space is essential if mankind "is to enjoy the fruits of his efforts in the deep sea."

Mr. President, in moving toward an ultimate treaty for ocean space, I suggest we follow a similar procedure by which the outer space agreement was achieved, when on December 13, 1963, the United Nations General Assembly adopted a declaration of principles governing the activities of nations in outer space. Building on this foundation a special committee of the United Nations formulated the actual provisions of a draft treaty on outer space. By December 1966, an agreement was reached on the final draft text of the treaty. On December 19 of that year the General Assembly unanimously adopted a resolution commending the treaty and expressing the hope for the widest possible adherence to it.

Mr. President, I submit a new resolution calling for the U.S. Representative to the United Nations to place before the General Assembly an American resolution which will call for basic principles to govern the activities of nations in ocean space. Mr. President, I ask unanimous consent that the text of my resolution be printed in the RECORD.

Finally, Mr. President, I would like to speed up the process between the stages of a General Assembly resolution on this subject and formulation of a final draft treaty on ocean space by suggesting my own views on specific provisions of such a treaty. I plan to offer this treaty proposal very shortly.

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

The resolution (S. Res. 186) was referred to the Committee on Foreign Relations, as follows:

S. RES. 186

Whereas the development of modern techniques for the exploration of the deep sea and the exploitation of its resources carries with it the threat of legal confrontations between nations of the world over the ownership and jurisdiction of the bed of the deep sea and the superjacent waters, and the resources therein; and

Whereas the threat of anarchy now exists in the field of scientific exploration and commercial exploitation of the deep sea and its resources: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should make such efforts, through the United States delegation to the United Nations, as may be necessary to place before the General Assembly for its consideration at the earliest possible time the following resolution endorsing basic principles for governing the activities of nations in ocean space:

"DECLARATION OF LEGAL PRINCIPLES GOVERNING ACTIVITIES OF STATES IN THE EXPLORATION AND EXPLOITATION OF OCEAN SPACE

"Preamble

"The General Assembly,

"Inspired by the great prospects opening up before mankind as a result of man's ever-deepening probe of ocean space—the waters of the high seas, including the superjacent waters above the continental shelf and outside the territorial sea of each nation, and the seabed and subsoil of the submarine areas of the high seas outside the area of the territorial sea and continental shelf of each nation,

"Recognizing the common interest of all mankind in the progress of the exploration of ocean space and the exploitation of the resources in ocean space for peaceful purposes,

"Believing that the threat of anarchy exists in the exploration and exploitation of ocean space and its resources,

"Desiring to contribute to broad international cooperation in the scientific as well as the legal aspects of the exploration and exploitation of ocean space and its resources for peaceful purposes.

"Recalling the four conventions of the law of the sea and an optional protocol of signature concerning the compulsory settlement of disputes, which agreements were formulated at the United Nations Conference on the Law of the Sea, held at Geneva, Switzerland, from 24 February to 27 April 1958, and were adopted by the Conference at Geneva on 29 April 1958.

"Recalling the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, Including the Moon and Other Celestial Bodies, which was unanimously endorsed by General Assembly resolution 2222 (XXI) of 19 December 1966 and signed by sixty nations at Washington, London, and Moscow on 27 January 1967, and considering that progress toward international cooperation in the exploration and exploitation of ocean space and its resources and the development of the rule of law in this area of human endeavor is of comparable importance to that achieved in the field of outer space.

"Convinced that international agreement on principles governing the activities of States in the exploration and exploitation of ocean space and its resources would further the welfare and prosperity of mankind and benefit their national States,

"Believing that the living and mineral resources in suspension in the high seas, and in the seabed and subsoil of ocean space, are free for the use of all nations, subject to international treaty obligations and the conservation provisions of the conventions on the Law of the Sea adopted at the United Nations Conference on the Law of the Sea at Geneva on 29 April 1958,

"Solemnly declares that in the exploration of ocean space and the exploitation of its resources States should be guided by the following principles:

"I—General principles applicable to ocean space

"1. Ocean space and the resources in ocean space shall be free for exploration and exploitation by all nations without discrimination of any kind, on a basis of equality of opportunity, and in accordance with international law, and there shall be free access to all areas of ocean space.

"2. Ocean space is not subject to national appropriation by claim of sovereignty, by means of use or occupation, or by any other means.

"3. There shall be freedom of scientific investigation in ocean space and States shall facilitate and encourage international cooperation in such investigation.

"4. The activities of States in the exploration and exploitation of ocean space and its resources shall be carried on in accordance with international law, including the Charter of the United Nations, and the principles set forth in this Declaration, in the interest of maintaining international peace and security and promoting international cooperation and understanding.

"5. States bear international responsibility for national activities in ocean space, whether carried on by governmental agencies or non-governmental entities or nationals of such States, and for assuring that national activities are carried on in conformity with the principles set forth in this Declaration. The activities of non-governmental entities and nationals of States in ocean space shall require authorization and continuing supervision by the State concerned. When activties are carried on in ocean space by an international organization, responsibility for compliance with the principles set forth in this Declaration shall be borne by the international organization itself.

"6. In the exploration of ocean space and the exploitation of its resources, States shall be guided by the principle of cooperation and mutual assistance and shall conduct all their activities in ocean space with due regard for the corresponding interests of other States.

"7. States shall render all possible assistance to any person, sea vehicle, or facility found in ocean space in danger of being lost or otherwise in distress.

"8. States engaged in activities of exploration or exploitation in ocean space shall immediately inform other interested States and the Secretary-General of the United Nations of any phenomena they discover in ocean space which could constitute a danger to the life or health of persons exploring or working in ocean space.

"II. Use of high seas

"1. All States have the right for their nationals to engage in fishing, aquaculture, and in-solution mining in the high seas beyond twelve miles from the coast or other appropriate baseline from which the breadth of the territorial sea of any State is measured under rules of international law, particularly as provided in the agreement entitled 'Convention on the Territorial Sea and the Contiguous Zone', adopted by the United Nations Conference on the Law of the Sea at Geneva on 29 April 1958.

"2. This right shall be subject to the treaty obligations of each State and to the interests and rights of coastal States and shall be conditioned upon fulfillment of the conservation measures required in the agreement entitled 'Convention on Fishing and Conservation of the Living Resources of the High Seas', adopted by the United Nations Conference on the Law of the Sea at Geneva on April 29, 1958.

"3. Any disputes which may arise between States with respect to fishing, aquaculture, in-solution mining, and conservation activities of States in the high seas shall be settled in accordance with all the provisions of such convention prescribing a compulsory method for the settlement of such questions.

"III— Use of seabed and subsoil of ocean space

"1. In order to promote and maintain international cooperation in the peaceful and orderly exploration, and exploitation of the natural resources, of the seabed and subsoil of submarine areas of ocean space, States shall engage in such exploration or exploitation only under licenses issued by a licensing authority to be designated by the United Nations, with approval by the Security Council in the manner provided by paragraph 3 of article 27 of the Charter of the United Nations.

"2. The natural resources referred to in this article consists of the mineral and other nonliving resources of the seabed and subsoil together with living organisms belonging to sedentary species, that is to say, organisms which, at the harvestable stage, either are immobile on or under the seabed or are unable to move except in constant physical contact with the seabed or the subsoil.

"3. The activities of nationals and nongovernmental entities of States in the exploration of submarine areas of ocean space and the exploitation of the natural resources of such areas shall require authorization and continuing supervision by the State concerned, and shall be conducted under licenses issued to States making application on behalf of their nationals and nongovernmental entities. If such activities are to be carried on by an international organization, a license may be issued to such organization.

"4. In issuing licenses and prescribing regulations, the licensing authority shall apply all relevant principles set forth in this Declaration and shall apply the following criteria:

"(a) The license issued by the licensing authority shall (i) cover an area of such size and dimensions as the licensing authority may determine, (ii) be for a period of not more than ten years, with the option of renewal, (iii) require the payment to the licensing authority of such fee or royalty as may be specified in the lease, (iv) require that such lease will terminate within a period of not more than five years in the absence of operations thereunder, and (v) contain such other reasonable requirements as the licensing authority may deem necessary to implement the principles set forth in this Declaration and to provide for the conservation of and prevention of the waste of the natural resources of the seabed and subsoil of ocean space.

"(b) If two or more States apply for licenses to engage in the exploration of the seabed and subsoil of ocean space or the exploitation of its natural resources in the same area or areas of ocean space, the licensing authority shall, to the greatest extent feasible and practicable, encourage cooperative or joint working relations between such States and be guided by the principle that ocean space shall be free for use by all States, without discrimination of any kind, on a basis of equality of opportunity. But, if it proves impractical for the license to be shared, the licensing authority shall determine which State shall receive the license.

"(c) A coastal State has a special interest in the conservation of the natural resources of the seabed and subsoil of ocean space adjacent to its territorial sea and continental shelf and this interest shall be taken into account by the licensing authority.

"(d) A coastal State is entitled to take part on an equal footing in any system of research and regulation for purposes of conservation of the natural resources of the seabed and subsoil of ocean space in that area, even though its agencies or nationals do not engage in exploration there or exploitation of its natural resources.

"(e) The exploration of the seabed and subsoil of ocean space and the exploitation of its natural resources must not result in any unjustifiable interference with navigation, fishing, or the conservation of the living resources of the sea, nor result in any interference with fundamental oceanographic or other scentific research carried out with the intention of open publication.

"(f) A State or international organization holding a license is obliged to undertake, in the area covered by such license, all appropriate measures for the protection of the living resources of the sea from harmful agents and shall pursue its activities so as to avoid the harmful contamination of the environment of such area.

"5. Subject to the following provisions and any regulations prescribed by the licensing authority, a State or international organization holding a license is entitled to construct and maintain or operate on the seabed and subsoil of ocean space installations and other devices necessary for its exploration and the exploitation of its natural resources, and to establish safety zones around such installations and devices and to take in those zones measures necessary for their protection:

"(a) The safety zones referred to in this paragraph may extend to a distance of 500 metres radius around the installations and other devices which have been erected, measured from each point of their outer edge. Ships of all nationalities must respect these safety zones.

"(b) Such installations and devices do not possess the status of islands and have no territorial sea of their own.

"(c) Due notice must be given of the construction of any such installations, and permanent means for giving warning of their presence must be maintained. Any installations which are abandoned or disused must be entirely removed.

"(d) Neither the installations or devices, nor the safety zones around them, may be established where interference may be caused to the use of recognized sea lanes essential to international commerce and navigation.

"6. To the greatest extent feasible and practicable, the licensing authority shall disseminate immediately and effectively information and data received by it from license owners regarding their activities in ocean space.

"7. If a license owner has reason to believe that an activity or experiment planned by it or its nationals or non-governmental entities in the area covered by its license would cause potentially harmful interference with activities of other States in the peaceful exploration and exploitation of such area of ocean space, it shall undertake appropriate international consultations and obtain the consent of the licensing authority before proceeding with any such activity or experiment. Any interested State which has reason to believe that an activity or experiment planned by a license owner would cause potentially harmful interference with activities in the peaceful exploration and exploitation of submarine areas of ocean space may request consultation concerning the activity or experiment and submit a request for consideration of its complaint to the licensing authority, which may order that the activity or experiment shall be suspended, modified, or prohibited.

"8. All stations, installations, equipment, sea vehicles, machines, and capsules used by a licensed owner on the seabed or in the subsoil of ocean space, whether manned or unmanned, shall be open to representatives of the licensing authority and to the Sea Guard of the United Nations referred to in Article VII of this Declaration.

"9. Whenever a license owner fails to comply with any of the provisions of the license, such license may be canceled by the licensing authority, upon thirty days notice to the license owner, but subject to the right of resort to the International Court of Justice by such license owner.

"10. Any dispute which may arise under this Article between States shall first be submitted for settlement by the licensing authority, which shall determine its own procedure, assuring each party a full opportunity to be heard and to present its case.

"11. In all cases of disputes under this Article, whether between States or between a State or States and the licensing authority, the licensing authority shall be empowered to make awards.

"12. If the licensing authority shall not have rendered its decision within a reasonable period of time or if any party to a dispute under this Article desires review of the decision of the licensing authority, such dispute shall be within the compulsory jurisdiction of the International Court of Justice as contemplated by paragraph 1 of Article 36 of the Statute of the International Court of Justice, and may accordingly be brought before the Court by an application made by any party to the dispute, including the licensing authority in cases of noncompliance with its decisions.

"IV—Use of seabed and subsoil of ocean space for peaceful purposes only

"1. The seabed and subsoil of submarine areas of ocean space shall be used for peaceful purposes only.

"2. All States shall refrain from the implacement or installation on or in the seabed or subsoil of ocean space of any objects containing nuclear weapons or any kinds of weapons of mass destruction, or the stationing of such weapons on or in the seabed or subsoil of ocean space in any other manner.

"3. All States shall refrain from causing, encouraging, or in any way participating in the conduct of the activities described in paragraph 2 of this Article.

"4. The prohibitions of this Article shall not prevent the use of military personnel or equipment for scientific research or for any other peaceful purpose.

"5. All stations, installations, equipment, sea vehicles, machines, and capsules, whether manned or unmanned, on the seabed or in the subsoil of ocean space shall be open to representatives of other States on a basis of reciprocity. Such representatives shall give reasonable advance notice of a projected visit in order that appropriate consultations may be held and that maximum precautions may be taken to assure safety and to avoid interference with normal operations in the facility to be visited. All such facilities shall be open at any time to the Sea Guard of the United Nations referred to in Article VII of this Declaration.

"V—Prohibition against disposal of radioactive waste material in ocean space

"1. The disposal in ocean space of radioactive waste material shall be prohibited.

"2. In the event of the conclusion of any other international agreements concerning the use of nuclear energy, including the disposal of radioactive waste material, to which all of the original parties to the international agreement implementing these principles are parties, the rules established under such agreements shall apply in ocean space.

"VI—Limits of Continental Shelf

"In order to assure freedom of the exploration and exploitation of ocean space and its resources as provided in these principles, there is a clear necessity that fixed limits must be set for defining the outer boundaries of the continental shelf of coastal States. For the purpose of these principles, the term 'continental shelf' is used as referring (a) to the seabed and subsoil of the submarine areas adjacent to the coast but outside the area of the territorial sea to a depth of 600 metres, and (b) to the seabed and subsoil of similar submarine areas adjacent to the coasts of islands.

"VII—Sea Guard

"1. In order to promote the objectives and ensure the observance of the principles set forth in this Declaration, there shall be established as a permanent force a Sea Guard of the United Nations which may take such action as may be necessary to maintain and enforce international compliance with these principles.

"2. The Sea Guard shall be under the control and over-all supervision of the Security Council. The general location, degree of readiness, facilities, and employment of the Sea Guard shall be determined by the Security Council with the assistance of the licensing authority referred to in Article III of this Declaration.

"3. All Members of the United Nations shall provide to the Security Council, on its call and in accordance with a special agreement or agreements as referred to in Article 43 of the Charter of the United Nations, forces, assistance, and facilities necessary for the purpose of the establishment and maintenance of the Sea Guard.

"VIII—National laws to apply to crimes in ocean space pending international agreement on code of criminal law

"1. Unless otherwise provided by international agreement or in this Declaration, personnel of States and non-governmental entities of States and of international organizations engaged in activities in the exploration or use of ocean space shall be subject to the criminal jurisdiction of the United Nations in accordance with a code of law governing criminal activities in ocean space to be promulgated by an appropriate committee or other organ of the United Nations and ratified by each State in accordance with its constitutional processes.

"2. Jurisdiction over any crimes committed in violation of the code of law promulgated under paragraph 1 of this Article shall be vested in an appropriate tribunal to be instituted by the United Nations with approval by the Security Council in the manner provided by paragraph 3 of Article 27 of the Charter of the United Nations.

"3. Pending the adoption of a code of law and the institution of a tribunal pursuant to the provisions of paragraphs 1 and 2 of this Article, personnel of States and non-governmental entities of States and international organizations engaged in activities of exploration or exploitation in ocean space shall be subject only to the jurisdiction of the State of which they are nationals or the State which bears responsibility for their activities in respect of all acts or omissions occurring while they are in ocean space, unless otherwise provided for by international law or in this Declaration;

"*Recommends* that a Committee of the United Nations relating to the law of ocean space be established to prepare a draft international agreement to implement the principles set forth in this Declaration;

"*Requests* the Committee relating to the law of ocean space to report to the twenty-third session of the General Assembly on the progress of its work."

SOCIAL SECURITY AMENDMENTS OF 1967—AMENDMENTS

AMENDMENT NO. 446

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

AMENDMENT NO. 447

Mr. JAVITS (for himself, Mr. BROOKE, Mr. CLARK, Mr. KENNEDY of New York, Mr. KUCHEL, and Mr. SCOTT) submitted amendments, intended to be proposed by them, jointly, to House bill 12080, supra, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 448

Mr. ALLOTT submitted an amendment, intended to be proposed by him, to House bill 12080, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 449

Mr. ALLOTT (for himself and Mr. DOMINICK) submitted amendments, intended to be proposed by them, jointly, to House bill 12080, supra, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 450

Mr. WILLIAMS of Delaware (for himself and Mr. CARLSON) submitted an amendment, intended to be proposed by them, jointly, to House bill 12080, supra, which was ordered to lie on the table and to be printed.

ADDITIONAL COSPONSORS OF BILL

Mr. LONG of Louisiana. Mr. President, on behalf of the distinguished Senator from Minnesota [Mr. MONDALE], I ask unanimous consent that, at its next printing, the names of the Senator from New York [Mr. KENNEDY] and the Senator from Wisconsin [Mr. NELSON] be added as cosponsors of the bill (S. 2218) to clarify and otherwise amend the Meat Inspection Act, to provide for cooperation with appropriate State agencies with respect to State meat inspection programs, and for other purposes.

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

NOTICE OF HEARING ON RESOLUTIONS RELATING TO JURISDICTION OVER THE OCEAN FLOOR

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I wish to announce that the committee has scheduled a public hearing on two resolutions dealing with jurisdiction over the ocean floor. The resolutions are Senate Resolution 172, submitted by the Senator from Rhode Island [Mr. PELL] on September 29, 1967, and Senate Joint Resolution 111, introduced by the Senator from New Hampshire [Mr. COTTON] on September 19, 1967.

The hearing will be held on Wednesday, November 29, 1967, beginning at 10 a.m., in room 4221, New Senate Office Building. Persons interested in testifying on either of the above resolutions should contact Mr. Arthur M. Kuhl, chief clerk of the Committee on Foreign Relations.

NOTICE OF HEARINGS ON S. 316, S. 2589, S. 2590, AND S. 2592

Mr. TYDINGS. Mr. President, as chairman of the Subcommittee on Business and Commerce of the Committee on the District of Columbia, I wish to announce hearings on four bills dealing with consumer protection in the District of Columbia: S. 316, S. 2589, S. 2590, and S. 2592. The hearings will be held on December 5, 18, and 19, 1967. All hearings will commence at 10 a.m. in the District of Columbia Committee hearing room, 6226 New Senate Office Building. Any person who wishes to testify or submit a statement for inclusion in the record should communicate as soon as possible with the District of Columbia Committee, room 6222, New Senate Office Building.

The hearings at this time will not cover S. 2591, which deals with the right to cancel retail sales. The Senate Commerce Committee will, I understand, hold hearings very early in the next session on S. 1599, which would establish a Federal rule regarding cancellation of retail sales similar in purpose to S. 2591. I believe it is best to consider the results of hearings on S. 1599 before proceeding to hearings on S. 2591, to avoid unnecessary duplication of coverage.

PRESIDENT JOHNSON CITES EDUCATION GOALS IN THE DECADES TO COME

Mr. BAYH. Mr. President, yesterday, the President who has done more for the advancement of education than any other President in our history addressed himself to the educational goals that America must meet in the years ahead.

Speaking by telephone to an educational conference, President Johnson urged that the United States should increase from half to two-thirds the proportion of high school graduates who enter college. The President said:

> That is a goal we can reach; not just half of the high school graduates going to college; let us make a step and take on a program of seeing that two-thirds of them go to college.

By 1976, the 200th anniversary of the founding of the Republic, the President expressed the hope that we shall be able to "strike down the last financial barriers to higher education." He said:

> Let us make it a national policy that you don't have to be born rich to acquire training in this country, to acquire educational resources to get a college education.

The President urged educators to help answer the difficult questions that remain—

> How can the Government build on existing programs?

How can we find better ways to develop excellence in higher education?

How can we find ways to help colleges and universities with the costs of higher education?

These are indeed the major questions that lie ahead if we are to achieve a further breakthrough in our commitment to provide quality education for all of the American people who want it.

Under the President's leadership we have already achieved significant success. But, as the President said yesterday, much more remains to be accomplished. With the help and support of the Congress and the American people, those goals can be and will be achieved.

I ask unanimous consent that the full text of the President's remarks yesterday to the joint convention of the Association of State Colleges and Universities and National Association of State Universities and Land-Grant Colleges be printed in the RECORD.

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

REMARKS OF THE PRESIDENT TO JOINT CONVENTION OF THE ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES AND NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES DELIVERED BY TELEPHONE, NOVEMBER 15, 1967

Doctor Cornette, Doctor Jensen, college presidents and leaders of higher education: I want to thank you very much for your kind words and the citation you just referred to. I wish I could be there with you this morning, but I do have a busy day here. That is impossible.

Eric Hoffer said not long ago: "America is the only new thing in history." He touched on a theme that has been sounded by many observers, both native and foreign. But what really makes America new? That is what we want to find out. What makes America new? What makes America different?

The answers range far afield—and sometimes far astray: Skyscrapers are something different about America. Supermarkets and superhighways; mass production and mass consumption; the Melting Pot; rock-and-roll; chewing gum and soft drinks.

But a better answer, it seems to me, lies there with you this morning in your meeting; and in the purpose to which you leaders of our education are dedicated.

In England, 5 percent of the young men and women go to college.

In Germany, 8 percent. In France, 16 percent.

In the Soviet Union, 24 percent.

In America, 43 percent—compared to 5 percent in England, 8 in Germany, 16 in France, 24 in the Soviet Union. In the different America, 43 percent and it is still climbing.

Seven percentage points it has climbed in the last four years of which I am very, very proud.

For the first time in history, for the first time anywhere on earth, here in this different America is a land where the young person can set his sights on college with the real hope and expectation of getting there.

There is a world of social change summed up in this one sentence: More than half of the young Americans in college today—more than half of them—are the sons and daughters of men who never went to college.

No slogan of democracy, no battle cry of freedom is more stirring than the American parent's simple statement which all of you have heard so many times: "I want my child to go to college."

The working man wants his son to be a doctor; the salesman wants his daughter to be a teacher; the teacher wants her daughter to be a reporter; the housewife wants her boy to be President. She had better think twice about that one.

That rising ambition is one of the great stories of America today. In recent years the Federal Government has made many major commitments—I am glad to say—to help fulfill those ambitions which I have just recounted:

In the last two years, our Federal assistance to colleges and universities has doubled: from $2 billion to $4 billion in two years. The Federal Budget was just a little over $4 billion—the entire Federal Budget—when I came to Washington in Herbert Hoover's Administration. But it is up from $2 billion to $4 billion in the last two years.

Federal programs to help college students have increased by 1,000 percent—scholarships, loans and work-study groups: from $147 million in 1965—$147 million two years ago—to $1.5 billion this year—$1.5 billion to help college students.

Our commitment, therefore, is reasonably clear. I said shortly after I took the oath of President that one of my first goals would be to see that every boy and girl in this country got all the education that he or she could take.

We want every young man and woman to have all the education he can absorb.

But that commitment goes with a very high price tag:

For today, more than five million young people already are enrolled in colleges and universities.

In 10 years, there are going to be twice that five million—or 10 million.

This is equivalent to increasing enrollments by 50 percent in every single one of our existing colleges and universities—increasing them by 50 percent in 10 years—and then establishing 1,000 new colleges with 2,500 students each.

Even as the students crowd into the colleges and universities, the cost of educating them is growing.

In these days in Washington, that is one thing that is giving us a lot of trouble: The increased costs of the thing we are doing.

By 1975, unless we can ease this financial pinch some way, the annual gap between—the gap I am speaking of is income and expenses in higher education, will be as much as $9 billion.

Yet, as we weigh these costs, we will still hear ringing in our ears all the time the demand of the American parent: "I want my child to go to college."

Then I think, as leaders, you and I must ask ourselves, "What kind of a college do I want my child to go to?"

Even if we meet the challenge of quantity, what about quality?

Will that child be taught by an experienced qualified professor—or by an untrained assistant?

Will most of the professors be Ph. D's—or only a minority that have that training?

Will college offer a challenge to the student—or will it simply be a way to pass the time while waiting to grow up?

The decisions must come first from you who are leaders of higher education. You must do the planning and the deciding. That is one reason why I want to talk to you so much today.

College leaders must decide how to use resources more wisely: And that decision may—and I think will—upset some of the cherished old traditions:

Therefore as one who wants our era to be remembered as the education era, this morning I would urge you education leaders to:

One, experiment with new ways to extend the reach of the teacher without short-changing the student.

If this Congress does nothing else but pass the Public Television Bill and if we can concentrate in this country and around the world in the interest of educators in educational television, there will not only be reform but there will be real revolution in education.

Again, I think you ought to seek more support from private sources—and here I would say especially business because business benefits go directly from higher education; the better the education generally the better the profits.

Second, we talk about States rights. This is a right and an obligation as well. The States must make some hard—and courageous—decisions. They don't like to make them. But they must make them.

In the past ten years, the Federal share of total spending for education has already jumped from 16 percent to 24 percent—not quite doubled, just almost. But the share of support from State and local government has remained virtually unchanged and hasn't jumped a bit.

So some States and communities are carrying only a part of the burden that they must bear . . . The courage to tax for education should not be limited to lawmakers at the national level. It does take courage to tax.

You look at the polls on any fellow who recommends, who has enough courage to recommend that you do increase taxes in order to avoid inflation, and you will see what happens to that fellow if he takes the courage to recommend it.

A man more interested in his poll than he is in his people is not going to recommend the taxes for education.

So you must pick your leaders with courage and they must do what is right in the knowledge that ultimately the people will sustain them.

Finally, higher education in the next years I think will call for decisions from the Federal Government: momentous decisions—decisions from the President and from the Congress.

We are already—I think in the last four years—committed to do our part and a great deal more than anyone ever felt we would be doing four years ago. But what will be the size and what will be the shape of the Federal commitment for the future?

We are going to have to find answers to some of these difficult questions. You are going to have to help us provide the leadership to find the answers and the resolutions to those answers.

First: How can the Federal Government best build on the existing programs we already have to help students pay their way; to help colleges build facilities; to help pay the bills for research and graduate education? That is one of the difficult questions.

The second one: How can we find better ways to develop excellence in higher education? Dr. Gardner, who is in my Cabinet, is constantly talking about developing excellence. I am saying if that is high on your agenda of difficult questions to be answered, how can you—you leaders of higher education—find better ways to develop excellence in higher education?

Third; and I think really quite important: How can we find ways to help colleges and universities with the basic costs of higher education?

The time to begin looking at these difficult questions is yesterday. It is now, not tomorrow. I hope that before you leave there today you will enlist as an active participant in trying to help us answer some of these difficult questions.

Just down the road in 1976—it will be 200 years from 1776—we will mark the 200th Anniversary of our American Revolution.

I have just gone through Historic Virginia. I don't know whether you read about my being at Yorktown or not. I am sure you observed I attended church Sunday.

But as I went through this revolutionary country I was thinking about not the 200 years since 1776, but the next 100 years—the third century.

I am already asking some of America's most thoughtful men and women to draw up a blueprint for our third century—for the next 100 years—and this is going to be an important mammoth undertaking. I am going to ask them to give us a list of specific goals for the years to come—and an accounting of what they will cost.

So let us declare today three goals to be achieved before we even begin our third century in 1976:

By 1976, let us raise from half—from 50 percent—to two-thirds—66⅔ percent—the proportion of high-school graduates who enter college. That is a goal we can reach; not just half of the high school graduates going to college, let us make a step and take on a program of seeing that two-thirds of them get to college.

By 1976, let us strike down the last financial barriers to higher education. Let us make it a national policy that you don't have to be born rich to acquire training in this country, to acquire educational resources and to get a college education.

Let the father of a child who is born in a poor cabin with a purple vine growing around the door have an opportunity to get a college education just as the son of America's richest philanthropist.

By 1976, let us do these things—without any decline in the quality, or as Dr. Gardner would say, "in the excellence of higher education."

And let us say to each other today and to the nation: we have only begun to show mankind how broad our vision is—and how far we plan to go.

So let us get answers to these difficult questions:

How can the Government build on existing programs?

How can we find better ways to develop excellence in higher education?

How can we find ways to help colleges and universities with the costs of higher education?

And between now and 1976 let us raise from half to two-thirds the proportion of high school graduates who enter college;

Let us strike down the last financial barriers;

And let us do these things without any decline in the quality of higher education.

Those are goals worth embracing because as a leader in education—and as a leader in government in the early days of my State—one of our great men said that, "Education is the guardian genius of democracy. It is the only dictator that free men recognize and it is the only ruler that free men will accept."

So those of you who are the leaders in the education field have some goals and have some objectives. I want you to work with me and I want to work with you, not to get another plaque or another award, but to get these goals that I have just outlined realized in the time allotted to us.

I am sorry I cannot be there with you today. I am seeing Ambassador Bunker, General Westmoreland, and am having a lunch with Secretary Rusk and others.

I do have engagements that made that impossible. But I am happy that you are interested and I am grateful for your help.

Thank you, very much.

"THE SILENT PEOPLE" NO LONGER

Mr. MONTOYA. Mr. President, for these many years the Spanish-speaking people of our Nation have been silent. Although they have cried out in their own way, they were not heard. Yet by their very silence, they spoke volumes.

Now, throughout our Nation, and particularly in the southwestern part of the country, our Spanish-speaking citizens are moving forward. Their voices are often heard after all these years. Sometimes they are heard in protest against injustice. Always they are raised in favor of self-help and progress.

There is a stirring among them that is unique in their history. It comes like a ground swell, and is irresistible in its force, as it reaches out to and carries along almost all our young people. Suddenly they are aware that what suited the people of yesterday need not suit them today, and surely not tomorrow. It is as if a curtain had been brushed aside, and an entire new world had been revealed to them.

No longer are they "the silent people." No longer are they content to labor silently in a million fields. The time is forever past when they were content to stand silent at thousands of back doors. A time will never return when they are willing to wait silently at thousands of store counters.

Their eyes look up or forward, rather than down. Their hats remain on their heads, instead of being in their hands. Truly, a new age is upon us.

Throughout the area they are participating in new, vital programs that have brought so much new awareness to so many of them.

Many of these programs are successful. Some have had limited success. But most important of all, they have made them aware of themselves as people, and given them a new pride in an old heritage. It is enhancing their ability to contribute to this Nation. I take pardonable pride in their awakening. I seek to give impetus to their strivings. I wish to hasten them on their road to accomplishment.

These vast movings are all the more significant because our American dream has become even more meaningful to them. Their faith is deep and gives all the more impetus to their seeking. But it also carries within it the seeds of their frustration.

We must meet them halfway. We must let them know our land keeps faith with them, and will never turn its back on their just requests.

On October 27, in El Paso, a conference was held on Mexican-American Affairs. It sought to highlight the concern of this country for the progress of these citizens. It also sought to show what progress had been made, and what we could honestly expect from the future.

At that conference, the Vice President of the United States, the Honorable HUBERT H. HUMPHREY, spoke on these subjects in the most eloquent, compassionate and heartfelt manner. I believe that all here would gain from his remarks. For the benefit of those who have not had the opportunity of perusing them, I offer that speech for inclusion in the RECORD.

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

REMARKS OF VICE PRESIDENT HUBERT HUMPHREY, HEARING ON MEXICAN-AMERICAN AFFAIRS, EL PASO, TEX., OCTOBER 27, 1967

Seventeen months ago President Johnson established a Cabinet level committee on Mexican-American affairs.

When he appointed that committee, he said: "I am asking this committee to meet with Mexican-Americans to review their problems and to hear from them what their needs are, and how the federal government can best work with state and local government, with private industry, and with the Mexican-Americans themselves in solving those problems."

That is why we are here today. That is why we have to come to El Paso where we can hear from the people themselves.

The President requested results, not reports. We are here to discuss the future, not the past—the solutions, not the problems.

Those problems are already well-known:

The average Mexican-American earns less than half as much as other citizens of the Southwest.

His unemployment rate is almost double the average for this area.

He suffers historic injustices because his forefathers were driven from their Spanish and Mexican land grants.

His children usually attend segregated or semisegregated schools. They get, on the average, five years less of schooling than other Southwestern children.

They are often compelled to give up their native tongue. They cannot find their proud ancestors in the history books, or discover why there are great American cities called Los Angeles, Santa Fe, Corpus Christi and El Paso.

Yet most of these same people have been American citizens for generations—many of them since well before the Humphreys arrived from Scotland. They have played a vital role in building our cities, stretching our highways, reaping the harvest of our rich Southwest.

They have won a proportionately higher number of Medals of Honor in the defense of freedom than any other group of American soldiers.

And they have for too long been denied their fair share in American prosperity.

Mexican-Americans do not bear their burden alone. The same joblessness, poor housing, inadequate education and discrimination that add up to poverty here in the Southwest can be found in equal measure in urban ghettos and rural slums across America today.

Those painful inequities might have been unavoidable in the past. But today, when we have the wealth and the power to remedy them, they are indecent, unnecessary, unacceptable—unbearable.

The final conquest of poverty and blighted opportunity is the great unfinished business of America in the last third of the twentieth century.

I am confident that this hearing is going to produce some solutions—for several reasons.

First, our Mexican-Americans have clearly determined that they will do whatever they must to help themselves. We are witnessing a new awakening of *la raza* which, I believe, will bring some of the greatest social reforms this nation has yet known.

We have seen *la marcha* and *la huelga*.

We have seen great leaders emerge. One of those is a man of unselfish dedication and personal courage who has aroused the conscience of this nation: Caesar Chavez.

Caesar Chavez knows the pain of poverty. He knows the strength of religious faith and the power of non-violent protest.

He is one of the great leaders in America's struggle for a full ripening of democracy, and I salute him.

Then there are cooperative efforts like Operation SER, which is now developing employment opportunities and placing Mexican-Americans in jobs throughout the Southwest.

Ser means hope in Spanish. In English it stands for Services, Employment, Redevelopment.

No matter which tongue you use, the word means opportunity for Americans who have been too long denied it.

There is also project HELP—Home Education Livelihood Program—operating in 57 rural communities in New Mexico. HELP conducts pre-vocational education programs. It has started a credit union and health clinics for migrant workers.

Secondly, I am confident—and I am proud—because we already have some excellent and proven federal programs for progress designed to support the kind of grass-roots initiative that is taking place here in the Southwest. Indeed I believe that in the last four years more money, more energy, more vision and more concern have been given to this problem in Washington than in all the years of the preceding century.

You all know about President Johnson's friend Frank Mansera, last year's Head Start Child of the Year.

Frank entered a Head Start Program at the age of six but with the physical and mental development of a two-year-old. A health check showed a serious—but easily correctible—glandular deficiency.

Frank got his medicine and grew nearly six inches in the first year. He also got some help from a sympathetic teacher. Now he is off on a normal school career and the sky is the limit.

Frank is real. He represents 34 thousand Mexican-American kids who got an educational and health boost from Head Start last summer alone.

Then there is the Neighborhood Youth Corps. Ninety thousand Spanish-speaking youngsters have found jobs, training, and recreation because of it.

Five thousand young Mexican-Americans have learned productive skills which can give them a lifetime of rewarding employment in the Job Corps.

Special language programs and additional teachers for Spanish-speaking students are being provided under the Elementary and Secondary Education Act of 1965.

The Adult Basic Education Program is helping 50 thousand Spanish-speaking citizens learn to read and write their language.

There is the Migrant Opportunities program. There is the Advisory Unit on Mexican-American Education in the Department of Health, Education and Welfare.

And there are more Mexican-Americans than ever before in influential government posts where their special knowledge and insight can produce results—many of them are the leaders of this conference.

Finally, I am confident that we are going to get solutions because this country at large . . . not only the poor people . . . not only the minority groups . . . not only the government . . . but, I am convinced, the majority of Americans want solutions.

They are ready to extend a full and equal opportunity to every American. They are ready to support the federal programs to make that possible—even if some of their elected representatives are not.

In Washington not many weeks ago the Urban Coalition, a group of businessmen, labor leaders, representatives of non-profit organizations, and local governments resolved that "All representatives of the private sector in the Urban Coalition decisively commit themselves to assist the deprived among us to achieve full participation in the economy as self-supporting citizens."

Businessmen have responded across the nation to the need for jobs and on the job training.

Plans for Progress, an organization which is surely represented here today, has taken great strides in providing equal employment opportunity.

But this commitment to progress goes deeper. Housewives, workers, students, and businessmen in communities across this nation are devoting their time as VISTA volunteers, as Teacher Corps volunteers, as Foster Grandparents, as members of community planning and civil rights organizations—to build a better America.

The deprived citizens of America cannot solve their problems alone; and the government cannot provide the solutions for them. The solutions are going to come from a cooperative partnership between government and private citizens from all walks of life.

That partnership is now forming; it is gaining momentum.

This Administration is ready to respond pragmatically to any reasonable proposal to expand or alter its present programs.

It is ready to assist industries which will provide on-the-job training or establish factories in deprived neighborhoods.

It is ready to support initiative by non-profit groups and by businesses which will provide decent low-cost housing.

It is ready to do whatever Congress and the voters will afford to guarantee every American child a first-rate education.

So I urge you to think big. The problems are known. The resources are available in this rich country to overcome them.

The determination that those problems shall be solved is strong in the White House, and I believe it is strong in every city, in every town, in every slum and every ghetto of this country.

The task before you is to put those elements together into a prescription for success. That is the kind of solution this hearing must provide.

Finally, let me say a word about goals.

We are talking about something more complicated than poverty of the purse. And our purpose is grander than simply guaranteeing every Mexican-American the opportunity to achieve a decent American standard of living.

We are talking about providing a material basis on which a cultural tradition that is precious to America can grow and flourish.

That is a cultural tradition from which the world may expect another Murillo, el Greco, Velasquez, Rivera, Cervantes, Luis de Leon. It is the cultural tradition which has given us my very dear friend, Pablo Casals, and can give us more.

It is a tradition which includes a deep religious faith, strong family loyalities, warmth, friendliness, and respect for every man regardless of color or creed. This country admires and desparately needs that tradition today.

It is a tradition which gives us a vast reservoir of bi-lingual Americans at a time when, as never before, we need to talk to the 200 million other Spanish-speaking Americans who share this hemisphere with us. There are one and a half million Spanish-speaking U.S. citizens in school today who must become the Hector Garcias and the Raymond Telles' of the future.

We have the word of a great American who began his public career in a Cotulla, Texas, schoolhouse that those youngsters *will* have their opportunity:

"It was there in that school, at an early age, that my dream began of an America—my own land—where race, religion, language and color didn't count against you."

"And I made a decision then which I have reaffirmed every day since I have been in the White House—that if ever I had the privilege of holding public office, I would not rest:

"until every American, who wanted it, had a job to work at;

"until every child, who wanted it, had an opportunity to get all the education his mind could take;

"until every family had an opportunity to get a decent home in a decent neighborhood;

"until every single American had entered the open door to full participation in the life of America."

That is the pledge of President Lyndon Johnson.

IDA AND THE WORLD BANK

Mr. SPARKMAN. Mr. President, this morning I received an interesting letter from our former colleague in the Senate, A. Willis Robertson, who is now connected with the International Bank for Reconstruction and Development.

He calls my attention to a speech made by George D. Woods, president of the World Bank, in which Mr. Woods gives an interesting and highly informative report of the activities of the Bank and its two subsidiaries, IDA and IFC.

I think it would be interesting to all Senators to have the speech and the letter from Mr. Robertson printed in the RECORD, and I ask unanimous consent that that be done.

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

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,
INTERNATIONAL DEVELOPMENT ASSOCIATION,
Washington, D.C., November 13, 1967.

HON. JOHN SPARKMAN,
Senate Office Building,
Washington, D.C.

DEAR JOHN: I enclose a copy of a splendid speech made this morning in New York by George D. Woods, President of the World Bank, in which he gives an interesting and highly informative report on the activities of the Bank and its two subsidiaries, IDA and IFC.

I hope you will be willing to have this speech printed in the Congressional Record, especially in view of the fact that the foreign aid bill finally approved by the Congress will be the smallest in recent years, and perhaps $7–$800 million below the budget estimate. In those circumstances, it would be helpful for both the Congress and the public to know of the fine work being done by the Bank and its subsidiaries in the underdeveloped countries which, unfortunately, contain about one-half of the world's population.

I have learned through my association with the Bank how very efficient it is not only in appraising projects but in supervising their construction and their operation. The most helpful work it is now doing is in the field of technical advice and the encouragement to undeveloped countries to produce a climate favorable to private capital.

Sincerely yours,

A. WILLIS ROBERTSON.

Enclosure.

ADDRESS TO THE U.N. ECONOMIC AND SOCIAL COUNCIL

(By Mr. George D. Woods, President of the World Bank, the International Finance Corp., and the International Development Association, November 13, 1967, United Nations, N. Y.)

Mr. President and members of the Council, this year for the first time I am reporting to the Economic and Social Council less than two months after the Annual Meeting of the World Bank Board of Governors which was held in Brazil.

At that meeting I spoke of the environment in which the World Bank Group and other institutions engaged in economic development are operating. I pointed to the significant economic progress being made in many of the developing countries, but I also emphasized that real and serious obstacles are causing that progress to be slower than we would like.

Rather than to repeat today what I said then I arranged for my address to the Governors to be sent to each member of the Council. Today, I propose to talk chiefly about the World Bank Group: to report on some of the highlights of the past year, and to discuss the major activities within our institution.

During the fiscal year ended last June 30, the financing activities of the Bank, the

International Development Association, and the International Finance Corporation continued at a high level.

The Bank and IDA committed over $1.2 billion for economic development projects in 40 countries—about $100 million more than the year before. Disbursements reached an all-time high, exceeding $1 billion.

For IFC, last year was the most active in its history. Investments totaled almost $50 million, and were both larger in amount and directed to a broader range of enterprises than in the past.

So far in this fiscal year, the pace has continued. Between July and November the Bank and IDA have committed about $450 million and IFC has made investments totaling $27 million.

Although infrastructure projects—particularly power and transportation—continue to absorb the bulk of our financing, three other priority areas in development—agriculture, industry and education—are more and more becoming central concerns within the Bank Group. I want to speak briefly about our financing in each of these areas.

Agriculture is not only a central concern but a long-standing one. We have provided in total more than $1 billion for the agricultural sector, and in the last few years, the pace of our activity has quickened. At the end of 1963, we were working on 26 agricultural projects in various stages of preparation. Today the figure is over 80. So far in calendar year 1967 we have already committed about $200 million for agricultural projects—much more than in any previous comparable period.

In the Bank's early days, most of its direct assistance to agriculture took the form of loans for large irrigation and flood control works. But such projects are often too costly or too complex for many of our members, particularly the newer ones.

Two years ago, I reported to the Council that we had begun to "dig our fingers into the soil," making a deliberate effort to finance more projects which would have a direct and immediate impact on the farmer and the land. The kind of assistance we are trying to provide demands imagination and flexibility. There are enormous differences among our members—in soil and climate, custom and tradition, and willingness and ability to use new technologies. An approach suitable for one member is likely to be inappropriate for another. And so we have tried to accommodate our assistance to the varied circumstances of our prospective borrowers.

Let me illustrate. In Uganda, as elsewhere, almost all tea has until recently been grown on large estates. There we are helping to finance a program to expand tea production in small holder areas. About 5 thousand 5 hundred African subsistence farmers will be helped to grow a cash export crop. They will be provided with technical assistance in cultivation, with collection and processing facilities, and with credit.

In Cameroon, in contrast, we are assisting the expansion of an already large-scale plantation program, primarily for another export crop, palm oil. There the work of planting and cultivation will be performed not by independent farmers but by employees of the public corporation which operates the plantations.

In Tunisia and Iran, we are helping to implement land reform programs.

In Tunisia, subsistence small holdings are being merged with large blocs of government-owned land to form large-scale production cooperative units. Our financing will help to expand cooperative farming and will meet the foreign exchange cost of managerial and technical assistance.

In Iran, on the other hand, our assistance is taking the more customary form of support for the first stage of a long-term project to develop water resources and agriculture within a defined region. But although the project includes irrigation works, there are no massive dams or canal systems. Moreover, a very sizable component of our financing will be used to meet the cost of agricultural advisory, supply and marketing services, training of Iranian personnel and other technical assistance.

We have been devoting special attention to providing farm credit, particularly for medium and small farms. Sometimes we have helped to start an agricultural bank or a credit corporation, sometimes to strengthen an existing one. Increasingly we are seeking to mobilize local capital, designing a project so that not only the Bank Group and the government but also the ultimate beneficiaries participate in the financing. And where it is feasible, we seek to draw in private banking systems.

We are continuing and intensifying our assistance to governments in project identification and preparation. In this we are greatly assisted by the cooperative relationship established with FAO in 1964—a relationship which has become both closer and broader in scope. As one aspect of this cooperation, we have jointly selected those UNDP studies being carried out by FAO which look most likely to lead directly to promising investment opportunities. Over 40 studies so far fall into this category. We have arranged with FAO to follow these studies closely with a view to assuring that they produce the information which is essential for prompt investment decisions.

Better seeds, better equipment, improved farming methods, and adequate credit facilities are all prerequisites to greater production. But the availability of fertilizer to the farmer, at an economic cost, makes possible a particularly rapid gain in output. Its effective use, with increased water supplies, offers the best hope for the breakthrough in food production which will be necessary if world requirements are to be satisfied.

IFC, the institution within the Bank Group which evaluates industrial projects, has been giving particular attention to the possibilities of expanding chemical fertilizer production within the developing countries themselves. Last year, fertilizer projects occupied more of IFC's attention, and received more of its money, than any other business. Financing arrangements were completed for three new plants, in Brazil, Senegal and India, and there are seven major projects in the pipeline, all of which will call for Bank Group financing to supplement substantial capital from other external sources.

To give you some idea of the possible results from increasing fertilizer capacity, let me use India as an illustration. Over the last few years the average annual grain production in India has been about 80 million tons. To feed India's estimated population ten years from now, at nutritionally acceptable levels, would require doubling this production. Such a doubling from the same cropping area would in turn call for increasing present fertilizer nutrient consumption over the decade by 8 million tons of nitrogen, 4 million tons of phosphate and 2 million tons of potash. The capital investment in production facilities required to manufacture, within India, finished fertilizer containing these amounts of nutrients would be of the order of $2 to $3 billion—at least half in foreign exchange—depending upon the amount of semi-processed materials used as inputs. On the benefit side, the resulting increase in grain tonnage would have a value of approximately $5 billion a year, while the total value of the additional grain produced over the ten years, allowing for the build-up period, would be about $30 billion. These figures speak for themselves.

In some countries, there is intense political debate as to whether fertilizer plants should be in the public or private domain. In my view, such debate is sterile. Publicly owned fertilizer plants can certainly play an important role. Where we are convinced that they are soundly conceived and will be well managed enterprises, we will lend to them—as we did last year for a potash project in the Congo (Brazzaville). But in view of the magnitude of the capital requirements, as well as the need for access to modern technology, it is unlikely that the developing countries can approach the production targets they have set for themselves unless they succeed in attracting the major international oil, chemical and fertilizer companies to join in partnership with them in creating the new production capacity and particularly in training personnel necessary for its operation. The stakes are too high for the issue to be decided on other than strictly practical considerations.

Fertilizer production is by no means the only industry to receive financing from the World Bank Group. During the past year, we committeed over $400 million for a broad range of industrial projects and for development finance companies. In addition, the Bank opened a $100 million line of credit to IFC, the first since charter amendments permitting such loans. Already its effects are evident. Last year, IFC raised the size of its investments to an average of $4.5 million as against a $1.4 million average in its first decade. Three of its commitments—in Brazil, India and the Philippines—were for $10 million or more, compared with a previous high of about $6 million. As in years past, IFC brought in partners from the developed countries for many of its projects.

Our assistance to private development finance companies deserves special mention. Up to now, we have committed about $650 million to these companies which are designed to finance both medium-sized and large industries. But financial support is only part of the story. We have also helped to expand and reorganize some finance companies, to start others, to bring in foreign investors, and to find experienced management. We work closely with the newer companies in their investment operations. As they gain experience, our advisory role diminishes.

Essentially we are institution building—trying to help create organizations that will become generators of economic progress in their countries. Development finance companies provide medium and long-term loans and equity capital, underwrite securities issues, promote new enterprises, and help entrepreneurs in preparing investment proposals. They are also channels for associating foreign capital and technology with local investors. By helping to mobilize and direct domestic savings into productive activities, they can become an important element in a country's capital market. As local sources of industrial financing on a non-political basis, they can have a long-term impact, much greater than is suggested by the amount of the Bank Group's investment.

Basic to improved productivity in both agriculture and industry is the education of men and women who are qualified to run the farms, man the machines, and manage the affairs of societies in transition. That is why I attach so much importance to our efforts in lending for education.

Our investment in education is growing, thanks in no small measure to the cooperation we have received from Unesco, but it is still modest in relation to the totality of Bank financing. It is even more modest in relation to the manpower needs of developing countries. It will grow, but since it will always be only a small part of the total expenditure on education, we are attempting to apply our assistance where it will have the greatest multiplier effect.

Our criteria for financing education have not changed greatly since we began in this field in 1963. We are looking for projects that will make a relatively direct impact on the economic development of a country. This leads us to concentrate on the middle levels of education—mainly projects for moderniz-

ing and expanding secondary education, for technical training useful in industry, commerce and agriculture, and for primary and secondary school teacher training.

One of the problems we encounter most often relates to curriculum structure—to what is to be taught in the schools we finance. In many countries school systems have been slow to slough off their colonial heritage. Frequently these systems have but one aim: preparation for university entrance; and this does not change even when the secondary school output has overtaken the university input. In such cases, we try to persuade the country to adopt a diversified and modernized curriculum which also prepares students for entry into polytechnics, and provides terminal courses leading directly into jobs.

Education—which is normally one of the largest employers in any country—remains one of the few activities which has not undergone a technological revolution; despite the insistent demands of modernizing societies, schooling in most countries is still provided on a handicraft basis. This surely will not do. Today educational expenditures in many countries are increasing at about 10 per cent annually while gross national product grows at no more than 3 to 4 per cent. Where this is the case, education is likely to reach the limits of its allowable share of domestic resources long before it has begun to meet legitimate national needs and aspirations.

We need greater productivity in educational systems—a better relationship between input and output. And this I believe can be had by bringing what is taught and learned into line with what is needed; and by recognizing the potentials of new technology—particularly television. This will require training teachers so that, whether in the studio or the classroom, they are effective parts of this new technology; it will also require better planning and modern management; and, not least, it will require courageous political decisions which insure that, at any given stage of development, a country is educating the right numbers, at the right levels, and in the appropriate skills.

It is impossible to overemphasize the necessity of more and better planning and execution in the vast field of education. Results—a generation hence—in new developing countries which today give education a high priority as against military or other nonproductive expenditures, will be striking and important.

Now let me turn to some of our nonfinancial activities.

When the Bank was established, technical assistance was not foreseen as one of its principal functions. But we are now devoting a substantial amount of time, effort and funds to that activity. Our technical assistance always has an operational orientation—that is, we undertake it only where it may be expected to facilitate new capital investment in high priority projects. This includes the strengthening of institutions upon which member countries must rely for preparing and carrying out projects. I think we are succeeding in these objectives.

We recently analyzed all the completed sector and feasibility studies organized by the Bank. There have been some 37 of these, which we have either financed ourselves or carried out as Executing Agency for the UNDP. We found that these studies, for which we and the UNDP together had contributed some $15 million, have already led to more than $450 million of investments by the Bank Group. Moreover, some of the financing attributable to the sector studies is only the first step; additional investments are likely to follow. These studies have also been useful in pointing out that certain investments should not be made because the contemplated project would be technically unsound, uneconomic or premature.

Pre-investment studies are extremely complex. In normal lending operations we are simply required to pass judgment on the merits of a proposal already prepared. Pre-investment work, on the other hand, requires the kind of creative technical competence which can conceive and formulate such proposals. In addition, it takes a vigorous and constant effort to assure that not only the investment but also the institution-building potentialities of these studies are realized. As an example of how important these potentialities can be, let me cite the transportation study we started in Brazil two years ago. Initially the study involved the entire railway system of the country, three of its major ports, its coastal shipping, and highway development in four states. To work along with the foreign consultants selected by the Bank, the Brazilian Government formed a counterpart organization which is staffed with engineers and economists from a variety of domestic transportation agencies. The first phase of the study is now completed and phase two, which involves highway studies in fourteen states, was begun last January. The counterpart group formed during phase one has remained intact, is making a significant contribution to phase two, and, we hope, will continue to work for a long time to come. Certainly pre-investment activities of this type are far more valuable when what is left behind is not only a study but also a local institution with staff trained to carry out similar activities in the future.

When I spoke here last December, I reported the establishment of the International Centre for Settlement of Investment Disputes. Last February, its inaugural meeting was held in Washington. All 28 of the then contracting States were represented. As of today, 55 States have signed the Convention and 37 have deposited instruments of ratification. The wide interest shown by investors, as well as by governments, testifies to the potential effectiveness of the Convention and the Centre.

Another potentially important stimulus to development finance is a system of multilateral investment insurance, to provide essentially the same protection to private foreign investors against non-commercial risks that is presently offered under several national programs. A possible scheme is under discussion by the Bank's Executive Directors.

Still a different type of non-financial activity which has occupied much of our attention over the past few years is aid coordination. As I have previously reported to the Council, the Bank has organized aid coordinating groups for nine developing countries, in addition to the India and Pakistan consortia. Nineteen capital-exporting countries are associated with one or more of these groups, and we have also had the benefit of UNDP participation in their meetings. It has proved to be a delicate and sometimes difficult business to harmonize the concerns of the principal participants, but, nevertheless, all are benefiting. Industrialized country members are, I think, gaining a greater appreciation of the problems and obstacles to change which exist in particular developing nations. And on the recipient side, it seems to me that there is a new awareness that the quality of performance will largely determine—country by country—not only how effectively domestic resources are mobilized and invested, but also the level of assistance likely to be forthcoming from abroad. For the present, we intend to concentrate on improving the quality of existing coordinating groups. However, we are exploring a few possibilities for additional groups; one new one is likely to be created soon, and, over time, there will probably be others.

Another activity, also related to the strengthening of institutions, is the Economic Development Institute, now in its twelfth year of providing training for senior officials of our member governments. There are more than 700 graduates of the EDI who are moving into increasingly responsible positions all over the world—as Ministers, Vice Ministers, Governors of Central Banks, Presidents and Chairmen and Managing Directors of development financing institutions and public authorities. At our Annual Meeting I was pleased to note that 13 fellows of the EDI were present as Governors or Alternate Governors of the Bank or the Monetary Fund. Five fellows are now serving as Alternate Executive Directors of these two organizations.

One other non-financial activity I want to mention is an important study which we are just beginning. At the recent Annual Meeting, the Boards of Governors requested the Bank and the Monetary Fund to analyze the problem of the stabilization of prices of primary products, and the possible role each institution might play in finding solutions for that problem. We have completed the organization of a task force to work cooperatively with the Fund. On our side it will be headed by the Bank's Director of Special Studies, one of our senior officers.

Mr. President, these are the highlights of the World Bank Group operation. Over time we have built up a staff of experienced professionals whose knowledge about the problems and potentials of the developing countries is, I believe, unique, and whose services enable the Bank Group to contribute with dedication and with increasing effectiveness to the economic growth of its members.

Yet, what we can accomplish depends to a large extent on the environment in which we operate—and, as this Council knows full well, the present environment, in both developed and developing countries, is in many respects unfavorable.

Political instability is a basic cause of trouble. The last few years have seen political and military conflicts, internal and external, in numerous, widely separated parts of the developing world. The adverse effects are manifold: the attention of the governments of the poorer countries is diverted from constructive approaches to the problems of growth; private investors, both domestic and foreign, are frightened off; and the taxpayers and legislators of the industrialized countries question the wisdom and utility of providing finance for development, with consequent delays and reductions in appropriations.

A further unfavorable factor is the continuing slow increase in the export earnings of the developing countries. Trade is and must remain the chief source of foreign exchange for economic development—but we are yet to see the kind of effective action, on either side of the development equation, which is necessary to give a real push to the exports of the developing nations. Let me emphasize that this is not just a matter of the developed countries opening their markets more liberally to imports from the less developed ones—important as that is. It is also a matter of the developing countries adopting economic policies favoring the development of export industries, and then of painstakingly building up those industries to the point where they can assure buyers abroad of a *continuous* supply of goods of *uniformly high quality*. The development of export markets is no easy task, but where it has occurred, the results are impressive. They justify, fully, the long sustained efforts which are required.

Finally, of course, there is the basic problem of the inadequacy of public development finance from abroad. On this subject, my views are too well known to need repetition. I do want to urge the members of the Council, however, to give thought to the suggestion I advanced in Stockholm two weeks ago—that to dispel the mistrust, the frustration, the misunderstandings which plague the cause of development assistance today,

the leading experts in the world should meet together, study the consequences of 20 years of aid to development, assess the results, identify the errors and propose policies and procedures which might be more effective for the future. As I said in Stockholm, the World Bank is ready to help governments to organize and finance such an effort; to make available its store of information; and, if requested, to second staff to the group. Such a "grand assize" would, I am convinced, furnish us with a much firmer foundation than we now have for moving ahead in the 1970s. I believe copies of the Stockholm address have been distributed to you.

Meanwhile for the Bank Group the immediate problem of obtaining adequate funds for our operations continues—and it is increasingly serious.

On the World Bank side, our bond issues enjoy a good reception from investors. However, we can offer bonds only with the consent of the governments in whose markets they are to be sold. In our last fiscal year we encountered difficulty in gaining access to those markets. Of the $282 million of new money raised through the sale of long-term bonds, only $32 million was raised outside the United States. However, the clouds may be beginning to part. Last month we had a successful first public offering of bonds in Sweden amounting to the equivalent of $14.5 million. During the coming winter and spring, I have reason to expect that we will be offering bond issues in several European captal markets. In the United States market, we had a $150 million issue in August, and if our efforts in Europe are successful I would hope to obtain permission to sell another large issue in the United States before the end of our present fiscal year.

As to IDA, we still await the collective decision of the contributing nations regarding the replenishment of IDA's resources. The negotiations are disappointingly slow, but a series of meetings with officials of the donor countries is now under way which I trust will be fruitful. I am grateful for the helpful resolutions of support for IDA that have been forthcoming from ECOSOC, from UNCTAD's Trade and Development Board, and most recently from the Second Committee of the General Assembly.

The delay in the replenishment of IDA is beginning to be felt in a lack of finance for many worthwhile projects. IDA has a full pipeline of promising proposals from poor countries in the usual balance of payments difficulties. These countries have been learning to mobilize their resources effectively and can invest substantial amounts of external capital if available on appropriately concessionary terms. It is for these countries that the size and speed of IDA's replenishment are matters of urgency.

I trust that an agreement to replenish IDA—and at a much higher level than in the past—will soon be reached. In a very real sense, the measure of support given to IDA will be a test of the dedication of nations to the cause of development. Provision of significant new resources for the IDA operation will be evidence of a determination that momentum shall be maintained and opportunities for sound development shall not be lost for want of appropriate finance.

STATEMENT BY SENATOR DODD ON THE NEED FOR FIREARMS LEGISLATION

Mr. BAYH. Mr. President, the senior Senator from Connecticut [Mr. DODD] today issued a comprehensive statement on the need for firearms legislation. If it were possible, Senator DODD would have delivered this address in person in the Senate. Unfortunately, as the Senate is aware, his recent illness does not permit him to be present today. As a courtesy to the Senator from Connecticut, I ask unanimous consent that his statement be printed in the RECORD.

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

STATEMENT ISSUED FROM THE OFFICES OF SENATOR THOMAS J. DODD ON FIREARMS USED IN THE DETROIT RIOT OF JULY 1967, NOVEMBER 17, 1967

One subject that has received unprecedented attention in the Senate during the last six years is the wide-open sale and misuse of firearms of all descriptions to virtually anyone who has a few dollars to spend.

For my own part, I have called on Congress on a score of occasions to come to grips with the interstate traffic in firearms which has grown from a national scandal into a national debacle. It is certainly one of the most severe problems of our time, and it is worsening daily.

Congress can no longer deny an effective interstate gun control law to our decent law abiding citizens who each year in increasing numbers are preyed upon by criminals and the mentally unstable, not to mention the additional thousands cut down in "accidents" because weapons are in the hands of the unskilled, untrained or frivolous.

The situation has now gone beyond even that indefensible limit. On a dozen different occasions this year during riots and other civil disturbances in our cities we have heard subversives and extremists appeal to their followers to "arm" themselves, to join rifle clubs, to stockpile ammunition and explosives.

And the extremists and subversives did buy guns and ammunition and explosives and used them in riots across the land. In most cases it was no more effort for them to arm themselves than it was to buy a tennis racket or a baseball glove.

Nor was it any more expensive.

The result was that hundreds of innocent persons were shot in the riots, dozens of others died in accidents and fires, and hundreds of millions of dollars were lost in property damage as a direct result of firefighters and police being held off by hidden snipers who, once their crimes, were committed, simply abandoned their cheap rifles and pistols and disappeared to return another day with yet another firearm.

What more incentive, what last scintilla of evidence does Congress need to do what it should have done a long time ago.

Congress must ignore the pleas of a powerful lobby whose enormous success in preventing the passage of stronger Federal firearms laws has resulted in so much tragedy and listen to the pleas of the decent citizens of America who want safety and security for their families.

The Senate Juvenile Delinquency Subcommittee has recently completed 10 days of hearings on proposals to control the runaway interstate shipment and sale of firearms advanced by members of the Senate and the President of the United States.

When we went into these hearings, many members of the committee, including myself, felt that there was nothing new that we could learn from the witnesses.

We had already heard from scores of persons in past years on this subject. This notion was soon shattered by some of the most devastating holocausts to strike some of the great cities of this Nation in modern times. Our hearings began on July 10, 1967 and on July 12th, the City of Newark erupted into violent warfare. And from this explosion there appeared, as if uncorked by some mischievous genie, a product of 20th Century America, the *civilian sniper*.

This was only a small hint of what was to come later, in the City of Detroit, which was to further perfect the practice of self-immolation.

I would like to go back for a moment to July 18, 1967 at 3:30 p.m. in Room 5110 of the New Senate Office Building to a witness named William Cahalan who is the Prosecuting Attorney of Wayne County, Michigan.

Wayne County includes the City of Detroit.

The first paragraph of his statement was tragically prophetic and I would like to repeat it today.

Mr. Cahalan told the committee: "Effective law enforcement in Michigan, particularly in the County of Wayne, has been seriously hampered by the unlawful possession and illegal use of firearms brought into the State of Michigan by residents who are able to purchase these firearms with scarcely any restrictions in the State of Ohio, principally in the City of Toledo and its environs which is only a one-hour drive on the Expressway from Detroit."

Exactly 5 days after this statement at 3:30 a.m. in the City that Mr. Cahalan is sworn to protect, his words took on a new meaning. A simple police arrest ignited 6 days of killing, burning and looting that left huge chunks of the city looking like the worst of the World War II battle grounds.

And, in Detroit, the demon that was released in Newark grew to maturity and we reached what the Police Chiefs of America described to the committee as "the age of the Sniper."

I do not exaggerate the awesome nature of the civilian sniper. There is a great fear today in Detroit because of the unbelievable power that such a sniper can exert over a city of 3.5 million people. Law enforcement officers are concerned over the fact that a few dozen strategically placed snipers can immobilize an entire city and reduce the population to helplessness.

Routine life comes to a standstill.

Streets are empty.

Services necessary for health and welfare come to a grinding halt.

There are now teams of professional groups representing diverse interests studying the aftermath of the riot to determine who the snipers were, why they did what they did and perhaps what we can do about them.

And, this is what I address myself to today. It will take a long time to change the warped personalities of human beings who hide on a roof top with a gun and the desire to destroy fellow human beings.

There is not much we can do in a hurry to change these people. However, there is something we *can* do *now*, and that is to make it harder for these killers to obtain the weapons with which they carry out their bizarre tendencies.

I would like once again to refer to Mr. Cahalan's statement where he made an observation on rifles and shotguns and their misuse in his county. In speaking of the exemption of these weapons from Michigan State law, he said: "Since this latter group of firearms are more widely used for sporting purposes, and since their size makes them less practical for a crime than a handgun, the exemption seems appropriate. Additional legislation might be required in the State of Michigan if pistols become scarce and rifles and shotguns begin to be used more frequently in the commission of crime."

We intend to meet with Mr. Cahalan soon to discuss his current thoughts inasmuch as five days after his statement, rifles and shotguns were widely used, *not* for sporting purposes, but for the partial destruction of a great city from the roof tops and apartment buildings in the heart of that giant metropolis.

I wonder what the attitude is of the gun lobby that for years created a situation that allowed an admittedly tragic riot to be turned into a blinding holocaust.

I am sure that these self-appointed guardians of the 2nd Amendment will do as they have done in the past. They will resort to unfounded claims that the weapons of the

snipers were stolen, and, that any more controls over deadly weapons would serve no useful purpose.

In order to find out what the facts were, we sent staff members of the Delinquency Subcommittee to Detroit for 3 weeks beginning in the middle of the riot, to collect, sift and analyze as much information as possible about the guns used in this disaster.

I want to say here that the first person to offer his full cooperation and that of his staff was Mr. William Cahalan, the fine gentleman who gave the Congress a clue as to what might happen on July the 18th. His people worked closely with ours, as did the good officers of the Detroit Police Department and its Scientific Bureau which investigated all of the handguns seized from the rioters.

There was, of course, a great deal of confusion in the days during and immediately following the riot. The Detroit police force of 4,500 men processed 7,231 arrestees (including 703 juveniles) of whom 3,297 were charged with felonies.

There were 167 police officers injured and one shot to death. Eleven were actually shot by snipers and 16 others were injured as a result of snipers firing at police vehicles.

In addition, the police department had to concern itself with many of the 657 persons who were injured.

Five hundred and fifty-two fires put an additional burden on police who were called upon to protect firemen who, because of the sniping, had what was described as the "most hazardous job of all."

Despite this overwhelming task, officials of the police and district attorney's office cooperated to the fullest extent and supplied the Committee with the case histories of 450 persons arrested during the riot who had violated various firearms laws of the City of Detroit or the Governor's curfew.

We have analyzed these cases and the facts speak for themselves.

Certain conclusions are inescapable.

Let me first focus on the 267 handguns many of which were taken from known killers, robbers, thieves and looters. And, I do not make this statement lightly, for the names of these persons were checked with the Metropolitan Police Department of Detroit and the Federal Bureau of Investigation and this is exactly what over half of the arrested rioters and looters were. Persons who, even in the absence of *any* rational gun controls, should never have had these weapons in their possession.

The laws of the State of Michigan require a permit to purchase a handgun and that they be registered, yet, two hundred and seven of the guns found in the possession of these people were not registered. Of the sixty guns that were registered, 38 were taken from individuals who had the weapon in their possession without the knowledge or consent of the owners. A review of the arrest records reveals that dozens of these people, as Prosecutor Cahalan testified, purchased these guns in Toledo, sometimes months or only days prior to the riot. They were, in the main, the "Saturday Night Specials," the cheap, foreign-made or military surplus handguns that are wreaking such havoc on law enforcement officers in this country.

The names of these weapons crop up with dulling repetition.

The owner of one of the 147 foreign made handguns seized from rioters stated: "I bought the gun in Toledo, Ohio, 6 months ago."

The familiar Walther P–38 was taken from a young lady who said she purchased it 5 days before her arrest in Toledo, Ohio, and did not register it.

Toledo, of course, is just the major symptom in the Detroit area of the farce that is made of the Michigan law because *that* state cannot prevent its residents from buying weapons in another state.

For example, the handgun most despised by all of our big city police departments, and another gun well known to the Subcommittee, the 22 calibre "Rosco," was taken from an arrested person who had purchased the pistol in Chicago months before the riot.

In conclusion, the great majority of the handguns seized from rioters were purchased out-of-state, were not registered and were many times in the possession of known criminals with lengthy arrest records. Eighteen of these pistols and revolvers were taken from persons under 21 years of age, persons who would have been denied these weapons under the legislation pending in Congress for the past 4 years.

If I took the time to read some of the prior arrest records of these rioters to my colleagues in the Senate, they would find it hard to believe that we have allowed the situation to deteriorate to the absurd level where known felons with records of assault with intent to kill, violations of weapons laws, armed robbery and homicide, repeatedly avail themselves of the criminal's favorite tool, the handgun.

There were actually cases where rioters arrested with guns had been recently paroled to Detroit. Some were not to be released from parole until as late as 1969. Some had been convicted of murder or manslaughter.

Aside from the riot, the impact of handguns on the crime picture in the City of Detroit is demonstrated by the statistics provided to me on those weapons handled by the Crime Laboratory of the Detroit Police Department.

In 1963 they processed 4,297 handguns.

In 1966 there were 10,083 such weapons analyzed.

And for the first 9 months of 1967 including the riot which added 267 to the total, there have already been 11,019 handguns processed by the police laboratory in the City of Detroit.

And, we must remember that for every gun they see, there are untold numbers they have no knowledge of.

In view of the recent boom in gun sales which the Detroit Police Department described to the Subcommittee, we can expect this appalling situation to continue at an even greater pace in the months and years to come.

And what of the rifles and shotguns and the "sportsmen" who used them? Witnesses during our recent hearings in outraged anger castigated the Subcommittee, the Congress and the President for implying that these weapons would never be used by anyone other than a deer hunter or a trap shooter.

Let them try to convince the National Guard, the Paratroopers, the Detroit Police and the Michigan State Police of this.

Let them try to convince the terrified citizens of Detroit who spent nights sleeping under their beds because hidden assassins were wildly firing into the darkened neighborhoods of the riot zone.

As Mr. Quin Tamm who represents the police of America told the Subcommittee on August 1, 1967, the long gun has taken its place in 20th Century crime with a demolishing force.

Police officers in the precincts in the heart of the riot zone told Subcommittee staff members that, for the first time in memory, seizures of long arms surpassed those of handguns.

During the official riot period, there were 280 rifles and shotguns confiscated from snipers and a veriety of criminals, hoodlums and scatter brains.

There were 2,533 firearms stolen during the riots and I am sure the gun runners will claim that the rioters used stolen guns and that we really don't need to concern ourselves with weapons controls.

They said this after the Watts riot in 1965.

They said it after the New Jersey riot in June.

But the facts in Watts, and in New Jersey, and in Detroit prove that the gun lobby is wrong.

For example, of the 267 confiscated handguns only 9 were reported as stolen. Arrest records indicate that the bulk of the stolen firearms were taken along with other items as part of the general looting, and not with the express purpose of using them in the rioting. Many of the persons arrested with stolen rifles or shotguns among their loot had not stolen ammunition for them.

I would like the gun runners to read the arrest records and see the statements I have seen such as the gentleman who got *his* rifle and loaded it because, as he put it he "wanted to go sniping and kill a police officer." A character like this might have ended up with a "Sniper Charge" against him but these, dangerous as they were, were the easy cases, the drunks and the lunatics. The police and National Guard told the Subcommittee staff that the *bulk of the snipers were never apprehended.*

Of the 100 snipers estimated by enforcement people in the field, only 26 persons were actually arrested and charged with the offense of sniping. Yet, there were 32 persons shot by snipers; 5 of them fatally, including 4 innocent citizens and one fireman. 16 policemen and 1 fireman were injured as a result of accidents caused by sniper fire.

36 additional innocents were shot by "unknown persons," 6 fatally. Many of these were also sniper shootings.

Most of the snipers knew what they were doing. They obviously had escape routes previously planned or they would simply meld back into the apartment community from whence they came. But many times they left one thing behind, their weapon.

And that weapon was, in most cases, a rifle.

On the afternoon of July 27th, members of the Subcommittee staff were in one police precinct whose officers along with units of the Michigan National Guard, had been pinned down for 2½ hours by a sniper from the top of a neighborhood apartment. When the troopers finally stormed the roof top all they found was a cheap military surplus rifle with its barrel still hot.

This is a new breed of "hunters" in the great state of Michigan.

We do not have as much information on the long guns as we do on handguns because firearms traffickers have succeeded magnificently in depriving Michigan authorities, and the authorities in other states, of the basic minimum laws necessary for a civilized society to determine who bought what deadly weapons, when and at what place.

The direct result of their blind zeal in protecting wide-open firearms sales is that known criminals, addicts and mental patients along with extremists fomenting civil unrest can arm themselves virtually at will with a weapon of their choice from an unlimited arsenal.

Scores of gun owners themselves, when arrested, freely admitted that the weapons were theirs and that they had owned them for some time.

Even stronger evidence that these people have possessed guns for years is, again, the fact that their arrest records show repeated violations of Michigan's firearms laws.

Hundreds of arrests for carrying unregistered handguns, armed robberies, carrying concealed weapons and a whole host of weapons offenses is pretty convincing evidence to me. These rioters were not simply poverty stricken, normally law abiding citizens turned into gun experts overnight who broke into stores and not only armed themselves but had the expertise to select the right kind of ammunition for a particular weapon, load it and shoot it.

Yet, this latter proposition is one the gun runners would have us believe.

I submit it is a proposition that is difficult for reasonable men to accept.

We have additional evidence on the ownership of guns used in riots given us by police authorities in other cities. The Juvenile Delinquency Subcommittee sent questionnaires to every Police Department in cities where riots occurred during the last 2 years.

Comments of some of the Chiefs of Police add further proof to my charge that weapons used by snipers and rioters are not looted weapons.

Colonel Howard A. Franklin, the Chief of Police of Providence, Rhode Island, wrote the Subcommittee and stated:

"I can state that all firearms were in the possession of the snipers prior to the disturbance. This is certain because there were no stores looted of firearms of any type."

Mr. Anthony A. Bosch, the Chief of Police of Toledo told the Subcommittee:

"The majority of the weapons were acquired by the individuals before the disturbance occurred. There were no weapons stolen during the disturbance."

Of significance in the Toledo riots which ran parallel in time to the Detroit riots, Police Chief Bosch told the committee:

"One of the persons arrested on a weapons charge admitted he came to Toledo, Ohio, from Detroit, Michigan for the purpose of purchasing guns he intended to sell in Detroit."

One wonders what explanation the myopic gun runners will conjure up to explain such testimony and evidence that has accumulated as a result of exhaustive checks by the nation's police departments.

From the hundreds of police records that the Subcommittee staff analyzed concerning firearms crimes during the Detroit riots, we isolated 241 cases where the gun owners flatly admitted owning the gun or where circumstances surrounding their arrests with these weapons left no doubt that *these were not looted firearms.*

52% of these gun toters had prior criminal records and this is only based on a preliminary investigation. 60 of this 241 were known felons, many of whom had records dating back to the 1930's and 40's and who had murder in their past and murder on their minds.

73 of this 241 had lengthy misdemeanor convictions of a variety of crimes not including traffic offenses. The fact that large numbers of these offenses involved firearms crimes is strong evidence of the fact that these weapons were taken from *habitual "gun toters."*

The facts in these incidents are incontrovertible. There is no need to belabor them.

Congress must move in this matter. It *is* possible to shut off the free and easy access to firearms now enjoyed by the criminal, the habitual drunk, the addict, and the mentally deranged.

If Congress enacts effective controls over the interstate sale of firearms then at least one source of guns will be removed from the criminal. He will no longer conveniently drop a few dollars in an envelope to a mail order house and anonymously receive a first class "manstopper" as one dealer described his surplus military pistol or a "long shot summer" sniper's rifle.

"Strong gun laws won't deter the criminal," lobbyists say, because "he will steal a gun." At present, the criminal, bent on grandiose criminal schemes, has no need to inconvenience himself with the "petty" theft of a gun. Further, I feel it is reprehensible to use such an argument to obfuscate and to confuse the issue.

It is clear enough to me. I say pass the law and enforce it.

Inconvenience the criminal a bit.

We have heard extremists call for armed revolt in our cities. Congress should not continue to convenience the extremists with a law that makes the purchase of firearms by a sniper no more complicated than the purchase of a bus ticket to the scene of a riot.

Organizations of sportsmen, business and industry and their hired lobbyists, all of whom have a financial or emotional interest in firearms laws, know better than anyone else that strong and effective firearms legislation can be enacted without interfering with either the rights or the pursuits of legitimate sportsmen and decent citizens.

To date, when these organizations have appeared before our Subcommittee opposing strong firearms legislation their position all too often was left to stand on pumped-up platitudes or distortions of the word "freedom."

And the result, however well-meaning their intentions, was that selfish interests were served while violence with guns was encouraged.

It is time that we all pulled together and gave more thought to public safety, to the policeman and the fireman in the street whose job is already dangerous enough.

It is time we gave more thought to the 150 million Americans who in repeated National polls see effective firearms laws as no threat to their Constitutional rights.

Congress must lend an ear to the decent people of this country.

They plead for the safety of their families.

They want safe streets.

They are concerned about their homes and their communities.

And they do not want to see them turned into a battlefield, so that they, themselves must use shotguns or rifles in self defense.

These people have not appointed the gun lobby as their spokesmen. When they go to the polls they speak for themselves.

These decent people are legion, and they should not be ignored by Congress.

TASK FORCE ON TRAVEL—THE ISSUE

Mr. JAVITS. Mr. President, in his Economic Report sent to the Congress in January 1967, the President announced his intention to appoint a special industry-Government task force to make specific recommendations on how the Federal Government can best stimulate foreign travel to the United States.

Yesterday, the President finally appointed his Task Force on Travel—I am very pleased to note the distinguished business leaders including outstanding New Yorkers who have accepted this appointment. I ask unanimous consent that the list indicating the members of the travel task force from industry and from the Government be inserted at the end of my remarks.

For many years both as a Member of the House and of the Senate I have had a deep interest in the travel problems of this country and was one of those who helped found the U.S. Travel Service. For the past several years I have strongly urged effective Government measures to help remedy the steadily expanding travel deficit and fought in the Appropriations Committee to increase the agency's appropriations. Even with the great financial handicaps under which it has been forced to operate since its inception, the U.S. Travel Service has done an excellent job in promoting foreign tourism and in contributing to the earnings of this country from foreign travel in the United States.

On July 20, 1965, during the first session of the 89th Congress I introduced a bill with the cosponsorship of Senators HARTKE, LONG of Missouri, MCGEE, SCOTT, CANNON, WILLIAMS of New Jersey, BREWSTER, PEARSON, BIBLE, and CLARK, which would have greatly expanded the responsibilities of the U.S. Travel Service to promote foreign travel to the United States and for developing a coherent national travel policy, to coordinate present travel activities of the Federal Government, and to strengthen its role as a coordinator of the Government's liaison with State and private tourist organizations. For this purpose, the bill would increase the Travel Service's budget to $15 million annually and it would authorize a national inventory of domestic travel resources to lay the groundwork for a long-term national travel program. In effect, the President's task force on travel could very well do an initial job in this area provided it is adequately financed. My bill would have provided up to $2½ million for such a special study and I hope that the work to be done by the President's task force will have at least this much financing.

There is a tremendous job ahead to be performed by this task force. It is obvious to anyone familiar with this problem that the efforts by government and by business today in the travel area have been inadequate both in absolute terms and relative to the job being done in other important developed nations. There must be tremedous improvement made in the facilities provided for our foreign visitors, in attracting these foreign visitors to this country, and in handling these foreign visitors once they arrive. There is a much better job that must be done to coordinate the millions of dollars that are being spent by various agencies at different levels of government relating to travel so that duplication may be avoided.

There is need to establish within the Federal Government a preeminent voice in the area of travel. And most importantly, a much better job must be done to increase congressional and public awareness of the importance of travel to our economy and our balance of payments and as a means of communication between our people and other peoples. Congress today, especially the House Appropriations Committee, has refused to provide the one agency in the Government that has done an effective job in the area of travel with adequate funds. I consider this aspect of the travel task force's study and recommendations as one of the most important ones.

I ask unanimous consent that the White House announcement, my bill, S. 2305, along with recent statements I made on this subject, may be printed at the conclusion of my remarks. I strongly urge members of the task force to pay very close attention to this bill which is a result of extensive consultations with wide segments of the travel industry and which I believe contains much that must be done to put the United States on the road to being a first-class travel nation.

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

STATEMENT BY THE PRESIDENT, NOVEMBER 16, 1967

President Johnson today announced the appointment of an Industry-Government Special Travel Task Force to make specific recommendations as to how the federal government can best increase foreign travel to

the United States and thereby improve our balance of payments. A reduction of the travel deficit, which arises when Americans spend more in travel abroad than foreigners spend in travel here, will make an important contribution to our balance of payments.

Robert M. McKinney of New Mexico will serve as working chairman of the Task Force. Former U.S. Ambassador to Switzerland McKinney had served on an earlier Balance of Payments Task Force which recommended ways of promoting foreign investment in the United States. The Travel Task Force membership includes distinguished leaders in the fields of travel, transportation, public relations, entertainment, publishing, hotel keeping, education and public service.

The President in his Economic Message in January 1967 announced his intention to appoint this Task Force to advise as to ways of dealing with the problem of our balance of payments travel deficit. The travel deficit has continued to increase in recent years and it amounted to $1.6 billion in 1966. In his Economic Message the President noted that the most satisfactory way to arrest this increasing gap was not to limit American travel abroad but rather to stimulate and encourage foreign travel to the United States.

The Special Travel Task Force will supplement the already existing Cabinet Task Force on Travel of which Vice President Hubert H. Humphrey is the Chairman.

President Johnson has asked that the Special Travel Task Force do more than prepare a program that will meet our balance of payment objectives. The President has asked that the Special Travel Task Force build into its program ways and means that will insure that more and more foreign visitors truly learn to know our country and our people. It is the view of the President that increased opportunities for contacts between Americans and visitors to the United States will inevitably and beneficially broaden the areas of mutual understanding between the peoples of the world.

The President expressed the hope that the members of the Task Force would bear in mind his remarks made on August 11, 1965, when he said:

"All Americans are really heirs of travelers who originally came here from far across the seas to cast their lot in this great country of ours. What we want now is for that tradition to be honored. We want Americans to travel. We want our friends from other lands to travel. Now we aren't trying to discourage travel any place—we never have. There have been some misconceptions in that regard. But we are trying to encourage more travel to see more of the wonders and beauties of this vast and marvelous land of ours.

"And we feel in doing that we will not only build a better country and a better people, but we will also make great contributions to our own industry and to our own system."

The President has asked the Special Travel Task Force to report to him no later than the early part of next summer.

A list of the Industry and Government members of the Special Travel Task Force follows:

MEMBER, BUSINESS AFFILIATION, AND ADDRESS

Robert M. McKinney, Chairman, The New Mexican, Inc., Santa Fe, New Mexico.

William Bernbach, President, Doyle, Dane, Bernbach, New York, N.Y.

Daniel J. Boorstin, Professor of History, University of Chicago, Chicago, Illinois.

John A. Burns, Governor of Hawaii, Honolulu, Hawaii.

Edward E. Carlson, President, Western International Hotels, Inc., Seattle, Washington.

Howard L. Clark, President & Chief Exec. Ofcr., American Express Co., New York, N.Y.

Arthur Frommer, President, Arthur Frommer, Inc., New York, N.Y.

Frank Hildebrand, Director, Texas Tourist Development Agency, Austin, Texas.

Frank N. Ikard, President, American Petroleum Institute, New York, N.Y.

John H. Johnson, Editor and Publisher, Johnson Publishing Co., Chicago, Illinois.

Willis G. Lipscomb (retired), Vice Pres., Traffic & Sales, Pan-American World Airways, New York, N.Y.

Winston V. Morrow, Jr., Pres., Dir. & Ch. Exec. Ofcr., Avis Rent A Car System, Inc., Garden City, N.Y.

William D. Patterson, Vice President and Secretary, Saturday Review, Inc., New York, N.Y.

Gerald Shapiro, Vice Pres. and General Mgr., Hertz Rent A Car Division, New York, N.Y.

Lew R. Wasserman, President, Music Corp. of Amer., Universal City, Calif.

Anthony M. Solomon, Asst. Secretary for Economic Affairs, Dept. of State.

Winthrop Knowlton, Assistant Secretary for International Affairs, Department of the Treasury.

Harry M. Shooshan, Deputy Under Secretary for Programs, Department of the Interior.

Donald G. Agger, Assistant Secretary for International Affairs, Department of Transportation.

Charles S. Murphy, Chairman, Civil Aeronautics Board.

Andrew F. Brimmer, Member of Board of Governors, Federal Reserve System.

John W. Black, Director, United States Travel Service, Department of Commerce.

S. 2305

A bill to amend the International Travel Act of 1961 in order to promote travel in the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the International Travel Act of 1961 (22 U.S.C. 2121–2126) is amended—

(1) by striking out the first and second sections and inserting in lieu thereof the following:

"That it is the purpose of this Act to strengthen the domestic and foreign commerce of the United States, and promote friendly understanding and appreciation of the United States by encouraging foreign residents to visit the United States and by facilitating international travel generally, and by otherwise encouraging and facilitating travel within the United States (including its possessions for the purposes of this Act).

"SEC. 2. In order to carry out the purpose of this Act the Secretary of Commerce (hereafter in this Act referred to as the 'Secretary') shall—

"(1) formulate for the United States a comprehensive policy with respect to domestic travel;

"(2) develop, plan, and carry out a comprehensive program designed to stimulate and encourage travel to and within the United States for the purpose of study, culture, recreation, business, and other activities and as a means of promoting friendly understanding and good will among peoples of foreign countries and the United States;

"(3) encourage the development of tourist facilities, low-cost unit tours, and other arrangements within the United States for meeting the requirements of all travelers;

"(4) foster and encourage the widest possible distribution of the benefits of travel at the cheapest rates between foreign countries and the United States and within the United States consistent with sound economic principles;

"(5) encourage the simplification, reduction, or elimination of barriers to travel, and facilitation of travel to and within the United States generally;

"(6) collect, publish, and provide for the exchange of statistics and technical information, including schedules of meetings, fairs, and other attractions, relating to travel and tourism; and

"(7) establish an office to be known as the Office of Travel Program Coordination, which shall assist the Secretary in carrying out his responsibilities under this Act for the purpose of (A) achieving maximum coordination of the programs of the various departments and agencies of the United States Government to promote the purposes of this Act, (B) consulting with appropriate officers and agencies of State and local governments, and with private organizations and agencies, with respect to programs undertaken pursuant to this Act, and (C) achieving the effective cooperation of Federal, State, and local governmental agencies, and of private organizations and agencies, concerned with such programs.";

(2) by inserting before the period at the the end of section 3(b) the following: "and shall not otherwise compete with the activities of other public or private agencies";

(3) by inserting "(a)" after "SEC. 4", and by inserting at the end of such section 4 a new subsection as follows:

"(b) The Secretary may appoint two assistant director for the purpose of this Act. Such assistant shall be compensated at the rate provided for GS–18 in the Classification Act of 1949.";

(4) by redesignating sections 5, 6, and 7 as sections 6, 7, and 8, respectively, and by inserting after section 4 a new section as follows:

"SEC. 5. (a) The Secretary shall establish a National Tourism Resources Review Commission. Such Commission shall be composed of fifteen members appointed by the Secretary from among persons who are informed about and concerned with the improvement, development, and promotion of United States tourism resources and opportunities or who are otherwise experienced in tourism research, promotion, or planning. The Secretary shall appoint a chairman from among such members. The Commission shall meet at the call of the Secretary.

"(b) The Commission shall make a full and complete study and investigation for the purpose of—

"(1) determining the domestic travel needs of the people of the United States and of visitors from other lands at the present time and to the year 1980;

"(2) determining the travel resources of the Nation available to satisfy such needs now and to the year 1980;

"(3) determining policies and programs which will insure that the domestic travel needs of the present and the future are adequately and efficiently met;

"(4) determining a recommended program of Federal assistance to the States in promoting domestic travel; and

"(5) determining whether a separate agency of the Government should be established to consolidate and coordinate tourism research, planning, and development activities presently performed by different existing agencies of the Government.

The Commission shall report the results of such investigation and study to the Secretary not later than two years after the effective date of this section. The Secretary shall submit such report, together with his recommendations with respect thereto, to the President and the Congress.

"(c) The Secretary is authorized to engage such technical assistance as may be necessary to assist the Commission, the Secretary shall, in addition, make available to the Commission such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Commerce as the Commission may require to carry out its functions.

"(d) Members of the Commission, while serving on business of the Commission, shall

receive compensation at a rate to be fixed by the Secretary, but not exceeding $100 per day, including travel time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"(e) There is authorized to be appropriated not to exceed $2,500,000 for the purpose of this section."

(5) by striking out "$4,700,000" in the section redesignated as section 7 and inserting in lieu thereof "$15,000,000"; and

(6) by striking out "International Travel Act of 1961" in the section redesignated as section 8 and inserting in lieu thereof "International and Domestic Travel Act".

MAJOR U.S. TOURISM EFFORT ESSENTIAL

Mr. JAVITS. Mr. President, I send a bill to the desk to expand the U.S. Travel Service in order to increase domestic travel, and to make it the focal point for all U.S. activities related to the expansion of domestic and international travel. It will be remembered that the U.S. Travel Service is confined to encouraging foreign travelers to travel in the United States.

I wish to pay tribute to the Vice President of the United States, who has taken an extraordinary leadership in this matter and brought about an arrangement for voluntary private action, through the "See the USA" program, providing $500,000 from private enterprise, in the so-called Discover America project which is to develop a nationwide campaign to publicize travel within the United States.

The reason for introducing the bill is that it is very clear to me that the problem is very much greater than this voluntary effort, standing alone, would develop, and it needs action, at a far greater increase in terms of time and on a broader scale than would be the result of the efforts for which the Vice President has been responsible to date.

The bill is necessary because:

First. The present U.S. effort to close the so-called travel gap, which adversely affects our balance of payments to the extent of an estimated $1.6 billion annually is not adequate; foreign visitors here do not find the advanced facilities for foreign guests that are available in practically all major travel centers of the world.

Second. Funds now being spent by a dozen agencies of the Government for the encouragement and promotion of tourism within the United States are not coordinated sufficiently.

Third. There is a great need for a national inventory of domestic travel and tourism needs, and for the development of plans for the future development of this, the third largest industry in the Nation.

Fourth. Extensive State and local efforts in the field of domestic travel and tourism need to be coordinated and facilitated.

The bill introduced today would:

First. Provide for an expanded U.S. Travel Service with a director appointed by the President, with the advice and consent of the Senate, and responsible directly to the Secretary of Commerce. The director would have two deputies, one responsible for the promotion of foreign travel to the United States, and the other responsible for the administration of the domestic travel program. The functions of the new domestic travel program would be to develop a coherent national travel policy: to coordinate present Federal travel-related activities; to encourage construction of new tourist facilities within the United States and, to coordinate and act as the Federal Government's liaison with State and private tourist organizations.

Second. Increase funds for the national travel program to $15 million; $10 million to be allocated to encourage foreign tourists to visit the United States and $5 million to begin the proposed domestic travel program.

Third. Authorize a national inventory of domestic travel resources to lay the groundwork for a long-term national travel program. The bill calls for the creation of a 15-member National Tourism Resources Review Commission to be appointed by the Secretary of Commerce among private citizens knowledgeable and experienced in the travel field.

I hope very much the administration and my congressional colleagues will study this bill with the greatest care, and will support it.

Mr. President, I ask unanimous consent to introduce the bill out of order. I ask also that the bill lie at the desk for a week to permit other Members of the Senate an opportunity to cosponsor it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie at the desk as requested.

The bill (S. 2305) to amend the International Travel Act of 1961 in order to promote travel in the United States, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Commerce.

Mr. JAVITS. Mr. President, I have a few brief remarks on this subject. One of the big problems facing our country is the problem of the balance of payments. I have addressed myself to that problem many times. One of the biggest efforts we can make to reduce our balance-of-payments deficit is to reduce the difference between what the United States earns from and what it pays out for international travel, which in 1964 added $1.6 billion to that deficit. This is the so-called travel gap. That imbalance of payments, through we are not undergoing it at the present time, will soon show up again, according to expectations and probabilities.

The time has now come to mount a major national effort with an eye on the overall aspects of tourism, both as it pertains to the effort of attracting foreign tourists to our shores and as it touches upon a need, which is becoming clearer every day; namely, to gear up this Nation for increasing travel by Americans in America.

The travel industry has hardly touched its potential: 80 percent of our people have never been in an airplane; 80 million Americans took no trip anywhere last year; and more than half of our people have never been more than 200 miles from home.

The U.S. travel industry, composed of thousands of hotels, motels, resorts, airlines, national parks and forests, gas stations, seashores, restaurants, is one of our most important national resources. It is a $30 billion industry, ranking as third largest behind manufacturing and agriculture. It is vitally important as an employer of 6 million individuals, 3 million directly and an additional 3 million indirectly, many of them unskilled and semiskilled; as a source of profits to investors and owners, as a source of tax revenue both to the States and the Federal Government. A vigorous domestic travel industry is also vital as the most effective means of dealing with the so-called tourism gap—the difference between money spent by U.S. tourists overseas and foreign tourists in the United States.

By promoting foreign and domestic travel effectively at the National, State, and local levels, we will be in a much better position to attract foreign tourists, confident, for example, that when they arrive they will be able to convert their curency easily at points of entry and in the larger cities, that they will be able to find officials and employees in the hotel and transportation field capable of speaking their language, that the natural and manmade wonders of our country will be made available to them with the least possible difficulty. In short, that they will find facilities awaiting them, similar to the facilities and services available to foreign visitors in Europe for the last half century.

The responsibility to own, invest in, and to promote and manage our travel industry belongs to the private sector. The responsibility to encourage, assist, and to act as a catalyst and spearhead for our travel industry rests with the National, State, and local governments in cooperation with private industry.

Since the end of World War II, European countries, Canada, and Japan, as well as developing countries, have embarked on large-scale efforts to increase foreign travel to their countries, as well as to increase travel within their borders. They realized early the enormous earnings potential of travel and as a source of employment and tax revenues. With this realization in mind, budgets for travel promotion have risen each year.

A few statistics will demonstrate what is at stake here: In 1963, international travel accounted for $8.355 billion in the flow of world trade, of which U.S. tourism generated $3.19 billion, Western Europe, $4.05 billion and the rest of the globe $1.015 billion. Close to 8 million Americans spent this $3.19 billion in Canada, Mexico and to a lesser extent in Europe and the Mediterranean. Some 90 million foreign visitor arrivals were recorded by 68 countries in 1963, including 6 million in the United States earning for the United States $1.05 billion in that year. Here it must be noted that of the 8 million Americans traveling abroad, 6 million traveled in Canada; and of the 6 million visitors here, 5 million were Canadians.

The United States is a late starter in the competition for the foreign traveler. It was not until the creation of USTS in June 1961 that the United States Government seriously started to promote foreign travel to our shores. This effort has been extremely successful as is demonstrated by the steep rise in foreign travel to the United States since the USTS went to work. On a budget that has reached $3 million only in the current fiscal year, the USTS has succeeded in increasing foreign travel to the United States by 17 percent in 1962, 22 percent in 1963, and by over 30 percent in 1964.

According to information supplied by John Black, the director of USTS, to the House Banking and Currency Committee on November 30, 1964, the estimated number of foreigners whose income level would permit a visit to the United States is 3.5 to 4 million as compared to the 1 million or so who have visited this country from overseas, excluding Canada. It is therefore quite clear that the USTS budget should be sharply increased if an effective travel promotion campaign is to be mounted by the United States.

It is rather obvious that before an effective national effort can be mounted to fully exploit the potential of travel in the United States there must be developed a focal point within the Federal Government to orchestrate the activities of the Government in travel and tourism.

If anyone today attempts to discuss the problem of improving our American travel resources with official Washington he would find it impossible to find any one agency involved with the broad aspect of travel. There is an agency to promote foreign travel to this country, another to encourage outdoor recreation. The Agricultural Department is encouraging farmers to build campsites. Interior is helping Indian reservations to create tourist attractions. ARA is lending money for tourist development in distressed areas. Interior has National Parks and Agriculture, National Forests. The Commerce Department established transportation policy and so do a number of independent agencies.

More than a dozen Federal departments and agencies spend millions of dollars on travel and tourism functions. Departments or agencies not already named include the Forest Service, the U.S. Army Corps of Engineers, the Tennessee Valley Authority, the

Bureau of Sport Fisheries and Wildlife, the Bureau of Outdoor Recreation, the Civil Aeronautics Board, the Interstate Commerce Commission, the Bureau of Public Roads and the Armed Forces. The need is obviously great for a center coordinating body which can at least think about the overall state of the American travel industry.

Providing the specialized facilities and services needed by foreign and domestic visitors must also be considered. There is a great need for taking a national inventory of our national travel resources and assessing its adequacy over the next decade. A new initiative must be taken to establish a close relationship between our national efforts to promote domestic and foreign travel in the United States and the efforts of the States.

Such an inventory would be the responsibility of the National Tourism Resources Review Commission which is authorized by the bill I introduce today. The Commission, whose members would be experienced in the tourism and travel industries, would bring into focus our current resources and facilities and help draft long-range plans for the future.

Under my bill, the Commission would be provided with a budget of $2.5 million and would be ordered to report to the President and the Congress within 2 years. The staff of the U.S. Travel Service would be authorized to assist the Commission, but expert consultant hire would also be authorized.

Among the problems that should be considered by the Commission in the course of its study are two which are of vital interest to the travel industry itself: Whether a separate Federal agency should be created to consolidate and coordinate the tourism research, planning and development now handled by many different departments, offices, and agencies; and whether it would be practical to establish a matching-fund program to assist the States in developing their own promotion and facilities improvement programs.

The administration has recently started to deal with this problem in earnest. In March 1965, President Johnson appointed Vice-President HUMPHREY as Chairman of a special Cabinet task force on travel to develop a positive program to encourage foreign travelers to come to the United States and to stimulate greater travel by our own citizens. The task force supported an increase in the budget of U.S. Travel Service from $3 million to $3.5 million. The House cut this request to $3 million, and U.S. Travel Service is now attempting to get $500,000 restored in the Senate. It also supported legislation to reduce from $100 to $50 the duty allowance of returning travelers. I believe that this piece of legislation was uncalled for, would have been of little consequence in balance-of-payments terms, but could have caused great harm to international travel. As a result of strong opposition in both the House and the Senate—in which I played an active part—the duty-free allowance of returning travelers was left at $100 retail and the law was made permanent.

Congress also authorized the President in August 1964 to appoint an unpaid national chairman to coordinate the efforts of private industry in carrying out the purpose of the "See the U.S.A." program. The chairman of the program, Robert Short of Minneapolis, was appointed in May and with strong support from the Vice President mounted the Discover America, Inc. project which will publicize travel within the United States with $500,000 in contributions obtained from key segments of the travel industry.

Efforts by private organizations to cope with this enormous and complex industry have been commendable but successful only in a limited area—public relations, advertising and publicity within the United States. This is a job which under our constitutional form of government should be left in private hands. This is how objectives of the U.S. Travel Service are carried out and this is how "See the U.S.A." program is implemented.

At the same time I want to make it entirely and unmistakably clear that I do not think that public relations job financed with $500,000 in private contributions can ever solve our travel problems nor could it provide for an adequate national travel program. This is a job which calls for Federal initiative and financial support. It is a job that calls for an inventory of our travel resources and needs so that our private travel industry can invest and make its own plans with a clear idea of where the opportunities lie in the decade ahead.

This, I feel the bill I am introducing today will do, and I urge that it receive the closest attention of the Congress.

I am offering this measure as a result of a longstanding interest, for I cosponsored, with the Senator from Washington [Mr. MAGNUSON], chairman of the Commerce Committee, the bill to establish the U.S. Travel Service in 1961. It followed a longtime effort in which I had been engaged in since 1953, when I was chairman of a subcommittee of the Foreign Affairs Committee of the House of Representatives on international economic cooperation, which developed the whole aspect of travel as a major element in our international financial affairs in respect to foreign policy.

Mr. President, I ask unanimous consent that various exhibits relating to this matter be made a part of my remarks in the RECORD.

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

"EXHIBIT 1

"TRAVEL PROMOTION EXPENDITURES OF 20 COUNTRIES AS COMPARED TO THEIR GROSS NATIONAL PRODUCT AND GROSS EARNINGS FROM TRAVEL [1]

"Country	Travel promotion expenditures	GNP	Gross earnings from travel
Austria	$892,000	$7,666,000,000	$503,000,000
Belgium	2,000,000	13,900,000,000	(2)
Canada	3,700,000	15,375,000,000	609,000,000
Denmark	600,000	7,970,000,000	164,000,000
Finland	700,000	5,810,000,000	(2)
France	4,500,000	79,360,000,000	808,000,000
Germany	1,500,000	94,200,000,000	688,000,000
Great Britain	7,000,000	84,170,000,000	619,000,000
Greece	[3] 12,400,000	4,367,000,000	91,000,000
Ireland	3,100,000	2,265,000,000	165,000,000
Italy	2,900,000	45,100,000,000	1,000,000,000
Luxembourg	92,000	525,000,000,000	(2)
Mexico	4,500,000	15,375,000,000	656,000,000
Netherlands	870,000	14,400,000,000	(2)
Norway	360,000	5,638,000,000	78,000,000
Spain	2,000,000	14,970,000,000	939,000,000
Sweden	481,000	15,560,000,000	(2)
Switzerland	2,000,000	11,630,000,000	560,000,000
Turkey	2,000,000	6,975,000,000	8,300,000
United States	3,400,000	583,900,000,000	1,005,000,000

"[1] Information as pertains to the year 1963.
"[2] Not available.
"[3] Including hotel maintenance costs.
"Source: OECD report, 1964, U.S. Travel Service.

"EXHIBIT 2

"Budgets of Federal agencies dealing with some aspects of travel, fiscal year 1966 [1]

Fish and Wildlife Service	$52,169,500
Bureau of Indian Affairs	206,264,000
Bureau of Land Management	64,236,000
National Park Service	119,668,000
Bureau of Reclamation (estimate)	327,883,000
Army Corps of Engineers civil works program, fiscal year 1965	1,253,748,200
Bureau of Outdoor Recreation	128,398,000
Area Development Administration	73,200,000
Forest Service	360,000,000

"[1] Funds available for travel promotions or facilities used by travelers are contained within these budgets.

"EXHIBIT 3

"EXPENDITURES OF STATE GOVERNMENTS FOR TRAVEL PROMOTION, 1964

"State	Biennial budget	Annual budget
Alabama		$355,500
Alaska		389,600
Arizona		150,880
Arkansas		640,227
California		None
Colorado		305,692
Connecticut	$60,000	30,000
Delaware		30,000
Florida		1,000,000
Georgia		475,211
Hawaii		[1] 1,100,000
Idaho		[2] 157,344
Illinois	500,000	250,000
Indiana		(3)
Iowa		50,000
Kansas		[2] 273,000
Kentucky		680,000
Louisiana		[2 4] 236,000
Maine		325,123
Maryland		177,264
Massachusetts		100,000
Michigan		691,096
Minnesota		[4] 183,847
Mississippi		377,850
Missouri	192,621	96,310
Montana		126,000
Nebraska	125,000	64,500
Nevada		50,000
New Hampshire		274,500
New Jersey		149,000
New Mexico		216,630
New York		720,635
North Carolina		450,000
North Dakota	125,000	64,500
Ohio		None
Oklahoma		402,000
Oregon		600,000
Pennsylvania		526,000
Rhode Island		123,070
South Carolina		225,000
South Dakota		408,000
Tennessee		375,000
Texas:		
Texas Tourist Development Agency		126,146
Texas Highway Department, Travel Information Division		310,000
Utah		150,000
Vermont		213,639
Virginia	1,193,495	596,747
Washington	692,234	346,117
West Virginia		161,000
Wisconsin		420,000
Wyoming	402,288	201,144
Total		15,368,581

"[1] Paid by State to Hawaii Visitors Bureau.
"[2] For advertising and promotion.
"[3] No budget.
"[4] Approximate.

"Source: '1964 Development Advertising Reports,' edited by Ruth H. Long

"EXHIBIT 4

"PARTIAL LIST OF PRIVATE TRAVEL ORGANIZATIONS PROVIDING PRIMARY TRAVEL INDUSTRY FUNTIONS IN THE UNITED STATES

"American Automobile Association (A.A.A.).

"American Hotel & Motel Association (A.H. & M.A.).

"American Motor Hotel Association (A.M.H.A.).

"American Petroleum Institute (A.P.I.).

"Air Transport Association of America (A.T.A.).

"Hotel Sales Managers Association (H.S.M.A.).

"National Association of Motor Bus Owners (N.A.M.B.O.).

"National Association of Travel Organizations (N.A.T.O.).

"Rail Travel Promotion Agency (R.T.P.A.).

"Trans-Atlantic Passenger Steamship Conference.

"Trans-Pacific Passenger Conference (steamship).

"EXHIBIT 5

"U.S. TRAVEL SERVICE BUDGET AND STAFF

"Fiscal year	Budget	Size of staff in District of Columbia	Overseas	Number of offices
1962	$2,500,000	26	20	7
1963	3,350,000	28	44	9
1964	2,600,000	27	43	9
1965	3,000,000	31	42	9
1966:				
House allowance	3,000,000	30	50	11
Senate appeal	3,345,000	30	50	11

"Source: U.S. Travel Service."

OUR INADEQUATE NATIONAL TRAVEL PROGRAM

(Remarks of Senator JACOB K. JAVITS prepared for delivery at the annual meeting of the Finger Lakes Association, Yates County, N.Y., May 11, 1967.)

The United States is the most affluent nation on earth and contains about as wide a variety of natural and man-made wonders as you could ever expect on this earth, and yet, we are not a first-rate tourist nation.

This statement seems incongruous when you visit this beautiful section of New York that has so much to offer to please almost every taste in recreation. But it is true that the Federal Government has never, and is not now, doing what could be done relatively inexpensively to realize the full potential of the tourist industry.

Lest anyone think that under-utilization of this national resource is unimportant, let me point out that the lack of an effective national tourism policy—a failure in which the Congress as well as the Executive must share the responsibility—has contributed greatly to our international balance of payments crisis and has ignored the opportunity to provide hundreds of thousands of new jobs for the unskilled and the semi-skilled, the very people we are trying to help under other Federal programs.

I have introduced legislation that would greatly increase the effectiveness of the U.S. Travel Service in attracting foreign visitors to this country and in interesting these visitors to come to areas like the Finger Lakes region. The bill would also provide $5 million for a domestic travel program and $2.5 million for a high-level study of all our domestic tourist resources.

The U.S. travel industry, composed of thousands of motels, hotels, resorts, airlines, national parks and forest, gas stations and seashores, is a $30 billion industry, third largest in the nation ranking behind manufacturing and agriculture.

It is vitally important as the employer of 6 million people—3 million directly and 3 million indirectly—as a source of profits to investors and owners, and as a source of tax revenue to local, state and Federal government.

And yet, we have done little on the national level to use the potential of this industry to help us overcome the relentless growth in the U.S. travel deficit—the difference between what we as a nation earn from tourism and what our citizens spend overseas for travel. For 1966, our travel deficit totalled $1.8 billion, or $130 million more than in 1965 and $260 million than in 1964 and there is every expectation that this deficit will widen this year.

The principal blame for this state of affairs must be placed at the doorstep of the present Administration. Thus far our government has felt, and rightfully so, that the best solution to the mounting U.S. travel deficit lies in the direction of constructive, positive measures, rather than in the direction of restricting the rights of U.S. citizens to travel abroad freely. However, absence of restraint is not a policy and the efforts of the Congress and the Administration to date in the positive direction have been inadequate and therefore unsuccessful.

The U.S. Travel Service carries the principal responsibility for promoting foreign travel to the United States on a budget of $3 million, which is a fraction of what other governments are spending on travel promotion. For several years the U.S. Travel Service's request to increase its budget to $4.7 million, has been refused by Congress and to date the Administration has been unable to persuade its large majorities in the Congress to support such a minimum increase in funds.

Also, the Administration has failed as yet to appoint a special Industry-Government Task Force called for by the President in February to develop major recommendations by May 1 on how the Federal Government could best stimulate foreign travel to the United States.

Time is running out. If we cannot deal with our travel deficit through positive measures then we will have no alternative but to consider the imposition of restrictions on travel, which would result in damaging consequences to our international commerce and to our world leadership.

There is much that we can do on the positive side. Let me indicate a few areas where such action could be productive.

1) It is essential that at least the $4.7 million requested by the U.S. Travel Service be approved by Congress. In fact, the Travel Service should be given a substantial increase in funds—a budget of $10 to $15 million—so that it would be in a position to increase its overseas operations, to advertise more extensively, to increase its knowledge about potential foreign travelers to the United States, and to make plans for the future. The Travel Service should be given statutory authority to coordinate the present Federal activities related to travel. In the domestic area, I would like to see a comprehensive study conducted of our national travel resources.

2) The efforts of private industry such as "Discover America" Program, the National Association of Travel Organizations and other segments of this industry should be coordinated. What is needed is a single industry-wide position as to what we can do to adequately inform Americans and foreigners alike of the wonders of our nation and to create adequate facilities for the tremendous increase that is to come in both domestic and foreign travel within the United States.

3) It is imperative that the President immediately appoint members of the Travel Task Force so that at last a beginning could be made in establishing an adequate travel program for the U.S. Government. I very much hope that the Task Force will be given adequate time to develop effective recommendations and would recommend—as I have recommended in my own bill—that a high-level industry commission be established to make a study of our national travel resources.

I would also like to have the task force consider the practicality of establishing a matching-fund program to assist the states in developing their own promotional facilities improvement program. Specifically, I would like it to consider the establishment of a $2 million matching fund to assist the states in developing foreign language versions of their promotional materials for international use, that is, for distribution overseas by the U.S. Travel Service.

I am convinced that our travel problem is soluble through a creative partnership between private enterprise and Government. Neither can do this alone. The record proves this. The travel industry, in my judgment, has made only what amounts to a modest beginning in terms of the billion-dollar problem facing us. The primary responsibility for the development of American tourism is that of private enterprise, and I see the Government's role as that of catalyst and coordinator. I am all for "Discover America," "See the U.S.A.," or any other slogan designed to awaken the American public to the sights and pleasures of our nation. But in the end what counts is whether the effort put behind these slogans is adequate to do the job. This certainly has not been the case to date.

I hope that with cooperation between government and the travel industry—including organizations such as yours—we will at least begin to utilize to the greatest possible extent this great national resource.

OUR INADEQUATE NATIONAL TRAVEL PROGRAM

(Remarks of Senator JACOB K. JAVITS, prepared for delivery at the U.S. Travel Conference of the National Association of Travel Organizations, Washington, October 10, 1966)

Faced with a relentlessly growing travel gap which is materially worsening our balance of payments problems and which may even lead to restrictions or international travel by U.S. citizens, the Administration has responded with bold words but with little action. This is one of the gravest and yet most remediable of the Administration's failures in foreign economic policy!

Unfortunately, it must also be said that the response of the travel industry itself has not been as effective as it could be.

First, let's consider the response of the Federal Government to the challenge of the travel gap, currently estimated to be causing an adverse effect on our international balance of payments of $1.9 billion for this year. This deficit was $1.7 billion in 1965, and $1.6 billion in 1964.

The U.S. gives the U.S. Travel Service a budget of $3 million, a staff of 82 in 11 overseas offices and tells it to create a flood of foreign tourists to this country. The Administration also launched a Discover America Program, with a budget of a half-million dollars to encourage domestic travel, apparently in the hope that this will help convince our people to spend their travel money at home.

In addition, and despite its large majorities in the House of Representatives, the Administration has seemingly been unable to get its members to grant the USTS the $4.7 million it requested for the next fiscal year—$1.7 million above last year's budget. The matter has not yet been settled in the Senate, but even if the Senate votes a higher amount than the House, it will still have to contend with the House-proposed bill.

The Discover America program is now 18 months old, and while it can point to some initial successes, it has not made a dent in the problem and will apparently be unable to do much more in a fundamental way in the future.

Why?

Because our national travel effort is not being adequately researched, financed and led.

Because the Administration permitted—even encouraged—the further fragmentation of the already amorphous U.S. travel industry at a time when it should have encouraged its greater cohesion.

Because it gave no encouragement whatever to the Senate Commerce Committee to hold hearings on a bill—sponsored by 3 Republicans, including myself, and 8 Democrats—which could provide solutions to at least some of our travel problems.

Thus far our government has felt, and rightly so, that the best solution to the travel gap lies in the direction of constructive, positive measures rather than in the direction of restrictions on the right of U.S. citizens to travel abroad freely. However, absence of restraint is not a policy and our efforts to date in the positive direction have been inadequate and therefore unsuccessful.

Rightly or wrongly the world is getting impatient with our persistent balance of payments deficit and we must do something about it in the near future. If we cannot deal positively with the travel gap, which is a

major contributor to the U.S. balance of payments deficit, then we will have to do it through restrictions on the free movement of money or by reducing our world responsibilities. This would gravely damage our commercial interests and our world leadership and jeopardize peace and security everywhere.

Therefore let us dispense with half measures, cut out ineffective programs and mount an immediate, well-financed and well coordinated attack on the travel gap.

First, it is essential that the $4.7 million requested by USTS for FY 1967 be appropriated by Congress.

Second, hearings should be held as soon as possible by the Senate Commerce Committee on S. 2305, the travel bill I introduced with bipartisan cosponsorship, and on the overall U.S. travel problem. These hearings were promised 14 months ago.

Third, I believe there should be a major study of U.S. travel resources and policies, in order to lay the basis for an effective domestic and foreign travel promotion program. Ideally, the study should be privately financed and sponsored through the U.S. Travel Advisory Committee.

Every modern industrialized nation in the world has a national tourist office to serve as the focal point of the country's efforts to attract foreign tourists to its shores. They not only do this because tourism is a very lucrative source of income for these nations but also because they realize that tourism is an effective way to establish communications between peoples. We are latecomers in the competition for the world tourist trade and therefore our efforts should be proportionately much greater than those of others.

Our travel problem is soluble through a creative partnership between private enterprise and government. Neither can do it alone. The record to date proves this.

I already described the shortcomings on the part of the Government's efforts. The travel industry, through NATO, "Discover America," and its various component industries, have made only what amounts to a modest beginning in terms of the billion dollar problem facing us. It must also assume part of the blame for failing to devise an appropriate solution to the problem of the ever-widening gap between our tourism earnings and expenditures.

It is my firm conviction that the primary responsibility for the development of American tourism is that of private enterprise and the government's role must be confined to that of catalyst and coordinator. I am all for "Discover America," "See the USA" or any other slogan designed to awaken the American public to the sights and pleasures of our nation. But in the end what counts is whether the amount of effort put behind these slogans is adequate to do the job.

The bill I introduced last July calls for a balanced program of private and government effort. It is cosponsored by Senators Hartke of Indiana, Long of Missouri, McGee of Wyoming, Scott of Pennsylvania, Cannon of Nevada, Williams of New Jersey, Brewster of Maryland, Pearson of Kansas, Bible of Nevada, and Clark of Pennsylvania. The bill is designed principally to attract foreign travelers to the U.S. but it would also encourage travel within the United States by Americans, through an expanded and strengthened United States Travel Service with a budget of $15 million. This expanded USTS would be in a position to increase its overseas operations, to adopt modern methods through the use of computers, etc., to advertise more extensively, to compile comprehensive travel statistics and to plan for the future. It would be given statutory authority to coordinate present Federal travel related programs. In the domestic field, it would develop a coherent national travel policy, encourage the construction or expansion of new travel facilities within the United States and act as the Federal Government's link with state, local and private tourist development organizations.

The bill would also authorize $2.5 million for a comprehensive study of our national travel resources and policies and would empower a National Tourism Resources Review Commission, composed of prominent travel experts, to oversee this study and to make recommendations as to the adequacy of our resources and our travel policies over the next decade.

As I have already indicated, I would strongly favor private enterprise undertaking this study through the U.S. Travel Advisory Committee of USTS. The important point is that the study is badly needed. It should be made by private enterprise if possible, but, if not, then by government.

Two very important questions could be answered by such a study, in addition to others I already mentioned: (1) Whether an independent Federal agency should be established as our national travel office or a private organization should be given a Federal charter to do the job; and (2) whether it would be practical to establish a matching fund program to assist the States in developing their own promotion and facilities improvement programs.

Time for a positive effort to deal with our travel gap and our balance of payments is running out. Let us demonstrate that we remain wedded to the principle of a world increasingly free of restrictions and that we retain the capacity to deal with our problems on this basis. I am confident that we do have this capacity, so let us begin.

WASHINGTON STAR ENDORSES MONTOYA MEAT INSPECTION BILL

Mr. MONTOYA. Mr. President, as the debate over how best to insure adequate meat inspection throughout the Nation has mounted, the major, influential newspapers of the Nation have taken their stands.

It is essential that they do this, for they can and do serve now, as they have in the past, as significant indicators of and forces for progress on behalf of the people of the Nation.

One of those newspapers, the Washington Star, has long had a solidly based and well-earned reputation for journalistic honesty, in-depth probing of social issues and outspoken advocacy of intelligent reform.

On Thursday, November 16, 1967, this newspaper, in an editorial, spoke out on the meat inspection question. Its editorial is in the tradition of this paper, and advocates meat reform in the shape of my bill, S. 2147.

I certainly welcome this much-needed and well-taken support, and offer this editorial for inclusion in the CONGRESSIONAL RECORD for the enlightenment of any of my colleagues who might have missed it earlier.

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

NEW MEAT-INSPECTION LAWS

There has been a federal inspection law on the books for 61 years protecting consumers from contaminated and diseased meat sold in interstate trade. But that by no means guarantees a housewife that what she buys at the store is safe to eat, for the law only covers such food when it crosses a state line. If the food is sold in the state where it's produced, it's up to local authorities to protect buyers.

Eleven states have no meat inspection laws at all. Thirteen others have only "voluntary" controls. And as U.S. Agriculture Department inspectors have pointed out in reports made public this year, the filthy conditions at many local packing houses are nothing short of appalling.

The inspectors' testimony before a Senate Agriculture panel a few days ago is a damning indictment of state regulation—or lack of it—over the industry. Meat plants are being reported as lacking window screens, their products covered with flies and mold, their floors filthy with vermin.

The meat-packing industry, fearful of higher costs, has brought pressure on the House this year to prevent federal inspection from extending to intrastate commerce. It managed to help defeat a House amendment last month which would have brought 6,000 more plants in intrastate trade under federal regulation.

To be sure, there are some legitimate arguments on historical grounds for leaving the regulation of local industry up to local authority. But the trouble is that, based on the evidence, states have been falling down on the job and failing to protect the public. A housewife cannot be expected to research every can of meat she buys to make sure it's traveling across state lines and is therefore safe.

To get around this, Senator Montoya of New Mexico has proposed an amendment to the House-passed Wholesome Meat Act. It would help the states set up adequate inspection. But where states failed to act, it would also empower the federal government to step in, impose national standards, and retain jurisdiction until a satisfactory state program had been put into effect.

The Montoya plan is a wise and moderate compromise. It should be adopted promptly by both the Senate and the subsequent House-Senate conference on this bill.

THE ROLE OF SCHOOLS OF BUSINESS ADMINISTRATION

Mr. FANNIN. Mr. President, the role of schools of business administration has been debated back and forth for many years, not only by members of the academic community, but by businessmen as well. It is not at all unnatural that participants in the discussion mostly concerned themselves with whether and to what degree graduates are qualified, at least academically, to assume leadership in business and government.

The debate has been healthy. It has encouraged schools of business administration to keep abreast of, and in many instances lead, changes in current thinking and business practices. And for the most part, today's graduates are far better prepared than graduates of any other era.

But it is an even more recent development that encourages me to speak on this subject, and the change is taking place right in the Capital City, at the American University's School of Business Administration. For the first time, it is offering a formal course in business ethics, and it is one of the very few schools of business administration that is. This is an important development.

Not only does this hold forth the promise that business administration graduates will be better able to handle the ethical questions involved in modern business practices, but it also demonstrates the growing importance with which the academic and business communities together view ethics in business. The change, therefore, in the long run, will improve the public's image of the

business community as well as the professionalism of the school's already highly qualified graduates.

The new course, and the thinking that preceded its formal introduction, was explained in a recent speech by Dean Nathan A. Baily, the man most qualified to tell the story. Dr. Baily made the remarks, which I ask unanimous consent to have published in the RECORD, at the 45th anniversary luncheon of the Better Business Bureau of Metropolitan New York.

Dean Baily and the entire faculty of the School of Business Administration, the American University, are to be congratulated for their farsighted approach to the education of tomorrow's leaders in business and industry and government. We are all indebted to them.

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

THE ROLE OF BUSINESS AND BUSINESS SCHOOLS IN RAISING ETHICAL STANDARD IN BUSINESS

(By Dr. Nathan A. Baily, dean, School of Business Administration, the American University, Washington, D.C.)

As schools of business administration succeed increasingly in accomplishing their mission of providing management personnel for business, government, and non-profit organizations, the effectiveness of their educational efforts will be measured more easily and more precisely. Despite our differences of approach and philosophy, I believe few educators in this field are concerned about their graduates proving themselves *technically* competent.

While we may argue about what should be taught at the undergraduate or graduate level and what should be taught by the employer as compared to the school of business administration, we have enough evidence already that our graduates move faster and further than those without such education. In Accounting, in Marketing, in Finance, etc. . . . and increasingly in General Management as well . . . our alumni are progressing rapidly up the organizational ladder.

But what about their *ethical* competence? How well do alumni of schools of business administration . . . and university graduates in general . . . know the difference between right and wrong (and not merely in the legal sense) and how willing are they to practice what they believe is right and to suffer the consequences for not doing what they believe is wrong?

The head of one of our great corporations, when his organization was in serious legal difficulties resulting from violations of that corporation's spelled out in writing policies, was reported to have questioned the value of university education as well as of his own company's outstanding educational program. "If they could get ahead here only by violating company policy and the law of the land, why didn't even one—just one—have the integrity to come into my office and throw his resignation on my desk?", he was supposed to have asked. And, unfortunately, he received no good answers.

Until recently, very few schools of business administration offered formal courses in Business Ethics. It was generally felt that such courses would be largely ineffectual preaching or scholastic regurgitation of formal rules (as is apparently largely the case with courses in General Ethics in Liberal arts colleges). It was argued that ethical problems and considerations should be taken up wherever appropriate as part of the subject matter courses, e.g. Marketing, Finance, Business Law, Industrial Relations.

Further, educators in business administration felt they had no good answer to a basic dilemma. If they educated for an ideal world, for the kind of world we could dream about for some distant day in the future, their students would enter business naive, impractical, unsophisticated. They would not even be able to see the feet outstretched to trip them.

On the other hand, if students are educated for the present world (or at least the academic image of it), if they were taught today's (or more frequently yesterday's) tricks of the trade, the shady practices that business is trying to eliminate voluntarily through organizations like yours, how would those same students be able to become ethical and upright when they finally reached top management? How would they change their day to day habits after years of perfecting them when the chosen few reached the top positions where presumably they could change the patterns of behavior of the organization? How would graduates educated in this "realistic" fashion become the instruments for achieving a better world as our catalogs so grandiosely proclaim?

Schools of business administration are frequently urged by business executives and other leaders of our society to "lead" business, rather than to "follow." (What happens when they do so is rarely mentioned.) What is the situation with regard to Business Ethics?

In this area, I think there is a simultaneous alternation of leadership and followership. Both business and education are leading in certain aspects and following in others. Like it or not, American business has been, is being, and will be asked to act at a higher ethical level than almost any other element of our society. Government has and will attack, prosecute, and regulate business while its own behavior may actually be ethically inferior to that of business. Look at the failure to deal with conflict of interest where it counts, look at the claims made in selling Savings Bonds, look at the "legal" price-fixing by government, etc., etc. etc.

But, business is still the heart of our society, the foundation on which our economic health and military strength rest. Every voter is a consumer who can quote eloquent examples of how he was "gypped" by business firms. Those voters who remember their history, literature, economics, sociology courses know about the "Robber Barons," the heartless exploiters, the "anti-social" effects of profit and private enterprise (without which they would have no jobs, no unemployment insurance, no old age pensions and insurance, no multiplicity of choice, no life of abundance—this, however, most of them did not learn and, tragically, do not realize).

American business is paying a heavy price for its commissions and omissions. It is sowing the harvest of its past mistakes. *But, it is changing. It is changing because higher ethical standards mean more profitable business as well as greater satisfaction and increased social contribution by businessmen.*

Whenever altruism and self-interest can be harnessed, you have an unbeatable combination. If the modern marketing concept is valid—and business is risking untold millions or perhaps billions of dollars on that validity—then honesty, fair play, increased values to consumers are simply good business. The best way to profits is by service, the best way to develop profitable customers is to give extra value and extra service. Business needs and wants customers who come back, not goods that do.

Another important aspect of the acceptance of higher ethical standards as good business is the realization that as organizations become large, complex, and interdependent, *integrity* becomes increasingly a criterion for selecting, promoting, or discharging executives. Each executive in the chain *must* be able to depend on the integrity of his fellow executives. This is particularly true of top management which is to so large an extent the prisoner of the organization, dependent on the integrity and competence of executives far down the line. No controller, no system of executive controls or management reporting can substitute largely, and certainly not completely, for individual integrity and competence. The success of the corporate president is primarily in the hands of the people who work for him.

Thus, developments in business for the better. . . and for the worse (notably the price-fixing cases, . . . have revived the interest of schools of business administration in Business Ethics. Books and articles on this subject are coming forth at an increasing rate. Conferences are being held, courses are being designed.

This Fall, our School of Business Administration at The American University is offering for the first time a course in "Ethics for Management." Our instructor has his Ph.D. in Philosophy and taught Philosophy and Ethics for a decade before "converting" to Business Administration. He convinced me that analyzing ethical problems in subject matter courses could be stimulating and useful, but not very penetrating. So, we have established this course, first for our graduating seniors. Enrollment is supposed to be limited to 25 and the course is built around case problems and current problems as reported in business publications. We are trying to make our students *identify* with the participants, be *torn* by the conflicts, understand the *complexities* and the fact that there are *no* simple answers.

Here are a few significant extracts from the Course Syllabus:

"Executives are acutely aware of the variety and complexity of factors that must be considered in their decision-making. One of these—and a vital one for the future of business—is the *ethical factor*. There are today few decisions in which it can be ignored without some short-range or long-range penalty demanded by the public with which an organization deals. Indeed, public opinion, and its consequences, provides a principal sanction for ethical action.

"The trend toward a 'profession' of management is well launched. It seems safe to predict that managers of the future, if they are to become or remain such, will be professional in all the best senses of the term, including the ethical. By a kind of natural evolution, one mark of the future manager will become his ability to comprehend and evaluate the ethical dimensions of his decisions. Lacking this ability and a sensitive ethical awareness, he will be a net liability, and often a source of danger to his organization.

"The following four situations, requiring ethical analysis, are typical of the kinds of realistic situations the student will be required to analyze and decide upon, his decision to be defended by tight analysis and reference to both principles and experience:

"(a) The manager of Industrial Relations of an intermediate-size manufacturing company is offered labor peace by a Union official in exchange for certain stipulated under-the-table payments to the officials.

"(b) A second-level manager is instructed by his boss to falsify a report or an expense-account.

"(c) The General Manager of a company can cut costs and improve the company's competitive position by installing an automated factory. However, this will eliminate 400 jobs.

"(d) A television ad is designed to appeal to the deep sexual drive of young men by showing a new car parked by the side of a deserted country road and a young man (with whom the viewer will quickly and yearningly identify) helping a beautiful young woman, clad in blouse and shorts, out of the car and onto a quiet forest path drenched in the sunshine of early autumn. This ad is legal. Is it ethical? Is the ad a low blow aimed at subconscious drives a

young man cannot defend against? Or, is it simply good hard (ethical) selling?

"The student will be required to analyze issues such as the above and arrive at *decisions which he can defend* as ethical, *realistic* and workable."

Where do business and education now stand in this area which has always been vital, but is now even more so?

1. Business is increasingly recognizing that high standards of ethics are not "theoretical" or "ideal," but selfish and the key to long-term profitability.

2. Business is increasingly recognizing that if it does not put its own house in order, government will extend regulations and controls. This will not necessarily serve the customer better, but will increase the cost and rigidities of doing business.

3. Business *has* improved its practices. As Ward L., Quaal, President of WGN Continental Broadcasting, stated at the 53rd Annual Conference of the Association of Better Business Bureaus International: "It is a fair postulate, however, that business does fewer things wrong, conversely, more things right, as the result of self-discipline. I speak not alone of the self-discipline implicit in the effort of the Bureaus, but self-discipline as reflected in codes of practice indigenous to hundreds of business pursuits in free economies throughout the world."

4. Business is, as usual, suffering from the typical lag between actual behavior and the public image of its behavior.

5. Every survey of business ethics using questionnaires shows that the businessmen asked say they are more ethical than their competitors, that they would not use the underhanded methods their competitors employ.

6. Neither education nor religion, nor government, nor the family has been very successful in developing higher standards of ethical behavior. *The most important factor in influencing action is the actual environment, the system of rewards and punishments for ethical and unethical behavior.*

7. Schools of business administration are increasingly concerned with ethical questions and how they can inculcate higher ethical standards in their students.

8. Ethical principles are broad, over-general, vague. The need is to define them more sharply and relate them to specifics.

9. The problem is not as much finding what ethical principle is involved, but knowing how to evaluate and balance the *conflict* of principles and interests that always occurs in *real* situations. If the principle came alone, carrying a neon sign, "correct" behavior would be easy to determine. When several principles are involved, each calling for a different answer, what does the business executive do?

10. Ethics still remains primarily *personal* despite the tremendous force of the environment. Even though crude, asking whether you can look yourself in the mirror is a very effective way to get you to analyze your own behavior. So is asking whether you would encourage your son to take over your business.

"True worth is in being, not seeming,
In doing each day that goes by
Some little good, not in dreaming
Of great things to do by and by.
For whatever men say in blindness
And spite of the fancies of youth,
There's nothing so kingly as kindness
And nothing so royal as truth."

SOUTHEAST ASIA

Mr. BREWSTER. Mr. President, the Capitol Hill and Pentagon chapters of the Federal Bar Association held a joint meeting on November 13, 1967, at which the principal address was given by Mr. Rodney Crowther.

Mr. Crowther is both a member of the bar and a member of the Washington bureau of the Baltimore Sun. He has a long and distinguished record of expertise in foreign affairs that he displays daily in the columns of his newspaper.

Mr. Crowther's address is a forthright statement on U.S. involvement in Vietnam. Some Members of Congress enjoyed the privilege of attending the meeting at which Mr. Crowther spoke. Because I think his words are of interest to all Members of Congress, I ask unanimous consent that his address be printed in the RECORD.

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

CRISIS IN SOUTHEAST ASIA

(By Rodney Crowther, Baltimore Sun bureau)

So many of us, lately, have spent so much time pondering the troubles of Vietnam, and the awkward situation we face there, that we have tended to overlook the fact that Vietnam is but one element of a much larger problem in Southeast Asia.

What we have undertaken to do for the South Vietnamese has critical relevance for all of that part of the world—for, Vietnam's nearby neighbors, for millions of other people in the transpacific area, who are experiencing for the first time in centuries a taste of independence.

The vaster part of this great region, outside of Red China, is non-communist, and only a small part is under the control of a Communist apparatus which is trying desperately to convert multitudes of human beings into becoming believing, committed Communists.

All of these hopeful, aspiring, non-Communist people, who wish to live as free people, free from imposed political domination, free to seek modern living without loss of their own traditional ways of life, and thought, and want freedom to practice their own religion in their own way and to preserve their cultural traditions—these millions have a very deep interest in what happens in Vietnam.

No sooner had the war with Japan ended, when people in Southeast Asia began to seek their own national identity and freedom from Centuries-old Colonial domination. But at the same time, they quickly became aware of a common danger—the rise of Communist domination of ancient and long-troubled China.

In every moment of every year since the Chinese Communist party, on October 1, 1949 marched into Peking and proclaimed the People's Republic, they have sought, sometimes openly, most times covertly, to extend the domination of their totalitarian Government to nearby lands. And there have been fears throughout Asia from India and Pakistan on the West all the way to the eastmost island of Indonesia.

It has been tug and pull all the way for these non-Communist peoples to resist the subterfuges and maneuvers by which Communists have sought to fasten their yoke upon first one and then another land. They have resisted those who would take away their new won independence, but many times they needed help, and needed it badly.

In the eighteen years of struggle against the infiltrating Communists these peoples have had a vast amount of aid from the United States—economic aid, some military aid, and in the case of Vietnam, first limited aid and now all-out aid with our own armed forces. Some people have deplored the fact of our involvement in Southeast Asia—have charged that we are intruding in domestic affairs of people unwisely.

The truth is that our presence in Vietnam alone has been a factor that has enabled neighboring countries to build and strengthen their own economies. It has given them time, for our presence has had a deterrent effect upon Peking. It has given many peoples the courage to oppose and overcome Communist infiltrators, to resist internal insurrections, and meanwhile to build up more efficient political operations.

Our aid has helped in India, in Thailand, in Malaysia and elsewhere in Asia—and whether the American public realize it or not—our economic and military assistance to these peoples along with our activities in Vietnam have diverted Peking from pursuing energetically its original design to embrace all of Southeast Asia in its area of influence, if not in fact to impose upon it Communist domination.

From the very earliest rise of Mao Tse Tung and his collaborators and their seizure of the Chinese Government they had a mission to export their Marxist-Leninist doctrines to all parts of the world, and especially to those countries which had shaken off the bonds of Colonialism. This was implicit in the Maoist doctrine and remains so to this day.

The Chinese Communists began as soon as they established their People's Republic doing Communist missionary work in non-Communist lands. They were a major force in building the Vietminh war against the French colonialists—who should have gotten out of Asia and stayed out—and through the long struggle which has led from Dienbienphu to Loc Ninh Peking has been a factor behind Ho Chi Minh and Hanoi. It is the major force behind North Vietnam at this very moment.

But for our presence in Southeast Asia undoubtedly by now many lands besides North Vietnam would either be communized or in deadly turmoil as bands of infiltrators, stirring up trouble, and encouraging what they euphemistically call "wars of national liberation," undertook to gain control.

But what of our continuing presence in Vietnam? Is this war necessary? Does what we are doing have any real relevance for the future either of Vietnam or of Southeast Asia? Many of our fellow Americans either express doubt or emphatically deny it.

And is our fighting against Ho Chi Minh and company of any real importance to United States security? A part of the world so far away, so unlike America, so filled with commotions and troubles of its own—how can it be of any importance to us?

Moreover do not millions of Asians resent our presence not only in Vietnam, but also in Thailand, in Singapore, in Malaysia and elsewhere?

"East is East, and West is West", once was an old refrain, and isn't it just as true today as in Kipling's day that "never the twain shall meet"?

Undoubtedly multitudes of Asian peoples whose concerns are with eking out a living, holding body and soul together, have little reason to understand why we are in Asia, and do resent us. Our ways do annoy them, and because they have little if any understanding of the political forces struggling to become their masters they often wonder why we do not leave them alone. In their doubt, and primary concern for food and shelter, they become easy targets for the slick missionary work of the Communist infiltrators and subverters.

Moreover the masses of Asian people—whether in Manila, or Hong Kong, or Kuala Lumpur, or Singapore, or Bangkok, or Tokyo—know little of Vietnam and its problems, and when they hear America branded a warmonger by Peking as its blares the charge from every radio station and from the pages of every paper, they not unnaturally believe that *indeed* Americans are *warmongers*.

But ask any political leader from New Delhi, from Bangkok, or Singapore, or Tokyo, and they will know why we are in Saigon, and what we hope to achieve.

What's more some of them, when they are in a frank mood, will tell you what will happen if we fail to finish the job and pull out—as so many well-meaning Americans (some of them in Congress) are now importuning the President to do and do quickly.

Of what concern, really, some people are asking, is Vietnam to us? Or, for that matter, of what concern is all Asia to us, they want to know. Why should we spend our hard-earned dollars, others want to know, to defend people who won't defend themselves? And anyhow, why should we be so much concerned about China?

I think all these questions reflect sadly on the state of our enlightenment, on our knowledge of what's going on in the world, of our understanding of the massive forces at work changing the world, and threatening to engulf us as well as Asia, Africa, and Latin America.

The truth is that lands throughout the Pacific, and especially China, have been of concern to us for a century and a half. We have a vast investment of American lives as well as dollars in the Pacific, and China has been of concern to us particularly ever since Secretary Hay first pronounced our "Open Door Policy" for China.

But why should we be so concerned today, now that an unfriendly power controls China, and denounced us as Imperialists? What stake have we in China, and anyhow, why should we be worrying whether Communists control China, or not?

My answer is that the cause of human freedom is just as fundamentally at stake today as it was when Hitler invaded France. To be sure a different challenge faces it, from a different sort of challenger, but it is the same freedom which we need to preserve.

We got into Asia during the war with Japan and after that war ended there were mammoth jobs to be done, and many of them are not done yet. There was the task of arranging the peace, and setting new political orders, and setting up viable societies where Colonial rules disappeared. These were, indeed, jobs for Asians. But they needed help, and we have given it generously.

But Red China did not move in a friendly way to help them. It did not intend to allow them the sort of freedom they aspired to. Instead, it set its Communist missionaries to work at once with a messianic zeal trying to subvert these newly freed people to the gospel according to Marx and Lenin and Mao Tse Tung.

And for their converts, working underground, to foment uprisings, insurrections, wars of liberation, as the Communists call them. And when the turmoil and confusion get really bad, then openly the Communists step in to take over, and tranquilize things in their own pattern.

Once power is seized, as we have seen in China itself, individualism, ancient culture, personal and political freedom vanish. For once they dominate, they begin to remake and mould the peoples into their own proletarian pattern—as Mao has undertaken, not always with success, to do to the intellectuals of China, to the business men of China and the peasants.

Asian leaders, if not their vast masses, are deeply suspicious of China, for they have seen, and are seeing the deadly determination with which the China Communist Party has undertaken to change every mind, every way of life, every ancient tradition into a pattern of dull uniformity. For even amid the turmoil now gripping China, its agents are at work in other lands throughout Southeast Asia,—in Laos, in Thailand, in Cambodia and elsewhere.

No matter who wins the current struggle for power in Peking—Mao tse Tung,—the visionary and idealist,—or the party leaders who oppose Mao under such leaders as Liu Shao-chi, what emerges in the way of a Government will quite likely be as dangerous to security in Southeast Asia and the world at large as it is under Mao.

It is this long-range problem of an aggressive China—aggressive in the sense that it wants to stir wars of liberation, wants to undermine non-Communist countries, and to fasten a hold on its neighbors, that makes it a matter of concern to free men everywhere.

Basically, as we have been told again and again by our Government, that is why we are in Vietnam: because Communist forces, working covertly, working energetically, and sometimes with the utmost open boldness, undertook to Communize, or at least to seize control, of that southern part of Vietnam in which the masses of the people had a wish to be free in their own way . . . We had undertaken at an early stage to help these people and although the help has escalated into an outright war our Government believes we have a commitment to see the thing through to a successful conclusion.

But this war has imposed severe strains on the United States—mental, and social as well as financial and political. It has resulted in severe strains among us—especially among the intellectual leaders and among politicians who have long since dismissed from their thoughts that there can be any remaining threat to our security from Communism.

So many—many high-minded, responsible people, appalled by the frightfulness of war are urging, indeed are loudly importuning the President to quit—to quit the bombing of the North, to wind up and bring our forces home . . . But when one reads the letters from the boys at the front one gets a different picture. They see things in a different light. They believe we have something to do there, and they want to see it through.

One of the regrettable facts about the homefront opposition is that the voices of dissent leap the mountains and oceans with ease and turn up in Hanoi and Peking almost as quickly as they reach Seattle or Peoria. This, unquestionably, encourages Hanoi to sit tight, and to hope that eventually we will lose heart and in a mood of desperation will reach a settlement which will be all in their favor. I doubt that Hanoi believes for a moment that our Government will yield quickly to the voices of discontent among us. They probably trust, rather, that the Government eventually will lose heart.

Of course, I hear here and there some among us who make the charge that we are fighting on in Vietnam not because we want to halt aggression, or help create a stable, viable government there, but because we really have the secret aim of setting up permanent bases in Southeast Asia to resist Peking. . . . . You know and I know that this is a spacious and insupportable charge, but it is made just the same.

If we should quit the war cold as so many people feel we should do, or if we decided to deescalate at a rapid pace, what would happen would be consternation throughout Southeast Asia—in Thailand, in Burma, in India, in Malaysia, in the Philippines, in Japan, even I am tempted to believe in Prince Norodom Sihanouk's Cambodia.

My feeling is that we should quit quibbling, playing politics with the war issue, and quit making senseless demands on the Government, and should lend our best abilities to supporting the Government not only in the task of bringing the war to a successful conclusion but also—and equally importantly—to the task of dealing with the political and diplomatic issues which must be settled afterwards.

Sometimes I feel like shouting at some people and saying "quit your sneering about something you don't have the slightest idea about." When Secretary Rusk says we have a security interest in creating a sound, orderly situation in Vietnam, and in making sure a million Chinese forces will not flow over the whole of Southeast Asia don't gratuitously yell that he has raised the cry of "yellow peril."

There is a peril, just as we have had perils to our liberty before, but it appears difficult for so many of our fellow citizens to believe that a far-away land like China could be a menace to our safety. Even knowing China now has the nuclear and the thermonuclear bombs, does not move them or worry them.

Well, I can recall a day when they wouldn't believe we had anything great at stake when Woodrow Wilson took us into World War I. Millions would not believe when Hitler was moving like a madman across the face of Europe. Many people in high places as well as low wouldn't believe our security was threatened *even when* in succession the low countries fell, and France fell, and the Nazi army stood at Dunkirk.

Even so 202 members of the House of Representatives of the day refused to believe we needed to take any extraordinary step, such as building armed forces through selective service. Many Senators scoffed, too. . . . But 203 members of the House did believe, and so four months before Pearl Harbor by a margin of just one vote we moved to call up our young men and prepare for the worst if it should come and it came all too soon.

Today I hear the same sort of specious and unbelieving disbelief—in the corridors, on the streets, in the buses, on the air—that our presence in Vietnam is a scandal—because we are not menaced, they say we have nothing to gain, and we are only destroying the image of America, they insist.

To all of which I retort there is much at stake, and we have a task to perform in Vietnam, in Southeast Asia, in the world. It will last long and be full of difficulties for what is *really at stake* is the sort of world that is to be handed on to our posterity—either a world in which people can live their lives under a system of true freedom or a world in which teeming millions will be subjected to the rule of a system of thought and government in which individualism is a sin, in which freedom of thought is error, in which all the ways of life are plotted and planned by dominant cliques of powerful men whose major activities are to force all men into a common mold.

But still the question must be asked: how do we get out of Vietnam?

By staying on and fighting, of course, and meanwhile undertaking to achieve a program for stabilization of not only Vietnam but of all Southeast Asia outside of Communist China.

I think that for the time being it is hopeless to keep saying we will meet Ho Chi Minh, or his representative, or spokesmen for the Viet Cong and the National Liberation Front anywhere anytime they want to talk.

It is doubtful that any of them will be willing to talk before next year's election is over. Moreover, I have some doubt that they will agree to the sort of settlement we believe must be made to stabilize South Vietnam.

My personal view of the Vietnam issue is that it is only a part of a larger problem, and that when a settlement comes, as come it must, probably after next year's election, it must be on a regional basis and not only by virtue of some negotiations between Ho Chi Minh, the VC's, and N.L.F. and the United States.

I've been digging through literally scores of speeches by United States Senators, spokesmen for the Administration, college professors, university dons, and some of the more disaffected citizens and I have found only a handful that appeal to me as reaching to the basic problem. Too many of them are grounded in sheer emotionalism. Some of them betray a woeful lack of knowledge of the way the world works, and of human nature itself.

I have come upon several speeches lately in which I can concur in full or part. My friend Senator Wallace Bennett made an exhaustive speech to the effect that Vietnam is but a segment of a greater war which has been waged ever since the Cold War began, and he calls it World War III. It contained a lot of wisdom, a lot of understanding of what's really at stake in the world. Yesterday I read in the N.Y. Times, Mr. John Kenneth Galbraith's brilliantly written discussion of Vietnam—it solved nothing.

But it was a speech recently by Senator Gore of Tennessee which struck me as laying the groundwork for a dealing with the long range problem in Southeast Asia. He didn't talk about the possibility of merely striking a deal between Hanoi and Washington and calling it a day. . . . He proposed, intelligently, what some of us have been insisting for several years is the proper approach to the future—the neutralization of all Southeast Asia. And he did not ask us to dismantle our guns and slink home tomorrow.

Now I have no intention of pretending that this will be achieved easily. Or that it, at first blush, appeals either to our Government or to the Governments of all the small countries on the periphery of China. But I do insist, and insist obstinately, that unless it is done, and done with the help and concurrence of all Southeast Asia, and India and Japan and probably Indonesia, and Australia, you are going to have one ceaseless hell of a mess through the rest of our natural lives and far into the future.

My view is that while we push on with the war against Hanoi—ever mindful that we must not threaten the territorial integrity of Communist China and thereby bring on a real world War III, or at least bring China boiling into the fray—while we still pursue our goal against Hanoi we must somewhere in our Government begin formulating sound programs for what is to follow the end of the fighting.

Now I do not pretend to know whether we may not have to end up letting all of Vietnam be Communized under Hanoi—there are some who believe that a Titoist sort of Communist Vietnam would have been a buttress against Peking. But whatever comes, it must be free of Peking.

What I am concerned about is that there be a regional settlement as a part of the critically important balance of powers which must be created in this dangerous nuclear age, and that all Southeast Asia must be put into a position where it can pursue its own ends, with a guarantee by the greater powers that it will be free from interference by them, but protected against that upcoming power, Communist China.

I am sure that to persons unschooled in history of Asia, and civilization for that matter, this all sounds like idiocy. I submit that far from idiocy it is the sole road to international stabilization. For it is in Asia that the germs of real war are located, and must be neutralized.

It is my hope that the new Thieu Government, which seems to be starting under rather favorable auspices, and with much promise, will be willing to lend its best thoughts and its cooperation to working out a long range program for Southeast Asia.

I am not stupid enough to believe that we can just go to Ho, and the Viet Cong and the N.L.F., and to Peking and to Moscow and say OK, let's neutralize Southeast Asia—the Vietnams, Laos, Cambodia, Malaysia, Thailand and all the rest. It isn't that easy.

However, it can be done, and I think the United States can take the initiative by proclaiming a foreign policy which will aim at just such a stabilization of the whole Southeast of Asia. I should not expect Hanoi to jump for joy at the suggestion. Or even President Thieu. But I think the time has come for the proposal put forth by Senator Gore to be explored intelligently—and not rejected out of hand by the State Department just because it might not concur with some preconceived notion of its own as to how it would like things to be in that part of the world.

While we proclaim to Moscow and Peking and Hanoi and Singapore and New Delhi and Tokyo and elsewhere our objective and our hope, I should hope that the Southeast Asians would take up the neutralization proposal and begin conversations—of course, quietly and objectively and without the fanfare of press and radio. And I'd hope that our relations with Sihanouk meantime would be improved and that all the leaders of that part of the world would take assurance as they work toward order and stabilization that America stands ready today, tomorrow and into the far future to stand behind them and will keep our pledges to help them resist any attack by Communist China, whether by conventional forces or by nuclear means. Only stable international order, fully participated in by all non-communist countries will save freedom until China is brought into the peaceful family of nations.

BANKERS' ASSOCIATION FOR FOREIGN TRADE OPPOSES QUOTA BILLS

Mr. JAVITS. Mr. President, a few days ago I received from Mr. A. H. Von Klemperer, president of the Bankers' Association for Foreign Trade a telegram in opposition to the current drive in Congress for import quotas. This association is composed of 133 U.S. banks located in all parts of the United States. In view of the importance of this organization and its expert knowledge of international trade, its opposition to the protectionist drive should be carefully heeded by Congress and the industries pressing for quotas.

I ask unanimous consent that Mr. Klemperer's telegram be printed in the RECORD.

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

NEW YORK, N.Y.,
November 9, 1967.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.:

As president of the Bankers' Association for Foreign Trade I wish to present the views of our association following an action taken at a meeting of our board of directors on October 30 in New York City. This association is comprised of 133 American banks from all parts of the United States active in financing U.S. international trade. We wish to urge that you give careful consideration to the effects on U.S. trade and the balance of payments in your approach to the several bills now before the Senate designed to impose quotas on a wide range of imports. Our balance of payments situation could be dangerously weakened if the proposed measures to establish quotas are enacted. Increases in domestic costs that might result will reduce our competitive position and we stand to lose important markets abroad and much needed receipts from exports. Quota systems have failed in the past and in all cases establish costly procedures and unfair allocations which burden the flow of trade across international boundaries. Reduced imports and lessened competition could contribute to higher prices and inflation in the United States. The imposition of quotas could well lead to retaliation in various forms by other nations. They could create retaliation against the operations of U.S. owned plants abroad which now utilize U.S. origin exports of materials and components comprising more than 25 percent of our total non agricultural exports. U.S. prosperity during the past 20 years and our strong international position have been aided by the removal of barriers to trade. Reversal of these policies by now introducing numerous import quotas would weaken our balance of payments, threaten the international competitive position of our industry as a whole, and introduce costly bureaucracy.

A. H. VON KLEMPERER,
President, Bankers' Association for Foreign Trade.

PUBLIC SERVICE BY STATION KSL, SALT LAKE CITY, TO CURTAIL CRIME

Mr. MOSS. Mr. President, one of Utah's three commercial television stations, KSL, recently began performing a public service which deserves to be widely imitated by broadcasters everywhere.

KSL, whose management is deeply concerned about the rising rate of crime, and especially juvenile crime, has now begun to broadcast a reminder to parents each evening at 10. The reminder simply asks if parents know where their children are at this late hour.

KSL acknowledges that this effort will not stamp out juvenile crime, but they hope that a small start can be made in reversing a trend.

I ask unanimous consent that a recent KSL broadcast editorial on this subject be printed in the RECORD.

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

[A Salt Lake City (Utah) radio station KSL editorial, Sept. 18, 1967]

CRIME

Thoughtful Americans are frustrated and worried over what seems to be an inexorably rising rate of crime in this country, especially among young people.

In the past five years, major crime in America has gone up 40%. And 49% of those arrested for major crimes last year were under eighteen years of age. Where this trend is taking us is a matter for most urgent, serious concern.

You hear all kinds of solutions proposed . . . better schools, more public housing, more integration, more social workers, more federal money to eliminate poverty.

But most of those solutions run up against some troubling questions. Such as: Why is there more crime than ever before when per capita income is higher than ever before? Why more crime when national illiteracy is at an all-time low? Why does crime seem to rise the more federal money is poured in to fight poverty?

There are no simple answers. But on one principle most people can agree . . . juvenile crime is usually spawned by inadequate homes.

This, too, can be complex. One home may be inadequate because parents care too little or are too permissive. Other parents may fail because they are too strict. KSL does not propose to establish a course in good parenthood. But we do suggest that establishing a few simple standards can help most homes do a better job of rearing responsible, law-abiding citizens.

One such standard is that parents should know where their children are at night-time. And so, beginning this week, we propose to air a simple reminder each night at 10 o'clock. At that time, we will simply ask parents if they know where their children are.

We won't stamp out juvenile crime this way. But if parents will just listen to those reminders, and heed them, a small start can be made in reversing a trend that now is leading the country into dark, dangerous waters.

NATIONAL FARM INCOME

Mr. HANSEN. Mr. President, the November 14, 1967 Wall Street Journal contains an article describing the national farm income situation for this year, as outlined by a USDA official during the Department's recent outlook conference.

The Department predicts that net farm income for 1967 will be 11 percent below the 1966 level, and that the situation will not be much better in 1968.

The cost of operating farms and ranches is at an all-time high, having increased 31 percent in the past 7 years. Costs are expected to continue to rise next year.

Total farm debt has increased a whopping 83 percent since 1960; and interest rates on real estate idebtedness have risen 20 percent during this same period.

But these kinds of increases have not appeared on the income side of the rural ledger. Agriculture is the only segment of America's economy that will close out 1967's financial statement with a $1½ billion cut in pay. To say that things look gloomy down on the farm is an understatement.

The economic experts say that things may get better next year, mainly because farmers will receive higher Federal payments. I say that these payments form a pretty shaky foundation on which to base the welfare of this country's largest single industry—an industry which we obviously cannot do without.

I think it is time to reexamine some of our national programs and policies which directly affect agriculture.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

FAMRERS' NET INCOME EXPECTED TO DROP 11 PERCENT THIS YEAR FROM 1966—EARNINGS IN 1968 SEEN CONTINUING AT 1967 LEVELS—RECORD OUTPUT, LOW PRICES, COST RISE BLAMED

WASHINGTON.—Farm net income for 1967 will total about $14,750,000,000, down more than 11% from 1966, and all signs point to it continuing at the same level next year, Rex F. Daly, chief of the Agriculture Department's Outlook and Situation Board, told a conference on farm prospects here.

The 1967 figure is about in line with earlier projections, but the 1968 estimate should be discouraging to Democratic Congressmen who will have to face more rural discontent at the ballot box next November.

Mr. Daly blamed record output of farm products and related declining farm prices, together with the continued rise in farming costs, for the profit slide. Last year, farm net income was a record $16.4 billion.

Although the supply of farm products will continue large next year, Mr. Daly said, prices are expected to strengthen somewhat and farmers also will benefit from higher Federal payments. As a result, gross farm income will rise about $1 billion from this year's estimated figure of more than $49 billion.

However, Mr. Daly added, "Production expenses will continue to increase and may largely offset the gain."

NEW GOALS FOR SOCIAL INFORMATION AND S. 843

Mr. MONDALE. Mr. President, at an unusual seminar held by the Senate Subcommittee on Government Research this past summer, a number of distinguished academicians, journalists, and Government officials discussed in depth the urgent need for better, more comprehensive social planning in America. That unique session was prompted by the knowledge that we are, as a nation, in the throes of immense confusion and bewildering change. We also know that a perilous sickness has infected many of our great cities and that if its course is not soon checked social catastrophe is imminent.

Understanding our social problems and planning in a rational and informed manner to meet and resolve them is the professional concern of social scientists. At the seminar, Prof. Bertram Gross of the Maxwell School of Citizenship and Public Affairs described our present predicament thus:

> Today, executive officials and members of Congress alike are misled by inadequate interpretation of bad information based on obsolete concepts and inadequate research and collected by underfed and overlobbied statistical agencies.

That theme, labeled by Professor Gross as the "domestic intelligence gap" is sounded again in an excellent article coauthored by Professor Gross and Mr. Michael Springer, entitled "New Goals for Social Information." Mr. President, I ask unanimous consent that this article be reprinted in its entirety at the conclusion of my remarks.

I call this article to the attention of Senators both because it tellingly portrays our present dilemma with respect to social information and because it offers some and endorses other specific suggestions for improving our ability to cope with social change.

In particular, I am greatly pleased to note that the article endorses my proposal, S. 843, the Full Opportunity and Social Accounting Act. This bill would institutionalize a system of social accounting to sharpen our quantitative knowledge of social needs, help us measure more precisely our progress toward our social objectives, help us to evaluate efforts at all levels of government, assist us in determining priorities among competing social programs, and encourage the development and assessment of alternative courses without awaiting the rioting which is a certain if belated signal that some social program has failed.

Mr. President, I commend this article as well as the entire September issue of The Annals to Senators and other readers of the RECORD and ask unanimous consent that it be printed in the RECORD.

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

NEW GOALS FOR SOCIAL INFORMATION

(By Bertram M. Gross, and Michael Springer [1])

(NOTE.—Bertram M. Gross, Syracuse, New York, is Professor of Political Science and Director, National Planning Studies Program, Maxwell School of Citizenship and Public Affairs, Syracuse University. He has been Fellow of the Center for Advanced Study in the Behavioral Sciences (1961–1962); Executive Secretary of the President's Council of Economic Advisers; Member of Arlington County Planning Commission and Northern Virginia Regional Planning Commission; and First Chairman of the National Capital Regional Planning Council of the United States. He is the author of The State of the Nation; Social Systems Accounting (1966); The Managing of Organizations (1964); and The Legislative Struggle (1953). Michael Springer, Syracuse, New York, is Graduate Assistant, Maxwell School of Citizenship and Public Affairs, Syracuse University.)

Abstract: In this period of confusing social change, a domestic "intelligence gap" impedes rational consideration of both public and private policy choices. An intelligent strategy for narrowing this gap requires action on many fronts. One of these is to remedy the "concept lag" produced by the

[1] The assistance of the Stern Family Fund is gratefully acknowledged for having helped the special editor in producing this volume (and the preceding volume of May 1967), and particularly for having facilitated a series of exploration-and-review sessions on many of the articles. Acknowledgment must also be made of the ideas, encouragement, and stimulus provided by the following participants in these sessions: Milton Babbitt, Composer, The Electronic Music Center of Columbia and Princeton Universities; Louis H. Bean, Election Analysis, Ltd., Washington, D.C.; Ann Carter, Economics Research Program, Harvard University; Donald Cook, Applied Education Division, Xerox Corporation, New York City; Michel Crozier, Department of Social Relations, Harvard University (on leave from Centre de Sociologie des Organizations, Paris); John Dixon, Basic Systems, Xerox Corporation, Washington, D.C.; Hy Faine, National Executive Secretary, American Guild of Musical Artists, New York City; William C. Fleming, Chairman, Department of Fine Arts, Syracuse University; Fred M. Frohock, Assistant Professor of Political Sciences, Syracuse University; David Gross, Society of Fellows and Department of Physics, Harvard University; Larry Gross, Lehman Fellow, Department of Sociology, Columbia University; Tom Hayden, Community Union Project, Newark, New Jersey; Howard Houseman, William Morris Agency (New York City); Esther M. Jackson, Professor of Fine Arts, Shaw University; Andrew Kopkind, Associate Editor, *New Republic;* Stanford Lackoff, Professor of Political Science, State University of New York at Stony Brook; Isador Leteiner, Concert Violinist; Kenneth Mabuchi, Vice-President, Central Economic Development Ogranization, Washington, D.C.; Michael Marien, Graduate Student, Syracuse University; Charles C. Mark, Director, State and Community Operations, National Foundation on the Arts and the Humanities; Walter McCann, Legislative Assistant to United States Representative John Brademas (Indiana); Francis Mechner, President, Institute of Behavior Research; Donald Meiklejon, Director, Public Affairs and Citizenship Program, Syracuse University; I. E. Peterson, *New York Times* Washington Bureau; Douglas W. Rae, Assistant Professor of Political Science, Syracuse University; Stuart Rice, Surveys and Research Corporation, Washington, D.C.; Pamela Roby, Graduate Student, New York University; James K. Rocks, Director, Office of Plans and Programs, National Center for Educational Studies, Health, Education, and Welfare Department; Faith Seidenberg, Attorney at Law, Syracuse, New York; Edward Schneider, Associate Professor of Political Science, Princeton University; Jay Schulman, Associate Professor of Sociology, New York State School of Industrial and Labor Relations, Cornell University; William Shands, Congressional Fellow, Office of Senator Mondale; Howard Taubman, Critic, *New York Times;* Irene Taviss, Research Associate, Program of Technology and Society, Harvard University; Robert Wolfson, Professor of Economics, Syracuse University.

comparability-relevance conflict and other factors. As indicated by the table "Indicator Suggestions" (and the similar table in the Gross-Springer article in the May 1967 volume of The Annals), this is the main task assumed by most of the authors in both volumes. Instead of discussing statistical techniques, they have concentrated on conceptual innovations that make it possible to upgrade obsolescent data and obtain new forms of social information, both quantitative and qualitative.

GALILEO GALILEI. Measure what is measurable and make measurable what is not measurable.

AMITAI ETZIONI. Any measure of a social science concept that relies on a single indicator should be viewed as dubious.

RAYMOND A. BAUER. An information system does not tell what courses of action are conceivable. Man himself must conceive them.

BERTRAND DE JOUVENEL. Designers of statistics are indeed philosophers, however unwilling to claim the name, and are fully aware that different aspects of reality can be lit up if alternative sets of concepts are used.

At a time when America and the world are in the throes of confusing revolutionary change, it is increasingly difficult for anyone to know where we have been and where we are, let alone where we may be going.

Our intelligence machinery tends to creak along in bureaucratic conformance with routines set up in a previous era. Our "conservative" defenders of the *status quo* rarely see much of the *state at which* we are. Our "radical" attackers of the present "system," "power structure," or "establishment" are usually blind to the radical changes already taking place as we move from advanced industrialism into the first stages of a new post-industrial society. Executive officials and members of Congress alike are misled by *inadequate interpretation* of *bad information* based on *obsolete concepts* and *inadequate research* and collected by *underfed and overlobbied statistical agencies.*

THE DOMESTIC INTELLIGENCE GAP

When people talk about a "credibility gap," it is assumed that various officials are misleading the public by withholding *good* information. An "intelligence gap," however, is rooted in *one-sided, missing, distorted, misinterpreted, or unused information.* The initial impact of the intelligence gap is that national policy-makers *themselves* are misled—or, to put it more mildly, are led into *oversimplified, partial, and outdated views of major policy problems.*

In varying degrees, this is the *status quo* of our domestic intelligence in the critical fields of civil liberties, discrimination, human values, the mass media, crime and delinquency, the natural environment, and urban conditions—as reported by Milton R. Konvitz, Otis Dudley Duncan, Robin M. Williams, Jr., Andre Fontaine, Daniel Glaser, Joseph L. Fisher, Daniel P. Moynihan, and Barry Gottehrer, in Volume I of *Social Goals and Indicators for American Society* (The Annals, May 1967). Other glaring intelligence defects exist in the fields of poverty, democratic participation, art and culture, education, health, social breakdown, and science and technology—as reported in this volume by S. M. Miller, Sidney Verba, Alvin Toffler, Wilbur Cohen, Philip Lee, Nathan Goldman and, John McHale. The table "Indicator Suggestions" (a continuation of the similar table in Volume I) sets forth some of the more elementary improvements suggested by these authors.

TABLE—INDICATOR SUGGESTIONS

Area	U.S. Government Statistical Series		Other
	New data	Better use of existing data	
Poverty and inequality	Regular publication of Gini index for both wealth and income distribution.	Serial data in Statistical Abstract of the United States on the extent of population below minimum standards of income, assets (liquid and fixed), and unpaid-for services (public and private).	Developments of new statistical profiles of wealth and income; for example, top-bottom ratios. Research on the psychological and sociological dimensions of the self-image of the poor.
Employment goals and the "new economics."	Periodic reports on location of job openings in the 50 largest standard metropolitan statistical areas (SMSA's).	Regular and improved reporting on subemployment in low-income areas. This includes not only regular application of traditional unemployment measures, but also: estimates of those (1) working part time and looking for full-time work; (2) earning substandard wages; (3) labor force dropouts because of lack of openings; and (4) not ordinarily counted.	Research on (1) changes taking place in length of the work week; (2) recruitment into skilled and semi-skilled trades; (3) relationships between education and occupational mobility; (4) relationship between productivity gains and employment rates; and (5) future employment trends.
Democratic participation	Data on size of professional and paraprofessional groups and on community organizations by locality. Collection and analysis of electoral participation data for local and State elections.	New section in Statistical Abstract of the United States on role of women and minority groups in political, social, and economic institutions. Better assembly of international comparative data on major forms of participation.	Research on (1) extent of participatory democracy in schools, business firms, government agencies, community groups, and the like; (2) "participation of the poor"; (3) sensitivity of officials to the demands upon them; (4) expectations that are associated with various forms of participation; (5) how many Americans feel a loss of sense of belonging; (6) examination of international rate of participation in terms of resources, constraints, capabili.es, and cultural ideals.
Learning and education	Collection of educational expenditure data for the "nonestablishment" sectors of education, so that total educational expenditures can be computed. Implementation of new Carnegie plan for assessment of educational performance.	Improved estimates on "learning force" as a whole, particularly those enrolled in "nonestablishment" educational programs.	Research on (1) educational administration at all levels; (2) costs and benefits of alternative training methods for the same job; (3) impact of education (longitudinal studies); and (4) student culture and social system of schools (in situ studies).
Art and culture	Annual data on audience size for performing arts, including semiprofessional, by areas. Recurring Census of the Arts to include economic and institutional data covering not only the high arts but also the amateur movement and popular entertainment.	Compilation of Federal, State, and local expenditures on the arts. Art and Culture section in Statistical Abstract of the United States.	Research on (1) the type of musical education provided in primary and secondary schools; (2) the costs of the tools and media used by artists; (3) the administration of artistic enterprises; (4) the recruitment and training of professional artists; (5) the decline in recitals; and (6) the scope of the "amateur movement."
Health and well-being	More refined surveys of mortality and life expectancy by income groups and by localities, including major slum areas.	Readjustment of "cause of death" data, with improved interpretation.	More research on the development of positive measures of health and vitality.
Social breakdown	Divorce registration area to be representative of entire country with data on divorce, separation, and remarriage (including time interval between divorce and remarriage). Incorporation into official series of suicide data from insurance companies. More systematic methods for estimates of users of illegal drugs including "weekend" user, regular user, and seller.	Relate divorce and separation data to existing information on extended duration of marriages (with increased life expectancy).	Studies on better classification of alcoholics by state agencies. Research on (1) number of those arrested for public intoxication who are chronic alcoholics; (2) various forms of violence; (3) physiological and psychological effects of marijuana use; (4) changes in premarital sex practices; and (5) in situ studies of deviant behavior. All States to require doctors to report cases of "battered children."
Science and technology	Substantive content classification of scientific and technological research (in output-program budget terms).	More sustained and comprehensive presentation and analysis of basic series on scientific personnel, organizations, expenditures, publications and the like. Link reports on substantive content of scientific activities with information-retrieval facilities.	Research on (1) timelags between basic science findings and technological implementation by the industrial sector; (2) extent of technological spillover from space and military research and development (R. & D.) programs; (3) role of scientific organizations; (4) evaluation of the quality of scientific output; and (5) how to estimate the social impacts of technological innovations.

Although economic information is generally much better than our data in the fields listed above, it also is seriously defective. In this regard, Geoffrey Moore, research director of the National Bureau of Economic Research, has just stated that "we do not really know, within a reasonable narrow margin, what the recent trend of wages has been." Arthur F. Burns, Chairman of the National Bureau, has recently diagnosed serious data gaps in such areas as job vacancies, price and cost measures, and projections of federal revenues and expenditures.[2]

INTELLIGENT APPROACHES TO THE INTELLIGENCE GAP

We cannot afford too much stupidity in dealing with the domestic intelligence gap. To approach this problem intelligently, we must bring the quality of our information a little closer to the changing needs of private and public policymakers. We must make better use of our growing and partially unused capacities for research and for data-processing, -calculation, and -dissemination. We must expand and improve each of these capacities. We must be prepared to examine any relevant information—no matter whether

[2] Both Moore and Burns are quoted in "The Intelligence Gap," by M. J. Rossant, *New York Times*, Business Section, June 21, 1967.

someone classifies it as economic, political, social, cultural, scientific, or what have you.

In this area, there are no quick, simple, or easy remedies. Indeed, the pace and unevenness of social, technological, and international change are so great that we may—as in Lewis Carroll's *Alice in Wonderland*—have to run in order to remain in the same place.

The historic contribution of the Full Opportunity and Social Accounting Bill of Senator Walter F. Mondale (Minnesota) is that it offers not simple solutions but rather a *grand three-pronged strategy for improving our domestic intelligence within the framework of strengthened Constitutional procedures:*

1. the annual transmission to the Congress of a President's Social Report that can bring together, in terms meaningful for the Congress and the public as a whole, the work of countless specialized experts on all major aspects of the "quality of life."

2. the creation of a small social intelligence staff to help prepare this continuing synthesis and improve the quality and relevance of social information. It still remains to be seen whether or not the "Council of Social Advisors," as precisely proposed in Section 4 of S. 843, is the most practical and desirable of all possible instrumentalities.

3. the creation of a Congressional Joint Committee on the Social Report that could become (as the Joint Economic Committee has in economics) the world's largest classroom in social information and social policy.

Both in the Congress and in the executive branch there seems to be an increased awareness of the dangers that might be involved in the misuse or monopolization of sophisticated informational systems. A start is being made to explore the present dangers to personal privacy and the new kinds of dangers against which safeguards might be needed. Attention is being given to the danger—in the words of the Chaplain of the University of Sussex—that more power will flow into "the hands of a few manipulators who, while paying lip-service to the authority of the majority, persuade them to move in the directions convenient to themselves by all kinds of skillfully-applied pressures rather than by appeals *to their* responsible judgments as rational individuals."[3] All such discussions will be illuminated by Amitai Etzioni's perceptive warnings against the dangers (or "dysfunctions") in internally valid indicators. Raymond A. Bauer's profound observations on the inevitability of error and the indispensability of human judgment demand a skepticism concerning science's ability to shape the course of public policy.

SOCIAL CHANGE AND CONCEPT-OBSOLESCENCE

Westerners are quick to point out that in the "transitional" societies of Africa, Asia, the Middle East, and Latin America, rapid technological change is usually accompanied by institutional, cultural, and conceptual rigidities. Our social scientists can easily see that people who grew up in agricultural peasant societies have difficulty in understanding—let alone keeping statistical track of—the confusions of the industrialization process.

We are somewhat less eager to see the motes in our own eyes. Although living in societies undergoing changes at least equally—and probably much more—confusing, we have not distinguished ourselves by an awareness of our own rigidities. Many of us cling to old concepts as tightly as some people in other societies may cling to caste lines, taboos, astrology, and witch-doctor cures. Our faithfulness to the past may, indeed, be reinforced by the modern magic overtones provided by an elaborate statistical series and electronic computers. The case to which Professor Etzioni refers in the first article is no exception. Information on *residence* provided more or less definitive reports on land congestion a century or so ago, when many more of man's activities took place near his home. Today, although only multidimensional population measures can cope with the greater complexities of people-land relations, many people—even some urban planners—rely on residence information alone. Similarly, some proposals for large-scale "data banks" tend to remind one of the man who tried to build his fortune by collecting the world's biggest stockpile of calendars from previous years. The bank metaphor (used repeatedly by those whose enthusiasm for data-processing machinery exceeds their concern for what is processed) obscures the fact that information, in our era of information explosion, may depreciate as rapidly as money in the wildest of currency inflations.

We hope that, during the coming years, increasing attention will be given to the processes of obsolescence at work on the concepts and the definitions underlying our social information. Obviously, custom and habit are important factors. Basic theory and research in the halls of academe tend to lag behind the mad rush of events. As Albert D. Biderman has graphically illustrated, strong interest and pressure groups usually mobilize to defend existing statistical series and to resist basic conceptual and definitional changes.[4] Any such changes are apt to have political implications at some time in the future. These implications may be particularly anxiety-producing for people more fearful of "rocking the boat" than of sticking an ostrich-like head in the sand. A single, misleading measure—such as the "absolute income line" discussed in the article "Poverty, Inequality, and Conflict"—may serve the "administrative convenience" of an embattled government agency.

We urge special attention to the *technical imperative of data-comparability*. The time series is the hard core of our national information system. The essence of a good time series—on unemployment, burglary, students, scientists, or anything else—is that the figures on 1967 be based on *exactly the same definitions as were used in 1957*. Otherwise, the figures on change will reflect changes in *both* situations and definitions. Accordingly, all data-collection establishments are very wary about definitional changes. Knowing that they cannot change the conceptual rules every year, they tend to postpone all suggested improvements until consensus may be reached on the most significant ones. This calculated "hardening of the categories" may last a decade or more. When changes are made, it is sometimes possible to recalculate the old series in accordance with the revised definition or at least to develop some useful estimates. This is a costly and time-consuming enterprise. In other cases, there is no choice but to start afresh, signaling the use of new definitions and calling attention to the lack of comparability with the past.

This comparability-relevance conflict may be technically by-passed whenever the conceptual innovation leads not to the revision of an old statistical definition but to the addition of new statistical dimensions. Yet these new dimensions—apart from their policy implications—can easily disturb the neat orderliness of old-fashioned data. It is always safer to be precisely irrelevant or wrong rather than vaguely relevant or right.

SOME STEPS TOWARD CONCEPTUAL INNOVATION

In looking through the various articles in this volume the reader will quickly note that there is little discussion of statistical techniques or methods of numerical analysis. Indeed, where authors address themselves most directly to various statistical series—as with Miller, Cohen, and Goldman, for example—their purpose is to suggest the new *concepts* and new *definitions* that precede the tasks of collection, computation, or recomputation. In the broadest sense, each author is attempting to create new definitions of the situations with which he deals. From his own perspective (a combination of both personal background and institutional role), each presents certain normative and analytical frames of reference which could restructure major public policies.

Let us now briefly summarize the various styles of conceptual innovation illustrated by these chapters:

1. *Redefining and broadening the approach to a major area that has been narrowly delimited.*

In "Poverty, Inequality, and Conflict," S. M. Miller sharply attacks the present "income line" definition of poverty. First, he shows the need for using "comparative income" as well as absolute income and for dealing with income security as well as income level. Secondly, he demonstrates the desirability of a three-dimensional economic approach that includes assets and basic services along with income. Thirdly, he sets forth the social dimensions of poverty—in terms of deficiencies in self-respect, status, and opportunities for participation in decision-making. He thereby develops—with the help of his collaborators—a sophisticated conceptual formulation capable of dealing with, rather than dodging, emerging issues of justice and injustice in American society.

Miller's formulation is written from an unusual perspective. Trained first as an economist and then as a sociologist who has made major contributions in the area of social mobility, he does not bother about artificial distinctions between economic and social factors. It is thus not surprising that he brings mobility-analysis into the framework of poverty policy. Further, Miller keeps his feet in several political camps. An advisor to a number of community and militant action groups, he also serves as an official of the Ford Foundation and as a consultant to several government agencies. In this light, one could interpret his piece as an attempt to approach "the Establishment" with the social critique of the civil rights movement and elements in "New Left" thought, thereby demonstrating to the militants the terms of discourse and the type of analysis with which to approach policy-makers.

2. *In an area of "sacred lore," broadening our conceptual approach by identifying a series of major paradoxes that confront enumerators and policy-makers.*

Sidney Verba's "Democratic Participation" gives us a definition of democracy that goes far beyond the ballot box and relates all forms of political participation to the resources, motivations, and institutions that make it possible. He raises vital questions concerning the successfulness of participation and the decision-makers' willingness to accede to greater participation. He raises a series of major paradoxes that demand attention both in improving and in interpreting all data in this field.

While Verba is well known in academic circles, he is one of the West Coast intellectuals geographically removed from the Boston-New York-Washington consultation network. As a political outsider with strong convictions, he opts for broader official interest in democratic participation. A first-rate scholar, Verba presents a careful and reasoned critique that could greatly expand traditional perspectives toward democracy.

3. *Changing some of the traditional parameters in a rapidly moving situation and raising issues of great, but as yet unexplored, potentialities for future change.*

In "Learning and Education," Wilbur Cohen first delineates the major structural changes taking place in American education.

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[3] Daniel Jenkins, *The Educated Society* (London: Faber & Faber, 1966), p. 36.

[4] "Social Indicators and Goals," in Raymond A. Bauer (ed.), *Social Indicators* (Cambridge, Mass.: M.I.T. Press, 1966), pp. 68–153.

He shows where our concepts have been outdated and demonstrates that we must not limit or take the narrow view that education is something that takes place during a person's youth and only within the traditional educational institutions. The new concept of "the learning force" indicates that education can be a life-long process and need not be limited to the traditional educational establishment.

Cohen's outline of a wide-ranging research program is a sharp departure from the traditional "educationist" approach. Coming from an "action intellectual" who is a principal architect of Great Society measures (as well as Health, Education, and Welfare Under Secretary), his views provide "White Paper" intimations of the future direction of national policy.

4. *Making a strong plea for new definitional processes in an area that has been largely ignored.*

In "The Art of Measuring the Arts," Alvin Toffler attempts to initiate both quantitative and qualitative definitions of a situation just beginning to become a concern of national policy-makers. In addition to calling for the systematic collection of information in all the arts, he suggests a series of quite specific criteria for the qualitative evaluation of artistic activities.

As a professional journalist, Mr. Toffler is free from that intellectual timidity which is endemic to academia. He has been sufficiently uninhibited to give us a wide-ranging framework which could serve as a baseline for debates over future government perspectives toward the arts. Broad and provocative statements are very much in Toffler's style. His book *The Culture Consumers* opened up recent debates over the extent and characteristics of what is referred to as the "culture explosion." [5]

5. *In a highly defined situation, raising conceptual issues with great, but as yet unexplored, potentialities for restructuring action.*

In "Health and Well-Being," Philip R. Lee presents a definition of health that encompasses far more than the typical clinician's view based on the incidence of disease. Lee views mortality, morbidity, and disability in the context not only of physiological but also of social and economic factors. Looking beyond our present definitions of health, Lee points to the day when research presently underway may lead to positive measures of well-being.

Dr. Lee is a practicing physician now serving as Assistant Secretary of Health, Education, and Welfare for Health and Scientific Affairs. Without the pretensions that often characterize academic and government officials, he presents a broad vision of what constitutes the parameters of health. Like Cohen's paper, Lee's has the character of a non-official "White Paper" in the area of health and well-being.

6. *Examining basic concepts in an emotion-charged area and suggesting various paths toward reconstruction.*

In "Social Breakdown," while not directly outlining new concepts, Nathan Goldman begins to lay bare some widely held notions about social disorganization—or in more popular terms, "a breakdown in morality." In examining available data on family breakdown, addiction, personal breakdown, and sexual deviation, he casts serious doubts on the reliability of the conventional evidence of social breakdown. More significantly, he suggests that such things as divorce and even addiction may not be signs of social breakdown, but may, in fact, be factors in social organization and stability.

The nature of Goldman's piece can, in good part, be understood by two factors. First, while Goldman has had considerable clinical experience in the problems he discusses, he has been somewhat distant from national policymaking processes and thus does not have to pay homage to the conventional wisdom. Secondly, like many University-of-Chicago-trained sociologists, he questions the meaning of "accepted morality," which, if taken at face value, will stand in the way of creative social analysis.

7. *Making a strong plea for new definitional processes in an area that, despite recognized importance, has been treated superficially.*

"Science and Technology" is a wide-ranging piece in which John McHale explores the inadequacy of present indicators on the substantive content and organizational setting of scientific activities. In calling for new conceptual frameworks, McHale underscores the superficiality of the use of purely quantitative surrogates and calls for direct consideration of the quality of scientific efforts.

One would expect such broad and bold proposals from a colleague and collaborator of Buckminster Fuller, that remarkably creative engineer-architect-inventor. Quite on his own, McHale addresses himself to his subject from a rich and varied background that includes previous careers as both an artist and a medical technician.

8. *Urging application to an area of immense political importance of improved definitions that have long been advocated and officially ignored.*

In "Employment and the 'New Economics,'" Leon H. Keyserling criticizes present unemployment statistics as seriously understating the extent to which manpower resources are wasted. Pointing out how the present concept of unemployment contributes to inadequate policy-formulation, he urges the modernization of the unemployment definitions used by the Bureau of Labor Statistics and of the employment goals set forth by the Council of Economic Advisers.

As a member (and finally Chairman) of the Council of Economic Advisers throughout the Truman administration, Keyserling was one of the leaders in establishing sustained economic growth as a major objective of public policy. Since then his role has been that of a "Prophet in the Wings," relentlessly criticizing deviations from this goal and continuously proposing policies for using economic resources to meet basic social needs.

In conclusion, we feel that we can speak for all the authors in this and the previous volume in predicting that the development of new concepts and information to meet the critical needs of our changing society will be a slow and painful process. These volumes have amply demonstrated the inadequacy of many of our present concepts. They have also demonstrated the tremendous potential for improved social information, indicating some of the roads that must be traversed in order to achieve this potential.

Substantial energies are going to be exerted to develop social information that is as extensive and as "hard" as presently available economic information. It would be a sad affair, however, if in overcoming the "economic philistinism" of the past we create a "social philistinism" of the future. There is something more to the "quality of life" than can ever be fully expressed in quantitative measures. The moral and aesthetic goals which many of us seek can be only partly comprehended by the hard indicators which we use to bring them to fruition.

This matter has been vigorously raised by Corinne Gilb:

"Human needs for myths, festivals, dignity, love, belongingness, and self-realization cannot be adequately assessed solely by social science methods. . . . As you know, the economic, scientific, military, and governmental systems in the United States are increasingly interdependent. They in turn influence—directly or indirectly—every other aspect of American life. We need deeper knowledge of what these interconnections are. Questions and research methods are needed which cut through and transcend the methods of approaches now being used by particular segments of the total system or by particular disciplines such as economics or sociology." [6]

Elsewhere, the same author has suggested that "for scholars the ultimate goal should be not the kind of artificial scientific reductionism whose logical endpoint is the Brave New World, but rather a multi-dimensional set of values, theories, concepts, and methods which converge at that high point where science and art are—in a sense—the same." [7]

Professor Gilb has thus defined the paradox underlying our goals for social information. To cope with the intelligence gap intelligently, we must develop conceptual innovations that help us not only to obtain and use improved quantitative data, but also to appreciate the importance—in Galileo's words—of "what is not yet measurable," and may, indeed, never be.

LET US EXAMINE THE FACTS ON IMPORT QUOTAS

Mr. HANSEN. Mr. President, since the completion of the Kennedy round trade negotiations last June 30, much has been said about our Nation's balance of trade.

Those of us who have become concerned with the possible harmful effects of these negotiations and who have sponsored legislation establishing import quotas have been scolded and taken to task by the administration, a large segment of the Nation's press and representatives of foreign countries.

Today, I would like to discuss for a few moments some points that should be made in regard to the debate now in progress over the U.S. balance of trade.

I have in my possession a table by Vladimir N. Pregelj, an analyst in international trade and finance for the Economic Division of the Library of Congress. The table correlates the relationship between U.S. aid-financed exports, total exports, and balance of trade from 1960 to 1966.

The results of this kind of analysis are enlightening and most distressing, as well. At this time, I ask unanimous consent that this material be placed in the RECORD.

From 1960 until 1966, the U.S. favorable balance of trade has fallen from $4,757,000,000 to $3,658,000,000, a drop of 23.1 percent. Even more dramatic is the decline from 1964 to the present day—a drop of over 45 percent.

The most frightening aspect of these figures is the relatively large percentage of the favorable balance which is made up of U.S. aid-financed exports. In 1960, aid-financed exports accounted for 39.9 percent of the favorable balance. But by 1966, aid-financed exports were responsible for making up 82.3 percent of the favorable balance of trade—$3,012,000,000 compared with $3,658,000,000.

U.S. aid-financed exports have grown in an absolute sense by 58.6 percent since

[5] Alvin Toffler, *The Culture Consumers* (New York: St. Martin's Press, 1964).

[6] Testimony before Senate Subcommittee on Research. Senate Committee on Government Operations, on S. 843, July 20, 1967.

[7] Corinne Lathrop Gilb, "Time and Change in Twentieth-Century Thought," *Journal of World History*, Vol. IX, No. 4 (1966), pp. 867–880.

1960. This growth has been a steady, year-by-year increase.

The significant point here is that our aid-financed exports have been to a great extent responsible for our continuing balance of trade. Using the figures supplied by the Library of Congress, we find that if the aid-financed exports were subtracted from our 1966 balance-of-trade figure, the United States would have a favorable balance of only $646,000,000.

No graph is needed to indicate all too well what the future may hold in store.

The time may come—and, indeed, it may be in the not-too-distant future—when a favorable balance of trade will depend on U.S. foreign aid dollars, used by foreign countries to purchase American goods.

I believe, Mr. President, that it is necessary that we examine closely such facts when we discuss the question of import quotas. Certainly, in light of these facts, the picture of America's balance of trade is not as rosy as some might lead us to believe.

I ask unanimous consent that the table be printed in the RECORD.

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

RELATIONSHIP BETWEEN U.S. AID-FINANCED EXPORTS, TOTAL EXPORTS, AND BALANCE OF MERCHANDISE TRADE, 1960–66

[Value in millions of dollars]

Year	Exports		Balance of trade	U.S. aid-financed exports as percent of—	
	Total	U.S. aid-financed		Total exports	Balance of trade
1960	19,489	1,898	4,757	9.7	39.9
1961	19,954	2,209	5,444	11.1	40.6
1962	20,604	2,333	4,417	11.3	52.8
1963	22,071	2,721	5,079	12.3	53.6
1964	25,297	2,801	6,676	11.1	42.0
1965	26,244	2,758	4,772	10.5	57.8
1966	29,168	3,012	3,658	10.3	82.3

Note: Value of military grant shipments is excluded from the above data.

Source: U.S. Office of Business Economics, Survey of current business, June 1967.

THE UNITED NATIONS

Mr. CLARK. Mr. President, in June 1965 two events took place in San Francisco, each of which in its way directly relates to man's aspirations for the achievement of a durable worldwide peace. One was the commemoration of the 20th anniversary of the founding of the United Nations. The other event was the convening of a conference, conducted under the auspices of the Stanley Foundation of Muscatine, Iowa, to study the role of the United Nations in the next decade.

The principal conclusion of the participants at the first Stanley conference was that the United Nations, in the words of Mr. C. Maxwell Stanley, president of the foundation and organizer of the conference, "while rendering many useful and valuable services, was not equipped under its present charter to deal effectively with the continuing arms race, the spread of nuclear weapons to more nations, the growing danger of accidental war, and the pressures of population and poverty." A number of major structural changes were proposed to remedy these defects.

Roughly 2 years later, in July 1967, a second conference on the United Nations of 1975 was convened by the Stanley Foundation in Burgenstock, Switzerland, to carry forward the work begun in San Francisco. The product of the second conference is a series of specific proposals to increase the effectiveness of the United Nations which I consider to be among the most constructive and well-thought-out suggestions I have ever seen on this subject.

Mr. President, I ask unanimous consent that there be placed in the RECORD at this point, first, a foreword by Mr. C. Maxwell Stanley, summarizing the history of the first conference and the achievements of the second; next, the statement of members of the second conference on the United Nations of 1975, Burgenstock, Switzerland, July 28, 1967; and finally, the list of participants of the second conference on the United Nations of 1975.

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

SECOND CONFERENCE ON THE UNITED NATIONS OF 1975

(Sponsored by the Stanley Foundation)

FOREWORD

(By C. Maxwell Stanley)

The Second Conference on the United Nations of 1975 is a continuation of an examination that was started in San Francisco in 1965. We held a conference there on the eve of the Symbolic Session of the United Nations which commemorated the twentieth anniversary of the signing of the Charter. It was called to study the United Nations' Role in the Next Decade.

The 1965 conference came to one specific conclusion and made several general recommendations regarding the United Nations. The primary conclusion was that the United Nations, while rendering many useful and valuable services, was not equipped under its present Charter to deal effectively with the continuing arms race, the spread of nuclear weapons to more nations, the growing danger of accidental war, and the pressures of population and poverty.

The recommendations of the 1965 conference, adopted unanimously, called for changes that could be accomplished only by Charter revision. These changes were major ones, giving the United Nations the ability to achieve complete and enforced disarmament in carefully controlled stages and with effective safeguards, a permanent peace force, changes in the General Assembly and the Security Council so that the United Nations would have legislative capability, a strengthened International Court of Justice with systems of regional courts, a sizable world development program, a reliable and adequate revenue system, safeguards to prevent abuse of power by such a strengthened United Nations, and eligibility for all nations for membership.

As one looks back over two years and evaluates the proposals of the 1965 conference one can only say that they were bold and substantial ones. Many people would term them unrealistic. Many would say that the United Nations was not in jeopardy, and the changes proposed were too visionary, too far down the line. Nevertheless, the conference considered that nothing else would succeed.

With each new crisis crowding on the heels of his predecessor, these two years reinforce the major conclusions of the First Conference on the United Nations of 1975: that there is urgency and that the United Nations must be made more effective.

Our concern at the Second Conference was to look at the world's needs, to select the roles the United Nations should discharge in meeting those needs, to determine its competence to discharge them, and finally to recommend steps which would enhance the effectiveness of the United Nations.

We came forward with proposals to increase the effectiveness of the United Nations. We considered several approaches which the conference of two years ago did not recommend. It centered its attention on Charter revision. We considered also the better use of the United Nations as it is. What capabilities have the Secretariat, the Security Council, the General Assembly or the specialized agencies that are not adequately utilized? What changes can come about by an evolutionary process? Are certain Charter changes desirable—and possible—perhaps less extensive than those proposed in the 1965 conference? Two Charter changes have been made regarding the membership of the Economic and Social Council.

We considered the attitudes of nations. Is the United Nations to be a major element of foreign policy for more countries, including mine, or is it a crutch to be used when other efforts fail?

We followed a very unique format with an unstructured conference. We were not there to listen to speeches. We were not there to dissect papers. We were not there to vote aye and nay on specific proposals. We met as individuals, not governments. Our mission was to think and brainstorm. We wanted to explore new ideas and exchange views. We confirmed sound concepts with respect to the United Nations, but we proposed some new ones. We were not concerned with complete agreement. Where consensus was evident, the rapporteur so indicated. Otherwise he indicated opposing views. Attribution to individuals was not made in the conference statement.

My charge to the participants was: "As we approach the task, I urge that we be practical, but also visionary; predictive, but also descriptive; cautious, but with a sense of urgency; and responsible, but bold and courageous. Let us be fully aware of the differences separating nations. Let us be even more aware of the broad interests and needs, the service of which will unite people if given a chance. May we together chart a route to a more effective United Nations. May we issue a challenge to thinking men. Thus hopefully may we contribute to those universal desires of men throughout this world for peace, security, and a fuller life."

STATEMENT BY MEMBERS OF THE SECOND CONFERENCE ON THE UNITED NATIONS OF 1975, BURGENSTOCK, SWITZERLAND, JULY 28, 1967

We continue the work begun by the Conference on the United Nations of 1975, held in June 1965, which called for major changes in the United Nations to make it capable of maintaining peace and freedom under law.

This is a time of growing danger and great opportunity. There is a trend toward more centers of power in the world. The threat of nuclear war grows as the arma-

ments race enters a new round and nuclear weapons spread to more nations. Too often the nations fail to use the United Nations to solve international disputes, and rely instead on force and intervention. Painfully slow development and rapid population growth in developing countries lead to increased violence and non-democratic regimes.

The United Nations is caught in a vicious circle. Lack of confidence in the United Nations discourages its use and limits its performance. This makes it difficult to achieve the support of nations for the basic changes in the United Nations which are necessary. Yet only a strengthened United Nations can provide the successful performance which is needed to build confidence.

We propose that this vicious circle be broken by taking specific steps toward a more effective United Nations. These steps will strengthen the ability of the United Nations to achieve its purposes. Speaking solely as individuals, we propose these steps:

1. In order to make any major progress toward general and complete disarmament, the United Nations security system must be strengthened so that all nations can rely on it, and means for the just settlement of international disputes must be provided and used. The armaments race should be stopped as soon as possible. Specifically, it is in the self-interest of all nations to make realistic agreements (including necessary safeguards) to prohibit all nuclear weapons tests, to limit the quantities of both nuclear and conventional weapons, to require that all transfers of weapons from one nation to another be reported to and published by the United Nations and to prevent the proliferation of nuclear weapons.

2. In the important field of peacekeeping, the United Nations must be given the capacity to act promptly, rather than having to improvise after trouble begins. All nations should be invited to earmark and train units of their national armed forces and police forces for United Nations duty when needed. United Nations capability should also be strengthened by creating a permanent United Nations staff for peacekeeping operations and by adopting clear but flexible rules for peacekeeping. It is further essential that agreement be reached as soon as possible to create a permanent United Nations peace force, recruited by and for the United Nations and effectively backed by its members. In particular, the United Nations needs without delay its own units to perform specialized tasks such as communications, logistics and police duty.

3. The Security Council has primary responsibilities for peacekeeping, but the General Assembly should be able to act when there is no reasonable possibility of Security Council action.

4. A determined effort should be made to implement Chapter VII of the Charter to enable United Nations peace enforcement action by the Security Council. The Military Staff Committee should be reactivated. Member nations should make agreements to provide forces on call of the Security Council. Organization and planning for effective economic sanctions under Article 41 is needed, including creation of a staff to administer economic sanctions.

5. Parallel to the United Nations peacekeeping activities, the United Nations and its members should make more determined and unrelenting efforts to find solutions to international conflicts and to persuade the parties to accept reasonable solutions in conformity with the principles of the Charter. The conflict resolution role of the United Nations is vitally important, and the mediation services of the Secretary-General and his staff should be supported and expanded.

6. All nations should voluntarily accept without reservation the jurisdiction of the International Court of Justice in the kinds of international disputes listed in Article 36 of the Statute. All treaties which do not specify other methods of settlement should provide that disputes arising under the treaty shall be determined by the International Court. The judicial independence of the International Court, free from national or other interference, must be assured by all suitable means. Increased efforts to develop and codify contemporary international law are needed. All these efforts should tend to strengthen the authority of the United Nations to maintain a just peace under law.

7. The critical situation of the developing countries is a growing threat to peace. This great and urgent challenge requires a vastly expanded and dynamic effort under United Nations leadership to attack the problem on many fronts. The developing countries have the primary responsibility for their own development, including the full mobilization of their human and natural resources and the economic, social and structural changes which are necessary for growth. But in order to allow the developing countries to assume full responsibility for their development, it is the duty of the world community to remove obstacles to development and promote an expanding world economy which will benefit all peoples regardless of their present degree of development. Among the measures required are these: increased financial and technical assistance, both bilateral and multilateral, on terms which will encourage development; trade policies, including temporary trade preferences, which will enable the developing countries to build their own economies through increased exports; a serious attack on the population problem, including aid to nations willing to accept it; and better coordination of all United Nations development and trade programs.

8. It is imperative that the United Nations should move toward universal membership. In the opinion of most but not all the participants, the People's Republic of China should promptly be seated. The presence of France and China in disarmament negotiations is essential.

9. A comprehensive study should be made of all factors involved in granting greater authority to the United Nations General Assembly, including the process of decision-making.

10. A start should be made toward giving the United Nations reliable sources of revenue independent of national contributions. For example, the United Nations might be authorized to collect fees for the use of international communications, outer space, and resources in or under the international seas.

Many other steps would be helpful. We stress the need for all member nations to honor their Charter commitments and make greater use of the United Nations to solve international problems. More research is needed on the hard problems of war and peace and on the effectiveness of existing United Nations programs.

The steps listed above can be taken by 1975 if the peoples of the world and their governments will contribute enough leadership, imagination and hard work.

This is a time for realism and boldness. The task of strengthening the United Nations is difficult and demanding.

We must build a more effective United Nations in the interest of survival.

PARTICIPANTS, SECOND CONFERENCE ON THE UNITED NATIONS OF 1975 BÜRGENSTOCK, SWITZERLAND, JULY 24–28, 1967

The Honorable Gabriel M. d'Arboussier of Senegal, Executive Director of United Nations Institute for Training and Research.

The Honorable Zulfikar Ali Bhutto, former Foreign Minister of Pakistan.

Mr. Andrew Boyd of Great Britain, Foreign Affairs Editor of "The Economist."

General E. L. M. Burns, Adviser to the Government of Canada on Disarmament.

The Honorable Donald M. Fraser, Foreign Affairs Committee, House of Representatives, U.S.A.

The Honorable Per Haekkerup, Leader of the Social Democratic Party (Government Party) in the Danish Parliament and former Foreign Minister of Denmark.

The Honorable Jose A. Mayobre of Venezuela, Minister of Mines and Petroleum.

The Honorable F. Bradford Morse, Foreign Affairs Committee, House of Representatives, U.S.A.

His Excellency B. K. Nehru, Ambassador of India to the United States.

The Honorable Sivert A. Nielsen, President of Bergens Privatbank, former Ambassador of Norway to the United Nations.

His Excellency Dr. Majid Rahnema, Ambassador of Iran to Switzerland and Vice President of the United Nations Economic and Social Council, 1967.

General Carlos P. Romulo, President, University of the Philippines, and President of Fourth Session of the United Nations General Assembly.

His Excellency Zenon Rossides, Ambassador of Cyprus to the United Nations.

The Honorable Zdenko Stambuk of Yugoslavia, Chief Editor of "Review of International Affairs" and Member of the Federal Parliament.

The Honorable A. Z. N. Swai of Tanzania, Minister of Economic Affairs and Development Planning.

Mr. C. Maxwell Stanley, Chairman, President of the Stanley Foundation.

Mr. David M. Stanley, Rapporteur, Iowa State Senator and Candidate for the United States Senate.

Dr. Thomas B. Manton, Conference Director, Executive Director of the Stanley Foundation.

OVERWHELMING APPROVAL IN SENATE OF REDWOOD NATIONAL PARK GREAT MOMENT IN AMERICAN CONSERVATION

Mr. KUCHEL. Mr. President, the Senate approved a Redwood National Park in northern California by an overwhelming vote of 77 to 6 on November 1, 1967. The Senate's action has attracted favorable editorial comment from newspapers throughout the Nation. I ask unanimous consent that sundry editorial comments on this conservation milestone be printed in the RECORD.

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

[From the San Francisco Examiner, Nov. 5, 1967]

REDWOOD PARK'S SENATE VICTORY

Passage by the U.S. Senate of the Kuchel-Jackson redwood national park bill marks a historic advance toward reaching one of America's prime conservation goals.

If the bill survives rigorous tests in the House, 64,000 acres of templed groves will be saved.

We congratulate California's Sen. Kuchel and Washington's Sen. Jackson for their skillful maneuvering of the bill through the Senate Interior Committee to a final smashing 77–6 triumph on the floor.

They saved the measure from disastrous amendment, the proposed elimination of a key provision—trade of 14,000 acres of run-of-the-mill Forest Service land for privately held stands of superb redwoods.

That exchange was opposed because it would "set a precedent." If so, it would be a good precedent assuring the wisest use of federal lands for the benefit of most people.

Also behind the resistance was departmental rivalry (Agriculture and Interior), the former's Forest Service being reluctant

to yield jurisdiction to the latter's Park Service.

The man in the street couldn't care less whether the land is administered by Agriculture or Interior. To him it is simply federal land. And if ordinary forest land can be traded for priceless virgin redwoods, thus reducing the cost of the park by some $60 million (and saving a private lumbering industry to boot) he sees it as a remarkably good deal.

Park action in the House unfortunately has been delayed until next year. That time might well be spent by the Reagan administration to re-think its present doubts about turning over three state parks to round out the federal state park.

Gov. Reagan also wants to wring some federally-held beach lands out of the government in exchange.

If that can be accomplished within the framework of the present park concept, so much the better. But if Sacramento's bargaining with Washington takes an obstructionist line, all the present hard-won gains could be lost, along with the trees.

[From the Los Angeles (Calif.) Times, Nov. 7, 1967]

COMPROMISE ON REDWOODS PARK

Congress may yet reach agreement on a Redwoods National Park before it's too late. The latest of many compromise proposals has cleared the Senate with approval of a 64,000-acre project costing nearly $100 million. But no action will be taken in the House until next year.

Presumably, timber companies will continue their moratorium on the cutting of the stands of virgin trees that would be acquired under the Senate bill. If not, it will be a race between the House and the lumbermen's saws.

By a 77–6 vote, the Senate accepted a compromise that had something for everyone—and consequently a price tag much higher than the original administration proposal. The bill as passed calls for the acquisition of a total of 64,000 acres at an estimated cost of nearly $100 million.

Major objection on the Senate floor was to the exchange of government timberlands for the privately held groves that will become part of the national park. The U.S. Forest Service opposes the swapping of its lands, while the lumber industry prefers that no private property at all be taken.

But determined efforts by Sen. Thomas Kuchel (R-Calif.), long-time champion of the park, and chairman Henry Jackson (D-Wash.) of the Senate Interior Committee, led to a compromise that received the support of Gov. Reagan, the Sierra Club, the Save-the-Redwoods League and the Interior Department.

Reagan's support was accompanied by a plea that the amount of private acreage to be taken be diminished to lessen the economic impact.

Studies made for the Interior Department, however, indicate that the establishment of a national park actually will improve the over-all economy of the affected areas in the purchase and trade, three California state years to come.

In addition to the acquisition of land by parks—Jedediah Smith, Del Norte Coast and Prairie Creek—would become part of the national park complex.

Some further compromise may be possible. But nothing must delay congressional action on the preservation of a priceless and irreplaceable national resource.

[From the San Jose Mercury, Nov. 3, 1967]

PARK BATTLE HALF WON

Overwhelming Senate approval of a 64,000-acre $100 million Redwood National Park in northern California means, in effect, that the battle for the park is half won.

It will not be completely won, however, until the House of Representatives completes action on the bill, and the House's pace in this matter has been regrettably slow to date.

The chief stumbling block has been the House Interior Committee and its chairman Rep. Wayne Aspinall (D-Colo.). Aspinall has indicated he won't hold hearings on the Senate-passed legislation until early next year. The reasons for this delay are best known to Aspinall himself; they are not readily apparent to anyone else.

There are, in fact, excellent reasons for moving ahead with this particular authorization bill in the most expeditious manner possible.

To begin with, the several lumber companies involved have voluntarily suspended logging old-growth redwoods in the areas included within the proposed park boundaries. It is unfair, to say the least, to ask them to refrain from logging indefinitely.

The Senate bill passed this week 77–6 provides for a swap of 14,500 acres of Forest Service land to ease the impact on the timber-centered economy of northern California. The lumber companies should be permitted, as as matter of justice, to begin logging operations in this swap land as soon as possible.

This compromise protects the interests of all to the fullest extent possible. The public is assured that some of the last stands of virgin redwoods will be preserved. The lumber industry workers in northern California are assured that their jobs will not be terminated in the immediate future. Logging will continue in the swap land until the tourist aspects of the new Redwood National Park can come fully into being, thus shifting the area's economic base.

All this now waits on the pleasure of one man, Colorado's Rep. Aspinall.

There is ample material in the hands of the Senate and House interior committees to permit hearings to go forward next week. The subject is no stranger to Capitol Hill.

Aspinall should schedule hearings on this measure as quickly as possible. Simple justice demands it.

[From the Washington (D.C.) Post, Nov. 4, 1967]

NATIONAL PARK CONSENSUS

The Senate's passage in rapid succession of bills to create the Redwood and North Cascades National Parks is the best conservation news of the year. It is especially gratifying that the redwoods bill went through by a 77-to-6 vote after the prolonged struggle and seemingly insuperable obstacles. At last a broad consensus has evolved in favor of the Jackson-Kuchel bill.

The North Cascades bill slipped through on a voice vote. It puts the Senate on record for what Senator Jackson called a "scenic masterpiece" consisting of 1.2 million acres of park, wilderness and national recreation areas. Just as the redwoods will bring into the National Park System the most spectacular forests in the United States now in danger of extinction, the North Cascades bill will assure preservation of the finest mountain scenery in America now outside a national park.

The redwoods compromise takes in more than 60,000 acres in two large segments, one in the Mill Creek area and the other in the watershed of the Redwood and Lost Man Creeks. These two magnificent forests would be linked together by a scenic strip along the Pacific Coast. It is unfortunate that the entire drainage area in both locations could not be included, but the best of the old-growth redwoods (including three California state parks) will be within the new park. It will be one of the finest additions to the national recreation system.

The sharp controversy over the provision to trade the Forest Service's "northern purchase unit" for redwood land within the park boundary was painful to the Senate as it has been painful to all conservationists interested in the project. This newspaper had expressed the hope that the bill could be passed without this concession to the timber industry, and we still hope that some way of avoiding the transfer can be found. Yet it must be recognized that the loss of 14,500 acres of redwood and Douglas fir land that is now being logged under Forest Service management will be a small price to pay, in conservation terms, for a national park of more than 60,000 acres including the best of the ancient trees. Without this concession, the price on the park (it is now placed at $100 million) might well prove to be prohibitive.

If the new park were merely absorbing this piece of Forest Service land, no serious question would be raised. Nor would any question arise if the Interior Department were merely trading a piece of land under its jurisdiction for another site more appropriate for park purposes. The crucial question that must be asked is whether the country itself will benefit from the transfer, and the answer is very positively in the affirmative. The fact that this 14,500 acres were acquired 30 years ago in an unsuccessful effort to establish a national park should permit the exchange for better park land without creating any precedent detrimental to the national forests.

[From the New York Times, Nov. 5, 1967]

REDWOODS VICTORY

Senate approval of the bill to create a redwood national park in northern California brings this long dreamed of project near to success. House action is not expected until next year, but the decisive success in the Senate encourages supporters to press for an early decision.

The Forest Service is understandably unhappy about the provision in the bill transferring 14,500 acres under its jurisdiction to private lumber companies in exchange for lands to be included in the new park. But there is no reason to suppose that this transfer establishes a decisive precedent. It is a unique transaction just as the redwood is a tree uniquely worthy of protection in a national park.

The Times would have preferred that Congress simply appropriate money to buy the land rather than engage in this exchange, but this was not politically feasible in view of the fiscal pressures of the Vietnam war. The possibility that the lumber companies may cut the best redwoods makes it dangerous to defer action until the war ends.

The House Interior Committee could improve the bill by enlarging the Redwood Creek section of the proposed park. The Senate bill protects some of the best groves of virgin redwoods in that area, but it includes relatively little of the surrounding watershed. Purchase of more watershed land now would be a wise investment for the future of the park.

[From the Washington (D.C.) Star, Nov. 6, 1967]

THE REDWOODS PARK

Senate approval, after years of controversy, of a redwood national park in northern California is a heartening achievement in a generally lackluster session of Congress.

The measure was the product of many compromises. Out of a bewildering maze of proposals, the Senate settled for a park of roughly 64,000 acres which will preserve prime virgin timber. At the same time it will assure the California lumber industry continued employment by a unique swap of federal timberland for park acreage, a move that incidentally will save about $40 million in taxpayers' money.

This is not a perfect bill. Although the Save-the-Redwoods League and the Sierra Club endorsed it, the club originally had

pressed for a 90,000-acre park costing some $200 million. Furthermore, it will be up to the State of California to bring the project to fruition by donating a number of state parks—Jed Smith, Del Norte Coast and Prairie Creek—to tie into the national preserve. Judging from Governor Reagan's past statements, the public can only keep its fingers crossed in this matter.

It is too late in 1967 for the House to complete the legislation. But this plan to rescue a dwindling, priceless gift of nature ought to be the first order of business in the House next year. The lumber companies have shown restraint in their cutting during the debate. They cannot be expected to wait indefinitely while Congress argues about the park's final dimensions.

[From the Washington (D.C.) Daily News, Nov. 6, 1967]

A GARLAND OF REDWOOD

Senators Henry Jackson (D., Wash.) and Thomas Kuchel (R., Calif.) deserve a garland of redwood for piloting their bill to create a 61,600-acre Redwood National Park thru the Senate.

Their bill would protect the finest of old-growth forest in a lovely area 300 miles north of San Francisco. Included would be the 350-foot "tallest trees" discovered in 1964.

They drafted their bill with consideration for the area's lumber economy and for the differing views of the two conservation groups which have worked hard to save the remnants of redwoods which once spread hundreds of miles along the California coast. Both conservation groups now support the bill.

It was unfortunate that the Forest Service tried to mobilize its allies to defeat the Jackson-Kuchel measure. The Senators' plan to swap 14,567 acres of commercial redwoods administered by the Forest Service for the privately owned old-growth timber is a laudable attempt to be fair to all parties. As Jackson said, this would be "an honorable exception" to a general policy not to trade off Federal lands.

The Forest Service's superiors at the Agriculture Department and the White House should end the service's lobbying and throw the Administration's total weight behind the Jackson-Kuchel bill for early House approval.

[From the Berkeley (Calif.) Gazette, Nov 7, 1967]

SENATE MOVES REDWOOD PARK CLOSER TO REALITY

The $100 million Redwood National Park in Northern California moved one step closer to reality last week when the Senate put its stamp of approval on the two-unit park in Del Norte and Humboldt Counties.

The 77-to-6 vote sent the park authorization bill to the House where consideration has been deferred until next year by the House Interior Committee.

That committee has promised, however, to give "priority attention to the park early next year."

Hence, there are grounds for optimism that the 90th Congress will enact this landmark conservation legislation.

The 64,000-acre park is not as large as many would wish.

There was opposition to the exchange of 14,500 acres of government-owned timber in Del Norte County to timber companies in exchange for land to be included in the park. That opposition is sure to rise again in the House.

An amendment designed to eliminate that swap was voted down by the Senate.

While conservationists did not get the whole loaf, they did get 13,000 acres of virgin redwoods, including the tallest trees in the world.

Sen. Thomas Kuchel, the co-sponsor of the Senate bill, expressed confidence that the overwhelming Senate vote will provide ample incentive for early and favorable action in the House of Representatives.

We agree heartily.

[From the Sacramento (Calif.) Bee, Nov. 11, 1967]

REDWOODS BILL IS A VICTORY FOR BEAUTY

The passage by the United States Senate of a bill to establish a national redwoods park in Northern California was an event of great historic significance. It firmly pins down the fact citizens of this nation accept the preservation of natural beauty as a true and worthwhile expression of their respect for national heritage.

The overwhelmingly favorable vote of 77 to 6 by which the Senate passed the redwoods bill to the House was a victory of tremendous proportions. It represents an outstanding achievement in the campaign for esthetics, an uplifting of the quality of life in America.

The fine work of Sens. Thomas H. Kuchel, R-Calif., and Henry M. Jackson, D-Wash., who sponsored the proposed 64,000-acre compromise of the conflicting and confusing ideas for a park, is deserving of the highest commendation.

Because it is a compromise—which was necessary to get any congressional action at all—it does not fulfill the fondest wishes of all the people who have sought a national redwoods park for decades. But it is a start, a meaningful start toward making the park a reality.

The Sierra Club, which wanted a much larger area, and the Save-the-Redwoods League, which first proposed the park nearly 50 years ago, threw their support behind the Kuchel-Jackson bill as acts of statesmanship so the progress no longer would be stymied.

It is expected changes in the Kuchel-Jackson bill will be attempted in the House of Representatives. But if any modifications are made, they should be toward expanding the boundaries rather than constricting them. After all, the cash outlay of the Senate proposal would be only $60 million, which is merely as much as is spent on a few miles of freeway every day.

Assemblyman Edwin L. Z'berg, of Sacramento County, whose Assembly Committee on Natural Resources, Planning and Public Works has prepared one of the best reports existing on the current redwoods controversy, has commented the American people deserve a national park which meets their aspirations for a "significant" preservation of redwoods.

The House ought not ignore this test of national values.

[From the Boston (Mass.) Morning Globe, Oct. 11, 1967]

REDWOODS COMPROMISE

The advance of the chain saws into the last of the nation's virgin redwood stands may at last be halted if a compromise park plan just worked out by a Senate subcommittee is approved by Congress.

The lawmakers have been hung up for months between an administration plan for a 39,000-acre park costing $50 million in the Mill Creek area and a Sierra Club proposal for a 90,000-acre enclave costing $150 million near Redwood Creek. The latter was obviously more desirable from a conservationist point of view, but it also raised more problems.

This week Sens. Jackson (D-Wash.) and Kuchel (R-Cal.) put together a compromise which seems to contain the best of both plans. It calls for a two-unit park covering roughly 61,000 acres and costing $60 million. It also provides for expansion through gifts of land by the state of California and private benefactors.

Its one drawback is that it involves a swap of 14,000 acres of government-owned redwood forest land in Del Norte County for timber company lands in the park area.

The time has come for Congress to move ahead with the best plan it can get. The timber companies have agreed to a moratorium on cutting in the park areas but only until the end of this session of Congress. Unless real progress is made on park legislation this year, a precious heritage may be lost forever. The compromise plan should pass.

[From the New York Times, Oct. 10, 1967]

A VICTORY FOR THE REDWOODS

The decision of the Senate Interior subcommittee to recommend creation of a two-unit national park to preserve a fraction of the nation's dwindling heritage of virgin redwoods is a major victory for the public interest.

Under the bipartisan leadership of Senators Jackson, Democrat of Washington, and Kuchel, Republican of California, the subcommittee has agreed upon an intelligent compromise of the original Administration bill, which provided for a park in the Mill Creek area only, and the Metcalf-Cohelan bill, which provided for a larger and far superior park in the Redwood Creek Valley. This newspaper, as well as many conservationists, had supported the latter bill because the largest stands of ancient redwoods are in Redwood Creek Valley. Senator Metcalf, Democrat of Montana, and Representative Cohelan, Democrat of California, have performed an outstanding service by their tenacious fight for this area.

The compromise worked out by Senators Jackson and Kuchel saves the best of both plans and lays the basis for necessary expansion in the future. However, there remains an immediate danger under the new proposal, arising from the fact that a large portion of the watershed of Redwood Creek, southern unit of the proposed park, will still be outside Federal control. Its indiscriminate logging could lead to flooding and siltation, with serious damage resulting to the park area downstream. But pending a later decision by Congress to buy additional Redwood Creek acreage, private citizens could acquire land in this strategic watershed and contribute it to the park. The bill wisely provides that the existing state parks can be donated to the national park but offers none of the unprecedented concessions originally requested by the state of California.

Since the Senate is expected to act fairly soon on the pending compromise bill, the House Interior Committee could usefully hasten Congressional action by forgoing its proposed field hearings. With the moratorium on cutting by the private companies due to expire at the end of this session of Congress, definitive action is essential to save the redwoods now.

[From the Kansas City (Mo.) Times, Oct. 11, 1967]

AT LAST, SOME ACTION ON THE REDWOOD PARK

Favorable action in a Senate committee does not a Redwood National park create, but it's a start—a start too long delayed. As cleared by the interior and insular affairs committee and sent to the Senate floor, the bill is a compromise both in terms of the park's size and the money required to establish it.

Last spring and early summer, working under the deadline imposed by an imminent end to the timber companies' reluctant moratorium on cutting in the prospective park areas, Congress had before it two proposals. The first, favored by the administration, was for a 43,000-acre, 60-million-dollar preserve in California's Del Norte County. The Sierra club, backed by other conservation groups, was pitching for a park more than twice that size—90,000 acres farther south in Humboldt County, costing up to 200 million dollars.

The debate was characterized by a re-

grettable lack of give and take, and the result was inaction. Now, with the lumbermen having agreed to extend the grace period, Congress may have awakened to the urgency for action. The bill before the Senate calls for a park of 64,000 acres, costing 100 million dollars, with tracts in Humboldt and Del Norte Counties.

One major objection from California interests has been that creation of a park would destroy timber-based local economies in the areas affected. The current bill would authorize a trade of nearby federally-owned timberlands to companies that lose trees to the park—a provision opposed by some agencies as a bad precedent, but one apparently deemed necessary to silence the wounded cries of the Californians.

We doubt that the proposed legislation satisfies all parties completely. In all likelihood, the timber companies still feel aggrieved, the administration wishes the park weren't so costly and the Sierra club believes it is still too small. But the question from the standpoint of public interest is whether, in fact, an aesthetically significant stand of these irreplaceable forest giants will be preserved for future generations to enjoy, at a price this generation can reasonably afford to pay. If the answer is found to be "yes," there can be no further excuse for dallying.

[From the San Francisco Examiner, Oct. 27, 1967]

A SOUND PLAN TO SAVE REDWOODS

The three-year battle to establish a redwoods national park in Northern California appeared near successful conclusion a few days ago with approval of a compromise by the Senate Interior Committee.

Now administration opposition has turned up and Rep. Wayne Aspinall, chairman of the House Interior Committee, refuses to act until his staff inspects the area, probably not until next year.

We regret the delay. The Senate bill represents the most generally accepted plan yet advanced. The possibility of resumed logging in the proposed park and the uncertainties of the times combine to urge prompt congressional approval while there is yet time.

A unique feature of the Senate plan, coauthored by Sen. Thomas Kuchel (R-Calif.), is a trade of federal lands for private lands to round out the park. The rest of the park could be composed of three existing state parks. Kuchel says the trade would cut about $60 million from the estimated $99.8 million cost of acquiring private acreage.

That is a most persuasive argument in behalf of the committee bill, particularly in a time of retrenchment talk about federal spending.

Secretary of Interior Udall, while favoring a redwood park, opposes the land trade. So does Sen. Clinton Anderson (D-N.M.), a committee member.

But we think the average citizen would view this as a rare opportunity to trade relatively undistinguished forest lands for lands that bear priceless groves of towering, ancient redwoods.

An important advantage of the Kuchel park version is that it spreads the park's economic impact among four lumber companies instead of one.

Rep. Aspinall says the situation gets more mixed up every day. We strongly feel it can be un-mixed by approval of the Senate bill.

Until a plan is settled on, uncertainty will continue to plague lumber interests, local governments and local people. We hope this point will not be lost on Rep. Aspinall, others in Congress and the national administration.

[From the San Francisco Chronicle, Oct. 15, 1967]

EDITORIAL COMMENT: REDWOOD COMPROMISE

Drawn-out efforts to create a Redwood National Park in California moved toward a happy solution in the United States Senate last week. The Senate Interior Committee selected the best features of two contending park plans and combined them into a proposed two-unit park of about 61,000 acres.

For more than a year, conservationists have been split between the Administration's 43,000-acre proposal for the Mill Creek area in Del Norte county, and the Sierra Club's 90,000-acre proposal for Humboldt county.

The compromise that emerged last week followed a somewhat similar concept suggested this summer by Representative Jeffery Cohelan, Berkeley Democrat. It was worked out in the Senate Recreation and Parks subcommittee by Senators Thomas Kuchel (Rep-Calif.) and Henry Jackson (Dem-Wash.).

The new plan includes the California State Redwood Parks of Jedediah Smith, Prairie Creek and Del Norte Coast—in Del Norte and Humboldt counties. It will cost an estimated $99.8 million, compared with $64 million for the Mill Creek plan and $145 million for the 90,000-acre proposal. Significantly, the compromise, besides saving more old growth trees, will spread the impact over two counties and four timber companies instead of one county and one company.

The existing State parks could be federally administered without an outright transfer of title. And the proposal provides specifically that the Forest Service's 14,600-acre Northern Redwood Purchase Unit will be traded to private firms for their lands to help keep them in business.

The House of Representatives has not yet scheduled field hearings on any Redwood Park plan. But in view of the compromise developments last week, it is hoped that the House Interior Committee will now agree to forego field hearings, thus speeding final legislative action.

Because the moratorium on cutting these virgin redwoods by private companies is scheduled to expire at the end of this session of Congress, final action cannot be delayed.

The compromise proposal offers a practical way out of a protracted dispute. It is an encouraging step taken in the public interest and deserves wide support. Without the united backing of the various conservation organizations, it is unlikely that any Redwood Park plan can be approved.

[From the San Jose (Calif.) Mercury, Oct. 11, 1967]

PARK PACT ACCEPTABLE

The Redwood National Park compromise bill now shaping in the Senate Interior Committee is probably the best that can be obtained under the circumstances. It should be accepted by all parties.

Essentially, the bill would create a 66,384-acre park from three existing state parks and surrounding lands. It would preserve some of the watersheds championed by the conservationist Sierra Club and some of the acreage contained in the so-called Kuchel plan.

In addition, it provides that private lumber companies now holding land within the proposed national park may swap that land for acreage now under jurisdiction of the U.S. Forest Service.

Finally, the proposal carries a $100 million pricetag, as compared with the estimated $60 million for the smaller Kuchel park; however, the total would be shaved considerably if lumber companies accepted the land swap and if private foundation funds were channeled into land purchase. The latter is considered an excellent possibility.

In point of fact, if the proposal is to be shepherded through an economy-minded Congress, great efforts will have to be made to keep total costs to a minimum. The Senate Interior Committee compromise bill offers the best chance of accomplishing this.

As Sen. Thomas H. Kuchel (R-Calif.), a moving force behind the efforts to preserve as many ancient redwoods as possible for posterity, expressed it:

"This plan provides for the maximum acquisition of old-growth redwoods. It would create a Redwood National Park—that's all it seeks to do and that's all it accomplishes."

That, however, is plenty.

The Sequoia Sempervirens, or Coast Redwoods, once extended from south of Monterey in an unbroken band to the Oregon border. They have been logged indiscriminately and unmercifully until only isolated patches of them remain.

The proposed Redwood National Park would preserve one of the last and largest of these Northern California patches in perpetuity. The several lumber companies owning strategic portions of this acreage have agreed to a moratorium on cutting while Congress debates the details of a Redwood National Park bill. These firms have shown an appreciation of the public interest, and they deserve not only a word of thanks but prompt action by Congress—so that their economic interests are not damaged unduly.

Take it all in all, the new compromise park bill offers something, though not everything, for everyone. It should meet most, if not all, of the objections raised to both earlier park plans.

Congress should push ahead with this bill as rapidly as possible.

FREEDOM MASS MEETING CONDEMNS COMMUNISM

Mr. MUNDT. Mr. President, at the suggestion of former Congressman Hamilton Fish, of New York, I am asking unanimous consent to have printed at this point in the RECORD the text of a resolution adopted at a freedom mass meeting in Town Hall, New York City, on November 5.

The meeting was addressed by former National Commander Martin McKneally, of the American Legion, and Mr. Fish reports that 50 organizations participated in the mass meeting.

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

RESOLUTION ADOPTED BY FREEDOM MASS MEETING AT TOWN HALL, NEW YORK CITY, NOVEMBER 5, 1967

Whereas under 50 years of World Communist tyranny, freedom, democracy and religion have been virtually wiped out and thirty-five million of their subjects have been starved to death, shot, or killed in Soviet prisons and slave labor camps, and another thirty-five million in Communist China during the last 20 years, and

Whereas Soviet Russia, once the grainery of Europe, has to import vast quantities of wheat to feed its own people as a result of the failure of Communist economy, where the standard of living is much lower than in the Free Nations, and

Whereas most Russian subjects would try to escape from behind the Iron Curtain like Stalin's daughter if they could, to live in Freedom, and

Whereas the imperialistic Communist Conspiracy still seeks to Communize the free world by massive false propaganda, infiltration, subversion, encirclement and armed violence, and

Therefore be it resolved that this tragic and appalling record under a brutal Police State for fifty years, be broadcast not only in every free nation, but thoughout the world. Unless free men and women know the truth and oppose the cruel hoax and fraud of the terroristic Communist dictatorship, the lights of Freedom will be extinguished under the blood red flag of tyranny, and

Be it further resolved by the Freedom mass

meeting held at The Town Hall, 123 West 43rd Street, New York City, on Sunday evening, November 5, 1967, that the World Communist Conspiracy be publicly condemned on the eve of its 50th anniversary, as a monstrous and evil menace to free institutions, free labor and free enterprise everywhere, and that we pledge our united support as American citizens, irrespective of partisanship, against the spread of World Communism; not merely to contain, but to win against totalitarian Communism, no matter what the price, to preserve and restore Freedom. There is no substitute for Freedom. We urge the government of the United States to use every effort to restore Freedom and self-determination in all captive nations, including Cuba and the Ukraine, and that a copy of this resolution be sent to the President of the United States, to all members of the U.S. Senate, House of Representatives and to the heads of all the Free Nations in the U.N.

THE SEA AND INTERNATIONAL COOPERATION

Mr. BARTLETT. Mr. President, only at this relatively late date in his history is man beginning to understand the sea and its potential for serving mankind.

One of the leading exponents of and most knowledgeable men in the field of oceanography is the junior Senator from Rhode Island [Mr. PELL]. In a recent article in the Washington Sunday Star, Senator PELL outlines some of the exciting uses to which the sea may be put.

He discusses the possibilities of creating an "instant fish metropolis" which would attract large numbers of food-producing marine life, of storing equipment at the bottom of the sea, of developing drugs from marine life, and of building automated fishing fleets to harvest food for the hungry of the world.

Senator PELL's article is one of hope and challenge, balanced to a certain degree by the disturbing reports about the superiority Soviet Union fishing fleets enjoy over the antiquated fishing boats of this Nation.

However, the main point of the Senator's article is not competition between two nations, but cooperation among nations to develop the resources of the sea for the benefit of all mankind. Senator PELL urges:

> Let us also move with the necessary speed to build the legal framework with other nations so that this last frontier on earth may continue to develop into a peaceful, as well as fruitful, region for man to exploit, inhabit and enjoy.

For those who harbor any doubts about the wisdom of exploring earth's last frontier, I refer them to Senator PELL's article, particularly to the paragraph which reads:

> Unlike the still-distant day of commercial payoff for Outer Space efforts, profit from the deep seas may be just around the corner. For the underwater world has already revealed enough of its secrets to show a thousand avenues to profit in the probably near future. Extraction of minerals, drilling for oil, desalinization, recreation—you name it and it will happen underwater.

I ask unanimous consent that Senator PELL's article be printed in the RECORD.

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

AN INTERNATIONAL TREATY ON OCEAN SPACE PROBLEMS

(By Senator CLAIBORNE PELL)

(NOTE.—Senator Pell, a Democrat, introduced and won passage for the Sea Grant College and Program Act of 1966 and is the author of "Challenge of the Seven Seas.")

In 1494 Spain and Portugal reigned as the unequaled behemoths of the seas. With a forward-looking philosophy that was astoundingly advanced for their era, they made a geopolitical agreement: On mutual consent, they divided into halves their vast sphere of influence in the New World to which their sea prowess had made them heirs for the time being.

Today the United States and the Soviet Union stand at a similar threshold in the realm of Ocean Space. These two nations face no peers in their over-all potential for conquering the waters that lie beneath the world ocean. They have also outstripped all other states in the race to explore Outer Space; and surprisingly, they have just signed a pact not to use it for purpose of war. I believe all mankind will benefit if they can come to a similar accord vis-a-vis the deep oceans and invite to join them the other countries which are actually or potentially able to compete for undersea "lebensraum."

Unlike the still-distant day of commercial payoff for Outer Space efforts, profit from the deep seas may be just around the corner. For the underwater world has already revealed enough of its secrets to show a thousand avenues to profit in the probably near future. Extraction of minerals, drilling for oil, desalinization, recreation—you name it and it will happen underwater.

For technology is actually emerging by which man can soon explore and work the ocean at any depth or on any contour of its bottom. When he achieves this capability, the international scramble for riches will probably resemble a combination of Europe's massive grab for colonies in the western hemisphere, America's own drive to push back its western frontier and the Gold Rush of 1849!

OCEAN SPACE TREATY

When this happens, chaos will ensue, for so far there are no laws to regulate what man does undersea beyond the territorial and continental shelf limits. To escape this prospect, I have urged in the Senate a six-point resolution designed to move the United States to take the preparatory steps necessary for an Ocean Space treaty.

I realize that the Federal Executive Branch already is exploring possible diplomatic initiatives to meet the legal confrontations that will be caused by our exploding expansion in Ocean Space technology. I am also aware that similar currents are flowing now in United Nations circles. A Maltese Resolution, for instance, suggests that marine resources be turned over to an international organization which will supervise their exploitation and distribute the benefits to under-developed nations. This proposition has elicited some adverse reaction among American business elements who definitely plan to exploit the natural wealth in the sea and sea bottom and are already investing in costly research to prepare for the job.

I am in favor of these stirrings which may ultimately lead to a reasonable legal order for the ocean depths.

Nevertheless, I believe these stirrings must be accelerated, must indeed become happenings in order that we not be caught napping by the ever-faster rate of our growing ocean technology.

Let me touch on some fascinating discoveries which highlight the pace of our march into the sea.

In itself, each new evidence of oceanologic knowledge doesn't necessarily make a technological tidal wave. Taken together, however, they are like high cirrus clouds which tell us that a storm of fresh knowledge will break upon us before long.

In the field of fishing, the Soviets have long outdistanced their weaker American competitors with large "factory ships" which process fish as they are caught so that they can remain in a fishing zone until it is temporarily exhausted. The Americans, with smaller craft equipped only for collecting, have to return to port more frequently to unload their catch. Now the Russians are working on another technical departure which may have America even further behind. They are designing automatic fishing vessels that can cruise and fish, with no one on board, under remote control from a mother ship miles away. Reportedly, they will come in various sizes of which the biggest will carry the latest electronic devices for finding fish to depths of 2,500 feet.

SOVIET COOPERATION

Yet, despite their failure so far to cooperate with us in Outer Space, the Soviets are starting to work together with us in Ocean Space—even to the extent of swapping scientists with some of our research ships. In fact, in September of this year, a Russian crew of four spent some time aboard the U.S. research vessel, "Albatross IV," and two of the Soviets were leading women oceanologists.

Recently the Japanese made a revolutionary discovery when they saw that ruins from an earthquake had formed artificial reefs which attracted vast numbers and species of food-producing marine life. This means it is possible to achieve the same kind of "instant fish metropolis" by dumping old cars—if they are painted against corrosion. In fact, there has been quite a bit of discussion about creating such a reef off Block Island, R.I.

America's "Sealab" experiments are continuing at ever-deeper levels. Many new physiological data are accruing to this experiment. For example, drivers must now take audiograms both before and after their "Sealab" sojourns, for it has been observed that they sometimes lose their sense of hearing when 400 or more feet down. Since excursion dives to 750 feet are being considered for next spring, this ticklish problem must be somehow avoided.

In the search to provide more comfort and safety for dives, radioisotope-powered heaters are being tried out for diving suits.

Ever-increasing efficiency in locating things lost on the deep ocean bottom is a vital by-product of the Navy's stepped-up oceanologic program. Late this summer, the Navy was about to sink and destroy an explosives-laden freighter, the Robert Louis Stevenson.

By accident the ship disappeared in heavy sea and fog off the Aleutian Islands. The seafarers of the area suddenly were faced with a terrible menace.

LOST SHIP LOCATED

Steaming at night or in the fog, any ship might hit the derelict and be destroyed. But the Navy's oceanographers were appealed to and in a remarkably short time found the Stevenson with ultra modern photographic methods. The speed and effectiveness with which the Navy relocated the Stevenson demonstrates a real improvement over its lengthy campaigns to identify the sunken remnants of the Thresher in 1963 and the nuclear bomb lost off Palomares last year.

Navy salvage experts may soon try to lift a Grumman Hellcat fighter plane, spotted recently by the research submarine *Alvin*. This World War II casualty sank in 5,500 feet of water off Nantucket 23 years ago. Its condition is astonishingly good, with the paint so untouched that the serial numbers on the tail are clearly visible. Except for bent propellers, it is still the brand new plane that slid off a carrier's deck in 1944. It may be that the lack of oxygen at this great depth preserved the plane in near-mint condition.

The significance of this phenomenon is

still to be pondered. One idea it triggers is that storage of machinery in the future may be feasible in the ocean at depths below 5,500 feet. We might even be able to "mothball" ships in this manner. Certainly conventional space in rivers is growing scarcer every day. Wouldn't it be handy if we could tow our surplus warships out to sea, open their sea cocks, and stack them on the bottom until needed?

NEW DEEP TV

At present, however, salvage techniques would be inadequate to refloat them conveniently and cheaply enough. Then, also, depths of 5,500 feet are generally beyond our continental shelf, so legally we might forfeit ownership under the present lawless situation that prevails under the high seas. Still, among the new products and refinements of older ones that constantly come to light in the teeming oceanologic activity of today, we now have a device which will watch anything we may wish to stow down in Davy Jones' locker. A television system has just entered the market which is effective down to 2,000 feet below the surface of the sea; greater depth effectiveness is bound to evolve shortly.

Other frontiers of ocean science also keep appearing. Drugs from the sea, for example, may give a bizarre look to our medicine cabinets. Some researchers are already experimenting with the possibility that clams can be used to cure cancer. Furthermore, worms and barnacles have now been proved to offer effective medical uses. If the trend continues, the word drug, which comes from the Dutch "droog," meaning dry, may one day be supplanted by the Dutch word "nat," which means wet.

So we are fast fashioning for ourselves a brave new world under the seas. Let us also move with the necessary speed to build the legal framework with other nations so that this last frontier on earth may continue to develop into a peaceful, as well as fruitful, region for man to exploit, inhabit and enjoy.

ASSISTANCE TO THE SMALL BUSINESS COMMUNITY IN INTERNATIONAL TRADE

Mr. SPARKMAN. Mr. President, the statistics on world trade indicate that business between countries has expanded rapidly over the past 20 years. There are many reasons why it can grow even more rapidly in the next 10 or 20 years.

The great corporations of this country have found it profitable to become multinational, and have thus pioneered many phases of foreign trade and commerce.

During this period, many of us in Congress have sought to broaden the opportunities for smaller American firms to participate in these rewarding ventures.

Through the Select Committee on Small Business a series of studies and public hearings have been held on various phases of import and export trade in the past 8 years. In 1967, the committee undertook a further series of hearings on the long-term building of regional export industries. Initial sessions were held in Portland, Oreg., in May.

I am pleased that the second set of hearings have just been concluded in my State of Alabama. On November 10, the committee convened in Alabama's new International Trade Center at the Port of Mobile. Testimony was taken from representatives of the Southeast's major regional industries, such as cast iron pipe, forest products, textiles, construction, steel, agri-business, and agriculture. Experts in banking, labor conditions, transportation, waterway development, education, and marketing also appeared.

It is a source of satisfaction that the Senator from New Jersey [Mr. WILLIAMS], who serves with me on the Banking and Small Business Committees could preside at these hearings. Since Senator WILLIAMS was stationed at Pensacola, Fla., during his years as a naval aviator, he was familiar with the Mobile area.

I believe that the hearings were a further education in the potentials for expanding trade from the region and through a port which Mayor Leonard Beard, director of the State's planning and industrial development board predicted may become the foremost seaport on the gulf coast.

Undoubtedly, many of the lessons of this hearing will apply to the eastern seaboard where Senator WILLIAMS will conduct future sessions of these regional hearings in the Port of New York next year.

It was gracious of the Senator from New Jersey to come to Mobile in the exercise of his leadership in this important field. I commend him for the work that he is doing in behalf of the businessmen of this country.

From this brief review of our congressional activities, it is apparent that the effort to assist the hundreds of thousands of American businesses capable of entering international trade is going forward on many fronts.

From our earliest days, we have been an international commercial nation, and proud of it. In discussing America's agricultural and fisheries exports in the House of Commons in 1775, Edmond Burke said of the American people that there was "no climate that is not witness to their toils." Despite the growing attractions of our internal markets, I believe American businessmen retain a considerable amount of this spirit, and are thus a significant national resource.

This is so not only because their ability can bring necessities and conveniences of life to people overseas and because their earnings help to balance the country's accounts. Our smaller firms would also seem more compatible with the commerce of the 60 nations which have gained their independence in the past 25 years. Some of these possess less financial resources than some of the larger corporations of the United States and Western Europe. I cannot help but feel that the governments and business leaders of these countries would be more comfortable dealing with our smaller business community. In return, such a relationship can mean a great deal to the economy of a newly independent nation and to the profit picture of a smaller firm.

It has long been my feeling that these developments should be encouraged.

A report of the Small Business Committee in 1961 recommended that SBA and the Department of Commerce cooperate to this end.

It is, therefore, most gratifying to note that on November 13 officials of the Department of Commerce and the Small Business Administration met to witness the signing of a cooperative agreement by Secretary Alexander B. Trowbridge and Administrator Robert C. Moot. I understand that this agreement provides a basis for liaison between the two agencies. This will make it possible to better coordinate the many activities already underway in order to improve the possibilities for the smaller businessman in international trade.

It seems to me that Secretary Trowbridge and Administrator Moot, who have come to these positions within the year, are entitled to high praise for working out this agreement. Each of the agencies possess a body of invaluable experience and special competence in business affairs. Each can perform functions which the other cannot. There is a role for both to play, and these roles cannot help but be strengthened by the cooperative action and cooperative spirit which can flow from this relationship.

It is possible that this framework of cooperation may be regarded by the business community as a milestone, and by the agencies as a foundation stone, in the effort of our Government to encourage and assist the small business community of this country to build sound and enduring commercial relationships overseas.

I hope that the November 13 agreement will ripen to fulfill the expectations which many of us in Congress hold for it. We shall be keeping watch on this program, and I shall be doing all I can to assist the Department of Commerce, the SBA, our regional industries, and small business throughout the country in making progress in this direction.

WISDOM OF STANDARDIZATION QUESTIONED

Mr. BARTLETT. Mr. President, the good judgment of the Senate Commerce Committee in reporting out a bill and of the Senate in passing that bill which would continue to allow different sized freight containers is pointed up by an article published in the Journal of Commerce, November 14.

Container Marine Lines, a subsidiary of American Export Isbrandtsen Lines, and the United States Lines are using containers in the same sizes as those some sought to impose on the entire transportation industry. I am happy to report that the House Committee on Merchant Marine and Fisheries today ordered reported a bill similar to that already passed by the Senate. I for one strongly believe that it is too early to set standards for containers, that the proper size or sizes must be determined by the marketplace and that the legislative action now contemplated is now necessary to prevent setting of standards which quite conceivably could turn out to be of the wrong size and uneconomical. I ask unanimous consent that the Journal of Commerce article referred to be printed following my remarks.

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

STANDARD CONTAINER: FALSE HOPE?

(By Alan F. Schoedel)

A serious weakening of dimensional standards for containers used in ocean traffic appears to be taking place right now, and in a rather disorganized fashion.

The 8-foot-height, which was part of the international standard adopted in 1965, after many long months of negotiations, is viewed

with less than complete enthusiasm by carriers and shippers.

Critics of the standard say it does not allow maximum use of interior cube of the container, or provide the greatest possible capacity within highway regulations here and abroad.

EXPERIMENTAL BASIS

A significant breakthrough has come in the American-flag merchant marine with the ordering of 300 containers of 8½-foot height by Container Marine Lines, the containership division of American Export Isbrandtsen Lines. These laminated plywood containers will be eight feet wide and 40 feet long, both of which are standard dimensions.

These new trailers will be put into service on an experimental basis, and will naturally attract cargo that is freighted on a measurement basis, an executive of the line said.

The higher container has been found to be more advantageous for the over-the-road movement of cargo in this country, he said. Sea-Land Service, Inc., which uses trailers of non-standard 8½-foot height and nonstandard 35-foot length, has demonstrated that the taller van can be used successfully on European roads.

Since CML, has about 4,000 containers of standard 8-by-8-foot size in both 20-foot and 40-foot lengths, the purchase of 300 of the 8½-foot height does not in itself constitute a trend. But it has been mentioned in shipping circles as evidence that the standards are not being accepted as final.

"WE'RE FLEXIBLE"

United States Lines has been using refrigerator containers that are 8½ feet high right along, and its "open top" containers have corner posts that are 8½ feet high, but the company's general cargo trailers are of standard size.

A spokesman for the company said yesterday that it was staying with the 8-foot standard height for the time being, but is looking at the possibility of change. "We're flexible," he said.

Also considering the possibility of using 8½ foot-high containers is Atlantic Container Line, Ltd., the consortium of six major European carriers.

The decision will depend on the outcome of the present legislative battle in Washington over the right of the Maritime Administration to specify container dimensions, said P. C. Van Houten, ACL board chairman. ACL will buy 5,000 containers next year, he said.

CUBE WAS WASTED

Integrated Container Service, Inc., a container leasing and management organization, recently introduced a 9-foot-high container, saying it made possible an extra layer of cartons for many types of freight, such as major appliances.

The interior of the 8-foot-high trailer was just a bit too short to accommodate that extra layer, and so a considerable amount of cube was wasted, according to ICS.

The Maritime Administration originally sought to make acceptance of the international standards—eight by eight feet, in modules of 10 feet in length—a requirement for American flag lines which sought government financial backing for purchase of container vessels. A bill already approved by the Senate and now before the House would forbid imposition of such standards.

Moreover, in testimony on Oct. 31, concerning the bill, Acting Maritime Administrator James W. Gullick said his agency would not turn down any proposal for a non-standard containership, provided it was "efficient, economical and profitable" for the trade in which it was to operate.

The 8-by-8-by-multiples-of-10 standards were adopted after several international conferences, and have the endorsement of the International Standards Organization and the American Standards Association.

A DEPARTMENT OF NATURAL RESOURCES

Mr. FULBRIGHT. Mr. President, now under consideration in the Committee on Government Operations is a bill, S. 886, which would redesignate the Department of the Interior as the "Department of Natural Resources." This bill would also transfer to the newly named Department all watershed and flood prevention activities of the Soil Conservation Service, the Forest Service, the civil works functions of the Corps of Engineers, and the pollution control programs of the Department of Health, Education, and Welfare.

Hearings held by the Subcommittee on Executive Reorganization so far indicate very little enthusiasm for this proposal, quite a few doubts as to its merits, and opposition from the Departments of Agriculture, Defense, and Health, Education, and Welfare.

The views of Secretary of Agriculture Orville L. Freeman on this proposal and questions raised by my senior colleague from Arkansas [Mr. MCCLELLAN] are discussed in an article, "The Developing Battle Over a Change in Name," by Ed Johnson, published October 29, 1967, in the Arkansas Gazette. Members of the Senate will find this article timely and informative. I ask unanimous consent to have it inserted in the RECORD, together with the statement by Secretary Freeman.

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

[From the Arkansas Gazette, Oct. 29, 1967]

THE DEVELOPING BATTLE OVER A CHANGE IN NAME

(By Ed Johnson)

"What's in a name? That which we call a rose
By any other name would smell as sweet."
—Shakespeare, "Romeo and Juliet."

In dramatizing the feud between the Capulets and the Montagues, the Bard made a point that the ill-starred, young lovers would have had the same feelings for each other if they had been lucky enough to be surnamed Smith and Jones.

In image-conscious Washington there is a move afoot to redesignate the Department of the Interior as the Department of Natural Resources. Legislation to that end has been introduced by Senator Frank E. Moss (Dem., Utah). The bill does not have Administration backing.

His intent in merely changing the name is clear enough. Interior is a rather meaningless word in describing the complex department that has province over such areas as administration of vast federal lands, mainly in the West, the Bureau of Reclamation. Natural Resources is a name that connotes the importance of conserving them, a preoccupation of the federal government for many decades.

In giving the department a new name, Moss would transfer to it through his bill the Forest Service and the Soil Conservation Service, which, for years, have been agencies within the Department of Agriculture. Recently, Agriculture Secretary Orville Freeman went before a Senate subcommittee to spell out a case for killing the bill. The panel is an arm of Senator John L. McClellan's Government Operations Committee The Arkansan also sits on the lesser body.

McClellan was not present for the Freeman session because the testimony fell on the day that the senator was being honored at Camden. However, the subcommittee chairman, Senator Abraham Ribicoff (Dem., Ct.) propounded a series of 11 questions in McClellan's name. The question line made it very clear that McClellan was taking a show-me attitude on the proposed agency switches and that he was interested in Freeman having his day in court—getting into the record the entire range of his objections. The farms and forests of Arkansas have vital interest in the Moss proposal.

Freeman traced the establishment of the Forest Service and the Soil Conservation Service to meet the specific conservation challenges of repairing the damage done by man and nature, and restoring, conserving and developing timber, soil and water resources.

He further found that the nation today is faced with an even greater conservation challenge, the challenge to restore, conserve and develop man's total environment. "Of crucial importance to this effort will be the restoration of rural-urban balance by building a Town and Countryside U.S.A. that will be a vigorous, healthy partner with today's urban America," the secretary said. He concluded that this mammoth undertaking will require all the tools of "creative federalism."

The two agencies that Freeman wants to keep are indigenous to rural America—small watersheds coupled with essential land treatment; private, relatively small, farm forestry; National Forest management, including grazing and water management. "All are as much a part of farm land and town and country as skyscrapers are of megalopolis."

Without knocking Interior's role, Freeman emphasized that historically the two departments have taken different tacks in their day-to-day operations. Interior is not linked as closely to local communities and farms or with their decision-makers as is Agriculture's programs. Rather, Interior has been organized so as to focus its attention on a regional and national basis.

In response to a McClellan question, Freeman predicted the reorganization plan would adversely affect the Johnson Administration's call for the development and maintenance of a strong, stable rural economy.

Westerners long have considered Interior their special province because of its work in taming the wide open spaces. It appears logical to Senator Moss to give the department an image-name and corral within its agencies geared to natural resources. Yet, Freeman has posed serious questions as to whether programs reshuffled under a new name would end up smelling as sweet to the people they are designed to serve.

STATEMENT OF SECRETARY OF AGRICULTURE ORVILLE L. FREEMAN

Mr. Chairman and Members of the Subcommittee, I appreciate this opportunity to speak to you about S. 886.

The Department of Agriculture naturally is interested in this bill because it would transfer all of our functions administered through the Forest Service, and those of the Soil Conservation Service under the Watershed Protection and Flood Prevention Act, and the 1944 Flood Control Act.

We strongly recommend that S. 886 not be enacted. We believe that administrative organization, including the grouping of Government functions, should not be determined by abstract theory. Instead, historic experience and the demands and the needs of the times should be the influential criteria. Applying such a test it is my considered judgment at the present time that there is much that could be lost and little that could be gained by the rearrangement contemplated in S. 886.

Let's examine these criteria as they apply in this issue.

First, historic experience:

In 1905, the National Forests were assigned to the Department of Agriculture. In making that assignment, President Theodore Roosevelt said:

"In the Department all problems relating to growth from the soil are already gathered . . . and all the sciences auxiliary to forestry are at hand for prompt and effective cooperation."

That was one reason for the transfer.

But there was another.

Up until that time, except for isolated instances, forests had been treated like mines. The objective was simply to mine timber from the earth in the same manner gold and silver was extracted. The concept of timber as a *renewable* resource was as yet unborn.

But Theodore Roosevelt, Gifford Pinchot, the first Chief of the U.S. Forest Service, and the Department of Agriculture made that concept a reality, and today it is accepted by both public and private timber management.

And Roosevelt, Pinchot and the Department made another concept reality, too. I speak of the concept of multiple use of our National Forests. The same National Forest that yields timber for human use, can also provide recreation, can graze cattle and wildlife, can support fishing, and can serve as a water collector and water protector for the use of people living downstream.

There were sound reasons for the transfer of the Forest Service to the Department of Agriculture, and those reasons are just as sound today as they were 62 years ago.

Thirty-four years ago another agency was transferred to the Department of Agriculture, and again with good reason.

The Soil Conservation Service began as the Soil Erosion Service, an emergency program under the Public Works Administration. The Soil Erosion Service was established to conduct emergency demonstrations and to provide labor for the unemployed at a time when the very earth of the Great Plains was vanishing in devastating duststorms, destructive floods were washing away the heartland of America, and the Nation was gripped in the Great Depression.

It soon became apparent that this fledgling service was of such value it should be given permanent status and everyone, including then Secretary of Interior Harold Ickes, who administered it under PWA, recognized that it ought to be established within the Department of Agriculture. Why? Because it was a program associated with private lands and could not be separated from agriculture, all of which is carried out on private lands.

And so, on April 15, 1935, Public Law 46, establishing the Soil Conservation Service in the Department of Agriculture and directing the transfer of Soil Erosion Service personnel to the Department, was enacted without a dissenting vote in either House of Congress.

Today the Department of Agriculture is responsible for administering programs embracing the conservation and development of nearly 81 percent of the Nation's total land . . . all the cropland, the grassland pasture and range, and the forest land in the National Forests and in private ownership.

The Department has "first" Federal responsibility with respect to the water that falls on this nearly 81 percent of the Nation's land. We have extensive programs of controlling, conserving and developing this water resource where it falls—in the forests and on the private lands in agricultural and other uses.

The Department administers 186 million acres of National Forests and National Grasslands. In addition, we administer Federal programs dealing with the 450 million acres of forest land in private ownership.

And we have extensive programs of physical and economic research covering the entire field of natural resources.

So much for historic experience as one criterion for determining proper administrative organization. Now let's look at the other criterion . . . the demands and needs of the time.

The establishment of the Forest Service and the Soil Conservation Service met the specific conservation challenges of repairing the damage done by man and nature, and restoring, conserving, and developing timber, soil and water resources.

Today we are faced with an even greater conservation challenge, the challenge to restore, conserve and develop man's total environment.

Of crucial importance to this effort will be the restoration of rural-urban balance by building a Town and Countryside USA that will be a vigorous, healthy partner with today's urban America . . . a Town and Country that will aid in the solution of those grave problems of megalopolis that threaten our very national integrity.

To create such a revitalized rural America will require all the tools of creative Federalism . . . including a maximum amount of local leadership and decision-making.

President Johnson has prescribed a team approach in shaping and using Federal resources involving local authorities in both decision-making and administration consistent with local needs and desires.

The Soil Conservation Service and the Forest Service are two great agencies whose programs and traditions and systems are, by their very nature, a part of the warp and woof of local development, decision-making and administration in the use of renewable resources.

As such, these two agencies *must* play an ever-increasing role in the revitalization of rural America so necesasry to the restoration of rural-urban balance.

These agencies are indigenous to rural America. Small watersheds coupled with essential land treatment; private, relatively small, farm forestry; National Forest management, including grazing and water management—all are as much a part of farm land and town and country as skyscrapers are of megalopolis.

Three-fourths of this Nation's land area is in privately owned tracts in rural America. Of the privately owned forest land, nearly 80 percent is owned in small parcels by private owners who have no connection with large forest industry. The owners of these tracts in rural America—farm and forest—must carry the main burden of meeting our growing resource needs. Most of them are farmers who traditionally have cooperated with the USDA in a wide range of other programs.

For over 100 years, the Department of Agriculture has been geared to the particular challenge of meeting our growing resource needs. To lift out our forest and soil and watershed responsibilities could jeopardize the efficiency, continuity and harmony of an effective package of resource programs built up over many years.

The forests, waters, and rangelands of the National Forest System are the keys to upbuilding Town and Country life in many areas. Timber harvests, pure water, grass, fish, game, campgrounds, winter sports areas—these are a few of the ways these public resources bolster the Town and Country economy and contribute to its confidence and potential for growth.

Furthermore, effective conservation of man's total environment requires the treatment of renewable resources as an ecological whole. In the present situation, the Forest Service, through administration of the National Forest System, forestry research, and cooperative State and private programs, closely tied into the Federal-State Cooperative Research Service, is a full partner in the USDA team effort. Providing jobs, raw material for industry, local demonstration areas, scientific skills and knowledge, and protection of forest resources through cooperative arrangements with State and local people are examples of how the activities of this agency play an integral role in our Department's mission.

This relationship is like a delicate instrument, the product of trial and error over many years, balancing national, State and local interests and management participation in an effective manner.

Similarly, the watershed and flood prevention activities of the Soil Conservation Service are operated by and for local people in time-tested programs of assistance to Soil and Water Conservation Districts and numerous other sponsoring local organizations. These involve intimate contact with local farmers and such other agencies of the USDA as the Agricultural Stabilization and Conservation Service with its commodity and conservation programs. These, too, are integral parts of our Department's efforts to advance the social, cultural, and economic well-being of Countryside, USA.

Today, one of our most pressing needs is to build economically viable rural communities. Consistent and integrated land and water resource management systems are needed to make multiple use of resources effective and to expand the opportunities for people to live a full life in the towns and countrysides of the Nation. These are inherent parts of the solution of the production and income problems of farm and rural America. As a matter of national policy, we need to keep people in rural America, not concentrate them in our big city areas with all the resulting problems of ghettoes that feed on the spill-over from rural slums.

With all this in mind, the separation of soil conservation, upstream watershed development and forestry from the farms and the other lands of rural America would be radical surgery indeed. To separate the small watershed program under P.L. 566 fr m the rest of the land treatment programs of the Department—and, figuratively, to separate the woods a farmer owns from the rest of his farm enterprise—is poor organization.

The ties that weave the research, cooperative forestry and public land management of the Forest Service, and the soil-conserving and watershed and flood prevention activities of the Soil Conservation Service into the overall programs and responsibilities of the USDA, we are convinced, are much more significant, much more binding, than they would be to a Department of Natural Resources such as that proposed by S. 886.

I most emphatically do not mean to minimize in any way the importance of Interior's programs. But historically, and as a practical matter of day-to-day working, they are not linked as closely to local communities, farms and small towns—or with the local decision-makers—as the programs of the Department of Agriculture.

In the way Interior has traditionally operated, it is organized so as to focus its major attention on regional and national problems more than on matters that relate to the private and locally owned lands and resources that make up the bulk of America and the small units of local government that are inextricably involved in local development, land, water, and forest problems.

By contrast, the Department of Agriculture has traditionally been decentralized so as to be actutely sensitive to local and private needs as well as those which are regional and national in scope.

Therefore, if the Congress decides it will be beneficial to group natural resource functions in one complex, then let me suggest that the Bureau of Land Management, the Fish and Wildlife Service, water pollution control activities, and the outdoor recrea-

tion activities of the Department of the Interior might be transferred to the Department of Agriculture.

There they could be integrated into the economic development programs now taking place in the towns and countryside. If this were done, it is conceivable that the USDA could strengthen the determined efforts we are already making—in cooperation with other Federal Departments, and with State and local authorities—to build a viable economic and social rural counterpart to metropolitan America.

Let me make it clear, however, that I do not recommend that agencies in the Department of the Interior be transferred to the Department of Agriculture. On the contrary, it is my considered judgment that it would not be wise to reshuffle agencies in *either* direction.

I base this judgment on some practical experience as an administrator, both as the Governor of a great State and for almost seven years as the administrator of a Department with multiple programs in every county of the United States and more than 50 countries around the world.

From the standpoint of effective public administration, efficiency, and maximum use of the talent and funds available, I am convinced nothing would be gained by regrouping resource agencies. On the contrary, the aggregation of such agencies, as proposed in S. 886 would, in my judgment, result in an enormous concentration of authority and responsibilities in one Department. Such a concentraton of widely varied functions would be so enormous in its scope as to make management extremely difficult. Further, I am convinced it would place an extraordinary amount of power over the Nation's vital resources in one place.

The benefits that theoretically might result from such combinations could well be more than eroded by the consequent losses that would come in the effort to direct and manage such a monolithic operation.

I am convinced there is no need for the reorganization called for by this bill.

Today the Departments of the Interior, Army (Corps of Engineers), and Agriculture enjoy, and benefit from, a very satisfactory working relationship. This was brought home to me again just last month when I visited Bend, Oregon, area and saw dramatic examples of how the combined efforts of Federal resource agencies, working closely with local groups, could restore economic vitality to a once severely-depressed area.

For the most part, today's competition between the Department of the Interior and the Department of Agriculture is healthy. Most of this competition takes place in the area of recreation, where the National Park Service and the Forest Service vie with one another to provide more imaginative, innovative and effective service to the recreation seekers of this land.

Such sensible competition, stimulates greater effort and more effective performance, without the waste of extremes. It should be continued. It is in the national interest.

Mr. Chairman, the needs of the times demand nothing less than our best performance at the Federal level—cooperative action, intimately related and sensitive to local development and leadership. And the practical requirements of effective and efficient administration are no less important.

Both need to be evaluated against the course of action that would take place should this bill become the law of the land.

AID IN INDONESIA

Mr. FULBRIGHT. Mr. President, Mr. R. H. Shackford, a Scripps-Howard staff writer, had an interesting article which appeared in the Daily News of November 10, 1967.

Writing from Djakarta, Mr. Shackford propounded some sound advice about American AID programs in Indonesia which I would hope our AID administrators would take deeply to heart.

Mr. Shackford emphasizes the need for keeping American staffs small and the American presence in the background. He points to the importance of multilateral aid programs, and decries the tendency of Washington bureaucrats of Americanize AID programs. The Indonesians want to do as much of the job themselves as is possible. "That is the way the Indonesians want it," writes Mr. Shackford, an experienced Far Eastern reporter. That is the way our American Ambassador to Djakarta, Marshall Greene, wants it, according to Mr. Shackford.

I believe that is the way Americans would want it if they were on the receiving end.

I ask unanimous consent that Mr. Shackford's article be printed in the RECORD at this point.

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

HELPING INDONESIA TO RECOVER—AMERICANIZATION IS OUT

(By R. H. Shackford)

JAKARAT, November 10.—Indonesia will be a major test of U.S. ability to learn the bitter lessons and avoid the disastrous mistakes of Vietnam.

Vice President Hubert H. Humphrey's visit has focused attention on the Johnson Administration's belief that Indonesia is vital to the future of Asia, now that it has barely escaped takeover by its own Communist Party (PKI).

The American problem is to find ways to help the friendly new regime pull this vast country together after the Sukarno era and yet keep American involvement in Indonesia's internal affairs at a minimum.

American Ambassador Marshall Greene believes the staffs of the Embassy, Aid missions, U.S. Information Service and other agencies should be kept small (total U.S. personnel for the country now is about 200).

He thinks purely American AID projects should be confined to those in which America excels, with the Japanese, for example, taking the lead in dealing with such problems as family planning with which they've been highly successful.

Financial aid to Indonesia should be continued only on a multilateral basis, not slip back to direct and solely U.S. aid, Mr. Greene contends.

That is the way the Indonesians want it. Indonesia needs much help. But it is determined to do the job itself. It doesn't want the job "Americanized" any more than it already has shown it doesn't want the country "communized."

This approach, however, is contrary to the tendencies of the huge bureaucracies in Washington to measure success of aid programs by size of staff and numbers of projects.

The Embassy has resisted the traditional USIS idea of establishing American libraries here—where they've been burned down once. Instead, Mr. Greene wants the U.S. to give books to Indonesian libraries. A project for U.S. publishers to donate more than half a million books is under way.

The aid problem is more complicated. Thus far the U.S. is working jointly with other countries which became huge creditors during the Sukarno spending spree. The International Monetary Fund is overseeing the new regime's financial stabilization programs. The key to this plan is for each nation to carry its share—as in the consortiums for India and Pakistan. A meeting in Amsterdam at the end of this month will accept pledges of help for next year.

U.S. military aid now provides only about $2 million for non-lethal equipment for military civic action programs and for training. That's the way the U.S. Embassy thinks it should be kept.

But the test will come if the Russians refuse to keep Indonesia's Russian military equipment supplied with spare parts—and if the Indonesian army puts pressure on the U.S. to convert to American equipment.

Indonesians and other potential helper countries, as well as many American officials, are on their guard against any snowballing of American involvement. But such good intentions have not prevailed in the past, especially in Vietnam.

A GLOOMY DAY FOR THE FARMER

Mr. HRUSKA. Mr. President, these are not happy days for the American farmer.

Just this week, his Government told him that he will not be any better off financially next year than he is now—and that is bad enough when it is considered that his income is only about two-thirds that of the nonfarmer.

But the Department of Agriculture had this further piece of bad news for the farmer: In comparison with the rest of the economy, he will be even worse off next year.

This bleak outlook was drawn by Rex F. Daly, Chairman of the USDA's Outlook and Situation Board, who said that despite an expected increase of $1 billion in farm income, increased production costs will completely wipe out the so-called gain.

Last year was scarcely a banner year for the farmer in this country, but now we find the Department of Agriculture predicting that this year net farm income will drop about 10 percent. I can think of no other segment of our economy which is faced with such a disastrous forecast.

And what can the farmer look forward to in 1968? This is what the Department says:

> In summary, farm income is down this year, and prospects indicate little improvement in 1968. Moreover, farmers' incomes will not keep pace with expected gains in the rest of the economy.

Mr. President, of all the mail that comes to my desk, few letters are more expressive or more sincere than those that are written by Nebraska farmers and farm wives.

I call these "kitchen table" letters because I can imagine their being composed in the farmhouse kitchen, perhaps at the end of a long day in the fields.

The stationery is seldom fancy; often it is on a plain, ruled pad. Sometimes the handwriting is in pencil and sometimes not all the words are spelled correctly and the grammar may not even be exactly perfect.

But these letters carry more conviction and more sincerity than any other category of mail I receive. They convey the frustration of a family which seems

to be fighting against great economic odds, struggling against rising costs and low prices, working to achieve the same goals sought by all honest, hard-working Americans, a fair price for the product of one's labors and investment, a decent home, perhaps a college education for the children.

As one writer put it:

As Senator of our state I think you should speak out against the *low* corn prices. As you know they go lower every day. Everything else is going up and our income is going down. What is the Government trying to do to the farmer?

That, Mr. President, is a good question. What is the Government doing to the farmer?

Under this administration the parity ratio today stands at 73. In 1934, in the midst of the Dust Bowl days, the parity ratio was two points higher at 75. Since 1959 farm machinery prices have increased 24 percent and labor costs 35 percent. Yet prices paid to farmers for food purchased in 1966 were 2 percent below those paid in 1947–49. Today's farmer nets per capita average yearly earnings of $1,731, 60 percent below the earnings of the nonfarmer.

A Crofton, Nebr., farmer sent me a copy of a letter he wrote the President this month concerning the current plight of the farmer. In 1955 this man was discharged from the Air Force and entered into farming. He wrote the President in part:

In the spring of 1956 I bought my first personal property, two polled hereford cows, with calves at side for $162 a pair, one cow that calved a month after purchase for $147, and a tractor for $650. If I were to buy the same cows and calves now they would cost me twice as much and if I were to buy the same tractor now it would cost six times as much. Now here's the point I want to make to you, the same cows and calves won't last any longer and you will get the same amount of beef today as we got in 1956. If I were to buy the same tractor today as I did in 1956 it wouldn't last any longer without being reconditioned.

The Secretary of Agriculture himself admits that farm prices are down while the cost of what the farmer buys is up 35 percent. In a speech before a conference of the Chamber of Commerce of the United States on July 7, 1967, the Secretary said:

Our farm prices today are lower than they were 20 years ago. Yet the cost of what the farmer buys has gone up 35 percent. Only by increasing his labor productivity 6 percent, annually more than twice the improvement made by American industry, has the American farmer managed to survive.

It is true that Government payments have helped some but even so our per capita farm income is only two-thirds of our non-farm income.

What is the reason farm income is only two-thirds of nonfarm income? The reason is simple. The administration farm programs are not working and have not worked for the last 7 years.

This is the administration which says that the farm program is designed for the adequately sized farm, not the small farm with a gross income of $5,000 a year or less. This policy writes off 14,500 family-sized farms in Nebraska and causes over 100,000 farms a year to be abandoned across the Nation. In 1960 there were 3,956,000 farms in the Nation and by the end of this year it is estimated there will be 3,176,000. In the 7 years of this administration, nearly 800,000 will have been forced off the farm.

It has become increasingly clear that present administration farm policy is designed to please the consumer in the highly populated urban areas of the country at the expense of the farmer. The farmer represents only 6 percent of the national population, and if the present trends continue, this figure will decrease. For political reasons the administration appears to have little concern for such a small percent of the electorate and, therefore, has become more and more consumer oriented.

Mr. President, I ask unanimous consent to have printed in the RECORD a sampling of the kind of letter I have been talking about. I urge my colleagues to read them, keeping in mind the fact that this country has just gone through the 80th straight month of an expanding economy. Corporate earnings are up, private income is up, dividends are up, but present indications are that net farm income will be down—by 10 percent this year.

It is my hope, Mr. President, that these remarks and these letters will be read as well by the Secretary of Agriculture and I even dare hope that he may be moved to take those measures for which he now has ample administrative authority, to remedy this unholy inequity in the economic life of this country.

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

ARLINGTON, NEBR.

Senator ROMAN L. HRUSKA,
Washington, D.C.

DEAR SENATOR HRUSKA: We farmers, as you know, have been receiving around 75% of parity for months. Now, during August, the grain and the hog markets have hit the skids. On top of this further reduction in income, I understand, we are threatened with a Tax Increase.

This administration has reached a new low in its discrimination against the farmer with its cheap food policy and their subtle program of liquidating the farmer.

To add insult to injury, it is now proposed to, virtually, turn the increased tax-take, over to the War on Poverty to reward the Big City Rioters, in effect, saddling town & country dwellers alike, with the added burden of blackmail.

Regardless of vocation, everyone I contact, right down-the-line, is against a Tax Increase and a "Poverty Pay-off." Neither have they missed the point, that, while purporting to fight communism in their phony Viet Nam War, the Establishment promotes it at home!

Have I made our position clear? May we count on you? Thank you.

Sincerely Yours,

CURT COOK.

CROFTON STATE BANK,
Crofton, Nebr.

Senator ROMAN HRUSKA,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HRUSKA: Something is definitely wrong in our good country. Labor has received its just wages, the government worker has received increases in salary, why not see that the farmer gets his fair share of the national income.

Personally I would not be in favor of having the farm prices go sky high, but they could go up two or three dollars a hundred weight and it would not have much effect on the meat over the counters. During the past 30 days we had two farmers ask for credit to buy new equipment, one to cost $5,600.00 and the other a little over $7,000.00. Both of them need this equipment for their farming operations. Twelve or thirteen years ago these farmers could go to our local implement dealer and buy a good tractor for around $3,000,00, and he sold his hogs for 25c and his cattle for around 30 cents, while today he sells his hogs for less than 20 cents and his cattle for around 23 cents. Does this look right? Something is wrong to think that the farmers is to pay present day prices for his equipment but receive prices for his products that prevailed 10 to 15 years ago. If this is the case, maybe the laborer should cut his wages to that level too.

Senator, something must be done, and I do hope that you will spend considerable time talking to other Senators, especially those from farming States, to bind yourself together to get better prices for the farmers, so that he will get more than 2.6% of our great national income. This is a disgrace.

We need the small farm family in our country, we cannot all farm 2 to 20 thousand acres of land.

Your help on this certainly will be appreciated by every farmer, business man and professional man in the farming States.

Yours very truly,

EDWIN W. TAUER.

HENDERSON, NEBR.

Senator ROMAN HRUSKA,
Washington, D.C.

DEAR SENATOR: As Senator of our state I think you should speak out against the *low* corn prices.

As you know they go lower every day. Everything else is going up and our income is going down. What is the Government trying to do to the farmer. After all if it were not for the farmers of America the people would starve to death.

I don't believe there is anyone who works harder for a living than the farmer. And he does not go to work at eight or nine and get off at five and get the week end off and a paid vacation.

I try to be a good U.S. citizen and when it comes voting time I go vote for the one I think is best for the office and of course in my case one who will try to be fair to the farmer.

I think it is high time something is done about the price of corn and I believe you are in a position to do some talking for the farmer and get the rest of those who can do something about it in gear.

Come on now, get these prices back up so we can live too.

A Voter,

Mrs. D. C. GOOSSEN.

LINCOLN, NEBR.

MY DEAR SENATOR HRUSKA: I am writing to you with reference to the new farm policy urged on Pres. Johnson.

I read of Presidential Commission in the July issue of the New York Times on page one.

The Commission recommended farm policies be built around markets rather than Gov. program and wanted farmers to earn incomes from the market that are comparable to nonfarm incomes. That's what we farmers want higher prices to get us out of this awful price squeeze. However we realize other segments of our economy have minimum wages, etc.

What does the small farm indicate? We have an average of 320 acres here in eastern Nebr. Will these farms be discontinued if so

what is the future for them. I see they expect farmers to be cut in about ½ by 1980.

I hope Pres. Johnson will do something to help us farmers from this price squeeze. So far he hasn't.

Best wishes to you.

Sincerely yours,

MISS LOUISE NEWHALL.

PLAINVIEW, NEBR.

DEAR SENATOR HRUSKA: Please keep on fighting for the farmer.

We have farmed for 33 years and we find it harder to make a living every year.

We pay from $1500 to $2000 in taxes each year, and now Nebraska has the sales and income tax which adds to the farmer's taxes instead of relieving us of some burden.

Hog and cattle prices are down. We are getting 20 cents a dozen for eggs and fighting for a raise in milk prices.

Can't the government see that the farmer is the backbone of the nation?

Think what it is in other countries where the farmers are so poor, they can't produce.

It just breaks my heart to see more of my neighbors giving up and having sales. The farmsteads standing empty in our neighborhood is tragic.

Please, I implore you to talk to other Congressmen and try to help the farmers before it is too late.

Sincerely,

ARTHUR BUCHHOLZ.

WAUSA, NEBR.,
April 18, 1967.

Senator ROMAN L. HRUSKA,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: We here in Northeast Nebr., need some help. My neighbors and I are feeling bad about the administration's handling of farm prices and imports. Put some pressure on the Dept. of Agriculture and the Johnson Administration so we might live and keep feeding the nation and 50% of the world's population not only now but 10 years from now.

Thank you and

Very Sincerely,

ROBERT L. EIFERT.

LINCOLN, NEBR.

MY DEAR SENATOR HRUSKA: I thank you for your letter you wrote to me about the farm situation.

I heard President Johnson on his News Conference urging for farmers rights. He said farmers were getting the little end of the stick. He suggested farmers be given collective bargaining rights comparable to those of labor unions.

Does Pres. Johnson really mean this or is it just a lot of politics? He said the farm price situation was the most serious problem we had in this Country. He's not telling us anything new. When wheat is down to the price it was in 1937, we were then in the Roosevelt depression in '37—Our taxes are now 4 times what they were then.

I do hope all the Senators and Rep. in the farm belt will work diligently with Johnson to do something of positive good to increase farm income.

Farm prices can go up. They were up in 1945–52—What did we do then to increase the price?

If folks have to leave the farms there will be more people on poverty.

Hope something can be done—

Best wishes to you.

LOUISE NEWHALL.

CROFTON, NEBR.

President LYNDON B. JOHNSON,
White House,
Washington D.C.

DEAR PRESIDENT JOHNSON: Your advocation of a cheap food policy has triggered me to write this letter.

Farm debt set a new record on January 1, 1967 of $45.8 billion, which was 10% greater than January 1, 1966, while assets increased 7% in 1966. With this in mind, how can a farmer pay fast rising production costs. Larger farms won't solve it because, with larger farms comes larger equipment and larger debts.

Illustration.

In 1955 I was discharged from the Air Force. In the spring of 1956 I bought my first personal property, two polled hereford cows, with calves at side for $162 a pair, one cow that calved a month after purchase for a $147, and a tractor for $650. If I were to buy the same cows and calves now they would cost me twice as much and if I were to buy the same tractor now it would cost six times as much. Now here's the point I want to make to you, the same cows and calves won't last any longer and you will get the same amount of beef today as we got in 1956. If I were to buy the same tractor today as I did in 1956 it wouldn't last any longer without being reconditioned. If you aren't practicing a cheap food policy, how then do you account for twice the cost of cattle on the hoof and six times the cost of machinery today? Isn't it true the reason the cow and calf doubled in value on the hoof is so the farmer would have more collateral to buy the tractor costing six times as much.

The way I see it, corporations have been bleeding the farmers of this nation of net income for at least the last ten years and the farmers are caught in the cost-price squeeze today and corporations are going to take over the farms with income that should have rightly belonged to the farmers in the first place.

If farmers were receiving a parity of income today these small communities wouldn't have to count on federal and state aid for all these disasters and community building projects today. In 1870 the population of Chicago was 300,000. In 1871 a fire broke out and burned 3½ square miles of the downtown business district. In 1890 the population of Chicago was over 1,000,000. The way I see it this was a growing community and there was no such thing as federal and state aid then. Today the only reason these communities need financial help is because they are not receiving a parity income and thus the communities are gradually disappearing.

Who is going to use these federal and state aid projects if these corporations take over. Just tell me that.

We have already misplaced too many people in the cities of this nation in my estimation because there are riots and strikes every day in the bigger cities. Who takes care of these occurrences, nobody but the federal government. You advocate teaching these people another trade. Who's paying for this? The taxpayers.

It would make a difference if these misplaced people were kept in these smaller communities and given the opportunity to keep these small communities alive (this making use of these federal and state aid projects and cutting down the crime rate and the riots.) If this were practiced the citizens of these smaller communities would have a chance to make these communities thrive instead of disappear, and if these citizens would receive 100% parity they could build these projects without federal and state aid just like Chicago did after the fire of 1871. My own home town of Crofton was burned out with two major fires, one in 1908, the other in 1914. They didn't wait for federal and state aid. They rebuilt again with time and hard work and parity prices. I don't say we have to go back to the way things were done in 19th or early 20th century, but I do say people can't go on working 30 to 40 hours a week and then spend the money they made during the week on relaxation and pleasure the rest of the week.

Living conditions have improved tremendously since 1870 or even 1910. We here in the land of plenty have an obligation to the unfortunate throughout the rest of the world. This is what happened to the Roman Empire 1500 years ago, if you remember. It doesn't take no great Historian or no great Economist to tell me the same thing isn't going on in the United States today that wasn't prevailing in the Roman Empire 1500 years ago.

Sincerely yours,

WILFRED KUEHLER.

SENATOR DIRKSEN—A "GALLANT MAN"

Mr. HRUSKA. Mr. President, many tributes have been heard in this Chamber to the capable leadership of Senator EVERETT DIRKSEN. He has won many honors and his dedicated and selfless service has been recognized on many occasions. It has been my privilege, from time to time, to salute this splendid leader.

But few of the statements that any of us has made, no matter how long, or how grand, or how profuse, can match the direct, straightforward language employed by the Rockford, Ill., Morning Star in its editorial calling for Senator DIRKSEN's reelection.

The Star has recognized the superb statesmanship of the minority leader and lists him among the ranks of the Senate's great men, a place he eminently deserves.

Mr. President, I count it a privilege to ask unanimous consent to have printed in the RECORD the editorial from the Rockford Star headlined "Reelect Ev DIRKSEN."

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

REELECT EV DIRKSEN

It's our opinion that Sen. Everett M. Dirksen of Illinois comes about as close to being indispensable these days as any office holder in Washington.

That's why the Morning Star today unhesitatingly recommends Senator Dirksen for reelection for a fourth term in the United States Senate—even though he has made no formal announcement of his candidacy.

In his role as Senate Republican leader, Dirksen's superb statesmanship has earned him the reputation of being one of the most skillful and effective minority leaders in the history of the United States Senate.

Historians will record Everett Dirksen of Illinois among America's great senators—names like Daniel Webster, John C. Calhoun, Henry Clay, William E. Borah, Arthur Vandenberg and Robert Taft.

During his 33 years in Congress—both in the House and Senate—Dirksen has won the respect of our nation's political leaders in both parties. His constructive criticism and sometimes support of Democratic administration proposals and programs have given him true stature as a statesman.

Senator Dirksen has supported, and in some instances made possible, enactment of far-reaching legislation he deemed essential to the best interests of our nation.

He has stood resolutely on the side of individual rights and unwavering adherence to constitutional government. He is an eloquent spokesman for the cause of responsible government, and is widely respected for his philosophy, his courage, his understanding, his perspective, and his deep concern for our nation's problems.

Senator Dirksen is a staunch and unrelenting supporter of the American war effort

in Vietnam. Just last week here in Rockford, he said "speeding up our bombing attack" is the "only way" to get the Vietnamese Communists to the conference table. His view sums up the war situation realistically and concisely.

Few men in government can match Senator Dirksen's ability to focus attention on vital issues. He commands respect for what he says—and how he says it.

We recommend that the people of Illinois reelect Everett McKinley Dirksen—indeed a "gallant man"—to the United States Senate in November, 1968. He will be needed in Washington for many years to come.

PROGRESS HAS BEEN MADE

Mr. BYRD of West Virginia. Mr. President, one of the most thoughtful and thought-provoking newspaper editorials that I have seen in some time appeared in the Williamson, W. Va., Daily News for Tuesday, November 14.

It makes a point that I think badly needs to be made—that a person may oppose objectionable civil rights or other legislation without necessarily being a bigot or a racist.

As the editorial says, there are, indeed, men of good conscience and good will who honestly may disagree with open housing or other similar proposals without malice or hatred or prejudice. But, unfortunately, some do not speak out in debate on such matters for fear of being falsely accused.

Specifically, the editorial discusses civil rights legislation now under consideration which, instead of correcting injustices and inequities, would actually create special privilege and discrimination in reverse.

Real racial progress, as the editorial points out, must come from the hearts of men, and it is beyond dispute, Mr. President, that much real progress has been made.

I ask unanimous consent that this fine editorial from the Williamson Daily News be included in the RECORD.

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

REAL TEST COMES IN HEARTS OF MEN

The latest preaching coming from certain radical clergymen would have you believe that if a person is opposed to open housing legislation and questionable civil rights bills he automatically is a racist. Or if a white man does not support civil disobedience and violent protest he is anti-Negro.

This is utter nonsense as is this often heard charge that poor housing is to blame for the minority unrest. The philosophy which argues that anti-social behavior is caused primarily by conditions in the environment or in the social system is a relatively new idea. It seeks to replace the time-honored concept that character can triumph over material circumstances.

There are honest men of good conscience who harbor no hatred or prejudice against their fellowman, but they do oppose open housing legislation. This is not to say that they are in disagreement with the goal of free and equal access to housing for every individual regardless of race, color or creed. They simply do not agree that some innocent homeowner's property rights should be sacrificed in an effort to end housing discrimination.

Likewise a person is not a bigot because he disagrees with the latest Civil Rights Act under consideration by the Congress. There are legitimate reasons for opposing this legislation which seeks to establish a whole new class of federal crimes based in part upon non-existent federal "right," the right to be protected from acts of "private" discrimination. There is nothing in the Constitution to suggest that the government has such power and let it not be forgotten that the powers of government are limited by the Constitution. All too often in recent years we have avoided spirited debate of Constitutional questions and the idea has taken hold that Congress can enact anything it wants into law. In earlier days of our Republic heated debate was frequent on subjects dealing with constitutional principle.

The current House Civil Rights bill under consideration would create special classes of citizens in area such as voting rights and federally financed activities. It would be a crime under this act for a white man to threaten a Negro seeking to vote, but it would not be a crime for a white man to threaten another white man seeking to vote. This bill would protect a Negro rabblerouser on a federally subsidized campus; it would not protect a Navy recruiter or a member of the cabinet on the same campus. This certainly is not equality under the law and a person has every right to oppose such legislation.

As for acts of civil disobedience and mob force these are violations of the law and cannot be condoned in a society which must depend on law and order to survive. A minority should be heard but not at the expense and exclusion of the millions of other citizens who do not join in its demands. What we have seen in some of our citizens today is not "passive resistance" or "civil disobedience" but revolution and anarchy. A person is not a racist because he opposes such lawless acts.

America has a glorious tradition of respect for human dignity and freedom. Its people have had a record of unparalleled generosity in assisting others regardless of race, color or creed. Outstanding progress has been made in lessening racial prejudice and mainly the advances have sprung from the hearts of men. That, after all, is the only place where the brotherhood of man can emerge. All else is imitation Christian love.

It is written: "As I live, saith the Lord, to me every knee shall bow, and every tongue shall confess to God."

VALUABLE USDA PROGRAM

Mr. BYRD of West Virginia. Mr. President, the problems of the urban areas of our country have been aggravated by the migration to the cities of persons who formerly lived and worked in rural areas. These migrants add to the overcrowding of the cities, and when they cannot support themselves they often become an added burden on the welfare roles.

An excellent editorial in the November 14, Huntington, W. Va., Advertiser calls attention to the efforts being made to check such migration by the U.S. Department of Agriculture through its rural industrialization program.

This program seeks to provide new job opportunities in the rural areas attractive enough to dissuade workers from leaving them. The effort is a cooperative one, bringing together programs of local, State, and Federal Governments.

There is a real question as to whether or not the programs the Congress has provided for the cities can be successful as long as a sustained in-migration continues.

I believe Senators and Members of Congress will find this editorial of value. I ask unanimous consent that the editorial, written by Editor Wendell S. Reynolds, of the Huntington Advertiser, be inserted in the RECORD.

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

RURAL INDUSTRIAL PROGRAM CAN HELP BIG CITIES ALSO

A long-needed effort to check the flow of people into the already overcrowded slums of the big cities is gaining momentum through the U.S. Agriculture Department's rural industrialization program.

Announced by Secretary of Agriculture Orville L. Freeman in May, 1966, the program has already helped carry out a great many rural development projects.

Efforts to make areas more attractive to industry have included help in the establishment of industrial parks and in the construction of community facilities.

In such activities the rural industrialization program works with the department's state and county rural areas development committees and technical action panels.

The program is intended to slow the migration to big cities by providing job opportunities within commuting distance of dwellers in rural areas.

Efforts to stimulate industrial development include:

1. Telling businessmen of the advantages of locating plants in rural America;

2. Providing a site location and analysis service;

3. Bringing together community, state and federal programs for industrial and community development.

Businessmen planning new industrial operations are invited to report to the Department of Agriculture their requirements and their preferences for location.

The rural industrialization program staff works with state, county and local groups to find a wide choice of locations. A file of industrial location information is kept in Washington.

Communities are invited to send information on their particular attractions for inclusion in the file.

A manufacturer who makes an inquiry of the department receives a report on various communities that seem to meet his requirements. This includes information on taxes, utilities, financing plans, training programs and the availability of labor.

After a manufacturer decides where he wants to place his new plant, the Department of Agriculture continues to work for him and the community to develop necessary services and facilities.

The department's state, area and county representatives are organized as technical action panels. They have knowledge of federal assistance programs and can help communities and manufacturers obtain needed services.

If financial aid is necessary, for instance, a loan may be arranged from the Small Business Administration.

The program of rural industrialization can help small communities provide work that will keep residents there instead of joining the hundreds of thousands of migrants that move each year into the cities.

The continuing influx of rural dwellers to the slums has created perplexing problems not only for the cities but for the federal government.

Health, welfare and educational needs have greatly increased the burden of taxation but still have not been met. The rate of crime has soared, and inadequate government services have increased racial antagonism.

Although the federal government has spent huge sums in various programs for improv-

ing living conditions and opening opportunities for employment, staggering problems remain unsolved.

There is at least a question of whether they can be solved as long as so many newcomers continue to pour into the slums each year.

Certainly various efforts to reduce the migration from rural areas seem to be a practical approach to a solution.

Besides the Department of Agriculture's rural industrialization program, these efforts include sponsorship of two measures now pending in Congress.

One measure would authorize tax incentives for the location of industries in depressed areas. The other, already unanimously passed by the Senate, would establish a commission to make a two-year study of means of creating a better balance in the country's economic growth.

The extensive program of national planning envisioned by the sponsors of the resolution is urgently needed to deal with present problems.

To meet the future needs of a growing population it seems to be an absolute necessity.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

LEAVE OF ABSENCE

Mr. HOLLAND. Mr. President, I ask unanimous consent that, after the close of business today, I may be excused from attending the sessions of the Senate through next Tuesday.

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

SOCIAL SECURITY AMENDMENTS OF 1967

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business.

The PRESIDENT pro tempore. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (H.R. 12080) to amend the Social Security Act to provide an increase in benefits under the old-age, survivors, and disability insurance system, to provide benefits for additional categories of individuals, to improve the public assistance program and programs relating to the welfare and health of children, and for other purposes.

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

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

Mr. MANSFIELD. Mr. President, what is the pending question?

The PRESIDING OFFICER. The unfinished business is H.R. 12080, and the pending question is on agreeing to the the amendment of the Senator from Vermont [Mr. PROUTY].

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

[No. 325 Leg.]

Anderson	Gore	Metcalf
Bartlett	Hansen	Montoya
Bible	Hart	Moss
Boggs	Hatfield	Pastore
Brewster	Hayden	Prouty
Burdick	Hickenlooper	Ribicoff
Byrd, Va.	Holland	Smith
Byrd, W. Va.	Hruska	Sparkman
Carlson	Javits	Spong
Clark	Jordan, Idaho	Symington
Cotton	Kuchel	Williams, Del.
Dirksen	Long, La.	Young, Ohio
Fulbright	Mansfield	

Mr. BYRD of West Virginia. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Alaska [Mr. GRUENING], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], the Senator from Oregon [Mr. MORSE], and the Senator from Maryland [Mr. TYDINGS] are absent on official business.

I also announce that the Senator from Idaho [Mr. CHURCH], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Oklahoma [Mr. HARRIS], the Senator from Washington [Mr. JACKSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. TALMADGE], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Wisconsin [Mr. NELSON] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Tennessee [Mr. BAKER], the Senator from Utah [Mr. BENNETT], the Senator from Colorado [Mr. DOMINICK], the Senator from California [Mr. MURPHY], the Senator from Illinois [Mr. PERCY], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] and the Senator from Texas [Mr. TOWER] are absent on official business.

The Senator from North Dakota [Mr. YOUNG] is absent because of death in his family.

The PRESIDING OFFICER. A quorum is not present.

Mr. LONG of Louisiana. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

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

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms is instructed to execute the order of the Senate.

After a little delay, the following Senators entered the Chamber and answered to their names:

Aiken	Hill	Mundt
Allott	Inouye	Muskie
Bayh	Kennedy, Mass.	Pearson
Brooke	Kennedy, N.Y.	Pell
Case	Lausche	Proxmire
Curtis	McClellan	Randolph
Eastland	McGovern	Russell
Fannin	McIntyre	Stennis
Fong	Miller	Thurmond
Griffin	Mondale	Williams, N.J.
Hartke	Morton	Yarborough

The PRESIDING OFFICER. A quorum is present.

Mr. LONG of Louisiana. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that a memorandum from Robert Myers, the Chief Actuary of the Social Security Administration, be printed at this point in the RECORD.

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

MEMORANDUM

NOVEMBER 17, 1967.

From: Robert J. Myers, Chief Actuary, Social Security Administration.

Subject: Actuarial Analysis of Effect of Amendment Proposed by Senator Prouty in Regard to Financing Basis of Social Security System.

On November 16, Senator Prouty proposed an amendment to H.R. 12080 that would affect the financing of the Social Security program as it would be amended by the bill reported by the Committee in the following manner:

(1) The provisions in the bill as to the maximum taxable earnings base and the contribution rates for both the Old-Age, Survivors, and Disability Insurance system (OASDI) and the Hospital Insurance system (HI) would be stricken out. As a result, the contribution rates and the $6,600 earnings base of present law would remain unchanged.

(2) The benefit liberalizations in the bill would not be affected.

(3) The higher allocation of a portion of the OASDI contributions to the DI Trust Fund under the provisions of the bill would not be changed.

(4) A provision would be added such that for any year in which expenditures from either the OASI Trust Fund on the DI Trust Fund are less than the contribution income, this excess will be made up by appropriations from the General Fund of the Treasury. No such financing provision is contained for the HI Trust Fund, which could thus encounter financial problems because of the reduced financing provided.

The proposal as to financing from general revenues is on a fiscal-year basis, but the actuarial cost estimates that have been made for the bill are on a calendar-year basis. Thus, to make any analysis in the short time available, it must be considered that the proposal is on a calendar-year basis. The results of such analysis will, of course, be entirely meaningful.

As to the OASI Trust Fund, under the proposal there would be the following situation (in millions):

Calendar year	Contribution income	Outgo [1]	Excess of outgo
1968	$23,243	$24,411	$1,168
1969	27,134	27,278	144
1970	28,373	28,614	241
1971	29,145	29,635	490
1972	29,933	30,698	765

[1] Benefits, plus administrative expenses, plus railroad retirement financial interchange.

Thus, for 1968 the Government cost from general revenues would be $1.2 billion. In 1969, because of the rise in the contribution rate, the Government cost would fall to about $150 million, but it would rise each year thereafter until being $765 million in 1972. In 1973 and for a few years thereafter, there would be no Government cost—because of the increase in the contribution rate in 1973 but by 1980 the Govern-

ment cost would be $2.7 billion per year, and by 1990 it would be $7.3 billion.

As to the DI Trust Fund, under the proposal there would be the following situation (in millions):

Calendar year	Contribution income	Outgo [1]	Excess of income
1968	$3,201	$2,512	$689
1969	3,306	2,897	409
1970	3,409	3,040	369
1971	3,516	3,172	344
1972	3,616	3,304	312

[1] Benefits, plus administrative expenses, plus railroad retirement financial interchange.

Thus, there would be no Government cost for the DI system for the early years of operation (since it is financed on a level-contribution basis, rather than an increasing scale as is OASI). The excess of income over outgo gradually decreases in the years shown. By 1980, the situation would be reversed, and a Government cost would occur—about $200 million a year.

As to the HI Trust Fund, under the proposal there would be the following situation (in millions):

Calendar year	Contribution income	Outgo [1]	Excess of outgo
1968	$3,150	$3,320	$170
1969	3,274	3,783	509
1970	3,394	4,143	749
1971	3,516	4,465	949
1972	3,637	4,788	1,151

[1] Benefits, plus administrative expenses, plus railroad retirement financial interchange.

Thus, for 1968, if the proposal had provided for a Government cost for the HI program, it would have been $170 million, and this would steadily have increased in the future, reaching $1.2 billion in 1972. However, no such provision was made, and the available financing would be such that the trust fund would be exhausted in 1970. In other words, under this proposal the HI program would be greatly underfinanced.

In summary, the proposed amendment, by increasing benefits significantly and by leaving the overall financing provisions unchanged, would place the OASDI system in a financial status such that sizeable Government costs would be involved, both in the short range and especially in the long range (the latter must be considered in a social insurance program, and not merely the situation in the next few years). At the same time, the HI program would be made actuarially unsound and, in fact, would be bankrupt by the end of 1970 (since the proposal makes no provision whatsoever for Government payments when outgo would exceed contribution income).

ROBERT J. MYERS.

NOVEMBER 17, 1967.

Mr. LONG of Louisiana. Mr. President, the pending amendment would cause the amount of money flowing into the social security fund to be reduced, and it would look to general revenue financing to finance much of the benefits proposed in the bill.

To this date the social security system has been financed on an actuarial basis, and the taxes have been scheduled not only to pay benefits but to build up the social security trust funds. There are a number of reasons why it should be that way. In the first place, where we have had systems that did not have an automatic contribution to cover the cost, those systems have fallen behind in the amount that would be needed to fund the retirement program for the future.

A classic example of this is the civil service retirement system. Here requests for and appropriations of funds have fallen badly behind as to the general governmental contribution—which constitutes over one-third of needed funds—and now the civil service retirement system is faced with actuarial insufficiency that totals about $43.4 billion. If these appropriations are not made the fund wil be broke about 1985.

Also, one section of the 1965 social security amendments deserves special mention because it illustrates a problem that occurs when appropriations from general revenues are used.

Congress had provided that the cost of certain gratuitous military service wage credits were to have been paid out of general revenues. Up to the time of the 1965 amendments, however, the social security trust funds had been reimbursed only for the cost of these credits through August 1950. The law in effect prior to the 1965 amendments provided that the costs incurred after August 1950 and through June 30, 1956, were to have been paid over the 10 fiscal years ending June 30, 1969, and the costs incurred after June 1956 were to have been paid annually. However, no payments were ever made under this provision primarily because both Republican and Democratic administrations did not request the appropriation. The 1965 amendments authorized a level annual appropriation from general revenues, starting in fiscal 1966, to amortize both the accumulated costs and the additional costs that would accrue through fiscal year 2015 with annual appropriations for costs incurred after fiscal 2015. Following enactment of the 1965 amendments, annual appropriations from general revenues have been made for this purpose but the administration has never requested the full amount as calculated by the Social Security Administration actuary.

These indicate some of the problems you might have with general revenue which we do not have with the employee-employer social security tax system.

Mr. President, in view of this experience, when Congress is expected to appropriate money for a retirement program and does not do so, in view of the fact that there is increasing complaint among young people about paying the present social security taxes, in view of the experience we have in Congress at present, when the Senate is willing to appropriate a certain amount of money but the House is not, in view of the situations that occur when someone says the Government cannot afford these big budgets and moves for a 10-percent or a 5-percent, across-the-board cut in all appropriations, I honestly do not believe that the old people in this country want to depend upon Congress for annual year to year appropriations. If they have a retirement system to which they have contributed their money—to which they have contributed half of the cost—and which is to be funded not only for the present but also for the future, I believe they would like it to stay on the same contributory basis rather than be in the position of depending on Congress for year-to-year appropriations.

Such a charge could conceivably mean that at some future date, when there are many more old folks than now, and when disabled people are under the program and younger people begin to complain about the cost of this program, there might be a big cutback.

For example, in this bill, we are looking at the medicaid program, which is costing much more than was estimated when that program went into effect. We had a very liberal matching formula under that program. We were to start with 50 percent matching, to go up to as much as 83 percent in a State with lower incomes. It is costing so much more money than we anticipated that we now propose to square those two figures so as to arrive at the State's share and arrive at the cost. You multiply 50 percent by 50 percent, and the Federal share thereby becomes 25 percent, as a matter of economy.

In my judgment, we have a right to do that when we finance these benefits out of general revenues. This is a Federal appropriation. The cost of what we have now is too great, and we are going to change it in the Federal interest and in the interest of the public in general. The present plan might be desirable, but it is more expensive than we intended.

That is the difference between a program in which you seek to project your tax and your financing into the future so that when a person contributes something, he may be assured of benefits in the future, and a situation in which you are counting on the Federal Government to put up general revenues to finance the program. I believe the old people would prefer a program that relies upon insurance principles and guaranteed financing, rather than dipping into general revenues to pay the benefit.

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

Mr. LONG of Louisiana. I yield.

Mr. PROUTY. Mr. President, first may I point out that last night, on the Senate floor, the distinguished Senator from Louisiana made a very eloquent argument in support of the position taken by Senator COTTON and me. The Senator from Louisiana said that the social security program is overfinanced not underfinanced under present law.

I hope Senators will look at the chart, which I have had placed on their desks. It shows that under present rates, with the tax base remaining as it is, from now to 1972 the social security trust funds will show a surplus of $6.8 billion.

In addition, I understand that the money presently in the fund totals approximately $28 billion, which would make a total surplus of $34.8 billion.

It seems to me, Mr. President, that the young people and the middle income group would be hit the hardest by the proposed change in the social security payroll tax as contained in the committee reported bill. I am sure that these wage earners would much rather pay less than to have the unnecessary tax increase which is proposed in the bill. That is what they are concerned about. I will go into that in more detail on my own time.

I believe the Senator from Louisiana

should point out that this fund is overfinanced, and he so admitted last night.

Mr. LONG of Louisiana. That is quite true. I do not deny that.

However, Mr. President, this Government is faced with an enormous deficit this year, and it is faced with an enormous deficit even if you look at it on a national income accounts basis. In other words, the Government is just spending and thereby pumping into circulation many billions of dollars, tens of billions of dollars, more than the Government is taxing out of circulation. That is a real problem.

The House bill—and the Senate bill generally follows this pattern—would reduce the surplus flowing into that fund by approximately $2 billion as it is. To the extent that we do that, we worsen this Government's national income accounts position, anyway; and to go beyond that point, as suggested by the Senator, and fail to raise any revenues to help pay for the additional costs of the program, makes the situation still worse.

Of course, Mr. President, I have had some differences with the Senator from Delaware [Mr. WILLIAMS], the ranking Republican member of the committee, because he contends that we should provide for a tax now to pay for all the increased benefits when we vote to provide them for the future. I have contended that we are being responsible if we provide enough tax merely to pay for the increase the Senate committee has voted.

If we ever reach the day when we are providing these increased social security benefits from general revenues alone, there will be tremendous political pressure upon Congress to be totally irresponsible and to provide big increases in payments, which cannot be sustained down through the years as the higher percentage of our population consists of persons aged 65 and over.

I am in sympathy with what the Senator seeks to do but I believe that fiscal responsibility and actuarial soundness demand that we not agree to the Senator's amendment.

Mr. PROUTY. Mr. President, as I have previously stated, I wholeheartedly approve of the liberalized cash benefits provided in the 1967 social security bill just reported by the Finance Committee. I have recommended similar increases for a number of years; and I am happy, indeed, that these proposals are now incorporated in the bill and supported by the administration. I have been unable to understand how anyone could oppose a minimum social security benefit of $70 a month as long as there are 5½ million Americans over 65 living in or near abject poverty.

I have been unable to understand how any person could object to an across-the-board increase in benefit, inasmuch as most of those individuals receiving social security benefits rely on it as their main source of income.

We in Congress, Mr. President, by controlling the benefit amounts which Americans over age 65 actually receive, in effect control their economic well-being. We determine whether or not millions of older Americans can afford the basic necessities. How well have these people fared at our hands?

I am not at all certain that we can pat ourselves on the back for past performance. When we consider the present plight of individuals forced to subsist on social security, we have failed in two respects. On the one hand, we have not been overly generous in granting benefit increases. On the other hand, we share some of the responsibility for a cost of living which has escalated unchecked since World War II.

The older American and the low-income worker have been the greatest losers from inflation and inadequate social security. In order to alleviate the distress of both groups, it is imperative at this time to give serious consideration to the effects of this bill on these individuals. Otherwise, Mr. President, we may find ourselves in the position of fighting the war on poverty with one hand and fanning the flames of poverty with the other.

Mr. President, I am particularly disturbed with the long-range effects which the financing provisions of the bill reported by the Finance Committee may have.

I am disturbed because the bill will have the effect of encouraging the hoarding of large sums of money in trust funds, thus removing them from circulation for no particular reason.

I am disturbed also because the bill increases the rate and base of the social security payroll tax. This will have the effect of seriously jeopardizing the economic well-being of those individuals in low- and middle-income groups.

In short, the financing method in the proposed bill is defective because it will interfere with the overall war on poverty and because it represents unnecessary interference when a reasonable alternative method of financing exists.

First, Mr. President, the method of financing contained in this bill seriously interferes with the overall war on poverty. As I pointed out to the Senate on September 25, 1967:

> If there is anything I have learned from my investigation, it is that poverty in the United States is a complex phenomenon to which there are no simple solutions.

However, Mr. President, since poverty is a complex phenomenon, it can be seriously affected by a number of forces. One of those forces which has a serious effect on economic poverty is the method of taxation for earned income.

During the poverty hearings conducted by our Subcommittee on Employment, Manpower, and Poverty, of which I am ranking minority member, a number of witnesses verified the fact that the low-income worker has little prospect for escaping the poverty cycle since his cash income is never sufficient to meet minimum needs.

For example, let us consider the employee who is being paid the minimum wage of $1.40 per hour and who works a 40-hour week. His gross income would be only $2,912.00 a year even if he faithfully showed up for work each and every day. For all practical purposes, such an individual pays no income tax. However, he must, and should pay a social security payroll tax which is matched by his employer.

The Senate Finance Committee has proposed that the social security payroll tax for OASDI and HI be increased to 5.8 percent for both the employee and employer. What effect would this have on the low-income employee? First of all, the faithful employee working at the minimum wage would have nearly $129 deducted from his annual income of $2,912. This alone would seriously affect his ability to break the poverty cycle. More important, his employer is also faced with a 5.8-percent tax on his payroll. If this employee, earning a minimum wage, is a marginal employee, many employers faced with the additional expense of the increased payroll tax will lower their liability by decreasing their workforce.

I believe, Mr. President, that this example amply drives home the point that the social security payroll tax interferes with the war on poverty. The question we must ask ourselves is how much of an interference is tolerable. I personally believe that we are approaching, if we have not already reached, the breaking point, and that we should not further increase the social security payroll tax at this time.

Moreover, Mr. President, it is not necessary to further increase the payroll tax because a reasonable viable alternative exists. That reasonable alternative, Mr. President, would be to provide a financing method which is based on a progressive rather than a regressive tax.

Each time, in my memory, that a social security increase has been enacted there has been a concomitant increase in the regressive social security payroll tax. This, to my way of thinking, represents a shortsighted piecemeal approach for financing a social insurance program. I am happy to note, however, that recently more and more individuals are beginning to agree with me that a strong, progressive social insurance system is necessary but only possible if a portion of the costs are paid from general revenue.

Mr. President, I wish to point out that this may be the ultimate approach, but in the foreseeable future there is no need to partially finance out of general revenues, even though that method was anticipated when the concept of social security was originated. Nevertheless, many individuals now recognize that sooner or later we will need to utilize general revenues for part of the financing of social security benefits if we really want an adequate social security structure. Last spring, when Walter Reuther was testifying before the Ways and Means Committee, he stated:

> I believe that one of the things that we need to recognize is that we will never build an adequate social security structure so long as we rely exclusively for the financing of that structure upon the payroll tax. We are one of the few free and democratic countries in the world where we have tried to place the total burden of the cost of social insurance upon a payroll tax. It seems to me that the only rational, and responsible, and equitable way to do this job is to have a three-way sharing of the cost of this program so that the wage earner, and the employer, and general revenue of the Federal Government all carry an equal share.

What then, Mr. President, is the jus-

tification for the use of the social security payroll tax?

I believe that, to a certain extent, its use can be justified on the psychological basis of having a social insurance system which relies on contributions equally shared by all members of the system. This psychological benefit, Mr. President, can best be seen by the reputation that social security has gained over the years, that it is a benefit to which people are entitled as a matter of right rather than regarding it more realistically as a gratuity.

I object to the social security payroll tax, Mr. President, because it is regressive. It takes a larger bite out of the necessary income of the poor than it does the rich. If I felt that an increase in the social security payroll tax was the only possible way to safeguard our system of social insurance, I would wholeheartedly support it. However, Mr. President, this increase is not necessary.

When we examine the condition of the social security trust funds, it becomes apparent that the primary effect of a social security payroll tax increase would be to generate larger surpluses.

Since the social security system is a social insurance system which makes membership compulsory, its method of financing is not and should not be analogous to that utilized by a private insurance company. The insurance company can never be certain about the number of policyholders it will have at a given point in time. Its salesmen may have a bad year. Its policyholders at any date may surrender their policies for cash value. Moreover, its directors may make bad investments. All of these reasons, and many more make it mandatory that private voluntary insurance companies maintain large reserves for the purposes of meeting future liabilities.

Critics of the social security system often make the mistake of confusing it with a private insurance company. It is no such thing primarily because its membership is locked in by a compulsory insurance program.

Robert J. Myers, chief actuary of the social security system, in his excellent book, "Social Insurance and Allied Government Programs," describes the traditional method for determining actuarial soundness for private insurance systems, he points out:

> Other actuaries have a somewhat less stringent definition of actuarially sound systems: "one which sets forth a plan of benefits and the contributions to provide these benefits, so related that the amount of the present and contingent liabilities of the plan as actuarially computed as of any date will at least be balanced by the amount of the present and contingent assets of the plan actuarially computed as of the same date."

Under this definition of actuarial soundness, a long-range social insurance system with pay-as-you-go financing can be considered sound.

Mr. President, I fail to see that we have fully accepted the principle of pay-as-you-go financing for social security. I suspect that many of us continue to confuse our compulsory governmental social insurance system with the type of voluntary insurance system run by private life insurance companies. For example, even the present payroll tax rate and base which result in overfinancing social security benefits payable annually, as both Secretary Gardner and Commissioner Ball acknowledged before the House Ways and Means Committee and the Senate Finance Committee.

The facts, Mr. President, speak for themselves. Under the present law, the income for calendar year 1967 will be only $28.5 billion. The outgo for calendar year 1967 will be only $24.2 billion, leaving a surplus of $4.3 billion.

How many elderly citizens have nearly starved to death this year because of inadequate social security benefits while that $3.8 billion surplus sits in the U.S. Treasury?

Again, looking ahead to calendar 1968, Mr. President, we find that under present law, income would be $29.6 billion, while outgo would be $25.5 billion, leaving a surplus of $4.1 billion. Even more interesting, Mr. President, is the fact that if we measured the $29.6-billion income for 1968 derived from tax rates in the present law against the benefits outgo proposed in the Finance Committee's report, we would still have a surplus. Thus, assuming that the benefit increases provided in the reported bill were payable from January 1 next year, instead of from March 1 as proposed by the committee, the benefit outgo would only be $28.7 billion for full calendar year 1968, leaving a surplus in excess of $900 million.

What does this mean as we consider long-term financing for social security? To me, Mr. President, it means that if we keep the present social security tax and base as provided in the 1965 Social Security Amendments we will have adequate income to meet all the benefits envisioned by the Finance Committee's report.

Viewing the situation in the most pessimistic way, it could be argued that certain unforeseen events would affect the income and outgo estimates relating to the social security trust funds. I have no doubt, Mr. President, that some Members of Congress will parade before us imaginary horribles along this line. Perhaps some will argue that a steep recession will mean that the trust funds will collect less tax because many individuals will be unemployed. It could be argued, Mr. President, that a future Congress would radically liberalize benefits without providing a tax to pay for the benefit. It even could be argued, Mr. President, that some catastrophic event would take place which would lure millions of individuals into early retirement.

Now, I personally do not see any of these events occurring within the reasonable future. But, even if they did occur, I believe the best method for keeping the income and outgo of the social security trust funds in balance would be by the use of general revenues, if and when that ever became necessary.

General revenue is derived from all taxes levied on businesses and individuals as compared to the payroll tax which is paid by both employees and employers.

General revenue does not overtax those who are living in poverty, as does the payroll tax.

General revenue is both broadly based and progressive as contrasted to the social security payroll tax which is levied on wage earners and is regressive.

Quite frankly, Mr. President, there is nothing novel about the approach of using general revenue partially to finance social security benefits. Dr. Edwin E. Witte, who was the executive director of the Committee on Economic Security, which drafted the Social Security Act recognized this fact as early as 1935. Professor Witte in his book "Development of the Social Security Act" states:

> Any deficit, the old age security staff proposed, should be met through contributions from the United States Treasury, although there was no way in which it could be guaranteed that when the deficits developed contributions would be actually made from general tax revenues, rather than be met through reduction of benefits or increase in the contribution rates.

Robert Myers, the Chief Actuary of the Social Security Administration, points out in his book that—

> The advisory council of 1947–48, somewhat paralleling the action of the previous advisory council, recommended a financing basis under which a relatively small contingency fund would develop, with eventual federal contributions equal to half the combined employer-employee contributions.

I believe it is crystal clear, Mr. President, that financing from general revenues has always been anticipated as a preferable supplement for the social security payroll tax to increased tax rates for this regressive tax. In my opinion, now is the time to provide legislation which would permit supplemental financing for social security from general revenues, if and when the time should ever come when that might be necessary, I certainly cannot envision that possibility as I stand here today.

(At this point, Mr. BREWSTER took the chair as Presiding Officer.)

Mr. PROUTY. Mr. President, the amendment I now propose has the effect of freezing the payroll tax at the levels envisioned by the Social Security Amendments of 1965. It also insures the future stability of the social security trust fund by requiring the Secretary of Health, Education, and Welfare to submit an estimate of its final condition on January 1 of each calendar year. Based on the estimated financial condition of the social security trust fund, Congress could then appropriate any necessary funds from the general revenue of the United States.

I believe that this amendment has several distinct advantages.

First, it avoids the necessity of increasing the already high social security payroll tax. This will benefit individuals with low incomes, and will supplement the intents and purposes of the war on poverty.

Second, this amendment will better insure the financial stability of the social security trust fund. As I pointed out, the proceeds from the social security payroll tax can fluctuate depending on the total number of employed persons in the country.

Third, this amendment would insure that large surpluses in the social security trust fund do not accumulate. I believe that this is particularly beneficial when we realize that surpluses in this fund do little to alleviate the pressing problems facing us today.

Fourth, this amendment would insure every American of greater takehome pay because the social security payroll tax would not be increased as envisioned in the committee report.

Finally, this amendment would enact into law the concept that has run throughout the history of the social security system—that is, that general revenues should be used to finance a portion of the social security benefits, when and if that ever should become necessary.

As I have already pointed out, it is unlikely that actual appropriations will be necessary for the next 6 or 7 years. However, should they be necessary, the adoption of this amendment will provide the mechanism to ascertain the need and amount of appropriation necessary.

Mr. President, I want to emphasize that the proposal recommended by the Finance Committee for increasing the rate and base of the social security payroll tax is not an unimportant item.

It is not unimportant, Mr. President, because it will affect thousands of Americans in our Nation's work force.

It is not unimportant, Mr. President, because it will seriously affect thousands of small businessmen.

The Finance Committee bill raises the maximum taxable earnings base to $8,000 in 1968. Not only that, Mr. President, the committee bill increases the earnings base to $8,800 for the period 1969 to 1971. Not only that, Mr. President, but 1972 and after, the committee raises the earnings base to $10,800.

Now, Mr. President, does this have a serious effect on the American worker? I believe that it does. First of all, more and more workers find that they are in a financial squeeze even though their wages are considerably higher than, say, 10 years ago. The committee bill would mean that more of their earnings would be taxable under the regressive formula of the social security tax rate. I personally do not believe that most Americans can afford that additional burden.

For example, Mr. President, did you realize that the recent report by the Bureau of Labor Statistics points out that the minimum but adequate budget for the typical American family of four is $9,700. The enactment of this new tax scheme suggested by the Finance Committee would force the head of that typical American family to do one of two things. First, he must attempt to get his employer to pay him more money. Second, if he fails in his first alternative, he must cut back on his family living standards by several hundred dollars a year.

Now, Mr. President, as I pointed out, if this increase was essential to maintain the balance of the social security trust funds, I have no doubt but that the typical American worker would gladly bear this additional burden. Unfortunately, Mr. President, the increase proposed by the Finance Committee is not necessary to maintain the balance of the social security trust fund.

Just yesterday, Mr. President, the distinguished chairman of the Finance Committee stated the financial condition of the social security trust fund more authoritatively and eloquently than I could. Let me quote him:

> It is the position of the actuaries, and this is attested to by our experts as well as those in the department, that the program is overfinanced; it is not underfinanced.

At another point in the RECORD, Mr. President, the distinguished chairman of the Finance Committee stated:

> Our bill does not underfinance it. If we are subject to any criticism, it would be the criticism of the Senator from Vermont that we are putting too much in; not too little.

Mr. President, put quite frankly and simply, the social security system does not need the additional tax provisions provided in the bill as reported by the Senate Finance Committee.

Finally, Mr. President, this matter of the social security tax is not unimportant because it will seriously affect thousands of small businessmen.

When we talk about social security payroll tax we sometimes fail to realize that it places a burden on the employer as well as the employee. As the employer is forced to reach into more of his gross revenues for the social security payroll tax, he finds his profit margin becomes less and less. Faced with this problem, large businessmen obviously increase the cost of their product and pass the expense on to the American consumer. In this situation, the American worker loses twice. First as an employee he finds his take-home pay is less. Second, as a consumer he finds that even the reduced take-home pay that he has buys less.

Unfortunately, the effect of the increased social security payroll tax on the small businessman can be even more destructive. The small businessman generally operates on a small profit margin. His greatest expense is generally labor. As the social security payroll tax becomes greater, it has the effect of hitting the small businessman in the area where he is most dependent on being competitive with big businessmen; namely, Mr. President, his expenses connected with paying his employees. The small businessman must either reduce his work force or raise his prices in order to stay in business. He cannot reduce his work force since, unlike the highly automated big businessman, he is most dependent on the services of employees. All too often, Mr. President, neither can he raise his prices because competition is too keen among small businessmen.

If this social security payroll tax is increased as recommended by the Finance Committee, I can see business failures among small businessmen increasing by leaps and bounds. I do not want to see that. I believe most Members of this Chamber do not want to see it. Moreover, I believe the welfare of the country demands that it not happen.

Mr. President, now I realize that some members of the Finance Committee toyed with the idea that the increase provided in their report would act as a substitute for the tax increase which the President apparently feels is necessary, although, as the distinguished Senator from Delaware [Mr. WILLIAMS] pointed out yesterday, or the day before, the President has yet to submit a tax bill to Congress.

I think that one basic flaw exists in this sort of conclusion. Unlike a surtax the social security payroll tax affects only one segment of our economy—businessmen and employees.

Mr. President, I urge the adoption of my amendment because I do not believe that the social security payroll tax needs to be increased, and if it were, I believe that its effect would be disastrous.

Mr. President, I ask unanimous consent that the following exhibits be printed in the RECORD immediately following my remarks:

First. A study by Francis J. Crowley, of the Legislative Reference Service, entitled "The Historical Review of General Revenue Financing in Social Security."

Second. A letter to me from Lawrence N. Woodworth, of the Joint Committee on Internal Revenue Taxation, which includes a table demonstrating how the present payroll tax rate and general revenue financing could both produce approximately $4 billion of revenue.

The purpose of the first exhibit is to demonstrate how often since the enactment of the social security bill in 1935 the question of general revenue financing has been discussed, and how many experts have advocated more extended application and use of such financing.

The purpose of the second exhibit is to demonstrate how much more equitably and fairly a general revenue schedule for raising $4 billion would be than a payroll tax. This is true because the present payroll tax is regressive and falls severely and most heavily upon the people in the lower income brackets. I might point out that $4 billion is approximately the amount of the benefit in this package now being considered by the Senate.

Finally, Mr. President, I have prepared a brief explanation of my amendment and a chart illustrating the financial condition of the social security trust fund. This chart is based on the assumption of adopting all the benefit increases in the Finance Committee's report while not changing the existing tax rates for base contained in the present law.

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

[From the Library of Congress, Legislative Reference Service, Washington, D.C., Nov. 2, 1967]

HISTORICAL REVIEW OF GENERAL REVENUE FINANCING IN SOCIAL SECURITY

(By Francis J. Crowley, Education and Public Welfare Division)

1. Summary—Pros and cons

Proposals to use general revenues to finance the Social Security program are not new. The original proposals for a Social Security program contemplated the use of general revenues starting about 1965. During the 1940's, the law authorized an appropriation from general revenues if it was needed to keep the program solvent. In the Social Security Amendments of 1950, Congress appeared to settle the question by repealing the authorization for appropriations from general revenues. Further indication of this was the frequent reference to the self-sup-

porting nature of the program that after 1950 was to be found in every Committee report dealing with social security financing. Recently, however, there has been a revived interest in the use of general revenues in the financing of the social security program. This interest is the result of a growing awareness of the growing magnitude of the social security tax and its effect on individual and corporate income. Almost all the legislative proposals which would provide a more liberal benefit increase than in the current administration bill use some type of general revenue financing. (Under present law, a worker's maximum social security tax is scheduled to rise from $290.40 in 1967 to $372.90, under the administration's proposals to $626.40, and under the House-passed social security bill to $448.40 in 1987.)

In discussing the financing of the Social Security program there is a tendency to discuss it both from its "insurance" or "equity" aspects and from its "social" or "welfare" aspects. Some who support the general revenue approach say that the payroll tax is the appropriate way to finance the insurance aspects (retirement benefits, for example) but that it is not the proper way to finance the broader social aspects of the program such as dependents benefits. In this context, the question of using general revenues to finance social security benefits becomes a question of defining the role of the social security program. Those who argue for general revenues in financing further benefit liberalizations point out that the equities of the program require such financing to assure that contributors get their money's worth from the taxes they pay. On the other hand, those who do not want general revenues to be used in financing the social security program argue that there should not be further changes in the program which emphasize the "social" aspects.

For others, there is a middle ground argument that no basic change is needed, that a balance should be maintained between the social and the insurance aspects and the total cost paid out of the earmarked payroll tax. It is this group who present the arguments that general revenues in the social security program will have an undesirable effect on people's attitudes about the system. Pretty much from start of the program, and right up to the present time, the Social Security Administration, and proponents of the social security program in general, have talked about the contributory nature of the program, indicating that because people pay social security taxes, the benefits, unlike welfare payments, are paid as a matter of earned right. Moreover, they point out that because employers and employees know that improvements in the program will result in increased taxes that they themselves must pay, the payroll tax serves as a limitation against fiscal irresponsibility and too rapid expansion of the program.

Today, many who argue for and many who argue against using general revenues to finance social security start from much the same place; that the social security program is not a pure insurance program, that much of what it attempts to do is "social" or "welfare" in nature and that these social or welfare costs ought not to be financed by a payroll tax. The payroll tax, as opposed to the Federal income tax, is generally considered a regressive tax. Thus, the relative burden of paying the cost of the social security program falls more heavily on lower-paid workers.

Some who fear general financing fear that future budgetary considerations would be such that the Executive and the Congress would, as with the Civil Service retirement program, neglect to provide currently the amounts that are not needed to meet current expenditures, but which are needed to keep the program on a sound actuarial basis.

Those who argue for using general revenues believe that the cost of the program includes the cost of paying full benefits to people who had little opportunity to work in covered employment, including those who were approaching retirement age when their work was covered under the program. The cost of paying these benefits—about one-third of the cost of the program—in this argument is considered a social cost that could properly be paid out of general revenues. If general revenues were used for this purpose, and if there were no change in the financing of the present program, these people point out that the additional income from general revenues would make it possible to increase benefits about 50% above present levels.

On the other hand, a witness before the Committee on Ways and Means testified in March 1967 on a proposal to provide reduced social security taxes. Under this proposal social security taxes would be reduced to a point where the benefits that could be paid under present law to a young worker entering the labor force would be equal to the full value of the employer and employee taxes paid on his wages; the cost of benefits to older workers in excess of the taxes paid on their wages would be met from general revenues.

2. Introduction

Since the inception of the Social Security program, a major question has been the extent to which the program should be financed out of general revenues. Recently the question has gained new significance with a number of witnesses appearing before the Committee on Ways and Means and the Committee on Finance to testify on the proposals recommended by the President and contained in H.R. 5710 recommending that general revenues be used to finance changes in the social security program. Because of the questions about general revenue financing that are being raised, it is appropriate at this time to review the history of earlier discussions and to put the present discussions in their correct historical perspective.

Central to today's discussion of the desirability of using general revenues to finance part of the social security program is the amount of payroll tax that is needed to pay for the present program and the additional amounts that will be needed to finance any liberalization in the system.

3. The Social Security Act of 1935

The earliest discussions of using general revenues took place in the Committee on Economic Security, whose recommendations formed the basis of the original Social Security Act. The Committee, which had been appointed by President Franklin D. Roosevelt in 1934, was composed of five members.[1] The social security program proposed by the Committee had originally called for a Government contribution starting about 1965. However, when the President learned that the program was not "self-sustaining" he insisted that it be changed. Edwin Witte, Executive Director of the Committee, described the President's reaction on learning that the program was not self-sustaining. Mr. Witte wrote:

"On the afternoon of January 16, after the President had already notified Congress that he would, on the next day, submit a special message dealing with social security, and after press stories on the message and the committee's report had already been given out at the White House, the President discovered a feature in the old age insurance part of the program which he did not like. This was the aspect that a large deficit (to be met from general governmental revenues) would develop in the old age insurance system after 1965, as was stated clearly in the press releases which were prepared by Mr. Fitzgerald of the Department of Labor. The President thereupon sent for Secretary Perkins, who, in turn, asked me to come over after the President had indicated that he could not support such a program. When I arrived, the President was still under the impression that there must be a mistake somewhere in the tables which appeared in our report. When advised that the tables were correct the President insisted that the program must be changed. He suggested that this table be left out of the report and that the committee, instead of definitely recommending the particular tax rates and benefit schedules incorporated in the original bill, merely present these as one plan for meeting the problem which Congress might or might not adopt.

"Following this conference with the President, all members of the Committee were communicated with and all agreed that the President's wishes in that matter must be carried out. The report was again withdrawn from the President and changes made which he had suggested. It was not filed in final form until the morning of January 17, although it bears the date of January 15, 1935. [Witte, Edwin E. 'The Development of the Social Security Act.' Madison, 1962, p. 748.]"

The President, however, was not the only one who had some misunderstanding about the extent to which general revenues were to be used to finance the old-age insurance program that the Committee was recommending. Mr. Witte believed the members of the Committee on Economic Security did not realize that benefits in excess of the amount of social security taxes would be paid to substantially all people who entered employment prior to 1957. Mr. White explained this and the rationale for the Committee's recommendation in the following way:

"The benefits provided in this bill were such as the actuaries figured could be paid for by 5 percent contributions on payroll over a lifetime of employment in industry. This meant that the combined rates on employers and employees would be adequate to pay the costs of the benefits only for employees entering the old age insurance system in 1957 and thereafter. In the first twenty years of the system far less would be collected than necessary to meet the costs computed on an actuarial basis. Due to the fact, however, that in any old age insurance system there are relatively few retirements during the early years, the amount collected in these first twenty years would nevertheless have been considerably greater than the disbursements during these years, so that the inadequacy of the rates would not create a serious financial problem until some years later. If the ultimate rate equaled only the actual current cost, however, the actuaries estimated that by 1965 a deficit would develop in the old age insurance fund, which would continue to increase until 1980. By that time this deficit would amount to approximately $1,400,000,000 per year. This deficit, the old age security staff proposed, should be met through contributions from the United States Treasury, although there was no way in which it could be guaranteed that when the deficits developed contributions would be actually made from general tax revenues, rather than be met through reduction of benefits or increase in the contribution rates.

"The Committee on Economic Security was told by its staff that the taxes currently collected would not meet the costs of benefits after 1965 and it accepted the idea that the deficits resulting thereafter should be met from general tax sources. In all discussions

[1] The members were: Frances E. Perkins, Secretary of Labor (Chairman); Henry Morgenthau, Jr., Secretary of the Treasury; Homer Cummings, Attorney General; Henry A. Wallace, Secretary of Agriculture; Harry Hopkins, Federal Emergency Relief Administrator.

preceding the committee's final decision on the recommendations it should make on old age security, the plan recommended by the staff was discussed in terms of larger benefits to workers approaching old age than could be paid for through their contributions and those of their employers, with the United States Government ultimately making up the resulting deficits from general tax sources. It is my belief that no member of the committee understood that payments in excess of contributions would be made not only to workers already approaching old age, but to substantially all workers who entered employment prior to 1957.

"When Secretary Perkins and Mr. Hopkins, acting for the committee, presented its recommendations orally to the President on December 24, [1934] they described the recommendations on old age insurance in the terms used by the staff, and the President got the impression that the plan proposed contemplated payments in excess of contributions only to people approaching old age who did not have time to build up their own old age protection on a really adequate basis. He also accepted the argument made by the staff and the committee that the compulsory old age insurance system would reduce the costs of the noncontributory old age assistance grants and apparently formed the idea that the two programs combined would result in decreasing governmental costs as the years went on."

On this point Mr. Witte continued his account.

"To satisfy the President, the committee's report was altered at the last minute, avoiding a definite commitment to the tax and benefit rates recommended by the staff. The working out of new rates to make the plan self-supporting, however, required time. So the rates recommended by the staff had to be included in the original bill. The Committee on Economic Security, however, had definitely told the President that it would revise these rates to accord with his views and would suggest an amendment to the Ways and Means Committee which would make the old age insurance system self-support (assuming the correctness of the actuarial calculations and continuance of the plan without material amendments in future years.)

"Because Secretary Morgenthau presented this amendment, this proposal was termed the "Morgenthau amendment," and in all newspaper accounts was represented as if it was a proposal of the Secretary of the Treasury acting alone, whereas in fact it was an amendment recommended by the Committee on Economic Security and agreed to by all of its members. This amendment revised the bill to make the initial tax rate (for the years 1937, 1938 and 1939) 1 percent on employers and 1 percent on employees, and provided for increases of 0.5 percent every three years, until a maximum of 3 percent on employers and 3 percent on employees would be reached in the year 1949, after which this rate was to be continued indefinitely. The actuaries estimated that the increased tax revenues yielded under this plan would enable the old age insurance system to remain entirely self-supporting, at least until 1980. At the same time, it would result in an ultimate reserve of nearly $50,000,000,000 as against a reserve of $14,000,000,000 estimated by the actuaries under the original plan. This large reserve was regarded by the President as creating a far less serious problem than the deficits after 1965 contemplated under the original plan.

"The Morgenthau amendment was criticized before the Ways and Means Committee on the score of the large reserve which it would create by Messers. Latimer and J. Douglas Brown, connected with the Committee on Economic Security, and before the Senate committee also by Mr. Folsom of the advisory council. Apparently, however, their arguments made little impression upon any members of either committee. The large reserve was used as argument against the bill by Senator Hastings on the floor of the Senate, but neither he nor any other member of either congressional committee ever offered an amendment to reduce the tax rates. The rates of the Morgenthau amendment were agreed to by the Ways and Means Committee without a dissenting vote and remained in the bill ever after. [*Ibid.*, pp. 147–151]"

4. Financing the 1939 amendments

An Advisory Council on Social Security had been appointed by a Subcommittee of the Committee on Finance and the Social Security Board in 1937. It reported in December of 1938, recommending basic changes in the system which departed from the 1935 Act's emphasis on the private insurance concept of a benefit tied directly to the amount of taxes paid. Instead, it recognized dependents and survivors and accentuated the policy of paying higher retirement benefits than the equivalent taxes to people who retired early in the program. As to financing, the Council stated:

"Since the Nation as a whole, independent of the beneficiaries of the system, will derive a benefit from the old-age security program, it is appropriate that there be Federal financial participation in the old-age insurance system by means of revenues derived from sources other than pay-roll taxes. [Hearings on Social Security, Committee on Ways and Means, February–April 1939, 76th Cong., p. 39.]"

Emphasizing that dependency in old age was a national problem, the Council declared:

"With the broadening of the scope of the protection afforded, governmental participation in meeting the costs of the program is all the more justified since the existing costs of relief and old-age assistance will be materially affected.

"Governmental participation in financing of a social insurance program has long been accepted as sound public policy in other countries. Definite limits exist in the proper use of payroll taxes. An analysis of the incidence of such taxes leads to the conviction that they should be supplemented by the general tax program. [*Ibid.*, p. 39]"

The Council then went on to recommend a tri-partite approach "of distributing the eventual cost" of the system by equal contributions by employers, employees, and the Government. The Council indicated that this would permit the redetermination of tax rates and the "problems of financial policy can be far more readily resolved" because of the Federal contribution. As to the question of the amount of reserves necessary, the Council stated:

"With the changes in the benefit structure here recommended and with the introduction of a definite program of governmental contributions to the system, the council believes that the size of the old-age insurance fund will be kept within much lower limits than are involved in the present act. Under social insurance programs it is not necessary to maintain a full invested reserve such as is required in private insurance, *provided* definite provision is made for governmental support of the system. The only invested fund then necessary would be a reasonable contingency fund [*Ibid.*, p. 40]".

On January 17, 1939, President Roosevelt submitted the recommendations of the Social Security Board to the Congress. The Board report stated:

"As already stated, if the recommendations of the Board relating to benefits are adopted, early payments under the system will increase substantially. The tax provisions embodied in the present law would probably cover the increased annual cost for the first 15 years. They would also probably provide a small reserve, which would be invested and earn more interest. But when future annual benefit disturbances exceeded annual tax collections, plus interest earnings, some other provision would have to be made for the funds which, under the existing plan, would be secured from interest on accumulated reserves. It would then be necessary to do one of two things: increase the pay-roll tax, or provide for the deficiency out of other general taxes.

"The Board is of the opinion that it would be sound public policy to pay part of the eventual cost of the benefits proposed out of taxes other than pay-roll taxes, preferably taxes such as income and inheritance taxes levied according to ability to pay.

"The portion of the total costs to be met by taxes other than pay-roll taxes should depend upon the proportion of the general population covered by the insurance system. The wider the coverage, the more extensive this contribution from other tax sources might properly be.

"Although the Board believes that contributions to the old-age-insurance program should eventually be made out of Federal taxes other than those on pay-rolls, it does not believe that such taxes should be substituted for any part of the pay-roll taxes, provided in the present act, or that such other taxes should be used until annual benefit disbursements begin to exceed annual pay-roll-tax collections, plus the interest earned on the small reserve which would be accumulated. [*Ibid.*, pp. 8–9]"

During the public hearings on the Social Security Act held by the Ways and Means Committee, Secretary of the Treasury Morgenthau in late March presented four plans for modifying the contribution rate schedule provided in the Social Security Act. The variations in the plans related only to the years prior to 1943. [*Ibid.*, p. 2114] All four plans called for the rate schedule as contained in the Social Security Act of 1935, for 1943 and subsequent years; that is, 2 percent each on employer and employee in 1943, 2½ percent in 1946, and 3 percent in 1949. Plan number four, which was finally adopted with the enactment of the 1939 amendments, omitted the increase in tax rate from 1 to 1½ percent for the years 1940–42 as provided in the 1935 Act.

As to the revised thinking of the Roosevelt Administration on the government contribution, Secretary Morgenthau stated:

"My latest annual report presented the estimate that, without extension under the present law, 80 percent of the population of the United States ultimately will have qualified during their working life for at least the minimum annuity under title II of the act.

"This experience throws new light on our original belief that the act ought to be self-supporting. Four years of experience have shown that the benefits of the act will be so widely diffused that supplemental funds from general tax revenues may be substituted—without substantial inequity—for a considerable proportion of the expected interest earnings from the large reserve contemplated by present law. Therefore, it becomes apparent that the argument for a large reserve does not have the validity which 4 years ago it seemed to possess.

"There is no need at the present time and, I believe, there will be no need in the near future, for supplementing pay-roll taxes from general revenue. For all classes of beneficiaries, the values of the benefits which the act provides, are, and for a long time will be, substantially in excess of the contributions under the schedule provided in the law. [*Ibid.*, p. 2112]"

Mr. Morgenthau indicated that he was also influenced in his thinking about the reserve and the rate schedule by the prevailing economic conditions. In this respect he said:

"There is another reason for questioning

the schedule of tax rates and the resultant reserve set-up in 1935. We adopted a gradual step-up in the tax rate in 1935 in order to give industry an opportunity to accustom itself to the new taxes and so avoid any undue restrictive effects. The trend of business conditions in specific future years could not, of course, be accurately foreseen. In periods of incomplete business recovery like the present, the contributory old-age-assistance system should be so financed as to have the least possible deterring effect on business. It is, therefore, a pertinent question whether a substantial increase in the tax rate should be allowed to occur at the present stage of business recovery.

"The depressing effect of the present disturbed state of world affairs upon the American economy makes it especially urgent that at this time we do not place any avoidable burdens on American productive enterprise. [*Ibid.*, p. 2112]"

The Secretary recommended the adoption of an "eventual reserve amounting to not more than three times the highest prospective annual benefits in the ensuing 5 years." [*Ibid.*, p. 2113] This was cited by the Ways and Means Committee and the Senate Finance Committee in their reports accompanying the bill and a provision was inserted in the law requiring the trustees to report immediately whenever the trust fund reached this magnitude.

The Congress did not authorize a Government contribution in the 1939 Amendments when it froze the 1 percent tax until 1943. The Committee estimated that benefits would not exceed tax collections until about 1955 and that the revised system was sounder financially. After explaining the difficulty of estimating costs, both reports contained the following:

"Unforeseen contingencies may, however, change the entire operation of the plan. It is important, therefore, that Congress be kept fully informed of the probable future obligations being incurred under the insurance plan as well as the public-assistance plans. Each generation may then meet the situation before it in such manner as it deems best.

"If future annual pay-roll tax collection plus available interest are insufficient to meet future annual benefits it will be necessary, in order to pay the promised benefits, to increase the pay-roll tax or provide for the deficiency out of other general taxes, or do both. [S. Rept. 734, 76th Cong., p. 18; H. Rept. 728, p. 17.]"

The 1939 estimates of the Committees concerning the probable size of the reserve fund in future years proved to be very conservative. Under the proposal to "freeze" the tax rate at 1 percent until 1943, and thereafter to follow the original schedule as provided in the Social Security Act, the Finance Committee estimated that the reserve fund would be $6,871,000,000 by the end of 1955. [S. Rept. 734, p. 17.] The Ways and Means Committee estimated the fund would be $7,752,000,000 by the end of the same year. [H. Rept. 728, p. 15.] The change in world conditions due to World War II and the resulting expansion of industry increased the reserve fund far beyond what expert opinion could foresee in 1939. Although the tax rate did not rise above 1 percent, at the end of June 1950 the reserve fund was almost $12.9 billion.

5. Financing issues in the 1940's

In the years between 1942 and 1950 Congress enacted seven more postponements of the original tax rate. The principal architect of the "freeze" was Senator Arthur Vandenberg. Those who favored the "freeze" argued that there were sufficient assets and income flowing into the trust funds to take care of the requirements of the program for many years, that the Morgenthau "three times rule" was being more than met, and that the Social Security system was not the proper vehicle for curbing war-time inflation. The Roosevelt Administration in opposing the "freeze" argued that the Morgenthau rule was not supposed to be operative in the early years of the system; that the long-term actuarial soundness of the system required the tax increases scheduled in the Act, that if the rates were not allowed to go into effect as scheduled in the law, higher ultimate rates or a Government subsidy would be needed. Sometimes the argument was used that to allow the original rates to go into effect would help finance the war and curb wartime inflation.

The debate on the postponement of the tax rate in 1944 was of particular interest in that Congress froze (over Presidential veto) the tax and authorized an appropriation from general revenue to the trust fund of "such additional sums as may be required to finance the benefits and payments under this title." The general revenue authorization was a Senate floor amendment introduced by Senator Murray who was opposed to the tax "freeze." He quoted the Senate committee report, which had reported the "freeze" provision:

"It is obviously true that the change to the basis of contingent reserves, as contemplated by the amended statutes, that Congress obligates itself in the future to make whatever direct appropriations (in lieu of appropriations for interest on bonds in reserve) are necessary to maintain the full and complete solvency of the old-age and survivors benefits funds, because there could be no more solemn public trust. This is inherent in the decision made by Congress in 1939. The statutory rule, requiring contingent reserves which are at least three times as large as the total cost of the system in any one of 5 subsequent years, is a complete measure of contingent protection and always gives Congress at least 5 years' notice of any possibility of delinquency. [S. Rept. 627, 78th Cong., p. 19]"

Senator Murray stated that his amendment only carried out the intent of the Committee statement. Senator Vandenberg agreed, saying, however, that there should be "no implication that any additional sums are necessary now or in the foreseeable future." [90th Cong., Rec. 374]

During this period two reports of advisory groups are of interest as to the issue of a Government contribution. The Ways and Means Committee's Social Security Technical Staff established pursuant to H. Res. 204, 79th Congress, first session, began its study of various phases of the Social Security Act in the summer of 1945. Its report, *Issues in Social Security*, noted the problem of estimating benefits because World War II "played havoc" not only with estimates already made but also with the basis for future estimates. The report stated as to the growth of costs of the program:

"While at present the benefits are considerably less than half of 1 percent of taxable wages, we can foresee a possible growth to as much as 9 or 10 percent of wages. Perhaps for present purposes it is not really important whether the cost 20 years hence is four or seven times as much as now or whether by 1980 the benefits will be 6 or 8 percent of wages. Perhaps the really important expectation—one regarding which there is no difference of opinion—is that the total of benefits is going to increase gradually over a long period of years and will become many times as large as at present. [P. 110]"

The report made the following suggestion for a tax schedule and a Government contribution:

"That, for old-age and survivors insurance as now provided, social-security tax rates be 1½ percent of the first $3,000 of wages from employer and employee alike during the 10-year period 1947–56, inclusive; that this rate be increased one-half percent in 1957, 1967, and 1977; that a Federal subsidy be anticipated in future years, any excess of benefit and expense payments over social-security taxes and interest on the trust fund for a particular year to be met by Federal subsidy until such time as this subsidy becomes a third of the year's total of benefit and expense payments. Whenever this stage is recognized as imminent, revision of the tax rate should be considered. Revision of the tax rate should also be considered if the trust fund reaches some chosen total like 20 billion or 30 billion dollars. [P. 121]"

The Committee on Ways and Means had the report of the Social Security Technical Staff before it when it began its considerations of the Social Security Amendments of 1946. On July 1, the Committee reported out a bill (H.R. 6911) which would have raised the tax rate to 1½ percent and also would have repealed the provision authorizing necessary appropriations out of general revenue. A strong minority report was filed objecting, in the main, to the bill's increased Federal matching for public assistance but also pointing out that the Social Security tax rate "could just as well have been frozen at 1 percent for 5 years according to the authorities appearing before the committee." (H. Rept. No. 2447, 79th Cong.) H.R. 6911 was never brought to the floor but another bill (H.R. 7037) was reported (H. Rept. No. 2526, 79th Cong.) and acted upon which would have frozen the tax at 1 percent and have repealed the provision authorizing general revenue financing. The Senate approved the freeze but struck out the deletion of the general revenue authorization. The Finance Committee report stated: "to repeal this provision, as proposed by the House of Representatives, while continuing to freeze the tax, might be taken to imply an unwillingness of Congress to underwrite the solvency of the system. [S. Rept. 1862, 79th Cong., p. 3]"

The legislation also authorized survivors benefits for uninsured veterans who died within three years after discharge. These benefits were to be financed out of general revenue.

The Committee on Finance appointed an Advisory Council on Social Security in 1947 which at the end of 1948 issued a report with a broad range of recommendations as to coverage, eligibility, and benefits. The Council suggested that if benefits were liberalized as it suggested (by about 50%) the tax rate should be raised immediately to 1½ percent but that a step-up to 2 percent "should not take place until actually needed to cover current disbursement." When the 2 percent rate was insufficient to meet current benefit costs, the Council believed that a Government contribution should be introduced. The Council wrote:

"There are compelling reasons for an eventual Government contribution to the system, but the Council feels that it is unrealistic to decide now on the exact timing or proportion of that contribution. When the rate of 2 percent on employers and 2 percent on employees, plus interest on the investments of the trust fund, is insufficient to meet current outlays, the advisability of an immediate Government contribution should be considered.

"The step-up to 2 percent should be postponed until actually needed. The Council believes that the excess of income over outgo, inevitable in the early years of the program, should be kept as low as is consistent with the contributory character of the program. Even with the increase to 1½ percent, assets of the trust fund may rise for a few years at an annual rate of about $2,000,000,000.

"For the reasons given above, the Council believes that the first step-up is needed when the liberalized program becomes effective, but we wish to emphasize that building up the trust fund is not the purpose of our proposed increase in the contribution rate, and we therefore urge that additional in-

creases in the rate be postponed. The increase in the trust fund is an incidental result of the contribution rates, the benefit rates, and the eligibility requirements that seem to us desirable on other grounds. Unlike private insurance, a social-insurance scheme backed by the taxing power of the Government does not need full resources sufficient to cover all liabilities.

"Some people fear that additions to the trust fund will have adverse effects on the economy. Whether the economic effects of additions to the trust fund are good or bad will depend on the general economic situation and on the fiscal policies of the Government. In any circumstances, an annual surplus for a few years of as much as $2,000,000 would not, in our opinion, be unduly large or unmanageable; in fact, such a surplus would be small in comparison with the amounts involved in many recent financial operations of the Government. On the other hand, the Council sees no reason to increase this surplus even further by moving to the 2-percent rate before the demands of the system actually call for such an increase.

"The Council believes that the Federal Government should participate in financing the old-age and survivors insurance system. A Government contribution would be a recognition of the interest of the Nation as a whole in the welfare of the aged and of widows and children. Such a contribution is particularly appropriate, in view of the relief to the general taxpayer which results from the substitution of social insurance for part of public assistance.

"The old-age and survivors insurance program starts with an accrued liability resulting from the fact that, on retirement, the present members of the labor force will not have contributed toward their benefits over a full working lifetime. Furthermore, with the postponement of the full rate of contributions recommended above, even young people who enter the labor force during the next decade will not pay the full rate over a working lifetime. If the cost of this accrued liability is met from the contributions of workers and their employers alone, those who enter the system after the full rate is imposed will obviously have to pay with their employers more than is necessary to finance their own protection.[2] In our opinion, the cost of financing the accrued liability should not be met solely from the payroll contributions of employers and employees. We believe that this burden would more properly be borne, at least in part, by the general revenues of the Government.

"Old-age and survivors insurance benefits should be planned on the assumption that general taxation will eventually share more or less equally with employer and employee contributions in financing future benefit outlays and administrative costs. The timing and exact proportion of this contribution, however, cannot be decided finally now. They will depend in part on the other obligations of the Government and the relationship between such obligations and current income. We believe that a Government contribution should be considered when the 2 percent rate for employer and employee plus interest on the investments of the trust fund is insufficient to meet current costs. To increase the pay-roll contributions above the 2 percent rate before the introduction of a Government contribution might mean that the Government contribution would never reach one-third of eventual benefit outlays, since under our low-cost estimates the annual cost of the benefits never exceeds 6 percent of pay roll even though it reaches 9.7 percent under the high estimate.

6. Financing issues in the 1950's

Although the Congress did enact into law many of the recommendations of the Advisory Council, it did not accept the idea of a Government contribution. In fact, both Committee reports stated that the system "should be on a completely self-supporting basis" and the Congress repealed the 1944 authorization for an appropriation from general revenue. The Committee on Ways and Means stated:

"Your committee has very carefully considered the problems of cost in determining the benefit provisions recommended. Also your committee is firmly of the belief that the old-age, survivors, and disability insurance program should be on a completely self-supporting basis. Accordingly, the bill eliminates the provision added in 1943—actually added in 1944—authorizing appropriations to the program from general revenues. At the same time, your committee has recommended a tax schedule which it believes will make the system self-supporting (or in other words, actuarially sound) as nearly as can be foreseen under present circumstances. Future experience may differ from the estimates so that this tax schedule, at least in the distant future, may have to be modified slightly—either upward or downward. This may readily be determined by future Congresses after the revised program has been in operation for a decade or two. [H. Rept. 1300, 81st Cong., p. 31]"

Also of interest is the provision of the 1950 Social Security Amendments which granted special wage credits to veterans of World War II and continued the benefits to survivors of veterans who died within three years of discharge. The bill that was reported by Ways and Means had authorized that the cost of these benefits be borne by general revenues while the Finance Committee provided that the cost be borne by the trust fund. The bill reported by the Conference Committee accepted the Senate version. The Senate report stated that the money should come from the trust fund "since there is a substantial amount now in the trust fund and, as will be indicated subsequently, the trust fund will continue for a considerable time to have an excess of income from contributions over outgo for benefit payments." [S. Rept. 1669, p. 19.]

The Committee reports on all the major Social Security legislation enacted during this period emphasized that the system should be "self-supporting." The report of the Committee on Ways and Means on the Social Security Amendments of 1956 which introduced cash disability benefits into the system is typical:

"Your committee continues to believe that the tax schedule in the law should make the system self-supporting as nearly as can be foreseen, or in other words, actuarially sound." [H. Rept. 1159, 84th Cong., p. 11.]

Another enactment in 1956 (Public Law 881, 84th Congress) changed the financing of the gratuitous wage credits previously granted for military service from the trust fund to general revenue and provided for the future contributory coverage of servicemen. The 1950 amendments which provided noncontributory $160 monthly wage credits to persons who served in the Armed Forces during World War II (the 1952, 1953, 1955, and 1956 legislation, also provided similar credits on account of service from July 25, 1947, through December 31, 1956) had charged to the trust funds the additional cost of the credits. The Select Committee on Survivor Benefits which reported the 1956 legislation stated:

"The Committee deems it highly appropriate for the Federal Government to acknowledge this debt to the OASDI trust fund, for the program under which this debt was contracted is being terminated.

"The Committee is of the opinion that legally no statutes have bound the Federal Government to reimburse the OASI trust fund, but there is no doubt that there was an implied responsibility, and it would be unconscionable for the Federal Government not to acknowledge its obligation in this regard. [H. Rept. no. 993, Part 1, p. 27]"

The 1956 enactment, however, switched the cost of the 1946 special veteran survivor benefit from the trust fund to general revenue, but no payments were made under this provision.

During the period, there was one important report of an advisory council in this area. The Social Security Amendments of 1956 established an Advisory Council on Social Security Financing which reported on January 1, 1959, on what it considered its main responsibility—"the method of financing old-age and survivors insurance and disability insurance." [Appendix IV to 19th Annual Trustees Report, House Doc. 181, 86th Cong., p. 59]

The Council did not consider it part of its task "to evaluate in detail the effect of this system of social insurance on the stability and productivity of the economy." They believed, however, that a sound program could be of great value to the economy as well as to the individual citizen. In their major finding the Council stated that "the method of financing the old-age, survivors, and disability insurance program is sound, and based on the best estimates available, the contribution schedule now in the law makes adequate provision for meeting both short-range and long-range costs" and that the Council had "no suggestions for basic changes in the present plan of financing." [*Ibid.*, p. 60–61] They also stated that it was important that the income exceed outgo during the early years of the system and that the system be in close actuarial balance over the long range. The Council endorsed both the employer and employee contribution. As to the worker's contribution it stated:

"The fact that the worker pays a substantial share of the cost of the benefit provided, in a way visible to all, is his assurance that he and his dependents will receive the scheduled benefits and that they will be paid as a matter of right without the necessity of establishing need. The contribution sets the tone of the program and its administration by making clear that this is not a program of government aid given to the individual, but rather a cooperative program in which the people use the instrument of government to provide protection for themselves and their families against loss of earnings resulting from old age, death, and disability. The Council also believes that the direct earmarked tax on prospective beneficiaries promotes a sense of financial responsibility. It is very important that people see clearly that increases in protection necessarily involve increases in costs and contributions. [*Ibid.*, p. 62]"

As to the use of general tax funds it declared:

"We believe that the experience of the last 22 years has shown the advantages of contributory social insurance over grants from general tax funds. It is true that, up to the present time, workers as a group have not contributed a large share of the cost of their own protection. Most workers covered in the early years of the program will contribute during only a part of their working lifetime, and, under the graduated schedule in the law, contribution rates have been low relative to the value of the protection provided. But this situation is changing. Young workers starting out under the system in recent years will contribute a substantial part

[2] It is estimated that the cost of the protection for a generation of workers under the program for a full-working lifetime would be from 3 to 5 percent of payroll, while the level premium cost of the whole system including the accrued liability, is from 4.9 to 7.3 percent of pay roll.

[Recommendations for Social Security Legislation, S. Doc. No. 208, 80th Cong., pp. 45–47]

of the cost of their protection. [*Ibid.*, pp. 62–63]"

As to the contribution of the employer and self-employed, a similar conclusion was reached:

"Protecting the members of the labor force and their dependents against loss of income from the hazards of old-age retirement, permanent and total disability, and death is, at least in part, a proper charge on the cost of production. Moreover, business enterprises have a significant stake in assuring that orderly provision is made to meet the needs of their employees and their families for income when their working lives are over. The earmarked contribution for social security is a recognition of this stake. The direct contributions gives employers status in the program and a clear right to participate in the development of the program and in the formation of policy.

"The rate for the self-employed—1½ times the rate paid by the employee—is a recognition of the fact that the self-employed person, in respect to his own employment, has some of the characteristics both of employee and employer. The Council has found no reason for a change in this rate. [*Ibid.*, p. 63]"

The Council also recommended retaining a maximum limit on the amount of earnings taxed and credited toward benefits and that "the contribution should be levied on the same amount of earnings as the amount which is credited for benefits." It also recommended that the maximum should be increased from time to time as wages rise. As the role of trust funds—

"The Council approves of the accumulation of funds that are more than sufficient to meet all foreseeable short-range contingencies, and that will therefore earn interest in somewhat larger amounts than would be earned if the fund served only a contingency purpose. The Council concludes, however, that a "full" reserve is unnecessary and does not believe that interest earnings should be expected to meet a major part of the long-range benefit costs. [*Ibid.*, p. 67]"

As to the Morgenthau "three times rule" the Council called for its repeal:

"We see no merit in the provision of present law which requires the trustees to report to the Congress whenever, in the course of the next 5 years, it is expected that either of the trust funds will exceed three times expenditures in any one year. The implication of the provision is that the trust funds should not be allowed to exceed the result of this formula. We do not believe that the trust funds should be held to any arbitrary relationship to expected annual expenditures, and we recommend that the provision be repealed. [*Ibid.*, p. 68]"

Such a repeal was effectuated in the 1960 Social Security Amendments § 701, P.L. 86–778.

7. Financing Issues in the Early 1960's

The sixties started with the Congress and the Administration maintaining much the same position that had been held since 1950, that the social security program ought to be fully self-supporting through the payroll tax. However, in 1965 and 1966 legislation was enacted that provided for significant appropriations from general revenues to pay for social security benefits. The Social Security Amendments of 1965 extended hospital insurance to everyone who attains age 65 before 1968 without regard to whether they could qualify for monthly social security benefits. The cost of these benefits is paid out of general revenues appropriated by the Congress. Also, the Prouty amendment to the Tax Adjustment Act of 1966 provides benefits paid for out of general revenues to people who are currently over 72 and who would not otherwise be eligible for monthly social security benefits.

In the 1960's the OASDI part of the program underwent three major amendments, those of 1960, 1961 and 1965. The financing of these amendments continued the policies of the 1950's. Two brief statements from the Committees that considered these amendments reflect the position of the Congress in this respect. The first report issued by a Congressional Committee in the 1960's was that of the Committee on Ways and Means on the 1960 Amendments. In its report the Committee stated:

"The Congress has always carefully considered the cost aspects of the old-age, survivors, and disability insurance system when amendments to the program have been made. In connection with the 1950 amendments, the Congress was of the belief that the program should be completely self-supporting from the contributions of covered individuals and employers. Accordingly, in that legislation, the provision permitting appropriations to the system from general revenues of the Treasury was repealed. This policy has been continued in subsequent amendments. Thus, the Congress has always very strongly believed that the tax schedule in the new law should make the system self-supporting as nearly as can be foreseen and, therefore actuarially sound. [H. Rept. 1799, 86th Cong., p. 34]"

Identical statements appear in subsequent Committee reports. In the period after 1960 there was a growing awareness of the amounts of money involved in the social security program and a growing concern as to whether the payroll tax could be expected to continue to carry the whole burden of the growing program.

In 1963 and 1964, the Advisory Council on Social Security made a major study of the Social Security program. A large part of its effort was devoted to the financing of the program. Its report issued in January 1965 stated:

"The Council strongly endorses the social insurance approach as the best way to provide, in a way that applies to all, that family income will continue when earnings stop or are greatly reduced because of retirement, total disability or death. It is a method of preventing destitution and poverty rather than relieving those conditions after they occur. And it is a method that operates through the individual efforts of the worker and his employer, and thus is in total harmony with general economic incentives to work and save. It can be made practically universal in application, and it is designed so as to work in ongoing partnership with voluntary insurance, individual savings, and private pension plans.

"Under the social security program the right to benefits grows out of work; the individual earns protection as he earns his living, and up to the maximum amount of earnings covered under the program, the more he earns the greater is his protection. Since, unlike relief or assistance, social security benefits are paid without regard to the beneficiary's savings and resources, people can and do build upon their basic social security protection and they are rewarded for their planning and thrift by a higher standard of living than the benefits alone can provide.

"The fact that the program is contributory—that employees and self-employed workers make contributions in the form of earmarked social security taxes to help finance the benefits—protects the rights and dignity of the recipient and at the same time helps to guard the program against unwarranted liberalization. The covered worker can expect because he has made social security contributions out of his earnings during his working lifetime, that social security benefits will be paid in the spirit of an earned right, without undue restrictions and in a manner which safeguards his freedom of action and his privacy. Moreover, the tie between benefits and contributions fosters responsibility in financial planning; the worker knows that improved benefits mean higher contributions. In social insurance the decision on how to finance improvements is always an integral part of the decision on whether they are to be made. [The Status of the Social Security Program and Recommendations for its Improvement, Report of the Advisory Council on Social Security, p. 2.]"

8. Appropriations for military service credits

One section of the 1965 amendments deserves special mention because it illustrates a problem that occurs when appropriations from general revenues are used. Military service, which before 1957 had not been covered on a contributory basis, qualified veterans and their survivors for benefits under special provisions. As indicated earlier, the cost of benefits based on this military service was to have been paid out of general revenues. Up to the time of the 1965 amendments, however the Social Security Trust Funds had been reimbursed only for the cost of the benefits through August 1950. The law in effect prior to the 1965 amendments provided that the costs incurred after August 1950 and through June 30, 1956 were to have been paid over the ten fiscal years ending June 30, 1969, and the costs incurred after June 1956 were to have been paid annually. However, no payments were ever made under this provision. The 1965 amendments authorized a level annual appropriation from general revenues, starting in fiscal 1966, to amortize both the accumulated costs and the additional costs but would accrue through fiscal 2015 with annual appropriations for costs incurred after fiscal 2015. Following enactment of the 1965 amendments, annual appropriations from general revenues have been made for this purpose but the administration has not always requested the full amount as calculated by the Social Security Administration Actuary.

9. Blanketing-in the uninsured for cash benefits

One of the most persistent issues in social security has been that of blanketing-in the uninsured. For the OASDI part of the program the number of quarters of coverage required before a person can be paid benefits has been gradually reduced but until 1965 the minimum number had always been six. The 1965 amendments provided special benefits at age 72 for certain people who had as few as three quarters of coverage. Subsequently, the Prouty Amendment to the Tax Adjustment Act of 1966 provided benefits for people with no quarters of coverage provided that they reach 72 prior to 1968. As noted the hospital insurance program covers all people who attain age 65 prior to 1968. The major portion of the costs of the benefits paid under these provisions will be paid out of general revenues. The only exception is that the benefits paid to people with three or more quarters of coverage will be paid out of the social security trust funds.

10. Financing health care benefits

A major issue in the 1960's, hospital care for the aged, highlighted the question of how high the social security tax could go if the self-financing principle were retained, as well as whether this principle applied equally to service benefits and to cash benefits. The original Forand bill, around which the early controversy developed, used the self-financing method, and furnished the hospital benefits only to people over 65 entitled to social security benefits in their own right.

The financing of the health and medical care programs for the aged established by the 1965 amendments goes in two directions. The financing of the hospital insurance program (Part A) follows the payroll tax pattern established for the OASDI program in the 1950's. The medical care program (Part B) on the other hand, gets one-half of its fi-

nancing from general revenues and one-half from fees paid by those enrolled in the program. The self-supporting nature and the actuarial soundness of the hospital insurance program (Part A) is described in identical words in the reports of both the Committee on Ways and Means and the Committee on Finance:

"Just as has always been the case in connection with the old-age, survivors, and disability insurance system, the committee has very carefully considered the cost aspects of the proposed hospital insurance system. In the same manner, the committee believes that this program should be completely self-supporting from the contributions of covered individuals and employers (the transitional uninsured group that would be covered by this program would have their benefits, and the resulting administrative expenses, completely financed from general revenues, according to the provisions of the bill). Accordingly, the committee very strongly believes that the tax schedule in the law should make the hospital insurance system self-supporting over the long range as nearly as can be foreseen, as well as actuarially sound.

"The concept of actuarial soundness as it applies to the hospital insurance system is somewhat similar to that concept as it applies to the old-age, survivors, and disability insurance system . . . but there are important differences.

"One major difference in this concept as it applies between the two different systems is that cost estimates for the hospital insurance program should desirably be made over a period of only 25 years in the future, rather than 75 years as in connection with the old-age, survivors, and disability insurance program. A shorter period for the hospital insurance program is necessary because of the greater difficulty in making forecast assumptions for a service benefit than for a cash benefit. Although there is reasonable likelihood that the number of beneficiaries aged 65 and over will tend to increase over the next 75 years when measured relative to covered population (so that a period of this length is both necessary and desirable for studying the cost of the cash benefits under the old-age, survivors, and disability insurance program), it is far more difficult to make reasonable assumptions as to the trends of medical care costs and practices for more than 25 years in the future.

"In starting a new program such as hospital insurance, it seems desirable to the committee that the program should be completely in actuarial balance. In order to accommodate this result, the committee has developed a contribution schedule that will meet this requirement, according to the underlying cost estimates. [H. Rept. 213, p. 49; S. Rept. 404, p. 57]"

The financing of the voluntary, supplementary medical insurance program (Part B), as noted above, represented a departure from the payroll tax financing which had been used up to that time. Not only is one-half of the cost of the program paid out of general revenues but none of the cost is paid from payroll taxes. Moreover, the financing adopted is current financing. Thus those eligible for benefits pay (in 1967 and 1968) $3 a month for the insurance and the Government pays an equal amount. In 1969 the amount may rise to about $4 a month. The reports of the Committees that studied this legislation said:

"The supplementary medical insurance system that would be established by the committee-approved bill has an estimated cost for benefit payments insured and for administrative expenses that would adequately be met during the first 2 years of operation (1967–68) by the individual premium rates prescribed plus the equal matching contributions from the general fund of the Treasury. Both contributions and benefit payments would begin in January 1967. In subsequent years, the committee-approved bill provides for appropriate adjustment of the premium rates so as to assure that the program will be adequately financed, along with the establishment of sufficient contingency reserves. Although provision is made for an advance appropriation from general revenues to provide a contingency reserve during the period January 1967 through December 1968, it is believed that this will not actually have to be drawn upon, but nonetheless it serves as a desirable safeguard to the financing basis of the program.

"The committee has recommended the establishment of a supplementary medical insurance program that can be voluntarily elected, on an individual basis, by virtually all persons aged 65 and over in the United States (excluding only those aliens who have not been lawfully admitted for permanent residence or who have not had 10 continuous years of residence). This program is intended to be completely self-supporting from the contributions of covered individuals and from the equal-matching contributions from the general fund of the Treasury. . . Under the committee-approved bill, the monthly premium rate can be adjusted for future years after 1968, so as to reflect the expected experience including an allowance for a margin for contingencies. All financial operations for this program would be handled through a separate fund, the supplementary medical insurance trust fund. . . .

"The concept of actuarial soundness for the old-age, survivors, and disability insurance system and for the hospital insurance system is somewhat different than that for the supplementary medical insurance program. In essence, the last system is on a "current cost" financing basis. The situations are essentially different because the financial support of the supplementary medical insurance system comes from a premium rate that is subject to change from time to time, in accordance with the experience actually developing and with the experience anticipated in the near future. The actuarial soundness of the supplementary medical insurance program, therefore, depends only upon the "short-term" premium rates being adequate to meet, on an accrual basis, the benefit payments and administrative expenses over the period for which they are established (including the accumulation and maintenance of a contingency fund).

In the course of the Senate Finance Committee's consideration of the Social Security Amendments of 1965, Senator Russell B. Long proposed an amendment which would substitute a single and much broader system of health care aimed at covering catastrophic costs for the two complementary health care plans (Parts A and B) contained in the House-passed bill, and in the legislation as it was finally enacted. Two-thirds of the cost of this program would have been paid from payroll taxes and one-third from general revenues. In a press release describing the amendment the Senator said:

"My plan would also utilize, to a greater extent, general revenue financing. This is in recognition of the fact that workers who will enter the labor force in the future (and their employers) would have to pay at least 40% more in payroll taxes than would be necessary to finance their own costs if the benefits of the presently retired and current workers were paid for wholly under the payroll system. This "social" cost of establishing the system, I believe, is more appropriately borne by federal revenue."

11. The issue now

Prior to the enactment of the Social Security Amendments of 1965 there had been discussion of what should be the limit of Social Security payroll taxation. Secretary of Health, Education and Welfare Ribicoff had stated in 1961 that he thought the combined employer-employee limit should be about 10% of payroll but left open possible increases in the tax base. The combined hospital insurance and OASDI tax under the 1965 Amendments amounted to 11.4% of payroll and there appeared to be a growing feeling among those who wished to further liberalize the social security program that future changes involving significant costs would be difficult to justify if they were to be financed solely through additional payroll taxes. In this context Robert M. Ball, the Commissioner of Social Security, wrote in the fall of 1965:

"Improvements in the social security program of the kind suggested call for a reconsideration of the financial basis of the system. Workers in general have shown themselves willing to pay for improved social insurance protection, and there is no question that the major part of the cost of social insurance should continue to be met by a tax on covered payrolls. There is, though, justification for a contribution from the general revenues of the Treasury.

"The justification for such a Government contribution arises from the fact that in order to make the program quickly effective in its early years full-rate benefits are being paid to people who were already old at the time their work was first covered under the program, even though only a small percentage of the actual cost of the benefits being paid to these people was met by the contributions they and their employers paid. Under the present financial arrangement the excess of the value of benefits over the value of the contributions in the early years of operation will be financed from future contributions. As a result, future generations of covered workers will get protection that is worth less than the combined employer-employee contributions with respect to their earnings, since some part of those combined contributions will go to pay part of the cost of paying full benefits in the early years. (Future generations of workers will, however, get protection that is worth at least as much as the value of their own contributions.) Since society as a whole benefits from a national social security system, it can be argued that the cost of the benefits for people already old when the social security program went into effect should be borne by the general revenues rather than by the social security tax. [Robert M. Ball, Commissioner of Social Security. "Social Security: A Changing Program for a Changing World: St. Louis University School of Law. Volume 10, Number 2, Winter, 1965: p. 237.]"

At about the same time the AFL–CIO adopted a resolution calling for extensive changes in the Social Security program, including a 50% rise in benefits and a substantial contribution from general revenues. The resolution states:

"In order to make the social security program quickly effective in its early years, it was the decision of the Congress to provide for the payment of full-rate benefits to people who were already old at the time their work was first covered under the program, even though only a small percentage of the actual cost of the benefits being paid to these people was met by the contributions they and their employers paid. This has been sound public policy, necessary to help prevent widespread want and destitution and to contribute to the social and economic security of the Nation as a whole. The cost of the program resulting from these payments, though—about one-third of the total cost—should not be charged to future generations of workers and their employers. It is entirely appropriate that the cost of getting into operation a national social security system from which society as a whole benefits, should be borne by the population as a whole."

An elaboration of these ideas was presented by the Commissioner of Social Security in the following spring. Speaking before

the American Society for Public Administration, the Commissioner discussed general revenue financing and suggested that by using general revenues it would be possible to increase benefits by about 50%. He said:

"A general benefit increase any greater than the 7-percent increase of last year could not be financed by an increase in the contribution and benefit base alone.

"For this purpose it would be necessary, in addition, to raise the contribution rates scheduled in the law or to introduce a government contribution. Various possibilities will be considered.

"Since the employer contribution in part, at least, is shifted to workers in the form of lower wages, it might be more equitable to finance from general taxation part or all of the so-called 'accrued liability' resulting from payment of full benefits to the first generation of covered workers and so introduce another element of progressivity into the financing of the program.

"The idea that the accrued liability costs could be met from general revenues is not a new one. It is, for example, part of the reasoning behind the government contribution in the British system and was mentioned by the Committee on Economic Security—the Committee that in 1934 recommended the establishment of the original program for the United States. Just recently in the United States the Cabinet Committee Report on Federal Staff Retirement Systems, which the President endorsed and transmitted to the Congress on March 7, used similar reasoning concerning the civil-service retirement system. They recommended that the financing of the civil-service retirement system should be based on the theory that the contributions of employees and of the Federal agencies, as employers, should fully meet the system's normal cost—that is, the combined employee-agency contributions should be at a rate that would have to be paid over the working lifetime of new entrants to the system to pay for the benefits provided under current law, and the Government should finance the accrued liability by direct appropriations. The 'normal cost' of social security is about two-thirds of the total costs over the long run so that, if general revenues were to take care of the entire one-third attributed to accrued liability, about one-half again as much money as at present would be available for program improvements. Another way of looking at such a government contribution is that it is in lieu of the interest that would have been available from full reserve financing.

"Contribution rate increases are also, of course, a possibility. These could be additions to the present employee contribution schedule, which for cash benefits rises from 3.85 percent this year to 4.85 percent in 1973, with the employer paying a like amount. Contribution rates for hospital insurance will be an additional one-half of 1 percent next year and will rise to eight-tenths of 1 percent in 1987 and later [Robert M. Ball, Commissioner of Social Security. Address Annual Meeting of the American Society for Public Administration. Washington, D.C., April 14, 1966.]"

Still later in the year, Senator Robert F. Kennedy introduced a bill (on which no action was taken) that in broad outline paralleled the recommendations made the previous winter by the AFL–CIO. In addition to Senator Kennedy, the bill was sponsored by nine other Senators. Although the changes called for in the bill would have increased all benefits by about 50%, the Senator considered that the bill would make only "minimum improvements in Social Security benefits that are necessary now." The Senator's statement to the Senate when he introduced the bill contains an explanation of his reasons for using general revenues in the financing of the Social Security program.

"What will be the costs of this legislation? The 50-percent average increase in benefits provided by the bill would cause a considerable increase in the payments out of the trust fund during 1968, the year in which the bill would go into effect. It is important to understand, however, that the bill does not contemplate, nor does actuarial soundness require, that this increase in benefits would not contemplate, nor does actuarial soundness require, that this increase in benefits would be entirely paid for immediately. The trust fund would be replenished over a period of time. This creates no difficulty. The Social Security Administration has told me that 'The proposed program as a whole is in close actuarial balance.' The 'temporary declines in the trust funds,' the Social Security Administration adds, 'are not significant in terms of the financial soundness of the program over the long run.' Thus the costs of the program will be spread over a period of years. This is both actuarially sound and fiscally wise.

"The important thing is that we do what we can now toward making social security benefits truly adequate. To do that, in my judgment, we must be prepared to rely partially on general revenues. The general revenue contribution is the major new aspect of this bill. But that does not mean that we could not add general revenues to social security financing on a more gradual basis than the 9-year schedule which the bill provides. And, if it becomes necessary, the proposed benefit increases could be adopted in steps rather than all at once, although I believe that would be less desirable.

* * * * *

"The turn to general revenue financing is well supported by considerations of history and policy.

"First, as a practical matter, it is difficult to see how the payroll tax can be raised too much further. The payroll tax is highly regressive, and for low-wage employees particularly, a required contribution beyond what is contemplated in this bill would be very burdensome.

"And the justification for total payroll tax financing over the years has been that the payroll tax is a contribution that each employee makes to finance his own benefits. In general, the original purpose was that the wage earner would be paid, during his years of retirement, what he had put in during his working years. But this original purpose has been modified somewhat in practice. Considerations of social justice have caused us to create some benefits which are not totally contributory, and these have been financed out of the contributions of others. We have provided benefits, for example, to poor and more irregularly employed workers; to widows and orphans; and to those disabled by injury or illness.

"Second, it is essential to recall that Congress provided in the original Social Security Act for full-rate benefits even for those persons who were too old to be in the work force long enough to contribute fully for their benefits. The cost of these benefits is still being financed by the contributions of those who have followed. . . .

"Third, the general revenue approach has been considered and discussed since the inception of social security. The first Presidentially appointed Council on Economic Security Act, said that Government contributions to the system would eventually be needed, adding prophetically that, 'It will not be necessary to have actual Government contribution until after the system has been in operation for 30 years.' [CONGRESSIONAL RECORD, vol. 112, pt. 13, pp. 17391, 17392.]"

A. THE REVIEW OF SOCIAL SECURITY FINANCING PRIOR TO THE 1967 AMENDMENTS

Earlier in the year, President Lyndon B. Johnson had indicated his intention of recommending substantial, though unspecified, changes in the social security program when the 90th Congress convened in January 1967. At the time he made this statement, he instructed Secretary of Health, Education, and Welfare John W. Gardner to begin studies and conversations with interested parties on the nature of the changes that should be sent to the 90th Congress.

In this connection, John Carroll of the Social Security Administration prepared a paper, "Social Security Financing Revisited," as a background paper for a conference on Social Security financing held at the Brookings Institution on June 17, 1966. The introduction to the paper indicates that it was written in response to the President's statement that he would ask the 90th Congress for a substantial increase in Social Security benefits. The paper was designed to discuss the financing involved in a 35% to 55% rise in Social Security benefits. The paper goes on to say:

"The contemplated liberalization of benefits could not be financed by payroll taxation unless the rates were increased. Rate increases would be necessary even if the taxable wage base were increased to $15,000 from its present level of $6,600 or removed entirely. Past benefit increases have been accomplished each time by increased payroll taxation; rate levels have been increased; and, in some cases, taxable wage ceilings have been raised. Collections have swelled after each amendment partly because during the period coverage was greatly expanded. This source will not be available in the future because coverage is nearly complete.

"There is growing concern about the wisdom of continued reliance upon payroll taxation as the sole source of funds for social insurance. Doubts have been expressed by the Treasury, the President's Council of Economic Advisors, and the National Commission of Technology, Automation and Economic Progress that so regressive a tax should be increased. [Department of Health, Education, and Welfare, Social Security Administration, Office of Research and Statistics, 'Social Security Financing Revisited,' p. 2.]"

In Carroll's opinion, the most important arguments against using general revenues in the Social Security program are considered to be "institutional." In this connection the paper points out the important role played by the idea of a self-supporting system in securing public acceptance of the Social Security program. The paper states:

"There is a belief that sole reliance upon contributions from employers and employees is closely tied to the rights acquired by the insured workers. A government contribution would not be tied in this way and some believe that the claim of the worker—his assurance that his pension is his as a matter of right—may be damaged or weakened.

"Others fear that unless benefit levels are closely related to taxes upon the worker—taxes which can be clearly identified—there will not be sufficient constraint to prevent too liberal benefit promises. Few doubt that the statutory benefits would be paid. But the real protection of the system is the readiness of the society to keep benefits adequately up to date. Revisions of this sort are expensive and unless promises are restrained within workable limits future generations may allow benefit adequacy to fall behind.

"It can scarcely be contested that earmarking of payroll taxes for OASDI reduced resistance to the imposition of taxes on low-income earners, made feasible tax increases at time when they might not otherwise have been made, and has given trust fund programs a privileged position semi-detached from the remainder of government. Institutionalists foresaw these advantages as means to graft the new programs into the social fabric.

"It is an open question whether or not

the OASDHI program has matured sufficiently to be independent of the need for institutional safeguards. Perhaps the experience of the last thirty years makes it no longer necessary to place so much emphasis on these fears. It seems probable that the introduction of a government contribution, if explained in terms of the past service credit, need not weaken the system. There may be some advantage to having the size and timing of the government contribution determined statutorily. Provision of this type will draw the same criticism as other arbitrary and fiscally inflexible features of the system, but may nonetheless be wise.

"There seems to be little question that the well-established precedent of contribution by the covered worker should be continued for a meaningfully large share of the costs. There may come a day when the society accepts fully the notion of social responsibility for persons who experience interruption of earnings. When that day comes there is no reason why financing of the system need be tied to the earnings of the insured. Benefits could continue to be related to the previous earnings experience of the insured—one of the basic features of our social insurance system—without recourse to payroll taxation. It is a matter of judgment, but more informed persons doubt that this day has yet dawned. [*Ibid.*, pp. 26–28]"

Later in the summer, another element was added when the Social Security Administration's Actuary, Robert J. Myers, revised his estimates of the cost of the Social Security program to take account of certain changes in assumption growing out of more recent experience in assessing the long-term operation of the system. The revised estimate showed an actuarial surplus of 0.89% of taxable payroll for OASI while the Disability Insurance part of the pogram was underfinanced by 0.15% of taxable payroll. Combined, the OASDI program had a surplus of 0.74% of taxable payroll or enough to finance an 8% increase in benefits. When the estimates were made public in October, President Lyndon B. Johnson indicated that he would send the 90th Congress a recommendation that Social Security benefits be increased by at least 10% and perhaps by as much as 15%. His recommendations for 15% benefit increase were sent to the Congress on January 23, 1967, and were to be financed by the surplus and by increases in the tax rates and the tax base.

In December of 1966 the Brookings Institution published a study by Joseph H. Pechman on tax policy which considers the question of continued reliance on payroll taxes to finance Social Security benefits.[3] While much of the author's concern in this area is with the regressive nature of the Social Security tax and its built-in inflexibility, he points out that there is considerable psychological advantage to the payroll tax.

"Financing of Social Security through contributory and often regressive taxes is well established in most countries. Receipts are earmarked to make workers feel that they are receiving benefits as a matter of right rather than as a government donation. The ear-marked taxes emphasize the statutory reductions when the budget is tight. Moreover, increases in benefits are believed easier to obtain if they are financed by the contributions of future beneficiaries rather than from taxes in general. [Pechman, *op. cit.*, p. 172.]"

As to the use of general revenues he mentions the precedents that exist in present law and that the combined employer-employee tax rate is scheduled to exceed 10%. Therefore, he feels that ". . . use of the general fund should be considered as an alternative to rate increases when additional funds are required to finance benefits." [*Ibid.*, p. 175]

When the Committee on Ways and Means took up the review of financing in connection with the 1967 amendments, the Administration's recommendation for changes in the Social Security program (H.R. 5710) in March 1967, considerable interest was shown during the public hearings in the financing of the costs of future changes in the program. There seemed to be a widespread feeling that future changes would probably require some changes in the way the Social Security program is financed. In this connection it should be noted that while a large number of witnesses showed concern about the financing of the program, there was no general agreement that future changes should be financed out of general revenues. Many argued that the Administration's proposals should not be enacted because the program was properly financed through payroll taxes and that because payroll taxes had risen to about the bearable limit, money was not available to pay the increased costs proposed by the administration.

In a broad way, the position of the AFL–CIO on the future need for general revenues is representative of the position of those who argue that future increases in cost will have to be financed out of general revenues. Testifying for the AFL–CIO, its President, George Meany said:

"AFL–CIO members are properly known for their willingness to pay for what they get, in war and peace. I am completely confident that they will gladly pay their fair share toward a better Social Security system. Yet, it must be recognized that as we approach the goal of a 50-percent increase in benefits, as we continue to enlarge the scope of the system, a heavier proportion of the tax load will fall upon wage earners.

"Frankly, Mr. Chairman, we all realize that because the Social Security tax is not progressive as to amount of income, it is regressive in the classic sense. We in the AFL–CIO have ridden along with this, over the years, for the sake of the greater objective which we know you share.

"But in all candor I think you should know that in time, we shall urge a modest and gradual contribution to the Social Security trust fund from the general revenues of the United States. We believe this would be an effective way—and a simple one—to introduce the principle of progressive taxation to the Social Security system. We are not asking for this now, so I will not argue the case for it. But we will be back. [President's Proposals for Revising the Social Security System. Hearings before the Committee on Ways and Means, House of Representatives, 90th Cong., 1st sess., p. 576. Hereinafter cited 'Hearings.']"

The arguments against the use of general revenues in the financing of the Social Security program presented to the committee generally avoid direct argument and rely rather on laudatory statements regarding the self-supporting nature of the program by means of the payroll tax. Typical of these arguments is the testimony of Henry R. Chase who represented the Chamber of Commerce of the United States of America at the public hearings. He praised the committee for keeping the Social Security program on a self-supporting basis and pointed out:

"In financing the many amendments to Social Security, Congress did so by levying additional taxes to cover current costs, and, at the same time, provided for escalating tax rates to meet growing future commitments. Success for this method of financing depends upon the willingness of today's and tomorrow's workers to pay the full cost of benefit commitments promised by Congress."

But he also warned:

"The ever present danger of this method of financing is that Congress, through repeated and rapid liberalizations, may so load up the burden of taxes as to undermine the willingness of workers to support the full cost of Social Security. [Hearings, p. 1342]"

In developing the Chamber's objections to much of the Administration's program, Mr. Chase presented the Chamber's position on increasing the cost of the Social Security program. He said:

"We seriously question the advisability and prudence of piling further heavy tax costs on top of the already high and rising tax requirements for Social Security. No one knows whether today's workers or the young workers of tomorrow are willing to support the full cost of the present Social Security cash benefits programs. We won't know this until 1974—six years from now—when the maximum Social Security tax for cash benefits become effective under the present program.

"In fact, we wonder in view of the testimony of Mr. Goerge Meany, President of the AFL–CIO, whether workers are willing to support the present program, let alone the added burden proposed by H.R. 5710. This is because the AFL–CIO favors '. . . a modest and gradual contribution to the Social Security Trust Fund from the general revenues of the United States.' [Hearings, p. 1344]"

In the course of the public hearings on H.R. 5710, Representative Herlong questioned the Under Secretary of Health, Education and Welfare, Wilbur J. Cohen, about the use of general revenues to finance the costs of some of the "welfare" aspects of the Social Security program. In his reply Mr. Cohen stated his belief that the contributory aspect of the program was necessary to the maintenance of public confidence, but that a situation could develop in which it would be appropriate to use general revenues to meet "social cost." The exchange between Mr. Herlong and Mr. Cohen follows:

"Mr. HERLOG. It seems to me that to the extent that we continue to add war on poverty items to the Social Security Act, to that extent we destroy the insurance concept of the whole program.

"Mr. COHEN. I don't think so for this reason, Mr. Herlong: a social insurance program is not like a private insurance program in a strict private-contract sense of returning to an individual, or a small group of individuals, only what they have paid in. As Mr. Ball said yesterday, and as we have said several times before the committee, one has to look at the employer contributions in this system as trying to carry out certain social objectives of seeing that the benefits meet certain minimum needs, and this may mean paying to an individual more than he or she has paid in. If I thought that any benefit in this bill undermined the contributory insurance system, I would not be for that particular type of benefit, because I think that the payment of this benefit as a matter of earned right and payment through a separate trust fund is essential to giving people a sense of security about the receipt of their benefits.

"Mr. HERLONG. The point I was trying to make here is that in my judgment the poverty program or the war on poverty items that are constantly being added to this program, it seems to me, ought more appropriately to be paid for by the general taxpayer rather than by the worker alone and his employer.

"That is the point I was trying to make.

"Mr. COHEN. Well, as the chairman brought out in his questioning, I do think that there is a point where, if one is going to raise the minimum benefits substantially beyond a level that is consistent with the total wage related system, then that increase ought to be paid out of general revenues in recognition of social cost.

"I would certainly concede that as a matter of principle, this ought to be carefully looked into. [Hearings, pp. 371–372]"

Representative Ullman inquired of several witnesses whether they had developed a rationale for using general revenues in

[3] Pechman, Joseph A. "Federal Tax Policy," The Brookings Institution, Washington, D.C., 1966.

the Social Security program. The replies, in general, pointed out that over the years the Social Security program had developed a large number of social aspects that should not be paid for as social insurance but rather as welfare.

The use of general revenues was not a direct issue before the committee inasmuch as no such provision was included in the Administration's bill.

In the spring of 1967 the general revenue issue also came up in the consideration of a particular proposal. On April 18, 1967 when the Senate was debating the Investment Tax Credit bill (H.R. 6950) Senators Prouty and Cotton introduced an amendment (which was not adopted) to increase Social Security benefits. The amendment called for increased expenditures of about $4 billion in the first year and would have been financed largely out of general revenues. The largest increases would have gone to people at the lower earnings levels with those at the highest level getting only a token increase. Senator Prouty stated on the floor of the Senate:

"Mr. President, I believe that one of the most significant features of this amendment offered by the distinguished Senator from New Hampshire [Mr. Cotton] and me is the provision which provides for the financing of the increased benefits. This amendment provides that the costs entailed in it be paid from general revenues rather than from additional increases in an already too regressive social security payroll tax.

"The social security payroll tax places too great a burden on low-income families who can least afford to pay for increases motivated by need rather than insurance principles. General revenues, which are obtained in a large part from the progressive income tax, provide a source which is based on the ability to pay. Utilization of general revenues for all future benefit increases will at least hold the line on the social security payroll tax which cuts most cruelly into the pocketbooks of low-income groups. [Congressional Record, p. 9943]"

The debate on the amendment revolved largely around the question of using general revenues in the Social Security program. Opponents of the amendment stated that the use of general revenues was a radical departure from established practice. Senator Williams of Delaware set the tone of the debate saying:

"Once we start down the road of financing Social Security benefits from general revenue by direct appropriations we will have departed from the insurance concept of Social Security and changed it into a general welfare program. [*Ibid.*, p. 9945]"

Senator Gore believed that the Prouty-Cotton amendments would destroy the Social Security program and the following exchange took place:

"Mr. WILLIAMS of Delaware. All of these amendments have merit. I said yesterday that one can take any of the proposed Social Security amendments by itself and make a wonderful argument as to its merits. I do not question that. On the other hand, any meritorious proposal which would give benefits to any group will cost some money.

"While the Senate is voting for those benefits let us include in the bill provisions to pay for them. If we are willing to vote for the increases and if we consider them to be meritorious certainly we should be willing at the same time to include whatever payroll tax increase may be necessary to finance them; or if we are going to put a tax on the general revenue why not include a proposal to increase income taxes in order to bring in the necessary revenue to pay for the cost of the bill? If we do not want to increase income taxes to pay for these benefits or if we do not want to increase payroll taxes with an extra $4 billion then we must increase the ceiling on the national debt in order to pay for the cost; otherwise the Senate is merely going through the formality of saying it is in favor of something for which it does not have the money, and that is a farce.

"Mr. GORE. Mr. President, will the Senator yield?

"Mr. WILLIAMS of Delaware. I yield.

"Mr. GORE. Does the able senior Senator from Delaware agree that the pending amendment would destroy the contributory nature of the Social Security program, that it would invalidate the integrity of the fund, violate the ratio between benefits received and wages earned, or payments made into the fund, and instead, by going into general revenue, make of this another mass general welfare program?

"Mr. WILLIAMS of Delaware. There is no question about it. I have pointed out those facts before. The adoption of this amendment would be a great disservice to those who are depending on social security. The entire principle of social security has been that it was an insurance type of operation. We all recognized that those persons who came in at a later date would not pay as much money, but everybody was paying under the program. Social security was established on the principle that we wanted these elderly persons upon retirement to be able to walk into the post office, accept their check, and walk out with dignity saying, 'This is something I paid for.' This is important.

"I recognize that we did depart from the principle in one instance last year or the year before when we blanketed in those persons over 72 years of age. We did that knowingly because there was no possible way in which these people could qualify in the labor force. They were out of the labor force, and recognizing that and that in a few years, based on the normal lifespan, the program would revert to a general insurance program we brought in that small group. However, those affected by the present amendment were contributors. They build up their equity. Any increased benefits given to them should be on the basis of increasing the contributing rate so that the program will remain as an insurance fund. [*Ibid.*]"

B. THE REVIEW OF FINANCING BY THE COMMITTEE ON WAYS AND MEANS IN CONNECTION WITH THE 1967 AMENDMENTS

The hearings before the Committee on Ways and Means, which opened on March 1, 1967, brought forth a further discussion of the appropriate method of financing the social insurance programs.

Dr. Carl H. Fischer of the University f Michigan is an actuary and was a member of the 1958 Advisory Council on Social Security Financing. He believes that it would be best to maintain the Social Security program on the present self-supporting basis. However, he feels compelled to examine the use of general revenues as a way of maintaining individual equity, i.e.: a correspondence between the value of the contingent benefit for the individual and the taxes which he and his employer pay into the system. Excerpts from his testimony on H.R. 5710 are an appendix to this report.

The question of individual equity was considered by Walter Reuther, the UAW President. In Mr. Reuther's view the choice is plainly one of continuing to neglect the needs of the elderly or of placing an undue tax burden on younger workers. Rejecting both possibilities, he sees the use of general revenues as a "rational, and reasonable and equitable" way of building and paying for an adequate Social Security program. The UAW, therefore, recommends that the cost of the Social Security program be paid by equal contributions from employees, their employers and the Federal Government. This, they say, would be a way to ". . . face up to the basic problem that you can't provide an adequate system of social insurance and meet the complex problems of a highly industrialized society in the 20th century and expect to do that by a constant pyramiding of the payroll tax burden."

Following his prepared testimony Mr. Reuther was questioned on this point by Congressman Ullman. The following exchange took place:

"We have had a number of proposals, Mr. Reuther, to use general revenues for financing. Dr. Campbell presented one such point of view yesterday. But if we are going to do it, it seems to me we need a rationale to limit such participation. Are we going to raise it from a third to 40 percent Federal revenues just because we need it? Are the composition of the committee and the political climate in the country to decide which way we are going to go in financing?

"This would really be a hodgepodge system. What we need if we are going to use general revenues is a real rationale upon which we can build a permanent system, a guideline for the committee so that when we do need increased financing we know exactly what the limitations of the system are. Do you have such a rationale in your proposal here today?

"Mr. REUTHER. We are not proposing the use of general revenue as a matter of political expediency. I think that that would be unsound. I think that the social content of the overall social security system is a broad character which, as a matter of public policy, makes it not proper to place the exclusive burden of that cost upon the payroll tax.

"It seems to me that this does give you a rationale upon which you can defend the use of general revenues. The ratio of the general revenue, its contribution as compared to that of the employer and the employee, this is a changing thing.

"Obviously a wage earner who has access to the kind of affluence that is going to be possible 10 years from now will be in a different position. I think in terms of an UAW member 15 years from now getting $30,000 a year income. Well syphoning off a portion of his wage is quite a different economical thing from syphoning off the same proportion of wage of a worker making $1,000 a year. What you are dealing with here is a dynamic economic equation that is going to change. I think you have to start out with a sound rationale so that you are not acting out of expediency and then the relationship of the relative elements in the total equation will respond to rational judgment in any given situation. [Hearings on H.R. 5710, Committee on Ways and Means, 90th Cong., 1st sess., pp. 1462–1463]"

Subsequently, Mr. Reuther furnished the Committee with additional arguments on the case for using general revenues. While the statement produced no new arguments, it does contain an interesting summary of the principle arguments that have been advanced in favor of general revenue financing:

"(a) Increasing the already regressive payroll taxes would create an unjustifiable burden on low paid workers, young workers and middle-income families with two wage earners, and small businessmen.

"(b) It would be grossly inequitable to expect Social Security taxpayers alone to finance the needed benefit increases for current beneficiaries who would not be paying for the added benefits.

"(c) As a practical matter the difficulties of raising payroll taxes sufficiently to finance truly adequate benefits are probably unsurmountable.

"(d) More adequate Social Security benefits with partial general revenue financing would reduce the cost of welfare programs also financed from general revenues.

"(e) The concept of general revenue financing for Social Security is not novel and has been recommended by many competent and responsible groups. The Congress has already adopted the principle with respect

to certain payments for Social Security beneficiaries over 72 and for Part B of Medicare.

"(f) When we do not count social insurance payments, because they are financed by employee-employer contributions, we are actually spending a smaller percentage of Gross National Product for social welfare programs than we were in 1940.

"Those who claim that general revenue contributions would add a welfare component to the social security system simply do not recognize that this is a social insurance system designed to achieve social objectives. Properly restructed, as we are proposing, it will reduce public welfare programs. [Hearings, pp. 1473–1474]"

Dr. Colin D. Campbell, a Professor of Economics at Dartmouth College, expressed his concern before the Committee on Ways and Means as to the effect of the Social Security payroll tax on the incomes of younger people. In his view, the young worker will be grossly overcharged for his Social Security benefit; to prevent this, the payroll tax should be reduced so that no one will pay more than the cost of the benefits he might expect and the social cost of the welfare aspects should be paid out of general revenues. When Dr. Campbell testified before the Committee on Ways and Means, he was questioned rather closely by the Chairman of the Committee, Wilbur D. Mills. The chairman's questions bring out the rather substantial cost to general revenues that could result from the adoption of some of the proposals that have been brought up for discussion. The exchange between the Chairman and Dr. Campbell follows:

"The CHAIRMAN. Very frankly, when any witness before this committee begins to suggest that we start paying benefits out of the general funds of the Treasury he raises my curiosity beyond the point of containment.

"How much would it cost to do what you suggest; namely, to finance out of the general funds of the Treasury all the benefits paid to presently retired beneficiaries in excess of what they themselves paid for those benefits?

* * * * *

"Dr. CAMPBELL. I am suggesting that you reduce the payroll tax . . .

"The CHAIRMAN. I am not suggesting that either. I am talking about leaving the payroll tax exactly as it is and looking back to those who have retired and paid for their benefits, determining what we pay them in the way of benefits.

"The difference between what they have actually paid and what we have given them in benefits is around $20 billion a year.

"Dr. CAMPBELL. That is right.

"The CHAIRMAN. In the future that would probably, as time goes on, be about half the program cost throughout the future of the program. That will have to be paid for some way.

"I don't know what your deficit is for 1968. It is argumentative right now. Some people say it could be as much as $18 billion. But if we began this in fiscal year 1968 the deficit would then be $38 million. We would have to raise some income taxes from somebody.

"These very people you are concerned about, and I am concerned about, are going to pay income taxes, too. That would be a rather sizable bite out of the pocket of the young workers. I am just wondering.

"I am not arguing with you.

"Dr. CAMPBELL. To a certain extent it would mean just replacing payroll taxes with income taxes but these are not exactly the same two groups.

"The CHAIRMAN. I understand the difference between them.

"Dr. Campbell. I think the gap between what people have paid for and what they have not paid for, unless the welfare aspect of the program is increased considerably in the future, is going to diminish.

"The CHAIRMAN. I will check my figures. I think I am right on it.

"I made quite a point, myself, out of the fact that those who have retired have qualified for benefits under very liberal eligibility requirements. Some people could retire with 18 months of tax payment, paying a very small amount, and receive for the remainder of their lifetime a benefit which is now at least $44 a month.

"When you think in terms of the small amount they have paid and the large amounts that are paid to them in benefits, I don't think the $20 billion figure that has been given me is very far off.

"Dr. Campbell. No; it is not. [Hearings on H.R. 5710, Committee on Ways and Means, 90th Cong., 1st sess., pp. 1392–1393]"

As has been shown in the preceding pages, the question of the role general revenue financing should play in the development of social security is not the closed question it may have appeared to be in the 1950's. There is, of course, no agreement that it would be either good or bad to make more extensive use of general revenues to support the program, however, an open debate is in process among people knowledgeable about the financing of the social security. If the present trends continue, it would not be unreasonable to expect the debate to be settled, one way or another, in the Congress.

TABLE 1.—TAX RATES IN EFFECT THROUGH 1967, AND SCHEDULED IN PRESENT LAW FOR THE FUTURE

Period	Contribution and benefit base	Employer and employee, each			Self-employed		
		OASDI	Hospital insurance	Total	OASDI	Hospital insurance	Total
		Percent	Percent	Percent	Percent	Percent	Percent
1937–49	$3,000	1	----------	1	(1)	----------	(1)
1950	3,000	1.5	----------	1.5	(1)	----------	(1)
1951–53	3,600	1.5	----------	1.5	2.25	----------	2.25
1954	3,600	2.0	----------	2.0	3.0	----------	3.0
1955–56	4,200	2.0	----------	2.0	3.0	----------	3.0
1957–58	4,200	2.25	----------	2.25	3.375	----------	3.37
1959	4,800	2.5	----------	2.5	3.75	----------	3.75
1960–61	4,800	3.0	----------	3.0	4.5	----------	4.5
1962	4,800	3.125	----------	3.125	4.7	----------	4.7
1963–65	4,800	3.625	----------	3.625	5.4	----------	5.4
1966	6,600	3.85	0.35	4.2	5.8	0.35	6.15
1967–68	6,600	3.9	.5	4.4	5.9	.5	6.4
1969–72	6,600	4.4	.5	4.9	6.6	.5	7.1
1973–75	6,600	4.85	.55	5.4	7.0	.55	7.55
1976–79	6,600	4.85	.6	5.45	7.0	.6	7.6
1980–86	6,600	4.85	.7	5.55	7.0	.7	7.7
1987 and after	6,600	4.85	.8	5.65	7.0	.8	7.8

[1] Self-employed not covered in this period.

TABLE 2.—TAX RATES UNDER PRESENT LAW AND H.R. 12080 AS PASSED BY THE HOUSE OF REPRESENTATIVES

[In percent]

Period	OASDI		Hospital insurance		Total	
	Present law	H.R. 12080	Present law	H.R. 12080	Present law	H.R. 12080
	Employer-employee, each					
1967	3.9	3.9	0.5	0.5	4.4	4.4
1968	3.9	3.9	.5	.5	4.4	4.4
1969–70	4.4	4.2	.5	.6	4.9	4.8
1971–72	4.4	4.6	.5	.6	4.9	5.2
1973–75	4.85	5.0	.55	.65	5.4	5.65
1976–79	4.85	5.0	.6	.7	5.45	5.7
1980–86	4.85	5.0	.7	.8	5.55	5.8
1987 and after	4.85	5.0	.8	.9	5.65	5.9
	Self-employed					
1967	5.9	5.9	0.5	0.5	6.4	6.4
1968	5.9	5.9	.5	.5	6.4	6.4
1969–70	6.6	6.3	.5	.6	7.1	6.9
1971–72	6.6	6.9	.5	.6	7.1	7.5
1973–75	7.0	7.0	.55	.65	7.55	7.65
1976–79	7.0	7.0	.6	.7	7.6	7.7
1980–86	7.0	7.0	.7	.8	7.7	7.8
1987 and after	7.0	7.0	.8	.9	7.8	7.9

EXCERPTS FROM TESTIMONY OF DR. CARL H. FISCHER BEFORE THE COMMITTEE ON WAYS AND MEANS, MARCH 21, 1967

ALLEVIATION OF INEQUITIES BY SUPPLEMENTARY FINANCING

By individual equity is meant that there should exist a correspondence between the value of the contingent benefits for the individual and the taxes which he and his employer pay into the system. The lack of individual equity is due in large measure to the practice of charging all individuals the same tax rate regardless of age at entry or other factors. It is fairly obvious that the annual cost per individual required to provide a given level of old age benefits would have to be greater for those who enter the system at a higher age. Thus, it is clear that the old age benefits received by persons older at the time of entry into OASDI are worth considerably more than the value of the pension taxes paid by them and by their employers. This implies that at present persons entering the system at a younger age must pay more than the value of their own retirement benefits because part of their own pension taxes flow to other participants. This unfavorable and inequitable position of the younger members has been pointed out by numerous critics.

It has been suggested that the portion of an employee's benefits not financed completely by his and his employer's pension taxes should be paid out of general taxation revenues. In support, it is contended that a portion of the benefits are gifts—really welfare payments—and it is unfair for the Government to saddle the younger generation of workers with taxes, unrelated to their own benefits, to finance welfare payments for others. If the general public believes that these welfare benefits are socially desirable, then it appears logical for the general public to pay for them out of general tax revenues.

This deceptively simple proposal has at least two possible drawbacks:

(1) There is danger in upsetting the present provisions requiring the social security system to be self-supporting.

(2) The proposal does not take into account the further inequities created each time the social security law is amended.

DANGERS INHERENT IN GENERAL TAXATION SUPPLEMENT

There is, of course, a danger in permitting *partial* financng of social security by means of general taxation. Excessively large benefits could be legislated with the tacit approval of the members of the system who might be under the illusion that they are receiving something for nothing. As long as the OASDI system is a financially self-supporting unit, as at present, any increase in benefits must be accompanied by an increase in FICA taxes. This brings home to the participants that there is no magic in Federal benefits—that the benefits must be paid for. In the opinion of the advisory council on social security financing, 1957–58, on which I had the privilege of serving, this concept of long range actuarial balance was so important that it overrode the individual equity concept. In the words of the unanimously adopted report:

"The council endorses the long-standing practice adopted by Congress of including in the law a contribution schedule which according to the cost estimates places the system substantially in actuarial balance into the indefinite future. We believe this procedure to be the best way of making people conscious of the long-range cost of proposals to modify the present program."

It might be contended, in supporting the above recommendation, that the unfavorable treatment of the younger members inherent in a level tax rate for all is lessened in an inflationary economy.

INDIVIDUAL INEQUITIES ARISING FROM FUTURE AMENDMENTS

The proposal to compensate for a late start by means of supplementation from general taxation seems to ignore the effects of possible future changes in social security provisions. As experience has shown, the continuing inflation and loss of purchasing power of the dollar tends to encourage frequent changes in all of the major factors upon which taxes and benefits are based. The tax rates, the wage base, the benefit formulas, and even the age of retirement.

Thus, this simple proposal to require the pension-tax rate for those entering the system at age 21 to be just adequate for their own benefits and to make up the deficit for those entering at an older age by means of general taxation overlooks the new inequities created by adoption of each amendment thereafter. Each time that Congress changed the provisions a new calculation would show that, if individual equity were to be retained, an extra pension tax would be required to pay for the additional benefits. The amount of this extra tax would depend upon the age of the individual at the time of the amendment, of course, so that tax rates which varied by age would be required or else the individual equity concept would be lost.

To overcome this difficulty, an extension of the supplementary financing principle might be devised. Each time that the old age pension costs are increased by amendments to the social security law, raise the pension-tax rate to a level which would provide the average new entrant at age 21 with the total pension benefit promises as newly established. The pension-tax rate would be uniform for all members. This would mean that for all persons older than 21 at the date of the new amendment, the new total tax rate would be insufficient to provide all the newly increased old age pension benefit promises. The unfinanced benefit increases would then be provided out of general taxation revenues. This proposal appears to provide equitable guidelines for future amendments to the social security system.

TRANSITION PERIOD

An immediate question which arises relates to the current situation. Suppose that, in setting the tax rate at the level required to provide the anticipated benefits to a person now aged 21 we find that this rate is less than that currently payable. (It appears likely that this would, in fact, be the case.) Should FICA taxes be promptly reduced, leaving an immediate drain on an already unbalanced budget? I think that the sensible answer to that is clearly not. I would propose a pragmatic compromise, leaving the tax rate at its present level until at some point in the future the rate determined by the provision requiring equitable tax rates for the 21-year-old entrant had risen to the present tax rate level. From that point onward, the new policy would be brought into effect.

EXPLANATION OF THE PROUTY-COTTON AMENDMENT TO H.R. 12080

This amendment would:

1. Retain the present $6,600 salary base.
2. Maintain the payroll tax rates as amended in 1965.
3. Keep the increased benefits provided in the bill as reported by the Finance Committee.

The attached chart illustrates the projected surpluses which could be created under existing tax rates and a $6,600 base.

In our judgment, these surpluses are clearly ample to provide increased benefits without saddling employees and employers with unconscionable tax increases.

As a matter of fact, without a benefit increase existing social security taxes would create a surplus of over $344 billion by the year 2000.

No need to increase social security tax rate or salary base to finance H.R. 12080 as reported by the Finance Committee.

COMPARISON OF CONTRIBUTION INCOME AND BENEFIT OUTGO UNDER PRESENT LAW AND OTHER PROPOSALS AS COMPILED BY SENATOR PROUTY

	Contributions under present law	Benefits provided under bill reported by Finance Committee	Surplus or deficit
1967	$28,500,000,000		$4,300,000,000
1968	29,600,000,000	$29,000,000,000	600,000,000
1969	33,700,000,000	32,700,000,000	1,000,000,000
1970	35,200,000,000	34,400,000,000	800,000,000
1971	36,200,000,000	35,900,000,000	300,000,000
1972	37,200,000,000	37,400,000,000	[1] 200,000,000
Surplus			6,800,000,000

	Contributions under Finance Committee bill	Benefits under Finance Committee bill	Surplus or deficit
1967			$4,300,000,000
1968	$31,200,000,000	$29,000,000,000	2,200,000,000
1969	36,300,000,000	32,700,000,000	3,600,000,000
1970	38,300,000,000	34,400,000,000	3,900,000,000
1971	42,500,000,000	35,900,000,000	6,600,000,000
1972	46,000,000,000	37,400,000,000	8,600,000,000
Surplus			29,200,000,000

[1] Deficit.

COMPARISON OF CONTRIBUTION INCOME AND BENEFIT OUTGO UNDER PRESENT LAW AND OTHER PROPOSALS AS COMPILED BY SENATOR PROUTY—Continued

	Contributions under House bill	Benefits under House bill	Surplus or deficit
1967			$4,300,000,000
1968	$30,800,000,000	$28,700,000,000	2,100,000,000
1969	34,900,000,000	30,300,000,000	4,600,000,000
1970	36,500,000,000	31,700,000,000	4,800,000,000
1971	40,300,000,000	33,100,000,000	7,200,000,000
1972	42,000,000,000	34,600,000,000	7,400,000,000
Surplus			30,400,000,000

	Contributions under present law	Benefits under present law	Surplus or deficit
1967	$28,500,000,000	$24,200,000,000	$4,300,000,000
1968	29,600,000,000	25,500,000,000	4,100,000,000
1969	33,700,000,000	26,900,000,000	6,800,000,000
1970	35,200,000,000	28,200,000,000	7,000,000,000
1971	36,200,000,000	29,400,000,000	6,800,000,000
1972	37,200,000,000	30,800,000,000	6,400,000,000
Surplus			35,400,000,000

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION,
Washington, May 10, 1967.

Hon. WINSTON L. PROUTY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROUTY: This is in reference to your telephone request of May 5, 1967 (through Mr. Paul Malloy) for a Federal individual income tax rate schedule which (1) would increase each bracket rate by a number of percentage points with the number increasing as the schedule proceeds from the lowest taxable income bracket to the highest, and (2) would produce approximately $4 billion of additional revenue at estimated 1967 income levels.

Enclosed is a Table which gives the present law tax rate schedule, and three other schedules (Schedules A, B, and C) each of which would produce approximately $4 billion of additional revenue. Schedule A represents a proportional increase in each present law tax rates apart from variations induced by rounding to the nearest whole percentage; Schedule B represents less-than-proportional and proportional increases in the rates applicable to the lower income brackets and more-than-proportional increases in the rates applicable to the higher income brackets; Schedule C represents a mixed schedule with proportional, more-than-proportional, and less-than-proportional increases in the rates without any clearly defined pattern except that the increases in the nine top brackets are less than proportional. Schedule A is estimated to produce an additional $3.8 billion of revenue at estimated 1967 income levels; Schedule B, $4.1 billion; and Schedule C, $3.9 billion.

Also requested is the difference in additional tax yield which would result from applying the increase in rates to 1964 taxable income and to estimated 1967 taxable income. We estimate this figure at $1.2 billion for rate Schedule A, $1.5 billion for rate Schedule B, and $1.4 billion for rate Schedule C.

Sincerely yours,

LAURENCE N. WOODWORTH.

FEDERAL INDIVIDUAL INCOME TAX RATES UNDER THE PRESENT LAW RATE SCHEDULE AND UNDER 3 ALTERNATIVE SCHEDULES[1]

Taxable income brackets		Tax rates (percent)			
Single person	Married (joint)	Present law	Schedule A	Schedule B	Schedule C
0 to $500	0 to $1,000	14	15	14.5	14.5
$500 to $1,000	$1,000 to $2,000	15	16	15.5	15.5
$1,000 to $1,500	$2,000 to $3,000	16	17	17.0	17.0
$1,500 to $2,000	$3,000 to $4,000	17	18	18.0	18.0
$2,000 to $4,000	$4,000 to $8,000	19	20	20.0	20.5

FEDERAL INDIVIDUAL INCOME TAX RATES UNDER THE PRESENT LAW RATE SCHEDULE AND UNDER 3 ALTERNATIVE SCHEDULES [1]—Continued

Taxable income brackets		Tax rates (percent)			
Single person	Married (joint)	Present law	Schedule A	Schedule B	Schedule C
$4,000 to $6,000	$8,000 to $12,000	22	23	23.5	23.5
$6,000 to $8,000	$12,000 to $16,000	25	27	27.0	27.0
$8,000 to $10,000	$16,000 to $20,000	28	30	30.5	30.0
$10,000 to $12,000	$20,000 to $24,000	32	34	35.0	34.5
$12,000 to $14,000	$24,000 to $28,000	36	38	39.5	38.5
$14,000 to $16,000	$28,000 to $32,000	39	41	43.0	41.5
$16,000 to $18,000	$32,000 to $36,000	42	45	46.5	44.5
$18,000 to $20,000	$36,000 to $40,000	45	48	50.0	47.5
$20,000 to $22,000	$40,000 to $44,000	48	51	53.5	51.0
$22,000 to $26,000	$44,000 to $52,000	50	53	56.0	53.0
$26,000 to $32,000	$52,000 to $64,000	53	56	59.5	56.0
$32,000 to $38,000	$64,000 to $76,000	55	58	62.0	58.0
$38,000 to $44,000	$76,000 to $88,000	58	62	65.5	61.0
$44,000 to $50,000	$88,000 to $100,000	60	64	68.0	63.0
$50,000 to $60,000	$100,000 to $120,000	62	66	70.5	65.5
$60,000 to $70,000	$120,000 to $140,000	64	68	73.0	67.5
$70,000 to $80,000	$140,000 to $160,000	66	70	75.5	69.5
$80,000 to $90,000	$160,000 to $180,000	68	72	78.0	71.5
$90,000 to $100,000	$180,000 to $200,000	69	73	79.5	72.5
Over $100,000	Over $200,000	70	74	81.0	73.5

[1] Estimated to yield an additional $4,000,000,000 over present law rates.

Mr. PROUTY. Mr. President, I hope Senators who are on the floor will thoroughly study the chart which is on their desk. That chart proves conclusively that the social security trust fund is more than adequate to take care of the needs at present tax rates and at the present salary base for the foreseeable future.

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG of Louisiana. Mr. President, while the Senator from Vermont was discussing this matter, I discussed this request with the Senator from New Hampshire [Mr. COTTON]. We thought it might be desirable to request unanimous consent to limit the time on this particular amendment.

I ask unanimous consent that a quorum call be held, and that at the conclusion of the quorum call, the time on the amendment be divided equally, one-half hour to each side, one-half hour under the control of the distinguished Senator from Vermont [Mr. PROUTY] and the other half hour to be controlled by the manager of the bill.

Mr. PROUTY. Mr. President, reserving the right to object—and I shall not object—I would like to suggest, however, that we have a live quorum. There has been only a handful of Members of the Senate on the floor. I hope that staff members will explain to them the importance of this amendment as they come into the Chamber.

Mr. LONG of Louisiana. That is not necessary, because once a quorum call has started, any Senator can object to its being called off.

Mr. HOLLAND. Mr. President, reserving the right to object—and I shall not object—I would be perfectly willing to agree to this unanimous-consent request. I would like to have the time even shorter, and I would not insist on a live quorum before it; but I am very greatly disappointed that the leadership has announced this morning that we will have a Saturday session, when my plans—well known to all concerned—will not permit my being here, and when we were advised yesterday that there would be no such meeting.

I am going to ask that when I leave here, which will be tonight when we conclude business, the majority whip or the secretary of the majority caucus, who frequently acts as majority leader, object, in my name, to any unanimous-consent request tomorrow and following, until I get back, either to limit time or to fix a set time for a vote on any amendment or on the bill itself. I make that request in the RECORD and I know the officials whom I have named will, in my name, carry out that objection for me if any such request is made.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object—and I shall not object—will the Senator allow me to have 5 minutes?

Mr. LONG of Louisiana. Yes; I shall be glad to yield some of my time to the Senator from Delaware.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? Without objection, it is agreed to.

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 called the roll, and the following Senators answered to their names:

[No. 326 Leg.]

Aiken	Fannin	Lausche
Anderson	Fong	Long, La.
Bartlett	Gore	McClellan
Boggs	Griffin	McIntyre
Brewster	Hansen	Metcalf
Burdick	Hart	Moss
Byrd, W. Va.	Hatfield	Pearson
Carlson	Holland	Prouty
Clark	Hruska	Ribicoff
Cotton	Inouye	Sparkman
Curtis	Javits	Williams, Del.
Dirksen	Kennedy, Mass.	Yarborough
Eastland	Kennedy, N.Y.	Young, Ohio

The PRESIDING OFFICER. A quorum is not present.

Mr. LONG of Louisiana. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

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

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, the following Senators entered the chamber and answered to their names:

Allott	Kuchel	Proxmire
Bayh	Mansfield	Randolph
Bible	McGovern	Russell
Brooke	Miller	Smith
Case	Mondale	Spong
Fulbright	Montoya	Stennis
Hartke	Morton	Symington
Hayden	Mundt	Thurmond
Hickenlooper	Muskie	Williams, N.J.
Hill	Pastore	
Jordan, Idaho	Pell	

The ACTING PRESIDENT pro tempore. A quorum is present.

Mr. PROUTY. Mr. President, I yield myself such time as I may use.

The ACTING PRESIDENT pro tempore. The Senator from Vermont is recognized.

Mr. PROUTY. Mr. President, I am sorry more Senators are not in the Chamber, because the Senate will soon be acting on a major amendment.

I invite attention to a table which I have prepared, a copy of which is on each Senator's desk. It is a comparison of contribution income and benefit outgo under present law, and other proposals as compiled by me.

There is only one item which Senators need be concerned with at this moment. It is at the top of the page under the heading "Contributions Under Present Law," which shows the years 1967 through 1972; "Benefits Provided Under Bill Reported by Finance Committee," and then "Surplus or Deficit."

I show a surplus on my chart over this period of time of $6.8 billion. But, Mr. President, there is one figure which I did not include; namely, the roughly $28 billion which is already a surplus in the trust fund. Therefore, instead of its being $6.8 billion, that figure should be $34.8 billion.

Before I proceed further, I am happy to yield to the distinguished coauthor of the amendment, the Senator from New Hampshire [Mr. COTTON], for such time as he may see fit to use.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire is recognized.

Mr. COTTON. Mr. President, I shall use but a few minutes. I hope that the Senate will be ready to vote even before the time limit is up.

Mr. President, to me, this is the critical amendment to be considered in connection with the bill. I have no criticism of the Committee on Finance. I have high respect for every member on both sides of the committee.

However, every Senator in this body will be placed between the horns of an almost impossible dilemma if we are compelled to vote on the bill as it came from the committee.

I am convinced that that dilemma is not necessary. If we vote for the bill in its present form, we will give recipients of social security in the lower brackets a decent amount more than the minimum of $44, and a needed increase to others but, at the same time, we will be voting to load the young and middle aged working people of this country, as

well as the small businessman, with an almost insupportable burden of taxes.

If we vote against the bill because of what those taxes will do to people in middle life, with all their obligations, then we will be saying "No" to the elderly people who are writing to every one of us—to pitiful cases of old people trying to subsist, with the rising cost of living, on a meager $44 a month or little more.

I will not vote against those people. I shall vote for an increase in social security even if I do not like the Senate bill. I am going to vote for it because of this desperate need of many of our elderly.

Mr. President, it was my intention to offer an amendment increasing the benefits, and to have that increase paid out of the general fund. We already use the general fund in many forms of social security—medicare, total disability, and the Prouty-Cotton amendment which provided special benefits for uninsured individuals over age 72.

But the Senator from Vermont's [Mr. PROUTY] amendment which I have cosponsored, has tables to support it—compiled, I understand, by the very same authorities who advised the Committee on Finance—which indicate that it is not only possible but even probable that in the years ahead we would not need this jump in the tax. We would need no more than the automatic increase already provided for in existing law.

Mr. President, I believe that the Senator from Vermont is right. In order to qualify for social security in the years ahead, to be sure, the beneficiaries will increase. But so will the contributions to the fund for millions and millions of workers, over a period of years, increase.

I think that the Senator from Vermont is correct and that we would be safe in giving this necessary and needed increase without increasing the tax beyond the present law.

But, Mr. President, suppose he is not right? Suppose he is not right—and I do not claim to be an authority—members of the Finance Committee may differ with him—but suppose he is not right. Well, it is obvious that the fund with its surplus of around $35 billion will be sufficient to pay the way until some time probably in 1972.

Then if it becomes evident in the future that the fund is not going to be sound, Congress can, on the basis of an annual report from HEW, put on the necessary added tax to sustain it.

But, if we raise this tax now when we are not sure that it is necessary, look what will happen:

Suppose the analysis of the Senator from Vermont is correct? Suppose we find, as the Senator from Louisiana has indicated, that the fund is overpaid rather than underpaid, and it should become necessary to reduce the tax? What are we doing to those workers in the interim between today and 1972 who have paid the added tax? We cannot return the money to them. Actually, we will have robbed them and taken money out of their pockets.

The only time, without prejudice and without injustice, we can meet such an emergency is when there clearly is such an emergency.

So, Mr. President, I earnestly urge support of our amendment.

All this talk about pumping money into circulation and increasing inflation leaves me utterly cold. It is apparently a horrible thing in the minds of some that oldsters, who are trying to get by on $44 a month, might spend a little more money—but it is not bad if the most spendthrift Government we have had in our history keeps it to pump into the economy.

I think, if this amendment is adopted, we will have a completely safe bill. We will have a report to the Congress on January 1 of every year as to the condition of the trust fund, and the opportunity for Congress to act and add such taxes as may be necessary. At the same time we can care for those who need it so much, without placing an intolerable burden on our workers and young people.

That is the main reason why, to me, this is a most important amendment. It carries no danger, and it enables every Senator to vote his conviction without being compelled to rob Peter to pay Paul.

Mr. PROUTY. Mr. President, I am very grateful for the support given to this amendment by the senior Senator from New Hampshire. This amendment might be referred to as the Cotton-Prouty amendment, because the distinguished Senator from New Hampshire has rendered much service in developing the concept contained in the amendment.

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

Mr. LONG of Louisiana. Mr. President, I yield myself 5 minutes.

Here is a memo from Mr. Robert Myers, Chief Actuary of the Social Security Administration, with regard to this particular amendment. The most impressive paragraph in this memorandum is the last one, which reads:

> In summary, the proposed amendment, by increasing benefits significantly and by leaving the overall financing provisions unchanged, would place the OASDI system in a financial status such that sizeable Government costs would be involved, both in the short range and especially in the long range (the latter must be considered in a social insurance program, and not merely the situation in the next few years). At the same time, the HI program would be made actuarially unsound and, in fact, would be bankrupt by the end of 1970 (since the proposal makes no provision whatsoever for Government payments when outgo would exceed contribution income).

So this amendment bankrupts the hospital insurance plan in 2 years. In 2 years the medicare-hospital benefit fund will be bankrupt. That is the Chief Actuary of the Social Security Administration speaking.

With regard to the social security fund, the big trust fund, we have been trying to maintain a level of funds in this trust fund so that the elderly citizens could know that there would be enough money available to guarantee them that next month's check and the checks after that would be forthcoming.

Initially, the theory was to have enough money in the fund to pay benefits over a number of years, but as the years have gone by, there has been a retreat from that theory to the position that, as long as we raise enough money in taxes to more than pay for the benefits that we vote, the trust fund will never be "broke" and that people may be sure, that there will always be enough money in the fund.

I do not subscribe to the minority views on the Republican side, but they have placed a chart in their views which I think is correct. It appears on page 336 of the minority views. I urge Senators to look at that chart. It helps illustrate the point. It shows that the amount of money in the social security trust fund reserve at the present time would pay the present benefits to those now on the benefit rolls for only 1 year.

It will be noted that with these changes in 1967, we will be right on that figure. Twelve months of benefits could be paid under the existing level as authorized by law.

If we take the chart that the Senator has placed on our desks and look at the chart and the figures, which I think are important, it will help prove another point. It will be noticed that for the calendar year 1968, under this bill, looking at the right-hand column, we would bring in, $2.2 billion more in revenues than we would pay out in benefits.

Now look at the middle column. The benefits for 1968 would be $29 billion.

Mr. PROUTY. Mr. President, will the Senator tell me what page he is on?

Mr. LONG of Louisiana. I am looking at the legal size sheet of the memorandum the Senator has put on our desks.

Look at the middle column. The level of benefits in 1968 would be $29 billion.

In 1969, because of the additional benefits voted, the level of benefits would be $32.7 billion.

So if we wanted to have enough money in the trust fund to protect these demands from benefits that the people would get, we would need to have $32.7 billion in the fund, which would be $3.7 billion more than would be in the fund at the end of 1968. We will not have that much more in the fund, because the surplus for 1968 will be $2.2 billion to begin with. So we will be $1.5 billion short.

Look at the next row of figures. In the year 1969 we would have a surplus in the fund, under the higher tax rate and higher base, of $3.6 billion. That would move us toward having enough—not quite up to it, but it would almost get us to the point, within $200 million of raising enough money—to restore whatever may be the balance in the fund.

Projected into the future years—we are speaking of 1971 and 1972; we are talking about 4 and 5 years into the future—we would raise more money in taxes than would be needed. We would be overfunding even for that one year's benefits in the fund at the time we started the year. So, 4 or 5 years from now, we would actually be raising more money in taxes than would be required.

I urge Members of Congress to be a little practical about this matter. Between now and 1971, one of two things will happen. Either we will vote for some additional benefits or else we will not vote to raise the tax level as much as has been complained about in the debate here. So, one way or the other, somebody will get a break. Either the taxpayers will get a break because of not having to pay quite as much in 1971 as was ex-

pected, or the social security recipient will get the break by having additional benefits.

That is much more likely to occur than the surplus in the fund as projected. If we are talking about 1968 and 1969, we do not raise quite enough money under the committee bill to pay for the increased benefits we are voting here.

We are about $200 million shy of doing that during these next 2 years.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. LONG of Louisiana. I yield myself 1 additional minute.

But, we raise enough to pay for the additional benefits, and to maintain 1 year's level of benefits in the fund, during the next 2 years.

I yield myself 2 additional minutes.

Mr. President, there is an additional problem here. If we were selecting a time to reduce the level of money flowing into a fund below that which would pay 12 months' benefit, we could not conceivably pick a worse time than now, because we have serious inflationary pressures at the moment, and in addition to that, the projected deficit in national income accounts is more than $18 billion for this fiscal year.

Insofar as we raise more money in social security taxes than we pay out in benefits, we tend to help improve the national income accounts, and thus fight inflation.

The House bill, and even the committee bill, would reduce that surplus flowing into the fund by $2 billion, and to that extent would tend to move in the other direction, to worsen the national income accounts.

But to go beyond that point, and to retreat from the principle that there ought to be at least enough money in the fund to pay one year's benefits, would be completely irresponsible, particularly at this time when it would be contributing to inflation. It would be worsening the national income accounts, worsening the overall Government deficit in terms of a cash budget, and worsening our credit situation; and we would be voting for an amendment which, by 1970, would empty the hospital insurance fund.

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

The ACTING PRESIDENT pro tempore. The Senator's time has again expired.

Mr. LONG of Louisiana. I yield myself 2 additional minutes, and I yield to the Senator from Ohio.

Mr. LAUSCHE. Does the inflow of money depend upon the percentage of the people of our country who are employed?

Mr. LONG of Louisiana. Yes.

Mr. LAUSCHE. If there should be a decrease in employment, would the amount coming in be reduced proportionately to the degree of unemployment?

Mr. LONG of Louisiana. It would be.

Mr. LAUSCHE. Does the fact that there is unemployment, which reduces the income, have any effect upon the fixed obligations that have accrued to pay to the beneficiaries the amount of money that is coming to them?

Mr. LONG of Louisiana. More money would be paid out rather than less. This comes about because some people who could be drawing pensions if they are out of work are still working. If unemployed, such persons will assert claims for benefits simply because they are not able to find jobs.

Mr. LAUSCHE. What formula has been used in estimating the income? Is it full employment, full employment less 5 percent, or what?

Mr. LONG of Louisiana. Such factors are taken into account in estimating, but of course the actuaries have to do the best they can to estimate what future employment trends will be over a period of time.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. LONG of Louisiana. I yield myself 1 additional minute.

Mr. LAUSCHE. In a period of unemployment and distress, if it were desired to feed money into the economy, and the Treasury had a surplus, could that be done either by raising the benefits of the beneficiaries or reducing the taxes?

Mr. LONG of Louisiana. Yes, that could be done.

Mr. LAUSCHE. That is what we would want to do, would we not?

Mr. LONG of Louisiana. Well, we might be forced to. We might not have much choice about it. That is one reason for keeping a trust fund.

Mr. LAUSCHE. I thank the Senator.

The ACTING PRESIDENT pro tempore. Who yields time?

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

The ACTING PRESIDENT pro tempore. The Senator from Vermont has 18 minutes remaining.

Mr. PROUTY. Mr. President, I yield myself 3 minutes.

First I should like to ask the distinguished chairman of the committee whether the Mr. Myers upon whose figures he seems to be relying today is the same Mr. Myers whose computations he questioned yesterday in connection with another amendment.

Mr. LONG of Louisiana. Yes.

Mr. PROUTY. He is the same individual?

Mr. LONG of Louisiana. Yes.

Mr. PROUTY. We have had that experience before. I remember that 2 or 3 years ago, we both got different information and figures from Mr. Myers. After the vote was taken, I think we found out we were both partially right, if not completely right.

Mr. LONG of Louisiana. Yes.

Mr. PROUTY. And we know that actuaries can be a little bit confusing, if requested to furnish information supporting one side of a question.

Mr. LONG of Louisiana. May I say to the Senator that Mr. Myers may not always be right. I think he is an honest man, and does the best he can, with the data furnished to him.

In this particular case, we have concluded that the estimate is correct. As a matter of fact, I believe, in this instance, so far as I know, the Senator is relying on Mr. Myers' figures in his own way.

Mr. PROUTY. Mr. President, the Senator from Louisiana is engaging in a lengthy discussion on my time.

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

Mr. PROUTY. I yield to the Senator from New Hampshire.

Mr. COTTON. The proof of the pudding is in the tasting. There is only one way to know who is right, and that is to find out whether this added cost would be a drain on the fund. Then we would know. I am opposed to taking a cent from the pockets of the American workers until we know we need it. There is only one way to know we need it.

Mr. PROUTY. Mr. President, I think the distinguished Senator from Louisiana has maintained that a surplus is needed the beginning of each year which is sufficient to pay out benefits for 1 year. This principle completely ignores the payments or contributions that will be coming in each and every year.

I have never heard a single actuary or anyone familiar with this program suggest that such a surplus is necessary or desirable. I think the fact that it is neither necessary or desirable is well substantiated by the record of the hearings.

But, Mr. President, I have no wish to prolong this debate. Unfortunately, not many Senators have found it possible or worthwhile to be on the floor. I think some of them will eventually have reason to be concerned, if they vote against this amendment. They will have reason to be concerned, Mr. President, because I do not think they know how greatly our social security system is overfinanced.

Briefly, Mr. President, our amendment retains the $6,600 salary base which is now in effect. It would retain the payroll taxes contained in 1965 amendments to the Social Security Act. Moreover, it would retain the increased benefits provided in the bill as reported by the Committee on Finance. In the unlikely event that at some distant time in the future an unforeseen contingency should arise, general revenue funds could be used for that particular year.

More importantly, Mr. President, we now have a surplus. As a matter of fact, at the end of 1972 that surplus will be about $34.8 billion. I have yet to find a single actuary who says that amount of money is not more than ample.

If we increase social security payroll taxes, we are going to saddle an unconscionable burden on the working people and the small businessman of this country. Since the increase is unnecessary, I think we are making a very grave mistake. Moreover, if this is intended to take the place of a surtax, as some Senators have suggested, I believe it is an abuse of the social security system.

If we are going to levy a tax to take care of inflation, or for any other purpose, let us put it on all the people of this country, not just the working people.

Mr. President, if the Senator from Louisiana is willing to yield back the remainder of his time, I am willing to yield back the remainder of mine. I do not believe either of us can add much to what has already been said.

Mr. LONG of Louisiana. Mr. President, I have agreed to yield 5 minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I have always said that one of the great achievements of the New Deal was the establishment of the social security system. I think it was one of the greatest programs ever started, and I always have been and am today a strong supporter of a sound pension system.

Social security was established on the principle that it would be financed by the employer and the employee. It was established on the principle that, as a beneficiary by virtue of his payments into the social security fund, a man could accept that check with dignity as a retirement check from a fund into which he had contributed. It was to be a retirement pension to which he was fully entitled, the same as he would be under any other retirement system, whether it be civil service retirement or one of the many other private pension plans that operate in this country.

I think it is very important that we let the people retain that dignity in connection with the receipt of the pension check and let the workers and those who participate know that it is something they have paid for.

However, I agree fully with some of the remarks of my friends, the Senator from New Hampshire and the Senator from Vermont, that this tax is getting out of hand. I said that in the committee. That is the reason that the minority members of the committee raised the question as to how far we could go in increasing benefits over and beyond those contained in the House bill.

With these increased benefits go higher taxes, and the fact that the majority members have delayed these increases until after the 1968 election does not minimize the pain. The tax increase is there under the Hartke-Long formula.

I call attention to the fact that the pending bill—and the pending amendment would not change it—would provide additional benefits in the amount of more than $6 billion annually once the provision of the law becomes fully effective. And that money has to be financed.

The Government of the United States does not have access to any mysterious source of income. The only revenue we have with which to pay for these benefits is either wage taxes which are paid into the trust fund or income taxes from the pockets of the same American taxpayers. Otherwise, we borrow the money and pyramid the national debt.

When we speak of general revenue we are not just looking to some mysterious source which will relieve all pain as far as the workingman and the American taxpayers are concerned with relation to taxes.

The workingmen of America have deductions made from the amount of money they receive as salary by virtue of both social security and income tax. Whether the Government collects this money through a social security tax on the wages or through income tax, it is equally painful and retrogressive to the people. One can use all the adjectives he cares to use; it is still a tax.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. CURTIS. Mr. President, the Senator from Vermont suggested that these benefits be paid out of the general fund. That would require a change in the law. No such payment is authorized. Appropriations for those payments would probably be subject to a point of order.

If these people are to be entitled to health benefits to be paid out of the general fund, we would have to recommend a change in the law to authorize it.

Mr. PROUTY. Mr. President, will the Senator yield on my time?

Mr. WILLIAMS of Delaware. I yield.

Mr. PROUTY. Mr. President, I point out that in my judgment, and in the judgment of the experts with whom I have consulted, financing from general revenues will not be necessary for many years to come.

Too much emphasis is being placed on the raising of the money through the use of general funds.

Mr. CURTIS. I was referring to what the Senator said.

Mr. PROUTY. I did not say we would have to do it. I said repeatedly that we would not have to do it for many years to come. However, we must have some provision to allow for such a contingency.

I cannot envision what will happen 10, 15, or 20 years from now, and neither do I think that any other Senator can. I think that we should have some provision in the law so that if an unforeseen need arises, we could appropriate money from the general funds for any particular year.

Mr. CURTIS. We are without authority to do that under the present law.

Mr. WILLIAMS of Delaware. The argument that we could use the current revenue in the trust fund to finance the payment of an additional $6 billion in benefits means that we would be spending for today's benefits the contributions now being made into the fund by millions of wage earners in the 25- to 45-year-old age bracket. The contributions of these younger workers are being made on the premise that these wage earners are building up their security for the future.

To accept the principle that we can use all of their contributions today to pay benefits to those who are retired or will retire tomorrow means that we will be destroying completely the future security of our present wage earners when they reach the age of 65.

I cannot go along with that principle. To go to public financing would be a major change and a complete reversal of all the principles on which the social security system has been founded. I certainly do not think we should take such a radical step on the floor of the Senate.

Conceivably we could repeal all existing wage taxes for 1968, deplete the trust fund in its entirety, and still pay benefits for 10 to 12 months if we wanted to be shortsighted enough to do so.

I personally do not think we can proceed on that basis. I think we must recognize that the $100 to $200 per year which the average wage earner of 35 years of age is putting into the trust fund today is for his own security and is being placed there for his benefit. Congress has a responsibility to protect his interest. This is, or at least it is supposed to be, a trust fund.

Mr. President, I hope the amendment is rejected.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. LONG of Louisiana. Mr. President, I yield 2 minutes to the Senator from Florida.

The ACTING PRESIDENT pro tempore. The Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. Mr. President, I agree completely with the position taken by the Senator in charge of the bill, the distinguished Senator from Louisiana, chairman of the Finance Committee, and the Senator from Delaware [Mr. WILLIAMS].

I point out an additional fact that has not been mentioned. There are several Senators who are above the age of 72 years and who have regularly paid social security taxes on outside income. We are all drawing social security whether we want it or not. That is the law—we have paid for that insurance and are still paying.

Under the pending bill, if the amendment of the Senator from Vermont were agreed to, the amount of our social security payments would be increased, but we would be making it very sure that we would not have to pay any more to the Government by leaving the level of income and the rate upon which we pay the same.

I do not know how any Senator in that position could possibly think about voting for the pending amendment. It is so obviously unfair to the general public and the general taxpayer for a Senator to raise his own social security payments and at the same time make sure that the base on which he pays annually and his annual tax is no greater.

I think we certainly could not be in position to vote for such a self-serving proposal. I could not vote for it.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. PROUTY. Mr. President, in answer to the distinguished Senator from Florida, we are all under a rather liberal retirement plan in Congress which is not a part of the social security system. As far as the social security system is concerned, I am convinced it is grossly overfinanced already.

Mr. HOLLAND. The Senator from Florida has said that there are several Senators who are over the age of 72 and have paid on the maximum amount for years.

When the Senator offers an amendment which would raise considerably the amount which we draw but would make it very sure that we do not have to pay any more into the pool from which we are being paid, to my mind that is, as to us, completely unfair and completely self-serving.

I do not see how any Senator in that position could even think about voting for the pending amendment.

I thank the Senator for yielding.

Mr. PROUTY. The Senator from Ver-

mont is trying to protect the interests of the contributing wage earners of the country—people earning $5,000, $6,000, $7,000, $8,000, $9,000, or $10,000 a year. The Senators who may happen to be on social security should not feel guilty about protecting the interests of wage earners.

Mr. LONG of Louisiana. Mr. President, I yield 5 minutes to the distinguished minority leader.

The ACTING PRESIDENT pro tempore. The Senator from Illinois is recognized for 5 minutes.

Mr. DIRKSEN. Mr. President, all I know is what I see in the papers, unless I get something out of a Government agency.

I have a note here from the Chief Actuary, Mr. Robert J. Myers, and this is just as fresh as the morning paper, because it is dated on November 17, 1967.

This is what Mr. Myers says about the pending amendment:

> With respect to the old-age and survivors' insurance fund, the excess of outgo over income in 1968 will be $1,168 million.

That goes down a little up to 1972. It is $765 million. Then it starts up again, and by 1980 you dip into the Treasury for $2.7 billion, and by 1990 you dip into the Treasury for $7.3 billion. Well, what you are going to do is make a welfare program out of this.

Now, that is equally true of the so-called trust fund for disability, because there you start with an excess of income. It gradually dribbles down, and then when you get to 1980, the excess of outgo over income is $200 million, and you pick that up out of the general fund.

That is equally true of the hospital fund, because the excess of outgo in the first year is $170 million. By 1972, it is $1,151,000,000.

I did not concoct these figures. These are from Mr. Myers, the Chief Actuary. And I am not about to support that kind of program, where you freeze the wage base and the tax and you let the benefits go up.

Mr. President, I just want to say on this Senate floor now that if Great Britain had stuck with the Beveridge plan when it began, they would be in pretty sound shape today. But they let the House of Commons maul it, put everything in it, and finally converted it to a welfare program. So that between defense and welfare, here she is trying to borrow $1 billion from 10 countries; and Mr. de Gaulle is not about to look on that very kindly, according to the press. And who shall say whether or not the pound is going to be devalued? Our market is shaky this morning.

Now, that is what we are doing with this program, and yet we call it the old-age and survivors insurance program.

Look at the lawbooks on insurance, on fraternal organizations. The history of our country is strewn with the whitened bones of bankrupted outfits that did exactly this, and the contributions did not come on—and the result was what? They failed. And if you ever saw anything so wretched as somebody clutching a policy, knowing there was no dough in the trust fund—and I saw my mother do it—you never can forget it. You only have to see that once. All you have to see is the bitter, streaming tears.

And here are 18 million recipients now. I am not going to put them on the block and fool with their program. I am for social security, but it has to be sound, or it is going to founder. And I am not about to see it made a welfare program, either.

I hope, in the interest of the country and the people who are the beneficiaries, that this amendment will fail.

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

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. Mr. President, I wish to aline myself with the distinguished minority leader.

As I understand this amendment, the benefits would be increased but the taxes would not.

In the printed explanation of the pending amendment, it is said:

> As a matter of fact, without a benefit increase, existing social security taxes would create a surplus of over $344 billion by the year 2000.

But further in the explanation of the amendment, it is said:

> However, in the event that the social security surplus is not sufficient for this purpose my amendment further provides that additional funds required to pay these benefits will be appropriated from general revenues.

It seems to me that these two propositions cannot be reconciled.

I think that the sound premise upon which this program should be based is one of pay as you go. I think the tax should be adjusted to pay for any increased benefits. I believe the old people of this country deserve an increase in benefits; an increase supported by a trust fund maintained on as sound an actuarial basis as possible. The fund increases assured under the bill will indeed support the benefit increases provided.

I think we will be going a long way down the road to fiscal irresponsibility if we choose now to adopt an amendment that, in effect, would weaken the trust fund created to finance the social security system. The trust fund concept of financing this system has already been established and proven. I hope, most sincerely, that this amendment will be defeated.

The ACTING PRESIDENT pro tempore. Who yields time?

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

The ACTING PRESIDENT pro tempore. The Senator has 10 minutes remaining.

Mr. PROUTY. Mr. President, I yield myself 2 or 3 minutes.

I might say, first, that Mr. Robert Myers seems to be able to take more positions within a period of 24 hours than any other man I have ever known. This is not the first time. The Senator from Illinois has just read something from him. The Senator from Louisiana earlier read something else. I have had other information from him which differs with the facts given to the two distinguished Senator to whom I have referred.

I believe the Senator from Illinois referred to something that might happen in 1990. I believe his figures disregard a growth in the gross national product for the next 20 years.

Yesterday the Senator from Louisiana said the fund is overfinanced, not underfinanced.

Under the bill reported by the Finance Committee we are placing a great burden on the workingmen and the small businessmen of this country, and I hope Senators realize that very clearly before they cast a vote.

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

Mr. PROUTY. I yield.

Mr. COTTON. Mr. President, I regret very much that both of our esteemed leaders have characterized the proposed amendments as they have in the past 4 minutes. I doubt whether they studied the amendment earlier than a few minutes ago, because the amendment is not framed or intended to contemplate, nor would I be a sponsor of it or vote for it if it contemplated changing the social security system to a welfare fund.

The amendment provides for a report to Congress on January 1 of every year to ascertain the condition of the fund. And it contemplates—at least, its intent is—that Congress shall then take such action to increase the tax for the fund as may be needed. It also provides, however, for the contingency that we might have to appropriate moneys for a part of a year until a new tax took effect. But the fact remains, Mr. President, that at the end of 1972, we will have a surplus in the social security fund of $34.8 billion. Every actuary and every staff member with whom I have talked has said that this is unnecessary, that there is no need whatsoever to have a full year's benefits in the fund.

Nobody seems to know whether, with the vast number of payers into the fund, we will be collecting too much money and taking money unnecessarily, or whether the fund will be depleted. But I say again, that if you do not accept this amendment, if you increase the tax now, willy-nilly, you have crossed the Rubicon. If you find you are building up a surplus fund, you cannot reduce it without being unfair and dishonest to those who have paid into it in the intervening years between today and 1972 or 1975, or such time as the necessity arises.

I do not believe in taking 1 red cent from the profits of any American worker until I know something more than the dreaming and the tables of the statisticians, as to whether or not it will be necessary. I regret that the powers that be in the Senate have passed so quickly and so definitely on our amendment with complete misinterpretation of its purpose and its intent.

Mr. PROUTY. Mr. President, if the Senator from Louisiana is willing to yield back the remainder of his time, I am willing to do so.

Mr. LONG of Louisiana. Mr. President, I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, early in 1950, while I was Governor of Ohio, there was $700 million in the unemployment compensation fund. Employers and labor leaders got together and agreed upon an increase in unemployment compensation, a reduction of the rate of con-

tribution into the fund, and the return of $70 million to employers on the ground that they had paid into the fund more than was justified.

I disagreed with the employers and the labor leaders. I said:

Keep this fund strong. If we are to make a mistake, make it in the direction of soundness, rather than weakness, in the maintenance of the fund.

The legislature passed what was requested. I opposed it, and I was ridden down. Then, 1958 came, unemployment set in, the fund dropped to $150 million, and there was danger. This Congress, in 1958, appropriated funds to many States which had followed a bad policy reducing rates of contribution and increasing rates of payment to the unemployed.

My position is that if we are to make a mistake, make it in the direction of sound maintenance of the fund. Do not make it in that direction in which at some subsequent date it will be found that the fund is incapable of maintaining its responsibilities.

A moment ago I put the question to the staff man: Does this social security cover my retirement benefits as a Senator? I concur with what the Senator from Illinois said. I am holding a policy of insurance and I want that fund out of which I am to be paid to be kept strong and sound. The senatorial benefits are not in this fund, but what I would want for myself, as a Senator, I want accorded to every citizen of the country: a guarantee that the fund will be adequate to meet their rights when the time comes.

I thank the Senator from Louisiana.

The PRESIDING OFFICER. Who yields time?

Mr. LONG of Louisiana. Mr. President, I yield back any time I have remaining.

Mr. PROUTY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Vermont (No. 445).

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 Nevada [Mr. CANNON], the Senator from Alaska [Mr. GRUENING], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], the Senator from Oregon [Mr. MORSE], and the Senator from Maryland [Mr. TYDINGS] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Oklahoma [Mr. HARRIS], the Senator from South Carolina [Mr. HOLLINGS], the Senators from Washington [Mr. JACKSON and Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Wisconsin [Mr. NELSON], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], and the Senator from Georgia [Mr. TALMADGE] are necessarily absent.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. HARRIS], the Senators from Washington [Mr. JACKSON and Mr. MAGNUSON], the Senator from Wyoming [Mr. MCGEE], the Senator from Florida [Mr. SMATHERS], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Nevada [Mr. CANNON] would each vote "nay."

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Oregon [Mr. MORSE].

If present and voting, the Senator from Louisiana would vote "nay," and the Senator from Oregon would vote "yea."

Mr. KUCHEL. I announce that the Senator from Tennessee [Mr. BAKER], the Senator from Utah [Mr. BENNETT], the Senator from Colorado [Mr. DOMINICK], the Senator from California [Mr. MURPHY], the Senator from Illinois [Mr. PERCY], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] and the Senator from Texas [Mr. TOWER] are absent on official business.

The Senator from North Dakota [Mr. YOUNG] is absent because of death in his family.

The Senator from Kansas [Mr. PEARSON] is detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. MURPHY], the Senator from Colorado [Mr. DOMINICK], the Senator from Kansas [Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 6, nays 62, as follows:

[No. 327 Leg.]

YEAS—6

Aiken	Kennedy, Mass.	McIntyre
Cotton	Kennedy, N.Y.	Prouty

NAYS—62

Allott	Hansen	Montoya
Anderson	Hart	Morton
Bartlett	Hartke	Moss
Bayh	Hatfield	Mundt
Bible	Hayden	Muskie
Boggs	Hickenlooper	Pastore
Brewster	Hill	Pell
Brooke	Holland	Proxmire
Burdick	Hruska	Randolph
Byrd, W. Va.	Inouye	Ribicoff
Carlson	Javits	Russell
Case	Jordan, Idaho	Smith
Clark	Kuchel	Sparkman
Curtis	Lausche	Spong
Dirksen	Long, La.	Symington
Eastland	Mansfield	Thurmond
Fannin	McClellan	Williams, N.J.
Fong	McGovern	Williams, Del.
Fulbright	Metcalf	Yarborough
Gore	Miller	Young, Ohio
Griffin	Mondale	

NOT VOTING—32

Baker	Ellender	Magnuson
Bennett	Ervin	McCarthy
Byrd, Va.	Gruening	McGee
Cannon	Harris	Monroney
Church	Hollings	Morse
Cooper	Jackson	Murphy
Dodd	Jordan, N.C.	Nelson
Dominick	Long, Mo.	Pearson
Percy	Stennis	Tydings
Scott	Talmadge	Young, N. Dak.
Smathers	Tower	

So Mr. PROUTY's amendment (No. 445) was rejected.

Mr. CARLSON. Mr. President, section 142 of the bill deals with coordination of reimbursement with health facility planning. The explanation is found on page 17 of the committee print which was published on November 9, 1967. This has caused great concern among the hospitals of this Nation.

I ask unanimous consent to have printed in the RECORD a telegram from the Associate Director of the American Hospital Association on this subject.

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

AMERICAN HOSPITAL ASSOCIATION,
Washington, D.C., November 15, 1967.

Senator FRANK CARLSON,
Washington, D.C.:

The American Hospital Association, on behalf of some 7,000 of the Nation's hospitals, strongly opposes section 142 of the Senate Finance Committee's reported bill, H.R. 12080, the Social Security Amendments of 1967. This section would deny payment to hospitals under medicare and medicaid for depreciation and interest costs on those capital expenditures not approved by the single State planning agency authorized under the Comprehensive Planning Act.

We strongly oppose this provision for these reasons:

(1) Depreciation and interest on capital expenditures are recognized as legitimate and necessary costs of operating any business. There is no justification for discriminating against hospitals in this respect.

(2) It interferes with the authority and legal responsibility of a hospital's governing board to provide for all the facilities and equipment required to serve its community

(3) The medicare and medicaid programs constitute contracts under which the Federal Government agreed to pay hospitals for care rendered to the aged and poor. Denial of reimbursement of these costs as proposed is obvious economic coercion on the hospitals to submit to Government planning.

(4) The proposal is in violation of the letter and intent of the medicare statute (P.L. 89-97, section 1801) which forbids "supervision or control over the administration or operation of any such institution." Denying reimbursement for a hospital's costs of depreciation and interest on capital items clearly is interference with the administration and operation of the hospital.

For these reasons we urge that section 142 be deleted from the bill.

KENNETH WILLIAMSON,
Associate Director.

Mr. CARLSON. Mr. President, I want to state that I have heard from every one of the hospitals in my State. They are quite concerned with the proposal made in section 142 of this bill under which payment to hospitals under the medicare and medicaid programs for depreciation and interest costs would be denied for any capital expenditures not submitted to and approved by the single State planning agency authorized under the Comprehensive Planning Act.

Certainly we all agree that planning is a good thing, particularly in this day of rising hospital costs. The hospitals in my State, as well as the vast majority of the hospitals in the Nation, currently are participating in voluntary regional planning. I understand that there are

some 80 of these regional planning groups operating.

I know that Senators are all familiar with the Comprehensive Planning Act. Under this act the Government grants money to States to assist in statewide health planning. The hospitals of the Nation are grateful for this assistance and are supporting that program to the fullest extent. However, they feel very strongly that economic sanctions under the guise of fostering planning is an improper act on the part of the Government and indeed a breach of faith from the promises made to the hospital field in the original enactment of the medicare and medicaid programs that the Government would not exercise any "supervision or control over the administration or operation of any such institution."

Under the medicare law, the Government contracted with the hospitals of this Nation to pay the reasonable costs incurred by hospitals in the care of our aged and poor. The principles under that legislation recognized, in accordance with generally accepted accounting practices, that depreciation and interest on capital expenditures are legitimate and necessary costs of operation of any business—including hospitals. The proposal now being made in section 142 would be to deny the payment of these costs unless the hospital submits its proposed capital expenditures to the State planning agency for approval. This is rank discrimination against our hospitals and in my opinion violates the letter and intent of the Government's promises to hospitals in enacting medicare.

I know Senators are aware that the hospitals in their communities, as well as mine, are governed by boards of trustees selected from the most prominent and respected citizens of the community. For the most part, these are men who have made their mark in industry, the professions, or government. These people bring to the hospital field unlimited years of experience and background in planning and development and, as you know, serve the hospitals without pay. To say to this dedicated army of professionals that they can no longer make the decisions for their local hospital raises a serious question as to the future availability of people to serve in this capacity. Moreover, in my opinion, it is a gross interference with the authority and legal responsibility vested in these hospital governing boards.

Mr. President, I raise this issue in order that I may call it to the attention of the distinguished chairman of the Finance Committee, who helped write this bill and who, I am sure, is familiar with the situation and the problem that has been presented to me and other Members of Congress by the hospitals. If the chairman wishes to comment on this problem, I would appreciate it.

Mr. LONG of Louisiana. Mr. President, this problem arises as a result of a misunderstanding. The committee is well aware of the fact that $1 billion was added to the cost of the medicare program as a result of rising hospital costs. That is something I had predicted, at least to some extent, at the time we were considering medicare.

To prevent the construction of many facilities which are not really needed and considering that the Federal Government would be picking up the cost, it was initially suggested that we should not pay for the depreciation to help amortize these costs, unless the plan had been approved by the State planning agencies. Most States have State planning agencies.

But, in committee, on the recommendation of the Senator from Nebraska [Mr. CURTIS], we changed that so that we would pay this depreciation allowance to hospitals unless the capital expenditure was specifically disapproved by a State planning agency.

So, as a practical matter, there is no requirement that the hospital submit the proposal to a State planning agency. The hospital would be reimbursed under the depreciation allowance. But if it were submitted or the planning agency knew about it and informed those concerned that this plan was not approved, then, of course, the Federal Government would not pay the depreciation allowance on it.

I believe that the fear that arose in the minds of the hospital administrators probably had its genesis here in Washington when representatives of the association saw this little blue pamphlet which merely summarizes the provisions in the committee bill. This was prior to the time they had a chance to study the committee report itself and review the provisions of the committee bill.

So they looked at that little thumbnail summary of what was in the bill. I believe they erroneously arrived at the conclusion that they would be required to submit their proposed improvements to a State planning agency and have them approved.

Actually, the bill works just the other way around. The hospitals would receive the depreciation allowance in their reimbursement unless the improvement plans had been specifically disapproved by the State planning agencies.

That is desirable, so far as it goes, because in many cities—I do not know of any in my State, but in a number of States—there is an excess of hospital beds and facilities. In some instances two or three hospitals try to obtain some very expensive new equipment to do specialized jobs when only one is needed for the entire community.

Many States, realizing this problem, have set up State planning agencies. Generally speaking, those agencies are doing a very fine job.

The bill does not require that a hospital obtain approval of a State planning agency. It does not require that the hospitals submit those plans for approval of a State planning agency. All the bill provides is that, if the State planning agency specifically disapproves of some particular expenditure, the Federal Government will not reimburse for such capital expenditure that was specifically disapproved at the State level.

This is, I believe, States rights all the way—where we do not require the State to do something along these lines. But, if the State then sets up a State planning agency, and that agency disapproves of a certain hospital expenditure, we would not include depreciation in the reimbursement.

If the Senator from Kansas had a chance to discuss it with hospital administrators themselves, personally, and showed them what the committee report says, I am sure they would be convinced that they were led to an erroneous conclusion, probably because of a misunderstanding due to a brief summary, which did not explain every facet of the provision we put in the bill. This summary is contained in the little blue pamphlet to which I have referred the Senator.

Mr. CARLSON. I trust that the statement of our distinguished chairman, the Senator from Louisiana [Mr. LONG], has at least pointed up the intent of the committee report, as I have read it. I read the committee report and I thought we took care of the situation as the hospitals would really want to operate and that it was left to the State planning boards. I do not think anyone could object to that. I sincerely hope this explanation will clarify the matter for the hospital administrators.

It was my intention to offer an amendment to delete this section. In view of the statement by the chairman of the committee, I shall not make such a motion. If it develops later that some of the administrators concerned think there is a need to have it amended, I reserve that right. At this time I wish to express my appreciation for the statement of the chairman of the committee.

Mr. LONG of Louisiana. This matter will be in conference. I anticipate that the Senator from Kansas [Mr. CARLSON] will be a member of that conference between the Senate and the House. In the event this matter has not been resolved to the satisfaction of the hospital administrators, we will certainly consider that fact in conference and consider whether their fears are well founded, and dispose of it in conference. I think when they see what the committee really has in mind, their fears will be allayed.

Mr. CARLSON. I appreciate what the Senator has said.

Mr. PROUTY. Mr. President, first I wish to express my appreciation to the four Senators who supported the Prouty-Cotton amendment, which received six votes.

I remember when I first offered to bring the very low-income people under the social security system at a minimum of $44 a month, I was almost laughed down. I believe the Senator from New Hampshire [Mr. COTTON], who joined me at that time, was subjected to the same criticisms which were showered on me.

As time went on, the Senate finally was persuaded to adopt such an amendment, which provided $44 a month. When the bill went to conference, it was reduced to $35, which certainly was a step in the right direction, because we had something. Now that minimum has been raised to $50 under the bill as reported by the Finance Committee.

With persistent effort, we sometimes achieve results. I believe in the years ahead many Senators who voted against the last Prouty-Cotton amendment will

eventually see the wisdom of the proposal.

Now, Mr. President, on behalf of myself and the distinguished senior Senator from New Hampshire [Mr. COTTON], I send to the desk an amendment and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk proceded to read the amendment.

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

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

The amendment proposed by Mr. PROUTY is as follows:

On page 16, line 9, insert "January" in lieu of "March". On page 17, in lines 7, 8, 16 and 21 insert "January" in lieu of "March". On page 18, in lines 6 and 9, insert "December, 1967" in lieu of "February, 1968". On page 19, in lines 2 and 17, insert "January" in lieu of "March". On page 19, in lines 8, 10, and 14, insert "December 1967" in lieu of "February 1968". On page 21, line 5, insert "December 1967" in lieu of "February 1968". On page 22, line 18, insert "December 1967" in lieu of "February 1968". On page 55, line 21, insert "December 1967" in lieu of "February 1968".

Mr. PROUTY. Mr. President, this amendment would simply advance the date when the benefits will be paid from March 1 to January 1 of next year.

During the past 32 years, there have been relatively few large increases in the benefit amounts of social security. In fact, during the past 13 years, there have been only two such increases. Our older retired Americans have learned to expect very little from Congress in the way of increased income from social security.

In January of this year, however, 20 million Americans over age 65 were heartened to learn that the President of the United States was recommending a massive increase. These same older Americans were encouraged when the House Ways and Means Committee held hearings on the administration bill, H.R. 5710, in early March of 1967.

During the course of testimony given before the Ways and Means Committee on Thursday, March 2, Congressman JOHN BYRNES and Under Secretary of Health, Education, and Welfare Wilbur J. Cohen discussed the date when the proposed increases would in all probability go into effect. The colloquy went as follows:

Mr. BYRNES. This bill provides that the benefit increases will go into effect as of July 1?

Mr. COHEN. The increase would be effective with respect to the month of June, though they would probably actually be paid in October or so.

These dates were bandied about in the press, Mr. President, so it is not unreasonable to assume that our older Americans have been expectantly awaiting increases since October of this year. Their expectant optimism has probably changed to doubting pessimism as the months go by and the holiday season approaches but Congress still has not acted on a social security bill.

Mr. President, the Finance Committee at long last announced to the world last week on November 9 that it was reporting the long-overdue social security bill. This bill with its substantial—even generous—benefit increases must have been good news to our older Americans. Yet, at the same time, their excitement and happiness must have been dampened by the announcement accompanying the increase, to the effect that the increases would not go into effect until March of 1968. If there is a delay in payments as suggested by Mr. Cohen of up to 4 months, beneficiaries might have to wait as late as July of 1968 to receive checks for larger amounts.

In any case, Mr. President, it is unfair to ask 20 million older Americans, most of whom depend predominantly or entirely upon social security for their sustenance, subsistence, or very salvation, to wait any longer for needed increases.

First, Mr. President, an immediate increase is desirable because it is long overdue. Second, an immediate increase is imperative because of the exorbitant increase in the cost of living. Third, an immediate increase is necessary as assurance to our older Americans that social security is not a political issue. Finally, an immediate increase is possible because there is at present a surplus of funds in the social security trust fund.

As I indicated before, Mr. President, significant and meaningful social security increases have been few and far between. In 1935, the minimum payment to a retired individual was $10. This amount remained as the minimum until 1950 when it was doubled. The maximum amount payable to a retired individual did not substantially increase from its original amount of $85 until 1954. In addition, there were small increases enacted in 1954, 1956, 1958, 1961, and 1965.

These minuscule changes reflected congressional recognition of the need for benefits to rise in direct proportion to the increase in the cost of living. This principle along with the cardinal rule that income into the social security fund must equal outgo, has been adhered to—except for the initial timelag of 15 years—in principle but not in fact.

It has not been adhered to in fact because increases have not been adequate enough to counteract the effects of inflation. Neither have they risen in relation to the higher wage scales of today.

This brings me to my second point. Social security benefits simply have not kept pace with the rising cost of living. Since 1958, the cost of living measured by the Consumer Price Index has risen close to 28 percent. In the past 2 years alone, it has risen over 3 percent per annum. Social security benefit increases during this whole period have amounted to less than 15 percent. What does this mean for the retired American?

It means, Mr. President, that the 7½-percent benefit increase of 1958 failed to restore 1954 buying power.

It means that the 7-percent increase of 1965 failed to restore 1958 buying power.

It means, Mr. President, that a drastic increase in benefits is urgently needed now to supply buying power to our older retired Americans commensurate with that which workers enjoy and which is high enough to raise retirees to the levels of the 1960's. For this reason, a social security benefit increase is long overdue.

This week and last, Mr. President, there have been accusations made by both Democrats and Republicans that the "other side" was engaging in political opportunism with regard to the proposed benefit increases. My third point is that it is necessary to enact an increase which will go into effect immediately as an indication to our senior citizens that we are concerned with their welfare before politics.

Mr. President, I would hope that with a modicum of agreement politics can be pushed aside in favor of speedy action to assist needy Americans.

As I understand it, there is now a substantial surplus of funds in the social security retirement fund—in fact, close to $2.3 billion—which would cover benefit increases for a number of months. Since income should equal outgo, it is only reasonable that the tax increase should come into effect when it is needed to insure that payments must be met.

The Finance Committee has determined that if benefits increases go into effect on March 1, 1968, the tax increase need not go into effect until January 1, 1969. There is nothing wrong or incorrect about this reasoning as far as the length of the time lag between increase in payment and increase in taxation is concerned.

There is something wrong with reasoning, however, which dictates that benefit increases should be delayed until March 1 when they are so urgently needed now. Such a large benefit increase is long overdue. Such a large increase is desperately needed now to counteract the effects of inflation. Such a large increase is necessary to convince older Americans that Congress considers their needs before it maneuvers for their votes. Finally, with the current surplus, we can afford to fund increases at any time.

Mr. President, this amendment authorizes the funding of social security retirement benefit increases on January 1, 1968.

I do not believe, Mr. President, that the effects of moving up either the benefit or the tax increase will be detrimental to Congress, to older Americans, or to the Nation as a whole. On the contrary, it will bring joy to millions, alleviate suffering, and demonstrate our care and concern for 20 million Americans who labored to make our country great.

Mr. President, I point out that this amendment does not change the effective date of the payroll tax increase, but it does provide that the increased benefits will become payable as of January 1, 1968.

Mr. LONG of Louisiana. Mr. President, it is not the fault of the Senate nor of the Committee on Finance that we have not voted on the social security bill prior to this time, and that we cannot put the bill into effect as of July of this year. The President made his recommendation in such a way as to indicate that by about July the increase would go into effect. But as a practical matter, the House of Representatives worked long and hard on the bill. They considered everybody's

point of view, and let all the retired people be represented through those they had chosen to speak for them.

They heard the views of all of those, pro and con—the administration, the employer groups, the taxpayers, and others. And by the time they were through, they sent us a bill which we received about August 18. So, as a practical matter it is not the fault of the Senate nor of the Finance Committee that it took the House until August 18 to get a bill to us.

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

Mr. LONG of Louisiana. I yield.

Mr. PROUTY. Mr. President, I certainly did not wish to imply any criticism toward either committee. I know they had a tremendous load to carry.

I am simply hoping that the benefits will be paid in January 1968 rather than March 1968.

Mr. LONG of Louisiana. I was not suggesting here that the Senator made any invidious suggestions, because he did not.

I was only saying that Congress, and certainly the Senate, cannot be blamed, nor can the House committee, because it took from January until the middle of August for this enormous and important bill which contains the biggest increase in cash benefits in the history of the country. In fact, from the point of view of cash benefits, the pending bill is the biggest social security bill in the history of America.

Naturally, I do not think anyone would be critical of the fact that it took the House until August 18 to get a bill to us, nor of the fact that it took the Senate committee 10 weeks to work its will on this measure.

With respect to the date the Senator has in mind, the bill would be in conference. If we could pass the pending bill this week, the House has a date which would work out to about January 1.

The Senate committee bill would be effective as of March with the first checks falling due in April.

The Department tells us that they need this time in order to do the studies and work that is necessary to convert the benefits of these 24 million people on the rolls who would be receiving these additional payments.

Furthermore, under part (b) of medicare, there is a special enrollment period for people to enroll until March 31, 1968, which could lead to some confusion with regard to benefits for which people would be available under part of the social security program.

Furthermore, the cost of the bill, as far as it reduces the revenue received by the Government, would be about $2 billion in the first year.

The bill is more or less neutral as far as an inflationary problem and the Government income accounts are concerned.

After April, however, the bill would tend to increase inflationary pressures, and that is something that Congress could be looking at next year when it comes back.

Revenue loss and, to that extent, the lessening of the Government's income accounts on the increase, we might say, of the deficit on a cash spending basis would be $710 million if the pending amendment were agreed to. So, Mr. President, the committee did think about the matter. We provided that the benefits would go into effect a little bit later. But, on the other hand, there would be much more substantial benefits. In other words, if we compare the House bill and the Senate bill, the first year's cost would be greater under the Senate bill. The people would have to wait a few months longer to get the increased benefits, but when they did get them, they would get a 15-percent increase instead of a 12.5-percent increase.

The Senate bill provides for a $70 minimum payment instead of a $44 minimum payment, and they would receive these high benefits from then until the good Lord called them home.

For these various reasons, I hope that the amendment will be rejected.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On November 14, 1967:

S. 1872. An act to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

On November 16, 1967:

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.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, notified the Senate that Mr. O'HARA of Michigan had been appointed a manager on the part of the House to the conference of the two Houses on the bill (S. 2388) to provide an improved Economic Opportunity Act, to authorize funds for the continued operation of economic opportunity programs, to authorize an Emergency Employment Act, and for other purposes, vice Mr. DANIELS, of New Jersey, excused.

The message announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 487. Concurrent resolution providing for printing as a House document the study entitled "Study of the U.S. Office of Education";

H. Con. Res. 519. Concurrent resolution authorizing certain printing for the Committee on House Administration of the House of Representatives, and the Committee on Rules and Administration of the Senate; and

H. Con. Res. 557. Concurrent resolution to provide for the printing of the Constitution of the United States as amended to February 10, 1967, together with the Declaration of Independence.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were severally referred to the Committee on Rules and Administration:

H. Con. Res. 487. Concurrent resolution providing for printing as a House document the study entitled, "Study of the U.S. Office of Education";

H. Con. Res. 519. Concurrent resolution authorizing certain printing for the Committee on House Administration of the House of Representatives, and the Committee on Rules and Administration of the Senate; and

H. Con. Res. 557. Concurrent resolution to provide for the printing of the Constitution of the United States as amended to February 10, 1967, together with the Declaration of Independence.

DESIGNATION OF FEBRUARY 1968 AS "AMERICAN HISTORY MONTH"

Mr. DIRKSEN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Joint Resolution 26.

The ACTING PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 26) designating February of each year as "American History Month," which were, on page 2, line 3, strike out "of each year" and insert ", 1968"; on page 2, line 5, strike out "annually"; and to strike out the preamble.

Amend the title so as to read: "Joint Resolution designating February, 1968 as 'American History Month'."

Mr. DIRKSEN. Mr. President, all that is involved is the fact that the House struck out the "whereases" in the preamble and made it for 1 year instead of every year.

I move that the Senate concur in the House amendments.

The motion was agreed to.

PRESIDENT JOHNSON, GENERAL WESTMORELAND, AND AMBASSADOR BUNKER

Mr. PASTORE. Mr. President, it was a reassuring feeling to find a confident General Westmoreland looking one in the eye from the front page of the Washington Post yesterday morning, Thursday, November 16.

I congratulate President Johnson for bringing him back along with Ambassa-

dor Bunker so that we may have a first-hand, first-person look at the present and the future in Vietnam.

And I hope that every avenue of communication—press, radio, and television—will have the opportunity and take the opportunity and make the necessary provisions to pick the brains of these capable men.

Every American, however committed, concerned, or confused, should have a closeup of the whys and wheres of the Vietnam struggle—that is, within the limits of the security of our half million boys bearing the brunt over there.

Every home in America—as well as the White House—deserves to have this pre-Thanksgiving briefing and questioning, and I hope that skilled panels of the networks will confront them so that the facts of the fighting may be thoroughly discussed.

The general and the Ambassador are men of courage, men of competence, men of independent minds, and it will do us good to see them queried intelligently and informatively.

This should add a touch of sanity to the American scene which has been disrupted, if not disgraced, of late by minor disorderly elements which have aborted the sincere motives of people engaged in the traditional American right and rite of disagreement.

I say it is traditional because history reminds us of the violent attacks on our first President, George Washington—attacks far more violent than recorded today.

Dissent can and should be decent. Disagreement should be constructive, offering a practical alternative to a course with which people may disagree.

Dissenters owe this to the great American majority which is ready to give a hearing to anyone who does not abuse our common right of free speech.

So, again I compliment President Johnson for bringing back these capable American representatives, and I hope they will have every chance to brief the American people and buttress the American morale.

I do not denigrate the sincerity of those who disagree with the American commitment in Vietnam.

I do not know what the final verdict of history will be, or what the final fate of South Vietnam will be.

But this I do know—of all the 200 million of us Americans, no one wishes more deeply for peace than the man in the White House.

No man works more devotedly for peace than the President.

No man has more to gain by peace than President Johnson.

Vietnam is a tiring war. It tears at the heartstrings of a man whose devotion to his own family extends to the family of every youth defending us in Vietnam today.

It is a wearying war. It is a war that saps at human morale as Hanoi spurns one peace approach after another.

It is a war that saps at American determination, and President Johnson alone bears the burden of decision.

My prayer at this hour is that God will give him the strength and wisdom to achieve for us and for mankind an honorable peace.

SOCIAL SECURITY ACT AMENDMENTS OF 1967

The Senate resumed the consideration of the bill (H.R. 12080) to amend the Social Security Act to provide an increase in benefits under the old-age, survivors, and disability insurance system, to provide benefits for additional categories of individuals, to improve the public assistance program and programs relating to the welfare and health of children, and for other purposes.

Mr. COTTON. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. COTTON. I shall merely take one moment to associate myself with the distinguished Senator from Vermont [Mr. PROUTY] as a cosponsor of this amendment. It has been my privilege through the years to fight by his side to secure a greater income for the low bracket of elderly people on social security. I remember that last year—more than a year ago—we fought for a $70 social security payment for those in the lowest bracket, and we were then charged, as we have been today, with being fiscally irresponsible. In fact, one of the newspapers in my State referred to us as being fiscally irresponsible. I do not recall that either the majority leader or the minority leader took occasion to make that charge against either of us; but the charge was made.

Therefore, it was with astonishment and some degree of satisfaction that when the 90th Congress assembled and President Lyndon Johnson appeared before us to make his recommendation, I heard him recommend a $70—the exact figure—minimum for the elderly on social security.

He was not charged, as I recall, with fiscal irresponsibility, although I do not recall that he made specific recommendations about the tax to support it. But we waited for it to become a fact and introduced bills to make it so. It was with great satisfaction that we found that the able Committee on Finance had come up with the figure which the President had recommended, and for which it so happens the Senator from Vermont and I have been working for 3 or 4 years.

Mr. President, now that the Senate has so overwhelming preserved the complete integrity and resources of the social security fund, surely we are not so bad off, and the redtape is not so thick, that we could not advance those payments to the elderly people from March 1 to January 1.

The Senate could wait, without any degree of hardship. But, Mr. President, if I read my mail right—some of the letters are pathetic—every month our elderly wait is too long. When the House and Senate committees decide finally on the increase in social security, I believe that, in spite of all the clogs that take place in the machinery of government, it is possible for these people to begin to receive their payments January 1.

I am sure that it is not in the minds of the distinguished Senator from Louisiana and others who oppose this amendment that they want to save just that amount of revenue for that brief period. As a matter of fact, whether it is intentional or not, once we have passed this bill and have adopted the conference report, and the President in his wisdom has seen fit to sign it, we shall have already waited too long to take care of our elderly people. Some of them cannot wait, and they may not even be here to finally receive their just desserts.

It is very difficult for me to understand how any Senator could vote against the proposed amendment. So, once more, I am very proud to join the distinguished Senator from Vermont in sponsoring it.

Mr. PROUTY. Mr. President, I should like to point out that many of the people about whom we are talking are receiving $44 a month, the minimum social security rate today, which totals $528 a year. The average payment is $85 a month under the social security system, which brings in the munificent sum of $1,020 a year. I wonder whether we realize the extent of the problems with which these people are faced. These people are suffering. They are going hungry. They need help.

Only last week, the Committee on Post Office and Civil Service reported a bill embodying substantial pay increases for Federal employees. It was made retroactive, as I recall, to October 1. There is no reason why the Social Security Administration cannot take care of these benefits as of January 1, 1968.

I have a memorandum from Mr. Myers which indicates that the cost for moving the effective date for benefits to January 1, 1968, would be $710 million. For once, the Senator from Louisiana and I have the same memorandum and the same facts. It is quite interesting. I am glad to have it.

The fact is this change in the effective date can be done. These people are desperately in need of help; and, heaven knows, $70 a month to those now receiving $44 a month will not make life very rosy for them, but at least it will be something.

Mr. President, I have nothing more to say on the question.

Mr. LONG of Louisiana. Mr. President, as I have already stated, in terms of cash benefits, this is the biggest social security bill ever to come before the Senate.

The Committee on Finance, if I say so myself, is a very responsible committee. It is one committee that has the power to raise the revenue to pay for the benefits it votes. I am proud that the committee has the courage to provide for both the taxes and the benefits it proposes, as it has done on this occasion.

Now, as to the reason why it is not proposed that these benefits go into effect earlier: many of the benefits for which the committee voted were suggested by the Senator from Indiana [Mr. HARTKE]. Senator HARTKE, who proposed the most expensive benefit items, also moved that we adjust our financing so that the benefit increases that we voted for 1968 would be paid for in 1968, and that is what we did.

Now, you will not find many old people in this country who will be disappointed if our bill, rather than the House bill, is adopted. Even though they might have to wait 3 months longer before receiving

the benefits, they will end up getting much more.

In order to keep the cost of the bill within reason, and in recognition of this Government's problem with regard to its deficit and its excess of expenditures over income, the Senator from Indiana [Mr. HARTKE] was willing to postpone his proposal, which deals with the liberalization of benefits for the blind, to January 1969. He also was willing to do the same with regard to raising the earnings limitations, which is the most expensive amendment we added to the bill. It would permit a social security recipient to make $2,000 a year without any reduction in his benefits. The Senator was willing to postpone the effective date of that proposal until January 1969.

May I say that cost factors also caused us to postpone the effective date of the amendment proposed by the Senator from West Virginia [Mr. BYRD]—the option to retire at age 60—to 1969.

If the pending amendment is agreed to by the Senate, then those two Senators, in good conscience, could move that the dates of their pet provisions should be moved up. That would increase the cost by another $1,010 million. Add that to the Prouty amendment, and the increase in the cost of the bill would use $1,720 million.

The Government has a deficit at this time. The deficit does not look nearly as bad on a cash basis, on a national income accounts basis, as it does on the administrative budget basis set up by law.

On an administrative basis it looks as if the deficit might go as high as $29 billion, but if one looks at the taxes coming in and payments going out, it looks as if it might be about $18 billion.

The bill which was sent to us by the House would worsen our national income-outgo by $2 billion in 1968, but that impact would not be felt until April. During that time if we want to pass a bill increasing taxes to raise general revenues, we would have that privilege; and, also, if we wish to cut spending, we have that course open to us.

If the amendment of the Senator from Vermont is agreed to and other Senators insist that the same principle be applied to their proposals, we would put everything in effect immediately in January. That would mean the impact of this bill would worsen our budgetary situation and cause the Government to go into the market and borrow an additional $3.7 or $4 billion.

If this amendment is agreed to, other Senators would insist that their pet provisions, all of which contain merit, go into effect immediately in January. Although the possibility of a bankrupt fund by 1970, did not deter the Senator from Vermont from moving benefits without the tax, I think it would deter him that his amendment would create a real inflationary problem and create greater pressures on Congress to pass a tax increase, which this Senator is very reluctant to vote for.

However, I am sure the committee bill as it stands will be hailed by aged people of our country, the retired people of our country, and the many widows and orphans who are presently receiving benefits, as one of the most generous and progressive forward-looking and healthy pieces of social legislation ever passed by any Congress. In terms of cash benefits it will be the largest bill passed.

While I would like to do everything we can afford to do to help those who are advanced in years, those who are disabled, and all the others who get social security benefits, I think the responsible attitude taken by the committee is worthy of support.

Several Senators addressed the Chair.

Mr. LONG of Louisiana. Mr. President, I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, considering the progress which is being made on this bill and other legislation, would the chairman of the committee not be willing to wait until the time comes for final passage of the bill to decide whether to make it retroactive to March 1 or January 1?

Mr. LONG of Louisiana. I hope the Senator will pardon me from responding to the question. I understand the import of his question.

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

Mr. LONG of Louisiana. I yield.

Mr. COTTON. Mr. President, the Senator from New Hampshire has great admiration for the logic, and for the powers of persuasion and the argument that the Senator from Louisiana always has. He rarely sets up a strawman to knock him down. But these appalling cases he has been using to defeat this amendment depend on many other amendments being offered in other matters if this amendment is adopted.

I would observe to my distinguished friend that this amendment includes those receiving the small pensions. The other amendments that he suggest, might follow as a matter of course as an avalanche do not have the significance of this amendment. The sums involved are not nearly as much.

Sometimes the shoe is on the other foot. I remember sitting in the Senate Chamber not many months ago when for some unknown reason we delayed the passage of a bill that had been passed by the House, to be sent to the President, involving 1 month's benefits to veterans of Vietnam. That delayed their just benefits when at the same time we were spreading money all over the world. I get a little tired of being so penny wise and pound foolish. We spend money all over. But when we get ready to economize, it is by saving a paltry 1 month's benefits to veterans of Vietnam, or by delaying benefits to old people, who are trying to live on $44 a month, from January to March.

It can be glossed over and it can be suggested that if somebody does this we will do that. But it is really very simple. If we cannot afford to get these benefits to our elderly, then we are in tough straits.

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

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

Mr. LONG of Louisiana. I shall yield in a moment.

Mr. President, may I say that in some respects the Senator from Vermont steals the laurels of the Senator from Louisiana. I have offered amendments for a $70 minimum before the Senator from Vermont [Mr. PROUTY] came to the Senate.

Mr. PROUTY. While I was in the House.

Mr. LONG of Louisiana. Then, I was not offering any tax to pay for it, either. However, when one becomes the chairman of the Committee on Finance, he has to start thinking of how to pay for all of these things and how big a deficit the Government is running.

In committee, we were pressed very hard sometimes, by such conservative members as the distinguished Senator from Delaware, to pay for the things we were voting, so that we should not bankrupt the fund. We had to think in terms of Government fiscal problems and inflationary problems because we were voting out more benefits than we were paying for.

It was for that reason that I pressed the Democrats to pay for the benefits we voted for in the Committee on Finance. We did it and we did it without a single Republican vote for it. I do not criticize the other side for their view. There was an argument for fiscal and financial responsibility from the minority side of the aisle that if we were going to vote for benefits, then we should vote the tax to pay for it. We did that.

If the Senate were to depart from that principle, it would be against the best advice we have from more conservative Members on the other side of the aisle, and those who think in terms of not only the needs of the aged people, but also others.

I yield to the Senator from Vermont.

Mr. PROUTY. Mr. President, I wish to point out, first of all, that this amendment is concerned only with the payment of benefits and not other provisions of the bill.

Not long ago we had a public works bill before the Senate. I supported an amendment to cut that appropriation. As a matter of fact only 11 other Senators voted against that public works bill. In fact we appropriated $465 million more than we did last year.

Nevertheless, some of us apparently are hesitant to help these elderly people who are in a desperate plight. I cannot see justice in that. We spend money for dams, rivers, harbors, and things of that nature yet hesitate when it comes to helping the elderly. Realistically I think we can help the elderly poor and it should be done by January 1.

Mr. LONG of Louisiana. Mr. President, in 1968 this bill will increase the payments to the kind of people for whom the Senator from Vermont has a very warm and large heart, and for whom I have great sympathy and feeling. It would increase the amount flowing to them in 1968 by $3.343 billion. In the following year, 1969, when it becomes fully effective, the bill increases the amount of money for those fine people, some of them retired and others in desperate straits who need the benefits this bill will provide. By 1972, the bill would in-

crease the amount of money flowing to those fine and deserving people by $6.6 billion.

Mr. President, I do not stand here to play the part of Scrooge. The Finance Committee bill will do more to help less fortunate people than any bill ever to come before the Senate, as it stands right now.

Mr. AIKEN. Mr. President, will the *Senator from* Louisiana yield? I have a serious question this time.

Mr. LONG of Louisiana. I am happy to yield to the Senator from Vermont.

Mr. AIKEN. Does the Senator from Louisiana have any estimate as to the amount of the benefits which would accrue to private insurance firms as a result of passing this bill? I refer to the national employers who, say, have a program guaranteeing a retirement of $200 a month. As I understand it, it is customary to set up these plans so that a company can pay the difference between the social security payment and the amount specified in the program—whatever it may be called. But is there any estimate as to the saving to corporate insurance and retirement funds through raising the social security benefits?

Mr. LONG of Louisiana. I regret to say that I do not have those figures at hand, but I will try to get them for the Senator.

Mr. AIKEN. But, it would be a substantial amount?

Mr. LONG of Louisiana. In some instances; yes, sir. Also, there may be some windfall to State governments as a result of the big increases in the social security payments. Some States will be able to save money on their welfare programs, although we require in the bill that most of the saving be passed on through to the beneficiaries at the other end rather than for the State to take full advantage of such a windfall.

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

Mr. LONG of Louisiana. I yield.

Mr. HARTKE. As the chairman of the Committee on Finance knows, I have great sympathy for the basic approach in the amendment offered by the Senator from Vermont [Mr. PROUTY]. Also, the Senator from Louisiana knows that I did the best I could to accomplish in committee something along the same line, trying to bring the $70 a month up to $100 a month. However, there were not enough votes to get it.

I think that a man over the age of 65, living by himself, and with no income, should receive at least $1,200 a year. But that did not prevail in committee. I came back through this thing. They had a majority vote at the beginning of the committee session. We went on back again with the Senator from Delaware [Mr. WILLIAMS] who had the support at that time of the chairman of the Finance Committee—for awhile, at least—on a temporary basis. We had increased the amount of money we were going to raise not by $2.1 billion, but we had it up to $5.4 billion.

Mr. LONG of Louisiana. $5.1 billion.

Mr. HARTKE. All right.

I was astonished, appalled, and everything else. I do not believe that we should use the social security fund as a means for fiscal adjustment of other problems, or use it as a petty cash fund to draw upon for the war in Vietnam. But we do have a situation on our hands where we have a good bill. The fact is, I wonder whether we would have had this good a bill if we had tried to go ahead and follow the situation as recommended by the Senator from Vermont [Mr. PROUTY].

Personally, I would like to see us take that money out of the general fund. If there were not enough votes to get that job done in committee, we would never have had a bill at all. I came back from the committee and gave ground that I preferred not to give ground on. The Senator from West Virginia [Mr. BYRD] also gave ground. I said to him, would he be agreeable, if we could get the bill out and not try to tax the people, to deferring his amendment until January 1, 1969. The Senator from Vermont does not push that date forward. He does not have any plans to push that date forward. I would like to push them all forward. In fact I would like to push them back a couple of years and say that a person receiving only $44 a month in March has been cheated. Give them something for all those years they have not had it. But that is not the way it works. The best we could come up with was a situation of how to do the accounting and how to do the checks.

The Department of Health, Education, and Welfare told us, in all good conscience, that it probably would be February before it could get the job done, anyway. The question is whether it will be February or March 1. We could make it retroactive if we wanted to. We could make it retroactive for a year if we wanted to. There is no law against that. But what we are talking about is relative to the mechanics of providing the checks to be received in March which would be charged from February, or effective in March and voted in April.

They will get their checks. They will get that assurance. It probably must go back to the House to get the figure almost closer to $70, than if we adopt this amendment and move it back to January 1.

In my opinion, if this amendment is successful, instead of people going from $44 up to $70, they will receive closer to $50, a $6 increase.

Personally, I am in favor of making sure that they get all they can, although I personally feel that there is too much tax in the bill. I still think that it is fairer than it was when originally presented. Then we were going to tax $3 billion more. So far as I am concerned, that is unjust and unnecessary and thank goodness it did not prevail in committee, through the good graces of the chairman, because he came back in there and he had changed his original tentative vote—and it was a tentative vote, I agree with that.

Thus, I am going to support the committee. I would hope that the Senate will also support the committee in opposing the amendment.

I will say that opposing the amendment, in my opinion, will do more for the elderly people of this country than adopting it.

It does not make an emotional charge that it has practical effects.

Let me make clear that while next year is an election year, I do not run in 1968. The people will feel the full impact of the tax in this bill in 1969, before I ever have to meet the people again.

Thus, this is a responsible bill. I think there are some changes which should be made, but this is not one of them.

Mr. LONG of Louisiana. Mr. President, I do not think that this Nation would have a national debt of $342 billion if the same committees that authorize the spending had the responsibility to raise the money to pay for it.

The Committee on Finance does have that responsibility with regard to the social security program. The committee has measured up to that responsibility. It has come in here and proposed to pare down somewhat what it would like to do for these fine old people, and for others drawing these benefits, to keep the cost of the benefits we vote within the taxes which are to be paid.

The Senate voted to uphold that idea by a vote of 62 to 6, on the previous rollcall vote today.

If the Senate wishes to depart from that principle and wants our committee to start the business of voting vast benefits without the money to pay for them, the Senate can so instruct us by making that sort of vote.

If that is what the Senate wants to do. I can play that game as well as anyone else and go into committee and vote to raise benefits by $200 a month minimum and not worry about where the money will come from—just add it to the deficit. But, Mr. President, the committee has been responsible. One reason that we do not pay the checks earlier—one reason we deferred some benefits—is that we have responsibly tried to keep the cost of the program within the revenues we have been able to raise. I would hope that the Senate would sustain the committee and not agree to the amendment for that reason.

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

Mr. LONG of Louisiana. I yield.

Mr. COTTON. I note that the Senator, like the majority and minority leaders, is laying down on the word "responsible" and labeling some of us who thought, through the years, that we had been responsible, as irresponsible. But I respect the responsibility—and he has used that word a dozen times—of the distinguished chairman of the Finance Committee. Perhaps it is irresponsible to suggest that these people receiving the minimum, in the dead of winter, in January, should not have to base their expectation on what is going to happen in March. But they cannot eat expectations and expectations will not keep them warm. Perhaps it is an emotional appeal, but if we are going to be entirely responsible, and the overwhelming vote to which the Senator referred really means something, it would be a very simple matter for those who bow down to follow a sense of responsibility—let the elderly have this money in January and move up the tax

in January, too. Then we will not be faced with what I am sure is a purely coincidental situation of having benefits just before election and taxes coming after election.

Mr. LONG of Louisiana. In the first place, I have not said anyone was irresponsible, but I have said the committee was responsible, in this particular argument, and I think that is correct.

The tax increase does not go into effect in January, to raise enough money in 12 months, from taxes for the benefits that would be paid out in 9 months. The following year the taxes go up even more, and we apply it against an even higher wage base. Again, we would raise more money to pay for the benefits that we are voting.

Mr. PROUTY. Mr. President, if the Senator will yield, actually, the Senator is reducing the tax in January of this year over the present level.

Mr. LONG of Louisiana. Not this year.

Mr. PROUTY. Next year the Senator is reducing it from 4.4 under existing law to 4.2. So that is a reduction in taxes.

Mr. LONG of Louisiana. As I recall, in January 1969, the rate will go to 4.9 under existing law. We put it at 4.8.

Mr. PROUTY. Under existing law it is 3.9, and the committee reduced it to 3.8 for 1968.

Mr. LONG of Louisiana. The Senator is looking at part of it only. He is looking at the social security part of it. The total tax is 4.4 in 1968. It would be 4.9 in 1969 to 1970. We changed that rate to 4.8, but we apply it against a bigger base, so it brings in more money. We collect more taxes by charging a rate that is one-tenth of 1 percent less against a base that is much greater.

Mr. PROUTY. But the Senator reduces it under the Oldage and Survivors Disability Insurance program.

Mr. LONG of Louisiana. That is largely because of a shift of funds necessary to put more money into the nursing home program to correct a deficiency in those funds, as pointed out by the Senator from Delaware [Mr. WILLIAMS]. By making that adjustment, it causes a reduction in one area and an increase in another. But if one looks at the overall rate, the rate would go from 4.4 to 4.9 under existing law in 1969, and we would have it go from 4.4 to 4.8. We still raise more money, and the reason for it is that we apply it against a much higher wage base.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. PROUTY] for himself and the Senator from New Hampshire [Mr. COTTON].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Alaska [Mr. GRUENING], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], the Senator from Oregon [Mr. MORSE], and the Senator from Maryland [Mr. TYDINGS] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. HARRIS], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Washington [Mr. JACKSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Wisconsin [Mr. NELSON], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], and the Senator from Georgia [Mr. TALMADGE] are necessarily absent.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. HARRIS], the Senator from Wyoming [Mr. MCGEE], the Senator from Florida [Mr. SMATHERS], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Maryland [Mr. TYDINGS], the Senator from Washington [Mr. JACKSON], and the Senator from Nevada [Mr. CANNON] would each vote "nay."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from Louisiana [Mr. ELLENDER]. If present and voting, the Senator from Oregon would vote "yea" and the Senator from Louisiana would vote "nay."

Mr. KUCHEL. I announce that the Senator from Tennessee [Mr. BAKER], the Senator from Utah [Mr. BENNETT], the Senator from Colorado [Mr. DOMINICK], the Senator from California [Mr. MURPHY], the Senator from Illinois [Mr. PERCY], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] and the Senator from Texas [Mr. TOWER] are absent on official business.

The Senator from North Dakota [Mr. YOUNG] is absent because of death in his family.

The Senator from Arizona [Mr. FANNIN] is detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. FANNIN], the Senator from California [Mr. MURPHY], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 12, nays 55, as follows:

[No. 328 Leg.]

YEAS—12

Aiken	Cotton	Kennedy, N.Y.
Bayh	Hatfield	Miller
Brooke	Javits	Prouty
Case	Kennedy, Mass.	Williams, N.J.

NAYS—55

Allott	Griffin	McClellan
Anderson	Hansen	McGovern
Bartlett	Hart	McIntyre
Bible	Hartke	Metcalf
Boggs	Hayden	Mondale
Brewster	Hickenlooper	Montoya
Burdick	Hill	Morton
Byrd, W. Va.	Holland	Moss
Carlson	Hruska	Mundt
Clark	Inouye	Muskie
Curtis	Jordan, Idaho	Pastore
Dirksen	Kuchel	Pearson
Eastland	Lausche	Pell
Fong	Long, La.	Proxmire
Gore	Mansfield	Randolph
Ribicoff	Spong	Yarborough
Russell	Symington	Young, Ohio
Smith	Thurmond	
Sparkman	Williams, Del.	

NOT VOTING—33

Baker	Fulbright	Morse
Bennett	Gruening	Murphy
Byrd, Va.	Harris	Nelson
Cannon	Hollings	Percy
Church	Jackson	Scott
Cooper	Jordan, N.C.	Smathers
Dodd	Long, Mo.	Stennis
Dominick	Magnuson	Talmadge
Ellender	McCarthy	Tower
Ervin	McGee	Tydings
Fannin	Monroney	Young, N. Dak.

So Mr. PROUTY's amendment was rejected.

THE IMPORTANCE OF GOOD HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES

Mr. SPARKMAN. Mr. President, good housing for low- and moderate-income families continues to be a basic problem on the urban scene. Congress, over the years, has provided a number of programs to cope with this problem, and housing is being provided.

More needs to be done, but it is encouraging that progress is being made. An example of this progress is to be found in the Washington Evening Star of November 3, 1967, in a story by Aaron Ruvinsky on the Federal Housing Administration's 221(d)(3) program.

This report reflects an imaginative, thoughtful approach on the part of the sponsors and a positive attitude on the part of FHA. These factors are vital to the continued growth of the program activity which will mean so much toward meeting the present and future housing needs of our Nation.

I ask unanimous consent to have the article printed in the CONGRESSIONAL RECORD.

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

LOW-RENT HOUSING EXPANDS

(By Aaron Ruvinsky)

At last somebody is doing something about that great segment of the population that is too rich to qualify for public housing, but too poor for the new homes and apartments being built in the Washington area.

Within the last two weeks this was dramatized by a number of developments in Prince Georges County alone. First, builder Ralph Rocks broke ground near Laurel for the county's first housing designated for low and moderate-income families. The first section of four-story buildings will accommodate 160 families, but a total of 1,080 eventually will move in if all goes as expected.

The next day the county commissioners announced the appointment of a five-member housing authority. Its function will be to undertake a variety of programs making housing available at lower cost with federal aid.

At the same time, the county requested a federal "model cities" planning grant to help renovate a 12-square-mile area near the northeastern corner of the District. One of the goals would be 1,000 dwelling units for low and moderate-income families.

Prince Georges is the fourth jurisdiction in the area to get into the Federal Housing Administration program of below-market-interest-rate housing. Alexandria already has rented out all 69 apartments in Jefferson Village. Spring Gardens, a 209-unit project at Gum Springs, Fairfax County, has a waiting list.

The need is greatest in the District, of course, and that is where the greatest progress has been made. According to FHA's D. C. Insuring Office, 12 projects are in various phases from pre-construction to completion. With the three outlying projects, they will house a total of 2,994 families at a cost of $37 million.

Scheduled to get under way toward the end of this month is the first of four such projects in the Northwest No. 1 redevelopment area. It is called Sursum Corda—Latin for "lift up your hearts"—and indeed is calculated to lift up the hearts of those who will live there.

In order to make sure that the apartments would match the market, Sursum Corda, Inc., interviewed the families that will be first in line to move in. (In fact, applications already exceed the 199 units to be built.) Most of these families already are living in the redevelopment area.

One result is that 20 of the units will be six-bedroom townhouses. Twenty will have five bedrooms; 46 four bedrooms, and 39 three bedrooms. Each unit will have a private entrance. All except the 44 one-bedroom apartments will have washers and dryers. They also will be air conditioned and have private gardens and sliding glass doors.

Richard E. Collins, of Collins & Kronstadt—Leahy Hogan Collins, the architectural firm, pointed out some unusual features in the design. Most of the larger units will be townhouses, but 44 two and three-bedroom apartments will be "piggy-backs"—units on one floor but with private entrances.

The facades will be of textured tan blocks. Collins said the design will be simple and modern, yet reminiscent of a Portuguese fishing village. All the houses will face one way so as to get the morning sun into the gardens and family rooms.

There will be no basements, but, he said, ample storage will be provided in gardens sheds, attics and closets.

Community facilities will include a small outdoor amphitheater and a community building with a clinic, meeting room, library—remedial reading room and drama workshop. L and 1st Streets will be closed to vehicles and landscaped as pedestrian parkways.

A Redevelopment Land Agency spokesman pointed out that the FHA took only six weeks after the Sept. 7 filing date to approve a mortgage commitment for the project. The spokesman said the FHA, which normally would take about six months to process such an application, apparently is pushing now to speed up the construction of housing under its below-market-interest-rate program.

LIMITED PROFIT

Pumpkin Hill, situated on Route 197 just east of the Baltimore-Washington Parkway, is a limited dividend project. This means the developer, Allen & Rocks, Inc., is entitled to a profit of 6 percent on its investment. With a large pent-up demand for such housing at Fort Meade, the National Security Agency and the National Aeronautics and Space Administration, little trouble was anticipated by housing officers from these installations in filling up the apartments as fast as they become available.

Due chiefly to the 3 percent loans under the government program, rentals will be about 20 percent less than for equivalent housing built without government aid. Yet the units will be air conditioned, with individual controls, and equipped with almost the same appliances as other new apartments in the area.

There will be no balconies, however, and the mortgage does not include a swimming pool allocation. Rocks said he envisions building one eventually with independent financing.

Designed by Cohen, Haft & Associates, the project will have playgrounds and basketball courts. Rents for the two-to-four-bedroom apartments will range from $115 to about $135 including utilities. Ten acres are being set aside for a school and an equal amount for a shopping center.

LAW 6 YEARS OLD

The first District project to be built under Section 221(d)(3) of the National Housing Act, as amended in 1961, was Anacostia Gardens at Ely Place and Minnesota Avenue SE. It is a 100-unit limited dividend project and was completed in 1963.

The largest in the city is Mayfair Terrace, at Kenilworth Avenue and Jay Street NE, with 642 units, now almost completed. The smallest is a 23-unit rehabilitation project by Better Homes, at three locations in the Northwest.

The name prize goes to PITCH—Presbyterians, Inc., to Conserve Housing. It is completing a 26-unit rehab at 1430 W. St. NW. And St. James Mutual Homes, another rehab at Canal and P Streets SW, is the only cooperative so far, with 108 units being modernized under Foundation for Cooperative Housing sponsorship.

BRITAIN'S ROUGH ROAD INTO EUROPE

Mr. SPARKMAN. Mr. President Robert Kleiman, a member of the editorial board of the New York Times, is a recognized authority on European affairs and the author of a brilliant treatise, "Atlantic Crisis," on Britain's first attempt to enter the Common Market. In the November 13 issue of the New York Times, he has written again about "Britain's Rough Road Into Europe."

Mr. Kleiman's article is a masterful summary of the present situation regarding the status of Britain's recent attempts to join the Common Market. And the compromise he suggests—that Great Britain be offered nonvoting associate status providing that offer were linked to an early fixed date for full British membership—strikes me as one that merits serious consideration by all the parties concerned.

I ask unanimous consent that the full text of Mr. Kleiman's article be printed in the RECORD at this point.

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

[From the New York Times, Nov. 13, 1967]

BRITAIN'S ROUGH ROAD INTO EUROPE

(By Robert Kleiman)

"Great Britain's future is in Europe, even if this great nation will always have, more than any other on our continent, the taste and need for openings to the outside. This also means that France, with whom Britain has always entertained more relations than with anyone—once those of rivalry, for a long time those of alliance and friendship—cannot raise any objection of principle to such a candidacy."

These surprising phrases were spoken to the French National Assembly last week by Foreign Minister Couve de Murville. They concluded a 700-word analysis in which he acknowledged that Britain was moving away from its historic ties to the United States and the commonwealth toward full entry into Europe.

But the French Minister's remarks were only the preface to a much longer, 2,500-word list of French reservations about British membership in the six-nation European Economic Community. Six months after Prime Minister Wilson's application for entry into the Common Market, ambivalence still cloaks General de Gaulle's opposition, leaving the outcome in doubt.

The many predictions of a French veto have still not been borne out, although it could happen at General de Gaulle's press conference later this month. The French President, so far, has preferred to delay negotiations in an effort to discourage Britain and sap its support on the Continent. Popular sentiment in Europe, as Chancellor Kiesinger has just pointed out, is "overwhelming" in support of Britain. An arbitrary veto might trigger a political crisis in France where the Gaullist parliamentary majority is narrow—as well as in the Common Market.

How long the general can persist in his delaying tactics depends, in part, on the way Bonn plays its hand. All three West German political parties have presented the Bundestag with a resolution, proposed by Jean Monnet's Action Committee for a United States of Europe, supporting Britain's application and urging early negotiations. But pressure that might bring him the blame for a crisis with Paris is opposed by Mr. Kiesinger.

It was in this context that West Germany's chancellor was warned in London last month that Prime Minister Wilson would not wait until "all eternity" on the Common Market's doormat. That was the point at which Lord Chalfont, Britain's chief negotiator, privately encouraged newsmen to write that a rejected Britain might withdraw its troops from Berlin, Germany, and NATO—a move Mr. Wilson had to repudiate.

If Bonn will not agree to a showdown with Paris—or even, in the Brussels phrase, a "minicrisis"—how can negotiations with Britain be brought about?

Foreign Minister Willy Brandt, whose Socialist as well as international sympathies are with Britain, has indicated support for the French on many of their economic and technical concerns. In return, he has obtained repeated French pledges that the normal procedures of the Common Market treaty will be permitted to govern.

This transaction makes it unlikely that France can prevent negotiations forever on such pretexts as Britain's payments imbalance, which London is trying to correct by drastic measures, or sterling's reserve currency role, which London is prepared to give up. France undoubtedly will insist on excluding Britain from participation in fixing the Common Market's permanent system of farm subsidies. That must be done by December 1969, a date which would lead France to stall even if General de Gaulle were to decide to admit Britain.

But several compromise proposals are under discussion to permit informal talks by March on other issues—talks London could claim, and Paris deny, constitute negotiations. That may be enough progress for the moment to enable Mr. Wilson to withstand Labor's dwindling political strength at home and the consequent restiveness in his party.

The next election in Britain need not be faced for more than three years. Chancellor Kiesinger may be right in his view that France's aging President cannot be coerced into accepting the admission of Britain but that, if convinced of its inevitability, he might prefer to have it happen while he can still influence the terms.

If this should occur there are many ways to save face all around. The French President's proposal of nonvoting associate status for Britain—which he offered first to Prime Minister Macmillan in 1962—is unacceptable as long as it is designed to prevent, not prepare, Britain's full membership. But it undoubtedly would be acceptable if linked to an early fixed date for full British membership; a number of formulas of this kind have been suggested by Britain's friends on the Continent. Nothing French leaders have said would rule it out.

A BAD DRAFT DECISION

Mr. HART. Mr. President, intermittently the Director of the Selective Service, General Hershey, makes some suggestions to draft boards around the country as to how they should respond to those who believe that the Constitution's due process guarantees and the first amendment should be taken seriously and that if a person decides to violate the law he should still be entitled to his day in court.

During the last several days I inserted in the RECORD a number of editorials commenting on General Hershey's recommendation of October 26, 1967. I was delighted to note that the Wall Street Journal this morning expressed its disapproval of General Hershey's recommendation in an editorial entitled "A Bad Draft Decision."

It is admittedly not a politically happy situation for one to get himself into the position of saying that it is great to throw a rock through a Pentagon window or to knock down the front door of one's local draft board.

Nobody is saying that. However, what we are trying to tell General Hershey is that we have a system of law in this country, and that if somebody throws a rock through a window of his local draft board, we should proceed against him under the law which he is alleged to have violated and permit him to have his day in court so that he may state his defense. And if in the operation of that trial it can be proved that he has violated the law, then the sanctions of that law should be applied against him.

We should not undertake to set up a local draft board as a court that can make that determination.

I think a good many people are offended, incidentally, by the notion that we can tell a fellow he has to go into the service as a result of an alleged criminal action. It is not a very healthy way to treat those in the service, and it certainly would make uncomfortable the term of service of anyone who is in the service, having arrived there under completely honorable methods.

It is most reassuring to note that the Wall Street Journal has expressed its concern over General Hershey's proposal on how to deal with those who violate the law in opposing the war. I ask unanimous consent that the editorial to which I have referred may be printed in the RECORD.

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

A BAD DRAFT DECISION

The decision to force draft protesters into the military services is wrong on so many counts that it's difficult to believe a responsible official actually could have made it.

Lieut. Gen. Lewis B. Hershey, the Director of Selective Service, is right when he says that those who violate the law in opposing the war should be prosecuted. Since plenty of laws exist to deal with illegal demonstrations, however, it's hard to see why the general needs the draft as an additional weapon.

For one thing, using the draft in that way is an insult to men now in uniform. They presumably feel they are fulfilling their military obligation to their country, not absorbing criminal punishment.

Drafting protesters, moreover, can lead to an unequal justice. A lot of the people who take part in antiwar demonstrations, after all, are not subject to the draft; they may be too young, too old or physically incapacitated. For that matter, they may be women. So some dissidents would be drafted but others couldn't be.

If those objections are not weighty enough, there's also more than a little question whether Gen. Hershey's plan is even legal. The general himself concedes there may be some question about drafting persons who impede the work of military recruiters, but he intends to push ahead anyway.

Last January, it so happens, a U.S. Circuit Court of Appeals held it illegal to use the draft even against students who staged a sit-in at a local draft board. The proposed distortion of Selective Service would be no service to the nation, its armed forces or any of its citizens.

ORDER OF BUSINESS

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

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

ANTI-INFLATIONARY TOOLS: A CONSTRUCTIVE ALTERNATIVE TO A TAX INCREASE

Mr. PROXMIRE. Mr. President, this year we are confronted with very difficult problems of economic management, and I believe we are all aware of it this afternoon in view of the Presidential press conference which took place this morning—especially with the President's emphasis on trying to get a tax increase. I disagree very strongly with the President on the position he has taken, and I should like to explain why at this time.

While the economic indicators clearly show that the private sector of the economy is not overheated because of excess demand pressures, we are nevertheless experiencing inflationary pressures in wages and prices; and I believe the situation calls for a revival by the administration of the wage-price guidelines in an effort to stop this cost-push inflation.

Our long record of price stability was broken in 1965. The Consumer Price Index had risen only 1.3 percent annually from 1960 to 1965, and the wholesale price index rose 0.4 percent annually during this period. However, from August 1965 to August 1966, the Consumer Price Index rose 3.5 percent, and by August 1967 it had risen another 2.7 percent. Wholesale prices rose 3.8 percent from August 1965 to August 1966, but in the last year that index stabilized—falling by 0.7 percent. Unit labor costs in manufacturing—this is the most inflationary element in the economy at present—after an extended period of stability, increased almost 6 percent from July 1966 to July 1967.

The fact is that several major industries, such as steel, autos and chemicals, have recently been raising prices in spite of the fact that the demand for their products has been far below former levels and the industries are operating far below capacity. But their costs have been rising, and American industries largely price their products on cost.

Capacity utilization in manufacturing fell to 83.8 percent in the third quarter—down from 90.6 percent in the third quarter of 1966. Nevertheless, prices for color television, steel, chemicals automobiles, and rubber have increased. Unpublished estimates of capacity utilization by industry for the second quarter 1967 indicate that, in the primary metal industry, capacity utilization was about 13 percentage points lower than in the second quarter 1966; 11 percentage points lower in the cases of motor vehicles, and rubber and plastics, and 10 percent lower in the case of apparel manufacturing. In spite of substantial excess capacity, price increases have been widespread.

In this situation, the delicate task of economic policy is to develop tools for curbing inflation without dampening the already lagging performance of the private economy. A tax increase is exactly the wrong tool. It will increase not decrease costs and prices. It would increase unemployment further. It would slow production in American plants already more than 15 percent idle. It would reduce profits already falling. And it would retard economic growth, now far below satisfactory levels.

If we adopt a tax increase, we will be making the same error through fiscal policy that the Republican administration made during the 1950's through monetary policy. At that time, the tide of inflation was finally stemmed, but at the painful cost of a 6- to 7-percent unemployment rate. That cost was too great then, and it is too great now.

The critical issue is how to stem inflationary tendencies without operating a slack economy. If we are to face this challenge squarely, we will have to accept the fact that, while proper use of general monetary and fiscal policies is sometimes necessary and important, it will not solve the present problem of inflation. There are many constructive things which I think we could and should be doing about price increases, but there is such a total and exclusive concentration by the administration on selling the tax increase to Congress and the country that they are not receiving the attention they should.

First and foremost is the development of a more effective wage price policy, because wage increases exceeding productivity increase is the crux of the present cost-push inflation.

The first articulation of a wage-price policy appeared in the 1962 annual report of the Council of Economic Advisers, which suggested some general guidelines for wage-price changes. These guideposts have been referred to and elaborated upon in each of the annual reports since then. The Council of Economic Advisers deserves much credit for the development of the guideposts. Unfortunately, however, the administration has abandoned them this year.

The effort to hold back unwarranted

price and wage increases is in a sorry state. In the annual report of the Council for 1967, there is a somewhat abstract discussion of the guideposts and their importance. But the refusal of the administration to specify a specific percent for wage increases gutted guideposts in the year when they were needed most. The Council and the President appear, for all practical purposes, to have abandoned the quest for price stability except by general monetary and fiscal policies, which, as I have indicated, are inadequate in and of themselves.

In terms of public need, the present situation calls for a more determined effort than ever to hold the line on excess price-wage increases. This important point was set forth in the 1967 report of the Joint Economic Committee.

I consider the anti-inflationary proposals contained in the joint economic report of 1967. That report stated:

> Any retreat from the basic philosophy of the guideposts would be a retreat from the objectives of the Employment Act, as well as from the lessons of past experience with cyclical instability and inflation.

The report continued:

> The Committee endorses the principles set forth in the guideposts; however, it believes that there must be continuous innovation to make the guideposts adaptable and effective. In this regard, the Council of Economic Advisers can and should elaborate its 1967 guideposts.

The committee went on to elaborate in some detail its suggestions for moving forward with the guideposts and for making them viable instruments. First, the President, with the assistance of the Council of Economic Advisers, should submit quarterly or semiannually a report on the extent to which the economy is achieving the wage-price goals set forth in the Employment Act. Second, the committee realized that it was unrealistic to talk about guideposts in terms solely of productivity advances, since virtually everyone in America was aware at the time that there had been a substantial increase in the Consumer Price Index.

The committee suggested some compromise with the aim of achieving stability over the next 2 or 3 years. It was indicated that some part of the increase in the Consumer Price Index should be added to the increase in productivity, with the understanding that the increment above productivity should decline in future years. Third, the committee felt that the machinery for implementing the guideposts was in great need of improvement. It suggested that a high level unit entitled "The Price, Productivity, Income Office" should be established as a permanent part of the executive branch to apply the guideposts to particular important industries by assembling and analyzing data from both Government and non-Government sources on prices, productivity, output, input, wages, and incomes, at both the aggregate and industry levels.

In addition, the Office would be assisted by industrywide boards composed of representatives of labor, management, and consumers. The so-called PPI Office and the PPI Boards would be authorized to hold factfinding hearings and make recommendations concerning wage-price behavior in the public interest.

There are also many other things we can do to improve the price situation. I refer again to the Joint Economic Committee's report which contained these other suggestions: Government agencies should push rapidly ahead with development and regular publication of industry data on output, productivity, prices, capital, labor, and incomes so that the pressure of informed Government and public opinion can help maintain price discipline.

Parenthetically, I might add that, while the whole Nation was watching the negotiations in the auto industry, no published data were available on these basic measures, which would have helped the public to develop an informed opinion and prevent the kind of 6-percent increase in wages which is unquestionably inflationary.

We must continue with and expand our present efforts to improve the efficiency of labor markets. President Johnson has stated repeatedly that we must give the poor, the unemployed, and the disadvantaged people the opportunity to become taxpayers rather than taxeaters. Secretary Wirtz stated before the Joint Economic Committee that the investment required to train structurally unemployed persons is repaid to the Government in only 2 years in the welfare costs saved. Moreover, within 4 years, the costs of the investment are recovered in terms of higher taxes paid. Government training programs are among our most important deflationary tools.

It is increasingly recognized that Government efforts to train the unemployed and the underemployed can only be successful if the help and cooperation from private industry are forthcoming. Developments in this direction have been encouraging. On September 13, the life insurance industry pledged a $1 billion investment for housing and for financing job-creating enterprises in high-risk ghetto areas.

The President, through Secretaries Trowbridge and Wirtz, is developing a "one-stop point of contact for businessmen interested in hiring workers from the ghetto or initiating business enterprises in ghetto areas. This worthy objective is receiving the support of business. It is being directed by Mr. William E. Zisch, vice chairman of Aerojet-General Corp.

The availability of information is an essential part of an efficient labor market. In 1966, the Joint Economic Committee's Subcommittee on Economic Statistics, of which I was then chairman, held 2 days of hearings on job vacancy statistics. That subcommittee concluded:

> It is difficult to conceive of a more obvious way to improve the amount of information available to workers and to employers in the labor market. Such information would promote efficiency and greater equality of economic opportunity. In addition, it would feed the needs of the Nation's new and growing manpower development programs.

The subcommittee pointed out that at that time there had been considerable research devoted to the development of job vacancy statistics, and it recommended that the experimental program be expanded to 80 of the largest major labor areas, as recommended by the Labor Department. Regrettably, the administration did not present the expanded program for consideration of the Congress in 1967.

Government services to aid private industry and workers in interarea recruitment should be stepped up and made more efficient. The Labor Department has been experimenting with the possible use of computers for matching workers with job opportunities throughout the country.

Government procurement practices—Federal, State, and local—can have an important impact on prices. The timing of purchases and the selection of purchases can all play an important part in keeping prices in line. A major reform could be accomplished if the Government would use realistic discount rates in assessing the advisability of public works and other long-term investment programs. It is totally inefficient for the Government to apply a 3⅛-percent discount rate to public works projects while interest rates of Government bonds of comparable maturity are in the 5-percent range, and the returns to investment in private industry are from 10 to 15 percent. This is not only gross inefficiency, but it leads to undesirable price developments.

Mr. President, it is high time for us to develop more imaginative and selective economic policies. Just as meat ax budget cuts and spending ceilings are not responsible ways to curb government expenditures, neither is an across-the-board tax increase the appropriate way to handle the inflation problem. We must have policies that are tailored to the problem, and the problem, by and large, is cost push inflation.

A tax increase shifts the costs of wasteful and excessive Government spending programs to business and the taxpayer. In doing so the tax increase not only adds to his burden directly. Since it constitutes an additional cost of business, it adds to the prices the taxpayer has to pay and aggravates inflation.

This is not true when demand is excessive. Then the increased taxes take out of the economy income that otherwise would push up prices; but when, as now, costs are pushing up prices, tax increases will tend to push up prices further and increase inflation rather than decrease it.

U.S. FAILURE TO RATIFY HUMAN RIGHTS CONVENTIONS PROVIDES UNFRIENDLY NATIONS WITH AMMUNITION

Mr. PROXMIRE. Mr. President, the failure of the United States to ratify the Human Rights Conventions on Forced Labor, Freedom of Association, Genocide, and Political Rights of Women has not gone unnoticed by nations unfriendly to the United States. The sole exception of the Supplementary Convention on Slavery, is not impressive.

In fact, our failure to ratify these human rights conventions has presented certain other countries with a major propaganda coup.

An unfortunate example of this opportunity for blatant Soviet demagoguery occurred during a meeting of the U.N. Subcommission on Prevention of Discrimination and Protection of Minorities.

When the U.S. representative advocated the strengthening of the United Nations activity in the human rights field, he was subjected to a sarcastic rebuttal by his Soviet counterpart. The Soviet spokesman alleged American hypocrisy because the United States "had not ratified the Convention on the Crime and Punishment of Genocide."

A similar incident occurred during the 1966 meeting of the U.N. Commission on Human Rights. The U.S. representative expressed our support for the creation of a U.N. Commission on Human Rights. The Soviet representative's retort was both acerbic and cynical. Here, in part, is what the Soviet delegate said:

> An objective analysis of the political orientation of the proposal so ardently supported by the United States and its allies soon revealed that the proposal was designed to give world public opinion the impression of active participation in the cause of human rights by States which in practice obstinately refused to fulfill their obligations under the multilateral international conventions in the field of human rights.

He then proceeded to characterize the U.S. failure to ratify specific conventions as "hypocritical" and "almost indecent."

Mr. President, we know these charges are false. As well, the Russians know they are false. But what about the new nations in the world—60 of them since 1943? What are they to believe?

The Senate can quite readily destroy this unfair propaganda advantage of the Russians and their satellites by ratifying the Human Rights Conventions on Forced Labor, Freedom of Association, Genocide, and Political Rights of Women.

SOCIAL SECURITY ACT AMENDMENTS OF 1967

The Senate resumed the consideration of the bill (H.R. 12080) to amend the Social Security Act to provide an increase in benefits under the old-age, survivors, and disability insurance system, to provide benefits for additional categories of individuals, to improve the public assistance program and programs relating to the welfare and health of children, and for other purposes.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, I am pleased to call attention to the fact that the bill reported by the Finance Committee includes a provision for expedited processing of social security checks in situations where long delays are often experienced under the existing law.

The proposed increases in social security taxes and benefits have monopolized most of the current debate. However, under some circumstances the administration of the social security program can be as important to retired persons as the range of benefits.

I have been disturbed that many people across the country who are entitled to benefits, do not receive their checks as promptly and as efficiently as they have a right to expect. Numerous cases of undue delay in the processing of claims have arisen in my State of Michigan. The need to expedite the handling of benefit applications is urgent.

Earlier this year I joined the distinguished Senator from Pennsylvania [Mr. SCOTT] and others, in sponsoring S. 1954. That bill would authorize the establishment of procedures under which disbursement of social security checks could be expedited when claimants run up against protracted delays in the processing of their applications.

I am pleased that the substance of that bill has been adopted by the committee and has been incorporated as section 172 of the pending bill. Under this provision, the Secretary of the Department of Health, Education, and Welfare is directed to establish special procedures to permit stepped up payment of monthly benefits under particular circumstances.

Of course, I would point out that the effectiveness of this section will depend to a large extent upon the regulations to be promulgated by the Secretary.

I assume and anticipate that the regulations to be issued, if section 172 becomes law, will delegate substantial discretion and authority to the local social security offices. This will be necessary if the provision is to be meaningful.

It should be noted that claims for disability benefits are excluded from the provision. This is justified because those cases are customarily complicated and require medical judgment which should be carefully evaluated.

But, Mr. President, there is no excuse for the long delays often experienced in processing routine claims for ordinary retirement benefits.

I believe that section 172 of the bill before the Senate will go a long way toward eliminating much of the bureaucratic redtape which is now so evident in administering social security benefits. Social security is the major source of income for about one-half of all beneficiaries over 65 years of age. For them, a delay of a month, or even a week, can be a serious blow.

I want to commend the members of the Finance Committee for incorporating this provision in the bill. Along with them, I hope it will become law, and that it will operate to eliminate much of the unnecessary delay Members of Congress read about in the daily mail received from our constituents.

LEAVE OF ABSENCE

Mr. AIKEN. Mr. President, I ask to be necessarily absent from the Senate from the close of business on Monday, November 20, 1967, until Wednesday, November 22, 1967.

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

SOCIAL SECURITY ACT AMENDMENTS OF 1967

The Senate resumed the consideration of the bill (H.R. 12080) to amend the Social Security Act to provide an increase in benefits under the old-age, survivors, and disability insurance system, to provide benefits for additional categories of individuals, to improve the public assistance program and programs relating to the welfare and health of children, and for other purposes.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I am about to propound a unanimous-consent request, but before doing so, and in accordance with the rule, 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, the rule notwithstanding, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. MANSFIELD. Mr. President, I have a unanimous-consent request at the desk which I have discussed with the distinguished Senator from Louisiana [Mr. LONG], the Senator in charge of the bill; the ranking minority member, the distinguished Senator from Delaware [Mr. WILLIAMS]; and my dear colleague the minority leader, the Senator from Illinois [Mr. DIRKSEN]; the distinguished Senator from Florida [Mr. HOLLAND]; the distinguished Senator from Vermont [Mr. PROUTY]; and other Senators; and I ask that it be read at this time.

The PRESIDING OFFICER. The unanimous-consent request will be stated.

The assistant legislative clerk read as follows:

> *Ordered,* That effective on Monday next, at the conclusion of routine morning business, during the further consideration of the bill (H.R. 12080), debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the junior Senator from Louisiana [Mr. LONG]; *Provided, however,* That with respect to the two amendments to be designated by the Senator from Delaware [Mr. WILLIAMS], there be a 2-hour limitation on each; *Provided,* That in the event the junior Senator from Louisiana [Mr. LONG] is in favor of any such amendment or motion, that the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided, further,* That no amendment that is not germane to the provisions of said bill shall be received; *Ordered, further,* That on the question of the final passage of said bill, debate shall be limited to 5 hours, to be equally divided and controlled respectively by the majority and minority leaders; *Provided,* That the said leaders, or either of them, may from the time under their control on the passage of said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. MANSFIELD. Mr. President, I have one addition to make, if I may, and that is that the vote occur at 11 o'clock on Wednesday morning next and, on that date, that the Senate come in at 10 o'clock for the purpose of having 1 final hour of debate.

The PRESIDING OFFICER. Does the Senator also ask that rule XII be waived?

Mr. MANSFIELD. Yes, indeed.

Mr. JAVITS. Mr. President, what is rule XII?

Mr. WILLIAMS of Delaware. It requires a quorum call.

The PRESIDING OFFICER. Rule XII requires a quorum call to be had before the setting of the time for a vote.

Mr. MILLER. Mr. President, may I ask the majority leader: Suppose the amendments are disposed of, say, by midafternoon of Tuesday next——

Mr. MANSFIELD. The order would *still hold. It is* the best we can do. There is no perfect way to face up to the situation. The reason why we had planned to come in tomorrow was the slow progress we are making on the bill. This will give every Senator notice as to when the final vote will take place. He will be made aware of the fact that there will be a time limitation on amendments in the meantime, and in that way, every Senator will be treated as equitably as possible under the circumstances.

Mr. LONG of Louisiana. Mr. President, I regret not to have been in the Chamber at the time the unanimous-consent request was stated. May I ask what is the request?

Mr. MANSFIELD. Briefly, it is a 1-hour limitation on each amendment, 2 hours on two amendments to be specified by the Senator from Delaware [Mr. WILLIAMS], and 5 hours on the bill. The final vote will occur at 11 o'clock on Wednesday morning next. The Senate will come in on that day at 10 o'clock. The hour between 10 and 11 will be for final debate on the bill as it is at that time.

Mr. LONG of Louisiana. Mr. President, I would hope that we might not try to insist on a vote on Wednesday because the thought occurs to me that on some major amendment between now and then the decision might turn on the number of Senators out of town. I realize the problem the majority leader is faced with, and I want to cooperate 100 percent with him. I wonder, however, whether we might not have an agreement without specifying the time for the final vote, for the reason that it is just possible that some Senator may feel he is being very much prejudiced against in an amendment of his which might be debated, with the absent Senators making the difference, whereas a full Senate attendance might make the difference when he calls up his amendment.

Could we not agree to the unanimous-consent request without the Wednesday date?

Mr. MANSFIELD. If the distinguished chairman of the committee would allow me, I think that what the membership, by and large, is most interested in is when the time for final passage of the pending legislation will take place.

It appeared to me it would be doing a favor to all Members of the Senate if they knew specifically that there was to be a vote at a time certain. As far as amendments are concerned, some Senators will be absent, on both sides of every amendment, whom we would like to have here, but who under the circumstances find it impossible to be here.

Mr. JAVITS. Mr. President, will the Senator yield

Mr. MANSFIELD. I yield.

Mr. JAVITS. I hope not to have to object to this request. I do not happen to have been one who was consulted, but that is not too important as long as I am here. There are a series of amendments to some sections of the bill which are being prepared by a group of us in the Senate—quite a number of Senators—which I hope will be filed, generally along the lines that Senator KENNEDY of New York and I have been pushing and serving notice on.

I must say I am caught short on the question of what to do about them. The only thing I would like to say, a sI think the thing through, is first, that I am sure the majority leader will agree that if another amendment needs 2 hours of discussion—we may have an amendment which may be as significant as that of the Senator from Delaware—we may have it out of the reserved time which the leaders have, and that it is understood we will be accommodated on it, because a half hour on an amendment is not very much.

Mr. MANSFIELD. The Senator can be assured of that.

Mr. JAVITS. Another thing: It is conceivable that on a bill of this kind we may not be able to get through with all amendments by 11 o'clock Wednesday morning. Then all the amendments not acted on by then would have to be voted on at that time. Therefore, that is a cut-off that is not justified.

I may very well not be here. I have a duty in Europe, which is very familiar to the majority leader, as have other Senators; but I do think we ought to have a chance to see to it that the amendments are proposed, debated, and voted on.

Therefore, I hope the unanimous-consent request will be modified to provide two things: First, additional time on the bill. Five hours may not be enough. One hour on each amendment may be too little. I think the fixing of 11 o'clock on Wednesday is fine, but it should be subject to the fact that amendments submitted by then should have had time to be debated and voted on. Then, if there is a third reading, and if 11 o'clock on Wednesday follows the third reading, it is fine to have the vote at 11 o'clock. Otherwise, the time should be extended so as to give every Member of the Senate the right to have his amendment brought up and at least have the minimal time on it.

My suggestion is twofold: First, that the leaders provide more time on the bill; second, that they make the hour of 11 o'clock Wednesday for voting, if they insist on it, contingent upon the fact that there shall have been a third reading and that Senators shall have had their time on their amendments.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. WILLIAMS of Delaware. The Senator from New York raised a good point. It was my understanding that this request was intended to take care of the situation in which every Senator would have a chance to get time on his amendment. I agree that we would not want to come in at 11 o'clock on Wednesday and then have to discard all other amendments or vote on them without explanation.

What I think the majority leader was trying to work out was, in the event we reached third reading on Tuesday afternoon, that we would have a final vote on Wednesday. I think it should be made clear that in the event we went into Wednesday morning and there were amendments which had not been offered or disposed of, we would have time to dispose of them.

Mr. MANSFIELD. Mr. President, the suggestion of the manager of the bill, the chairman of the Finance Committee, the gentleman from Louisiana [Mr. LONG], is that if there are any amendments in that category on Wednesday, after coming in at 10 o'clock on Monday and Tuesday and staying late, it might be well to consider having a half-hour limitation on such remaining amendments, 15 minutes to a side, and add to the time allowed on the bill, 6 or 7 hours, instead of 5.

Mr. JAVITS. Mr. President, if the Senator will yield, I do not think we should cut off a Member of the Senate if he has not submitted an amendment. He ought to be given an opportunity to explain it. I do not think we ought to have such a bobtail provision in this agreement.

Mr. MANSFIELD. All I am trying to do is find a way out of a situation which besets many Senators. Personally, I would just as soon come in tomorrow and Sunday and stay here over Thanksgiving. The majority and minority leaders are trying to work out, with the manager of the bill and the ranking minority member of the committee, something that will meet the requirements of Senators who must leave town to fulfill other responsibilities.

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

Mr. MANSFIELD. I yield.

Mr. PASTORE. The Senator from New York knows that the majority leader is a fair man. No Senator is going to be precluded from his fundamental rights. I think the majority and minority leaders are trying to be fair about this. We have to rely upon their integrity. I do not think any Senator will be left out in the cold.

Mr. MANSFIELD. Not if we can help it.

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

Mr. MANSFIELD. I yield.

Mr. HOLLAND. In the first place, I want to make it clear that I shall not object to the request. In fact, I favor it. I wanted to make it clear to the Senator from Louisiana [Mr. LONG] and the Senator from West Virginia [Mr. BYRD] that my earlier request will no longer be applicable if the unanimous-consent request is agreed to. Whether I am here on Monday or not, please disregard my earlier request.

If the Senator from Montana will listen to me, please, I am quite agreeable to this method of handling of the matter, and I would hope that I might be given a live pair in two cases. I will describe what they are. I have committed myself to the Senator from Delaware [Mr. WILLIAMS] to vote for one of his amendments, not for the other. He knows the one. And I have committed myself to the Senator from Iowa [Mr. MILLER] to vote for an amendment which he has.

I would hope I would have a live pair to fulfill my commitments in that regard, because I thought the amendments would be offered earlier than this. Except for that, and I place no condition on it, I would have no objection to the request.

Mr. MANSFIELD. I will do the very best I can.

Mr. President, I suggest that the Chamber be cleared.

The PRESIDING OFFICER. All persons not here on business will please vacate the Chamber promptly. The Sergeant at Arms is instructed to see that the order is carried out. Senators will suspend until the Chamber is cleared.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill 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.

Mr. MANSFIELD. Mr. President, I wish to modify the unanimous-consent request to this extent:

First, that the time on the bill be changed from 5 hours to 6 hours.

Second, that the time designated in the unanimous-consent request, at which the final vote would be taken, be made contingent upon the third reading of the bill by the close of business on Tuesday.

Third, if third reading is not reached by Tuesday night, time for further amendments be limited to a half hour, the time to be equally divided between the Senator who proposes the amendment and the distinguished chairman of the committee.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object——

Mr. HOLLAND. Mr. President, I did not hear the distinguished majority leader state that the final vote would come at the end of that time, or at any fixed time, on that day or when.

Mr. MANSFIELD. It all depends on how the time is used, but if we reach third reading on Tuesday afternoon, the final vote will occur on Wednesday at 11 a.m. But if amendments are still to be proposed on Wednesday, there will be a half hour on each one until we reach final passage.

Mr. WILLIAMS of Delaware. Mr. President, I have discussed a proposal of mine with the chairman of the committee, and it is agreeable to him. One of my amendments deals with series E bonds, which may not be considered exactly germane. I want it understood that it is agreeable to take up that amendment.

Mr. LONG of Louisiana. There will be no objection to that.

Mr. MANSFIELD. I assure the Senator from New York that if additional time is needed, it will be forthcoming.

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

Mr. MANSFIELD. I yield.

Mr. HRUSKA. Will this arrangement take care of the objection voiced by the Senator from New York that perhaps amendments will not be disposed of by 11 o'clock on Wednesday? What will become of the final vote in that event? Will it be delayed, in which event Senators who have reservations for Wednesday afternoon had probably better cancel them?

Mr. MANSFIELD. No; we are coming in early.

Mr. HRUSKA. But however early we come in, will there not be the possibility that the amendments will not be taken care of, and that that will leave the hour for the final vote a floating hour?

Mr. MANSFIELD. Only if third reading is reached on Tuesday, will the vote take place at 11 o'clock on Wednesday.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, after going through this ordeal, I am about to make another unanimous-consent request, but before I do so, I extend my apologies to those Senators who had engagements tomorrow and who have remained in attendance on the basis of my motion this morning that the Senate come in tomorrow. I am deeply sorry if they have been discommoded in any plans they made. I hope it is not too late for some of them, at least, to carry them out.

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

Mr. MANSFIELD. I yield.

Mr. PASTORE. The majority leader is forgiven.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. ON MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today—and this will automatically vacate the previous order—it stand on adjournment until 10 o'clock on Monday morning next.

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

Mr. DIRKSEN subsequently said: Mr. President, I ask unanimous consent that the amendment referred to by the distinguished ranking minority member on the Committee on Finance [Mr. WILLIAMS of Delaware] be considered as germane to the bill. I understand that this request is agreeable to the chairman.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The unanimous consent was subsequently reduced to writing, as follows:

Ordered, that effective on Monday, November 20, 1967, at the conclusion of the routine morning business, during the further consideration of the bill (H.R. 12080), an act to amend the Social Security Act to provide an increase in benefits under the old-age, survivors, and disability insurance system, to provide benefits for additional categories of individuals, to improve the public assistance program and programs relating to the welfare and health of children, and for other purposes, debate on any amendment (except two amendments to be designated by the Senator from Delaware [Mr. WILLIAMS] upon which there will be a 2-hour limitation), motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the Senator from Louisiana [Mr. LONG]: *Provided*, That in the event the Senator from Louisiana [Mr. LONG] is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him. *Provided*, That no amendment that is not germane to the provisions of the said bill shall be received.

Provided further, That if the third reading of the bill has not been reached at the close of business on Tuesday, November 21, debate on further amendments shall be limited to ½ hour, to be equally divided and controlled under the same conditions set forth above, and that if the third reading is reached before the close of business on Tuesday, November 21, the vote on final passage of the bill shall occur at 11 o'clock a.m., Wednesday, November 22.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 6 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

ORDER FOR ADJOURNMENT FROM MONDAY TO 10 A.M. ON TUESDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business on Monday next, it stand in adjournment until 10 o'clock Tuesday morning.

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

ORDER FOR RECESS FROM TUESDAY TO 10 A.M. ON WEDNESDAY NEXT

Mr. MANSFIELD. I ask unanimous consent that when the Senate completes its business on Tuesday next, it stand in recess until 10 o'clock Wednesday morning.

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

COMMITTEE MEETINGS DURING SENATE SESSIONS NEXT WEEK

Mr. DIRKSEN. Mr. President, one other thing I should suggest to the distinguished majority leader is that something ought to be done about committee meetings on Monday and Tuesday.

My suggestion is, Mr. President, that there be no committee meetings, if we are going to undertake to get this job done.

Mr. MANSFIELD. I would agree with the distinguished minority leader. I would hope, though, that if an unusual circumstance comes up, we would give it consideration.

Mr. DIRKSEN. Yes.

Mr. MANSFIELD. On that basis, then, we wish to announce that, barring unusual circumstances, there will be no allowance of committee meetings after the conclusion of morning business on any morning next week.

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

Mr. SPARKMAN. Mr. President, will the Senator withhold that request?

Mr. MANSFIELD. Yes.

ORDER OF BUSINESS

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader whether or not it is planned now to consider amendments on the pending bill for the rest of the day.

Mr. MANSFIELD. Yes, I understand there are some amendments at the desk. We are going to try to have some votes this afternoon, so we can clear the decks as much as possible before Monday and Tuesday, if any amendments are offered.

ELLSWORTH BUNKER

Mr. SPARKMAN. Mr. President, in spite of the millions of words written and spoken in regard to the Vietnam conflict, many Americans still wonder why we are there.

The PRESIDING OFFICER. The Senate will be in order.

Mr. SPARKMAN. In explanation of our presence in Vietnam, let me cite one of America's most respected and capable diplomats—the Honorable Ellsworth Bunker, chief of the U.S. mission in Saigon, and President Johnson's personal representative in Vietnam. Ambassador Bunker is one of America's most distinguished, experienced, and respected diplomats, having served four Presidents—from Harry Truman to Lyndon B. Johnson.

From his vantage point in Saigon, it is Ambassador Bunker's judgment that we are making significant and observable progress in Vietnam—

We have reversed the tide and have made a Vietcong victory impossible.

We have helped secure a larger percentage of the Vietnam countryside.

Under the most difficult circumstances, South Vietnam has held five free elections.

The reasons why we are in Vietnam were stated clearly and succinctly by Ambassador Bunker at his press conference just a few days ago at the White House:

First. To achieve an honorable peace through negotiations.

Second. To make it possible for the Vietnamese to choose their own government through free elections.

Third. To make it clear the United States fulfills its obligations.

Fourth. To help Vietnamese and regional Asian economic development.

These are reasons to which every honorable man can and should subscribe.

They are reasons not radically different from those which compelled the United States to help resist communism in Korea and fascism and nazism in Europe.

Those who claim that we have intervened in a Vietnamese civil war have forgotten how the Communists used, or tried to use, alleged civil wars as covers for attempted takeovers in Greece, in the Philippines, in Korea, and in Malaysia.

Mr. President, I ask unanimous consent that a transcript of Ambassador Bunker's press conference held at the White House on November 13 be printed in the RECORD at this point.

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

PRESS CONFERENCE OF HON. ELLSWORTH BUNKER, AMBASSADOR TO SOUTH VIETNAM, THE FISH ROOM, NOVEMBER 13, 1967

Mr. CHRISTIAN. Ambassador Bunker spent approximately an hour and a half with the President and will answer any questions now or anything you want to talk about.

Q. Mr. Ambassador, if you could, give us some summary of what you reported to the President within your ability to do so.

Ambassador BUNKER. I described to the President my views of the situation now in Vietnam. I said to him, as I have said before, too, that in my view we are making steady progress in Vietnam, not only militarily, but in other ways as well: In the evolution of the constitutional process, in the pacification program, which is, in my view, equally as important as the military situation.

The new government, as you know, has just been inaugurated—a new cabinet appointed and sworn in. The fact that within the last 14 months five elections have been held in Vietnam in the midst of war is, in itself, I think, a remarkable performance. Not only have the national elections been significant, but the elections also at the village and hamlet level, because this marks the beginning of the reinstitution of local government in Vietnam, which was prety well wiped out by the French occupation and by Diem.

This, I think, can have an extremely important effect in the country and in the countryside involving the people and their own development, and their own well-being.

The population coming under government control is increasing steadily. One benchmark is the elections that took place in September 1966 and those that took place in September 1967.

In September 1966, some 5,200,000 people registered to vote and 80 percent of them voted. In September 1967 8,865,000 people registered; 83 percent of them voted.

Again, it is a remarkable performance in spite of the massive efforts of the Viet Cong to disrupt the elections. That is a pretty substantial turnout. It indicates, I think, the interest of the Vietnamese people in the democratic process.

Another indication of it was the number of candidates for office, which was, as you know, 11 Presidential tickets, 480 Senate candidates for 60 seats, and there were 1,175 candidates for 137 seats in the lower house of the Assembly.

The elections were carried out very well, extremely well organized, given the difficulties and given the problems. So that I think the evolution of the constitutional process has been a significant development in Vietnam. The pacification program is also progressing. That has taken a great deal of organization. It has required reorientation and training of the Vietnamese Armed Forces to have been assigned to the pacification job.

It has required the training of the teams who are engaged in revolutionary development. Some 30,000 individuals have been trained so far.

The number of teams now functioning, some 611—we hope to have some 700 by the end of the year, 800 to 1,000 next year and perhaps 75 percent more hamlets pacified next year than this year.

Q. Do you have a figure on hamlets?

Ambassador BUNKER. I said we hope to have about 75 percent more next year than this year.

Q. What was your estimate for this year, Mr. Ambassador?

Ambassador BUNKER. Perhaps close to 1,000—900 to 1,000, I would say, and next year I would say between 1,500 and 2,000 as a prospect.

Q. Mr. Ambassador, do you have any comparative figures on South Vietnamese civilian casualties as a result of U.S. and allied military actions as opposed to North Vietnam and VC?

Ambassador BUNKER. No, it was very difficult to distinguish. No, I haven't any breakdown in the figure.

Q. Mr. Ambassador, if you had had your way about it, would you have preferred to see some of the major opposition figures appointed in the new cabinet?

Ambassador BUNKER. I think it is a very difficult problem. The problem of opposition, the problem of forming a highly competent government is a difficult problem. I think the solution that has been worked out is quite good. I think there is a good cabinet—some excellent men in it—men of experience. I am quite pleased with it, as a matter of fact.

Q. Mr. Ambassador, as an overall assessment, would you say that the pacification program which I believe President Johnson himself about a year ago said was disappointing has gotten off the ground now?

Ambassador BUNKER. Yes, I would.

Q. Mr. Ambassador, could you put this week's talk in context for us? Is your coming back and General Westmoreland coming back sort of an agonizing reappraisal of the situation?

Ambassador BUNKER. No, not at all.

Q. I wanted to ask also if it could take the place of a Pacific meeting?

Ambassador BUNKER. No. I have come back after I have been there six months. I have come back for normal consultation. I think having been there six months it is appropriate to come back and to report on the situation as I see it.

Q. Mr. Ambassador, I think there is a question a lot of Americans wonder about and that is when is this thing going to be over with on the basis of your six months there?

Ambassador BUNKER. I don't think you can put this situation in a time frame. I think it is a great mistake to try to do it. My view is very definite and that is that we are making steady progress. I think there is every prospect, too, that the progress will accelerate because I think that many factors point to it.

In the first place, what you have to remember is, I think, that we have been in Vietnam in force only for two years, really. When we got there there was no logistical base of any kind, really. We had to build. We built five ports, sixty-eight air strips including eight jet strips, and storage depots—the whole base.

The result was that the great proportion of our troops were not combat troops at all. They were support troops—construction battalions, engineering battalions.

Now the base is finished and the proportion is reversed. A great proportion of troops coming there now are combat troops. Consequently, it is more and more effectively putting the pressure on the enemy.

At the same time the Vietnamese Armed Forces are improving and have been improving and have turned in some excellent performances.

Consequently, the combination of the fact that we have a great proportion of combat troops and the improvement in the Vietnamese forces makes the situation that much better from the point of view of progress, from the point of view of pressure, from the point of view of extending the proportion of population under government control and depriving at the same time the Viet Cong control of the population.

Q. Mr. Ambassador, the Vietnam war is obviously going to be a big issue, maybe the main issue, in the coming election—American election.

Can you express your views on the feeling about this and also I am sure as you have been back you have probably read a lot in the American papers and they are filled with the public attitude toward the war.

Ambassador BUNKER. No, I don't think I can comment on the situation here. I have been away. I don't know enough about it.

Q. What has been the impact in South Vietnam of the American debates here in the United States?

Ambassador BUNKER. In South Vietnam, I think as far as the South Vietnamese are concerned they are satisfied and convinced that we propose to carry out our commitment.

Quite naturally, they sometimes as you would expect get disturbed about statements that are made here at times. But I think they understand, too, that this is part of the political process. During the campaign they had a good deal of experience in that. Much of the press was quite critical of the government there. Candidates also had normal political campaign.

Q. You spoke a minute ago about the proportion of combat troops, support and logistical troops—I am talking about the U.S. is now reversed. Do you know what the proportion is now?

Ambassador BUNKER. Yes, I do know but this is classified.

Q. You say the proportion is reversed. You say it is now a greater proportion?

Ambassador BUNKER. Yes.

Q. There was in print this morning behind that question the fact that there is only one-fourth of U.S. troops in Vietnam committed to combat.

Ambassador BUNKER. What is that?

Q. There was a story in print this morning that the ratio is one out of four?

Ambassador BUNKER. That is not correct at all.

Q. Mr. Ambassador, you say you are back here for normal consultations but with the arrival of General Westmoreland later this week, would this take on more of an aspect of an overall review of the war?

Ambassador BUNKER. An overall review would be normal. I have come here to give an overall review.

Q. The joining with Mr. Komer and General Westmoreland would put it on a different scale, of course.

Ambassador BUNKER. Perhaps so, yes. But General Westmoreland is carrying on the military part of it. Ambassador Komer is responsible for pacification. I have an overall responsibility.

Q. Has the Pacific conference then been postponed indefinitely?

Ambassador BUNKER. No date has been set for it.

Q. Mr. Ambassador, you speak of the progress in extending the proportion of population under government control. What is that proportion now and how does that compare with six months ago?

Ambassador BUNKER. I don't know about six months or a year ago. A year ago it was about 55 percent under government control. Now the Vietnamese figure is 70 percent. Ours is a little more conservative. We say 67 percent. About 17 percent according to our figures is under VC control and the rest is in contested areas.

Q. Are you talking about population?

Ambassador BUNKER. Yes.

Q. There were reports from Saigon in the last several days indicating that for the first time in recent months anyway the number of enemy, estimated enemy force, had dropped considerably—something that we have been looking for for some months.

Ambassador BUNKER. I think that is true. I haven't got the figures here. But I think it is true. There are indications—our indications are—that the recruitment of the Vietcong has declined very substantially in the last year, probably about 50 percent.

Not only that, they progressively have been denied access to food areas. One result is that they are attempting to extort higher and higher taxes from the people by alienating them.

The result is that more and more of the war effort has been taken over by the North Vietnamese.

Q. Mr. Ambassador, along these lines, we are being told that the Vietcong and North Vietnamese are suffering terrible hardships, that casualties on the ground are tremendous, that they are taking a terrible pounding from the bombing. Why is it under this severe punishment that Ho Chi Minh doesn't want to negotiate? Why wouldn't he want to go to a conference table?

Ambassador BUNKER. I don't know what is in Ho Chi Minh's mind, I am sure.

Q. Mr. Ambassador, we have discussed the effect of dissent and criticism here on the South Vietnamese. Would you tell us what you think it is on the North Vietnamese?

Ambassador BUNKER. I can only conjecture. As I said, I am sure I do not know what is in Ho Chi Minh's mind. I would think it would encourage them to hold on.

Q. Mr. Ambassador, could you give us any specific examples of moves made by the newly elected Saigon Government to do something about the corruption?

Ambassador BUNKER. Yes, indeed. They have made moves on the corruption. In the III Corps, for example, some 75 officials have been dismissed this year for corruption or incompetence. There is a list of some 50 military personnel under investigation now. As you may know, recently the Chief of Binh Dinh Province was sentenced to death for corruption. Eight of his other officials were sentenced to severe prison terms.

The government is taking steps in getting into this whole problem.

Q. Are you for or against the bombing pause?

Ambassador BUNKER. I think that depends on whether there is any reciprocity. We have had what—five pauses so far. They have been used each time to build up supplies and I think the President has made it very clear that if there is some indication of reciprocity that naturally we could consider a pause. But there hasn't been any so far.

Q. Mr. Ambassador, on this matter of corruption, Vice President Humphrey said when he got back the other day that the biggest challenge facing this new Saigon Government is bringing the corps commanders under effective political control.

Has anything been done yet in this short time or what do you think can be done in the future?

Ambassador BUNKER. I think it can be done. But the government has only been in a few days. It was inaugurated November 1. The cabinet was only installed last week.

Q. What sort of steps can we expect?

Ambassador BUNKER. I think the province chiefs will be made responsible to the central government rather than to the corps commanders.

I think that will probably be a step which will be taken which will be also very wise, I think, and a very constructive step.

Mr. CHRISTIAN. The Ambassador is late for another appointment. So let's have a couple more quickies only.

Q. General Westmoreland has been out there for quite a while. Could the possibility of a replacement for him come under the range of the current review?

Ambassador BUNKER. No, not to my knowledge.

Q. Could you be more specific about what sort of reciprocity you might expect?

Ambassador BUNKER. No, I think the President has made it pretty clear.

The PRESS. Thank you.

WILL EMPLOYERS BE INDUCED TO TRAIN THE POOR?

Mr. PROUTY. Mr. President, as coauthor of the Human Investment Act and the revised Emergency Employment Act, I call to the Senate's attention an article by Dr. Sar Levitan, of George Washington University, entitled "Will Employers Be Induced To Train the Poor."

Dr. Levitan, whom I consider one of the foremost authorities on job development and manpower training programs, focuses on the need to involve private enterprise in the training of the disadvantaged at a greater level than has heretofore been the case.

All too often taxpayers' money for Federal training programs has failed to fulfill the hopes and aspirations of our needy citizens in terms of educational and vocational training. It is important that Congress act to improve employment opportunities for both young and old alike so that the poverty cycle might be broken once and for all.

In calling the article to the attention of my colleagues, I commend Dr. Levitan and ask unanimous consent that it be printed in the RECORD.

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

[From Poverty and Human Resources, November-December 1967]

WILL EMPLOYERS BE INDUCED TO TRAIN THE POOR?

(By Sar A. Levitan)

It is becoming increasingly clear that the recently inaugurated federally-supported antipoverty training and job creation programs are falling short of their intended goal to help participants achieve economic independence and self-support. It appears that these efforts are more successful in providing the unskilled and deficiently educated income and an opportunity to perform socially useful work, but little preparation for future gainful employment in the competitive labor market. The problem, some have suggested, is that private enterprise which has traditionally trained workers and equipped them with skills has remained only on the periphery of the new training programs.

Since the Economic Opportunity Act permits profit-making organizations to participate in these training programs, many have criticized program administrators for the lack of private employer involvement. However, this represents only part of the answer. Pressure to produce instant success and to maximize the number "served," encouraged administrators to fill available "slots" in the public sector. Since the federal share is at least 90 percent of costs—and the balance can be provided "in kind"—public agencies and nonprofit organizations can obtain what is, for all practical purposes, free labor. Enrollees are frequently assigned to marginal tasks or "make-work" jobs. Thus projects will often not offer the best training or the most meaningful employment. Although reduction of the share of federal contribution might encourage agencies sponsoring projects to restrict job openings to needed and more meaningful work, such a move might discourage participation by many public agencies and nonprofit organizations and preclude establishment of projects in areas which need them most. The time may be fast approaching when program administrators are going to have to choose between quality and quantity.

ON-THE-JOB TRAINING

To secure greater private participation in training programs, administrators of the Manpower Development and Training Act have recently placed greater emphasis on OJT, reimbursing employers for training costs but not for wages. The distinction may be more semantic than real since the government picks up part of the total labor cost during the initial employment period—the

duration is dependent upon the occupation for which the worker is trained. Since selection of trainees is left with employers and they receive uniform reimbursement per trainee in a particular program, an incentive is created to "cream" the best qualified applicants. A comparison of the characteristics of institutional enrollees, who are chosen by the Employment Service, and OJT enrollees suggests the difficulties of placing the disadvantaged with private employers. In 1966, two of every five MDTA institutional enrollees were nonwhite, while in OJT they accounted for only one in five. Enrolees with less than a high school education accounted for more than half of those in institutional courses, but for only a third in OJT. While one of every nine institutional trainees were public assistance recipients, one of every 80 OJT enrollees was in that category. The results in other programs are no better. Few out-of-school Neighborhood Youth Corps enrollees have been offered the opportunity to participate in private on-site training. In the Work Experience and Training Program (Title V) which has considerable latitude in placing participants with private-for-profit organizations, only 3 percent were so placed.

Based on his study of MDTA, Professor Garth L. Mangum has suggested that if OJT is to be effective as an incentive to employ the disadvantaged, it might be necessary to limit the payment of subsidies only to the employment and training of the poor. OJT's apparent success (about nine of every ten who had completed training were employed when last surveyed) with the limited number of disadvantaged workers suggests that it might offer a viable technique for inducing employers to hire unqualified workers and train them for available jobs. Successful expansion of OJT for the disadvantaged may, however, require raising the subsidy above current levels.

Some employers have assumed the responsibility for training the poor without government subsidy. As their contribution to the nation's war on poverty, these employers have lowered hiring qualifications and trained workers who would normally not be acceptable. Their rationales have ranged widely. Labor shortages accounted for some of the hiring, but not all. Some consider their action as "enlightened self-interest," a recreation to riots that occurred in many cities. Others, opposed to the expansion of the welfare state, think that they can motivate and train the disadvantaged better than public programs. Though the number enrolled is small, the experience is valuable for the lessons that can be gleaned from it. The much-touted JOBS NOW of Chicago is an example. Here a private nonprofit organization, the YMCA, provides an initial two-week orientation to hard-core gang youth. This orientation, and the provision of coaches to work with the youth while on the job, is subsidized by federal funds. The brunt of the costs, however, is assumed by private employers who hire the participants at their going rate of pay and provide a high-support environment and training for poorly qualified employees. Though some of the largest companies in Chicago participate in the program, they agreed to absorb only about a hundred participants every two weeks. This program and others have, however, indicated the costs of hiring unqualified and, frequently, poorly motivated workers. A large insurance company which hired 20 high school dropouts found that to make them competitive with high school graduates might cost as much as a thousand dollars per enrollee during the initial year. There are other costs, not the least of which is concerned with retaining poorly prepared and motivated employees. This involves not only extra costs for supervision, but also to reorient supervisors to deal sympathetically with the problems of the new employees. There are also dangers—bending disciplinary rules and work performance standards which, if not adroitly handled, can affect adversely overall productivity.

Private corporations cannot be expected to act as eleemosynary institutions to any substantial degree. If inadequately educated and poorly motivated workers are to be trained and equipped with skills to enhance their position in the competitive market, the government must absorb the brunt of the costs. Rather than "viewing with alarm" the use of tainted government money, there is room to be concerned that there ain't enough of it.

NEW WAYS AND MEANS

Molding an effective partnership of government and private enterprise for training large numbers of disadvantaged is dependent on government funds and private employer know-how. Debate has centered on the most efficient ways and means to accomplish the desired goal.

Human investment bill

One alternative that has received considerable support would provide tax incentives to employers. The use of such incentives for achieving policy objectives has a long history. The most recent major effort was the 1962 law giving 7 percent tax credit toward the cost of investment in machinery and equipment. Reasoning that investment in human skills deserves the same consideration, Senator Winston Prouty (R-Vt.) and Representative Thomas B. Curtis (R-Mo.) proposed that employers be allowed a 10 percent tax credit for expenditures in training non-managerial and non-professional employees. A higher tax exemption for human investment than for investment in machinery and equipment is justified by the sponsors on the assumption that it involves a higher risk to the employer. When purchased, machines become the property of the employer, but trained workers can always opt for another employer. The Human Investment bill, originally introduced in 1965, was revived in the present Congress and sponsored by 29 Republican Senators (S. 812) and 140 Republican Congressmen.

Proponents of the legislation claim it would stimulate increased job training by private business with a minimum intervention by the government. According to the Congressional Joint Committee on Internal Revenue Taxation, these tax exemptions would result in an annual loss in federal revenue of $200 to $350 million, "depending on the extent to which the tax credit stimulated new training programs."

The Administration has taken a dim view of the Human Investment bill. Conceding that tax incentives can be utilized to achieve desired social purposes, Gardner Ackley, Chairman of the President's Council of Economic Advisers, has observed that such tax policies may unduly erode the tax base. Ackley also questioned whether the plan would produce enough additional training to offset the potential loss in revenue, and whether it would result in training for specific, identifiable skill shortages. He also argued that the program would not affect the disadvantaged because employers would concentrate on training those who are already employed. He concluded that MDTA, both institutional and OJT, will result in a bigger bang for the buck than tax incentives.

Needless to say, proponents of the legislation find Ackley's arguments unconvincing. Quoting praise from Administration spokesmen concerning the positive results of tax exemptions in capital investment, they wonder why similar results would not be achieved by a tax incentive in human investment. Administration economists reply that policies to encourage investment suitable in 1962, when economic slack prevailed, are not applicable to the inflation-threatened economy of 1967.

Since current conditions are not the most propitious for consideration of tax cuts, a detailed discussion about the merits of the Human Investment bill may not appear timely at present. The hiring and training of ghetto residents and other poverty clients is an urgent issue, however. The advocates of the bill have argued that it provides built-in incentives for training the disadvantaged: with incentives to employers to train and promote already-employed workers, the program would serve to vacate jobs at the bottom of the economic ladder for which disadvantaged workers would then be hired as replacements. The argument is not too persuasive. It is doubtful whether the incentives offered by the legislation would be adequate to change hiring practices of employers. Under the provisions of the proposed legislation, employers still could hire more qualified applicants and receive the tax exemption benefits.

Tax incentives for poverty areas

Senators Robert F. Kennedy (D-N.Y.) and James B. Pearson (R-Kan.) have proposed a special application of the tax incentives to job creation in slum areas and Indian reservations. Their proposal (S. 2088) would qualify an employer wishing to locate a commercial (excluding retail) or industrial facility in a slum area with a population of 250,000 or more or on an Indian reservation for various tax incentives over a period of 10 years—providing he created at least 50 jobs and hired two-thirds or more of the employees from poverty areas.* The proposed tax incentives are as follows:

1. 10 percent tax credit on investment in machinery and equipment;
2. 7 percent credit for constructing an industrial facility or leasing space;
3. One-third reduction in calculating useful life of real and personal property for purposes of depreciation allowances; and
4. Special deduction of 25 percent above normal for wages and salaries paid to residents of the slum areas.

In addition, the bill would authorize a $20 million expenditure during the first year for training costs and allowances to prepare potential workers. Senator Kennedy estimates that an employer would save $91,000 annually in taxes on a million dollar investment, but that new jobs generated by the proposal would produce new tax receipts in excess of the tax exemptions.

Essentially, the Kennedy-Pearson proposal is an extension of the concept of aid to depressed areas inaugurated in 1961 under the Area Redevelopment Administration. It differs from the Area Redevelopment Act in qualifying only portions of labor market areas—namely, slum areas—for assistance, and offering much more generous aid to the designated areas.

The rationale for limiting sites to slum areas was supplied by Secretary of Labor W. Willard Wirtz, who stated that "Most of the unemployed in the slums . . . are . . . conditioned by a century of insecurity which creates a very real problem the minute a job emerges more than 6 or 8 blocks away from where they live." Senator Kennedy reasoned from this that jobs would have to be brought closer to slum residents: even if the "insecurity" problem were not a deterrent to the mobility of slum residents, there are no adequate "mass transportation facilities to take them to and from their place of work at the price they can afford to pay." Aside from these arguments, he believes that "investment in jobs within poverty areas is important for its own sake."

The assumption that the tax losses will be more than repaid by the taxes generated by

*The "poor tracts" were designated on the basis of five characteristics: low income, low educational attainment, percent of children under 18 years old not living with both parents, percent of unskilled males, and percent of dilapidated housing.

the new businesses implies, first, that these activities would not be generated without the tax incentives, or second, that these incentives would not reduce investments in other areas. An appraisal of the bill must consider the impact of the incentives upon competing businesses outside the designated areas.

The difficulties inherent in the implementation of the Kennedy-Pearson bill do not negate the need to attack the problems to which the measure is addressed. There is ample evidence that doing business in slum areas involves special costs. This is not only because of higher taxes and higher insurance rates (assuming insurance is obtainable) but also because of the difficulties in training and retraining residents of slum areas and in attracting competent managerial personnel. The crucial issue is to determine the level of incentive needed to compensate for the extra cost of doing business in slum areas. The added costs, no doubt, range widely among the slum areas designated by the Kennedy-Pearson bill, and there are no adequate data to determine the extent of these costs. In the absence of such data, the Kennedy-Pearson proposal, based on narrow and frequently arbitrary geographic boundaries, might achieve its objective at a cost to people residing in other areas in the same city.

THE OLD WAYS PERSIST

While the Administration has not taken an official position on the Kennedy-Pearson bill, latest developments indicate that it is persuaded of the need to subsidize employers if they are to hire large numbers of disadvantaged workers. The current Concentrated Employment Program, an effort involving the investment of some $100 million in 20 urban slum areas and two depressed rural areas, planned to place emphasis on inducing private employers to hire "hard-core" unemployed workers. However, an examination of developing projects indicates that the new program differs little from the ongoing projects.

A more direct bid to involve private employers in antipoverty training programs was offered by the Administration on October 2, 1967, one day before the Senate voted on the Emergency Employment bill, an amendment to the Economic Opportunity Act. A White House memorandum addressed to the heads of the major federal departments concerned announced:

"We are launching today a major test program to mobilize the resources of private Industry and the Federal Government to help find jobs and provide training for thousands of America's hard-core unemployed."

In commenting on the proposal, Secretary of Labor W. Willard Wirtz stated: "We mean business. There's no small print." He might have added that the Administration intended to allocate only small funding for the effort. The proposal involved allocation of $40 million—and this from already appropriated funds—to launch the new program. The amount was hardly a substitute for the Clark-Prouty bill which authorized the expenditure of $850 million; part of the funds would have been allocated to reimburse employers for training the poor. The Administration's opposition was, no doubt, responsible for the Senate's failure, by a five vote margin, to approve the bill.

It would have been comforting to close this paper on an optimistic note with the indication that the federal manpower programs are moving in the right direction, even if the proposed funds are inadequate to meet needs. However, this is not the case. Meanwhile, back in Congress, the House approved another training and job creation bill. Concerned with the rising costs of public assistance, the House-approved solution was to require "employable" relief recipients to undergo a course of training in order to make them self-supporting. The bill would disqualify adults from receiving relief if they refused such training programs.

The House Ways and Means Committee, which proposed the bill, recognized the "serious social, vocational, and educational handicaps of many of the recipients and . . . that much careful and patient work will be needed in order to accomplish the objectives of the bill." The Committee was prepared, however, to invest an additional billion dollars by 1972 for day-care facilities, work training and other services to improve the employability of relief recipients.

The bill is basically an expanded version of the Work Experience and Training Program (Title V), inaugurated under the Economic Opportunity Act. Though the bill adds harsh provisions requiring "employable" mothers to work, it also offers some incentives to relief recipients to undergo training, allowing families to keep the first $30 of monthly earnings, work-connected expenses and a third of the balance. The adequacy of this incentive to encourage persons on relief to seek work leading to economic independence is questionable. Since the House bill leaves the administration of the program to welfare agencies, there is no reason to believe that the results of the proposed bill would differ from the achievements under the present Work Experience and Training Program. Under this program, 50 percent of former enrollees remained on relief rolls and most of the funds were expended to provide temporary work relief.

Though it certainly was not the intent of the Ways and Means Committee, it would seem that the House has voted overwhelmingly, if past experience is an indicator, for a program which will see the government assume additional responsibilities as an employer of last resort. The strengthening of such efforts is needed. However, as Garth L. Mangum, an advocate of such programs, stated: "The government as an employer of last resort must be the last resort for the government as well as the individual." To become self-supporting and to gain employment in the competitive market, the poor need more than opportunities for sheltered work.

We learn little from experience, and progress seems to come slowly.

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

The PRESIDING OFFICER (Mr. SPONG in the chair). The clerk will call the roll.

The bill 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.

FEDERAL JUDICIAL CENTER

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily, and that the Senate proceed to the consideration of Calendar No. 769, H.R. 6111.

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

The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 6111) to provide for the establishment of a Federal Judicial Center.

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

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

TITLE I—FEDERAL JUDICIAL CENTER

SEC. 101. Title 28, United States Code, is amended by inserting, immediately following chapter 41, a new chapter as follows:

"Chapter 42.—FEDERAL JUDICIAL CENTER

"Sec.
"620. Federal Judicial Center.
"621. Board; composition, tenure of members, compensation.
"622. Meetings; conduct of business.
"623. Duties of the Board.
"624. Powers of the Board.
"625. Director and staff.
"626. Compensation of the Director.
"627. Retirement; employee benefits.
"628. Appropriations and accounting.
"629. Organizational provisions.

"§ 620. Federal Judicial Center

"(a) There is established within the judicial branch of the Government a Federal Judicial Center, whose purpose it shall be to further the development and adoption of improved judicial administration in the courts of the United States.

"(b) The Center shall have the following functions:

"(1) to conduct research and study of the operation of the courts of the United States, and to stimulate and coordinate such research and study on the part of other public and private persons and agencies;

"(2) to develop and present for consideration by the Judicial Conference of the United States recommendations for improvement of the administration and management of the courts of the United States;

"(3) to create, develop, and conduct programs of continuing education and training for personnel of the judicial branch of the Government, including, but not limited to, judges, referees, clerks of court, probation officers, and United States commissioners; and

"(4) insofar as may be consistent with the performance of the other functions set forth in this section, to provide staff, research, and planning assistance to the Judicial Conference of the United States and its committees.

"§ 621. Board; composition, tenure of members, compensation

"(a) The activities of the Center shall be supervised by a Board to be composed of—

"(1) the Chief Justice of the United States, who shall be the permanent Chairman of the Board;

"(2) two active judges of the courts of appeals of the United States and three active judges of the district courts of the United States elected by vote of the members of the Judicial Conference of the United States: *Provided, however,* That the judges so elected shall not be members of the Judicial Conference of the United States; and

"(3) the Director of the Administrative Office of the United States Courts, who shall be a permanent member of the Board.

"(b) The term of office of each elected member of the Board shall be four years: *Provided, however,* That section 629 of this chapter shall govern the terms of office of the first members elected to the Board: *And provided further,* That a member elected to serve for an unexpired term arising by virtue of the death, disability, retirement, or resignation of a member shall be elected only for such unexpired term.

"(c) No member elected for a four-year term shall be eligible for reelection to the Board.

"(d) Members of the Board shall serve without additional compensation, but shall be reimbursed for actual and necessary expenses incurred in the performance of their official duties.

"§ 622. Meetings; conduct of business

"(a) Regular meetings of the Board shall be held quarterly. Special meetings shall be held from time to time upon the call of the Chairman, acting at his own discretion or pursuant to the petition of any four members.

"(b) Each member of the Board shall be entitled to one vote. A simple majority of the membership shall constitute a quorum for the conduct of business. The Board shall act upon the concurrence of a simple majority of the members present and voting.

"§ 623. Duties of the Board

"(a) In its direction and supervision of the activities of the Federal Judicial Center, the Board shall—

"(1) establish such policies and develop such programs for the Federal Judicial Center as will further achievement of its purpose and performance of its functions;

"(2) formulate recommendations for improvements in the administration of the courts of the United States, in the training of the personnel of those courts, and in the management of their resources;

"(3) submit to the Judicial Conference of the United States, at least one month in advance of its annual meeting, a report of the activities of the Center and such recommendations as the Board may propose for the consideration of the Conference;

"(4) present to other government departments, agencies, and instrumentalities whose programs or activities relate to the administration of justice in the courts of the United States the recommendations of the Center for the improvement of such programs or activities;

"(5) evaluate proposals for the application of data processing and systems techniques to the administration of the courts of the United States; and

"(6) consider and recommend to both public and private agencies aspects of the operation of the courts of the United States deemed worthy of special study.

"(b) The Board shall transmit to Congress and to the Attorney General of the United States copies of all reports and recommendations submitted to the Judicial Conference of the United States. The Board shall also keep the Committees on the Judiciary of the United States Senate and House of Representatives fully and currently informed with respect to the activities of the Center.

"§ 624. Powers of the Board

"The Board is authorized—

"(1) to appoint and fix the duties of the Director of the Federal Judicial Center, who shall serve at the pleasure of the Board;

"(2) to request from any department, agency, or independent instrumentality of the Government any information it deems necessary to the performance of the functions of the Federal Judicial Center set forth in this chapter, and each such department, agency, or instrumentality is directed to cooperate with the Board and, to the extent permitted by law, to furnish such information to the Center upon request of the Chairman or upon request of the Director when the Board has delegated this authority to him;

"(3) to contract with and compensate government and private agencies or persons for research projects and other services, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), and to delegate such contract authority to the Director of the Federal Judicial Center, who is hereby empowered to exercise such delegated authority.

"§ 625. Director and staff

"(a) The Director shall supervise the activities of persons employed by the Center and perform other duties assigned to him by the Board.

"(b) The Director shall appoint and fix the compensation of such additional professional personnel as the Board may deem necessary, without regard to the provisions of title 5, United States Code, governing appointments in competitive service, or the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates: *Provided, however,* That the compensation of any person appointed under this subsection shall not exceed the annual rate of basic pay of level V of the Executive Schedule pay rates, section 5316, title 5, United States Code: *And provided further,* That the salary of a reemployed annuitant under the Civil Service Retirement Act shall be adjusted pursuant to the provisions of section 8344, title 5, United States Code.

"(c) The Director shall appoint and fix the compensation of such secretarial and clerical personnel as he may deem necessary, subject to the provisions of title 5, United States Code, governing appointments in competitive service and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

"(d) The Director may procure personal services as authorized by section 3109 of title 5, United States Code, at rates not to exceed the daily equivalent of the highest rate payable under General Schedule pay rates, section 5332, title 5, United States Code.

"(e) The Director is authorized to incur necessary travel and other miscellaneous expenses incident to the operation of the Center.

"§ 626. Compensation of the Director

"The compensation of the Director of the Federal Judicial Center shall be the same as that of the Director of the Administrative Office of the United States Courts, and his appointment and salary shall not be subject to the provisions of title 5, United States Code, governing appointments in competitive service, or the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates: *Provided, however,* That any Director who is a justice or judge of the United States in active or retired status snall serve without additional compensation.

"§ 627. Retirement; employee benefits

"(a) A Director of the Federal Judicial Center who attains the age of seventy years shall be retired from that office.

"(b) The Director, the professional staff, and the clerical and secretarial employees of the Federal Judicial Center shall be deemed to be officers and employees of the judicial branch of the United States Government within the meaning of subchapter III of chapter 83 (relating to civil service retirement), chapter 87 (relating to Federal employees' life insurance program), and chapter 89 (relating to Federal employees' health benefits program) of title 5, United States Code: *Provided, however,* That the Director, upon written notice filed with the Director of the Administrative Office of the United States Courts within six months after the date on which he takes office, may waive coverage under subchapter III of chapter 83 of title 5, United States Code (relating to civil service retirement), and elect coverage under the retirement and disability provisions of this section: *And provided further,* That upon his non-retirement separation from the Federal Judicial Center, such waiver and election shall not operate to foreclose to the Director such opportunity as the law may provide to secure civil service retirement credit for service as Director by depositing with interest the amount required by section 8334 of title 5, United States Code.

"(c) Upon the retirement of a Director who has elected coverage under this section and who has served at least fifteen years and attained the age of sixty-five years the Director of the Administrative Office of the United States Courts shall pay him an annuity for life equal to 80 per centum of the salary of the office at the time of his retirement.

"Upon the retirement of a Director who has elected coverage under this subsection and who has served at least ten years, but who is not eligible to receive an annuity under the first paragraph of this subsection, the Administrative Office of the United States Courts shall pay him an annuity for life equal to that proportion of 80 per centum of the salary of the office at the time of his retirement that the number of years of his service bears to fifteen, reduced by one-quarter of 1 per centum for each full month, if any, he is under the age of sixty-five at the time of separation from service.

"(d) A Director who has elected coverage under this section and who becomes permanently disabled to perform the duties of his office shall be retired and shall receive an annuity for life equal to 80 per centum of the salary of the office at the time of his retirement if he has served at least fifteen years, or equal to that proportion of 80 per centum of such salary that the aggregate number of years of his service bears to fifteen if he has served less than fifteen years, but in no event less than 50 per centum of such salary.

"(e) For the purpose of this section, 'service' means service, whether or not continuous, as Director of the Federal Judicial Center, and any service, not to exceed five years, as a judge of the United States, a Senator or Representative in Congress, or a civilian official appointed by the President, by and with the advice and consent of the Senate.

"§ 628. Appropriations and accounting

"There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this chapter. The Administrative Office of the United States Courts shall provide accounting, disbursing, auditing, and other fiscal services for the Federal Judicial Center.

"§ 629. Organizational provisions

"(a) The terms of office of the members first elected to the Board shall commence on the thirtieth day after the first meeting of the Judicial Conference after the date on which this chapter shall take effect.

"(b) The members first elected to the Board shall continue in office for terms of one, two, three, three, and four years, respectively, the term of each to be designated by the Judicial Conference of the United States at the time of his election.

"(c) Members first elected to the Board who are designated by the Judicial Conference of the United States to serve terms of office of less than four years shall be eligible for relection to one full term of office."

TITLE II—ADDITIONAL AMENDMENTS TO TITLE 28, UNITED STATES CODE

SEC. 201. (a) Chapter 41 of title 28, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 611. Retirement of Director

"(a) The Director may, by written election filed with the Chief Justice of the United States within six months after the date on which he takes office, waive coverage under subchapter III (relating to civil service retirement) of chapter 83, title 5, United States Code, and bring himself within the purview of this section. Such waiver and election shall not operate to foreclose to the Director, upon separation from service other than by retirement, such opportunity as the law may provide to secure civil service retirement credit for service as Director by depositing with interest the amount required by section 8334 of title 5, United States Code.

"(b) Upon the retirement of a Director who has elected coverage under this section and who has served at least fifteen years and attained the age of sixty-five years the Administrative Office of the United States

Courts shall pay him an annuity for life equal to 80 per centum of the salary of the office at the time of his retirement.

"Upon the retirement of a Director who has elected coverage under this section and who has served at least ten years, but who is not eligible to receive an annuity under the first paragraph of this subsection, the Administrative Office of the United States Courts shall pay him an annuity for life equal to that proportion of 80 per centum of the salary of the office at the time of his retirement that the number of years of his service bears to fifteen, reduced by one-quarter of 1 per centum for each full month, if any, he is under the age of sixty-five at the time of separation from service.

"(c) A Director who has elected coverage under this section and who becomes permanently disabled to perform the duties of his office shall be retired and shall receive an annuity for life equal to 80 per centum of the salary of the office at the time of his retirement if he has served at least fifteen years, or equal to that proportion of 80 per centum of such salary that the aggregate number of years of his service bears to fifteen if he has served less than fifteen years, but in no event less than 50 per centum of such salary.

"(d) For the purpose of this section, 'service' means service, whether or not continuous, as Director of the Administrative Office of the United States Courts, and any service, not to exceed five years, as a judge of the United States, a Senator or Representative in Congress, or a civilian official appointed by the President, by and with the advice and consent of the Senate."

(b) The table of contents preceding such chapter is amended by inserting at the end thereof the following new item:

"611. Retirement of Director.".

SEC. 202. Section 376, title 28, United States Code, is amended by adding the following new subsections:

"(r) The Director of the Federal Judicial Center shall be deemed a judge of the United States for the purposes of this section and shall be entitled to bring himself within the purview of this section by filing an election as provided in subsection (a) of this section within the time therein specified. As applied to a Director of the Federal Judicial Center, the phrase 'retirement from office by resignation on salary under section 371(a) of this title' as used in subsections (b), (c), (g), (i), and (n) of this section shall mean 'retirement from office under subsection (c) or (d) of section 627 of this title or by removal after not less than ten years service', the phrase 'salary paid after retirement' as used in subsection (b) of this section shall mean 'annuity paid after retirement under subsection (c) or (d) of section 627 of this title', and the phrase 'resigns from office other than on salary under section 371(a) of this title' as used in subsection (f) of this section shall mean 'resigns from office otherwise than on retirement under subsection (c) or (d) of section 627 of this title or is removed after less than ten years service'.

"(s) The Director of the Administrative Office of the United States Courts shall be deemed a judge of the United States for the purposes of this section and shall be entitled to bring himself within the purview of this section by filing an election as provided in subsection (a) of this section within the time therein specified. As applied to a Director of the Administrative Office of the United States Courts, the phrase 'retirement from office by resignation on salary under section 371(a) of this title' as used in subsections (b), (c), (g), (i), and (n) of this section shall mean 'retirement from office under section 611 of this title or by removal after not less than ten years service', the phrase 'salary paid after retirement' as used in subsection (b) of this section shall mean 'annuity paid after retirement under section 611 of this title', and the phrase 'resigns from office other than on salary under section 371(a) of this title' as used in subsection (f) of this section shall mean 'resigns from office otherwise than on retirement under section 611 of this title or is removed after less than ten years service'."

SEC. 203. Subsection (a) of section 604, title 28, United States Code, is amended by amending:

(a) Paragraph (7) to read as follows:

"(7) Regulate and pay annuities to widows and surviving dependent children of judges, Directors of the Federal Judicial Center, and Directors of the Administrative Office, and necessary travel and subsistence expenses incurred by judges, court officers and employees, and officers and employees of the Administrative Office, and the Federal Judicial Center, while absent from their official stations on official business,";

(b) Paragraph (9), to insert between the word "courts" and the word "and" a comma and the words "the Federal Judicial Center,";

(c) Paragraphs (10) and (11), to insert between the word "courts" and the word "and" a comma and the words "the Federal Judicial Center,".

SEC. 204. The table of contents to "PART III.—COURT OFFICERS AND EMPLOYEES" of title 28, United States Code, is amended by inserting after

"41. Administrative Office of the United States Courts..... 601"

a new chapter reference as follows:

"42. Federal Judicial Center..... 620".

SEC. 205. (a) Except as provided in subsection (b), the amendments made by this title, insofar as they relate to retirement and survivorship benefits of the Director of the Administrative Office of the United States Courts, shall be applicable only with respect to persons first appointed to such office after the date of enactment of this Act.

(b) The provisions of section 611(a), the first paragraph of section 611(b), and section 376(s), of title 28, United States Code, as added by such amendments, shall be applicable to a Director or former Director of the Administrative Office of the United States Courts who was first appointed prior to the date of enactment of this Act if at the time such Director or former Director left or leaves such office he had, or shall have, attained the age of sixty-five years and completed fifteen years of service as Director of the Administrative Office of the United States Courts and if, on or before the expiration of six months following the date of enactment of this Act, he makes the election referred to in section 611(a) or section 376(s), or both, as the case may be.

Mr. MANSFIELD. Mr. President, I send to the desk a technical amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 19, line 13, strike the word "subsection" and insert the word "section."

Mr. RUSSELL. Mr. President, may we have some explanation?

Mr. MANSFIELD. Mr. President, in response to the distinguished senior Senator from Georgia, I note that this bill was reported favorably by the Committee on the Judiciary. The measure establishes, within the judicial branch of the Government, a center for the improvement of judicial administration in the courts of the United States. The pressing problems created because of greatly expanded caseloads and lengthy delays and other matters peculiar to judicial administration in present-day society have made the passage of H.R. 6111 vital to the future efficiency of our judicial system.

Mr. RUSSELL. Mr. President, I understand that this bill has been reported unanimously. I do not agree with the premise on which it was reported, that it is necessary for the judiciary to catch up with the executive branch of Government. I think it is far ahead of both of them. If the establishment of this center means that further efforts in this direction are going to stop somewhere along the line, I will not interpose any objection to taking it up.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

Mr. TYDINGS. Mr. President, I am very pleased to be able to note the favorable report by the Committee on the Judiciary of H.R. 6111, a bill to provide for the establishment of a Federal Judicial Center, and for other purposes. The Federal Judicial Center envisioned by this bill, as amended, will by no means be a panacea for all the ills besetting the administration of our Federal tribunals, but it will most certainly be the springboard of further and essential adjustments in the modus operandi of our court system.

The Federal Judicial Center represents a turning point in our thinking about the role of the courts of the United States in the dynamic society that is our great Nation. The Center is our first commitment in over 25 years to the proposition that our courts must keep pace with the rest of our society; with the intellectual, technical, and administrative advances that have been, and will continue to be, the milestones of our progress toward fulfillment of our society's ultimate goal: equality and justice for all.

The Center's purpose, modestly but succinctly set forth in the bill, is to further the development and adoption of improved judicial administration in the courts of the United States. That purpose may sound lofty and ethereal, but in a day when the so-called litigation explosion is producing havoc in our district courts, and making itself felt as well in our circuit courts, such a purpose has real significance, as I know all of my colleagues in the Chamber are well aware.

THE LITIGATION EXPLOSION

Mr. President, congestion and delay in many courts of the United States have reached crisis proportions in recent years. The number of civil cases pending before the U.S. district courts, for instance, was 79,906 at the end of fiscal 1967, an increase of approximately 5 percent over the 76,607 cases pending at the end of fiscal 1966, and an increase of more than 23 percent over the number of cases pending 5 years earlier at the end of fiscal 1962. More than 10 percent of the civil cases pending before district courts at the end of fiscal 1967 had been on the dockets 36 months or more. The median elapsed time from joinder of issue to trial for the middle 80 percent of civil cases completed in fiscal 1967 was 31 months in the eastern district of New York, 38 months in the southern district of New York, and an

astounding 41 months in the eastern district of Pennsylvania. Such statistics chronicle the impact of the litigation explosion upon our hardest hit district courts. But the phenomenon of crippling congestion and delay, while less acute elsewhere, is a general problem of serious proportions throughout our 93 Federal judicial districts. The rapid growth of the Nation's population, coupled with burgeoning commercial activity, holds the promise of even greater strains being placed upon the Federal trial courts in years to come.

The U.S. courts of appeals have been caught in a similar landslide of litigation. Appeals filed in our circuit courts during fiscal year 1967 exceeded by 10 percent the number filed in the previous fiscal year. Many of the circuits are experiencing particularly heavy increases in the rate of appeals filed. In the fourth circuit, for example, appeals filed in fiscal 1967 constituted a 31-percent increase above the fiscal 1966 filings. The third circuit increase was 24 percent and the eighth circuit advance was almost 14 percent during the same period. From fiscal year 1966 to fiscal year 1967 the median time interval between the filing of a complete record and final disposition after hearings or submission advanced from 13.1 to 14.4 months in the sixth circuit, from 9.2 to 10.1 months in the ninth circuit, and from 8.3 to 8.8 months nationally. As of June 30, 1967, over 193 appellate cases had been awaiting decision for at least 3 months after hearings or submission. Ninety-six of these appeals—50 percent—awaited decision for at least 6 months after hearing or submission, and 39—approximately 40 percent—went undecided 12 months or longer. Perhaps the most startling conclusion drawn from recent statistical analyses made by the Administrative Office of the U.S. Courts is that, at the present rate of appeals dispositions, the circuit courts would require 9½ months to dispose of pending business even in the absence of additional filings.

The congestion in our appellate tribunals, Mr. President, piled upon the backlogs in our trial courts, creates a dismal picture of the state of justice in the Federal courts. Parties commonly wait 2 or 3 years for trial, then another year or more at the appellate level. Four or five years often pass before final disposition of a civil case. He must "indeed have patience who to law will go" under such conditions. Only the stouthearted and financially secure can afford to pursue justice when the road is such a lengthy one.

Moreover, the problems of the present are dwarfed by the prospect of impending catastrophe. For example, if the trend of filings in the courts of appeals established between 1960 and 1966 is projected through 1975 on a straight line basis—a very conservative projection by all estimates—the courts of appeals will see their burden almost double in the next 8 years.

ALTERNATIVES TO NEW JUDGESHIPS NECESSARY

In the past, Congress has responded to accelerating judicial business by establishing new judgeships. It is more and more apparent, however, that increased manpower alone is not the entire solution to the problem. The number of Federal judges has almost doubled since 1941. In particular, the record of the 5-year period from 1959 to 1964 belies the suggestion that the mere creation of additional judgeships is an adequate bulwark against burgeoning judicial backlogs. During that period, a 25-percent increase in the number of Federal district court judges resulted in but a 3-percent increase in the total number of cases terminated. Moreover, new judgeships are expensive. The Administrative Office of the U.S. Courts estimates the first year's expense in setting up a newly authorized district judgeship, exclusive of the cost of providing courtrooms, chambers, and office furnishings, at approximately $100,000. And the cost of maintaining such a judgeship thereafter, again exclusive of physical accommodations, is approximately $85,000 per annum. Furthermore, increasing the number of judges on a court, particularly at the court of appeals level, may often be an administratively impractical and otherwise inappropriate course. In all, wisdom dictates a search for constructive alternatives to the present process of periodic and wholesale multiplication of judgeships, and the development of such alternatives itself depends upon new approaches to the study of court efficiency.

ROLE OF THE CENTER

The Federal Judicial Center is to be the "research and development" arm of the judiciary, responsible for furthering the development of improved techniques of administration in the courts of the United States. In discharging the duties imposed by H.R. 6111, as amended, the Federal Judicial Center will first conduct continuing research into the administrative techniques employed in the Federal courts, and stimulate and coordinate such research and study on the part of other public and private agencies; second, develop for consideration by the Judicial Conference of the United States recommendations for the improvement of court administration and management; third, foster programs of training and continuing education for the personnel of the judicial branch of the Federal Government; and, fourth, to the extent consistent with the foregoing functions, provide staff, research, and planning assistance to the Judicial Conference of the United States and its committees.

Mr. President, the breadth of the Center's purpose reflects the breadth of the problems besetting our courts today, and affords a certain advantage in the Center's preparedness to study, and perhaps resolve the problems of tomorrow as well.

Yet, the broad scope of the Center's purpose cannot be construed to invest it with powers entrusted by Constitution, statute, or tradition to the Houses of Congress or to the Judicial Conference of the United States. The establishment of the Center does not derogate from the powers and duties of the Committees on the Judiciary of both Houses to inquire into, and propose legislation concerning, the administration of justice in the Federal courts. Neither does it diminish the responsibility the law imposes upon each member of the Judicial Conference to "advise as to the needs of his circuit or court and as to any matters in respect of which the administration of justice in the courts of the United States may be improved," or of the Conference as a whole to "make a comprehensive survey of the condition of business in the courts of the United States," or to "carry on a continuous study of the operation and effect of the general rules of practice and procedure prescribed by the Supreme Court of the United States." Establishment of the Center is intended to supplement, rather than to supplant, the work of the congressional committees and the Conference. Investigative and legislative prerogatives are steadfastly preserved to the former; investigative and advisory prerogatives, to the latter.

The functions of the Federal Judicial Center are also broadly framed, but they may be summarized readily.

Research into the administrative problem of the Federal courts and development of recommended solutions are primary functions of the Center. Using its professional staff and technical consultants, and under the direction and supervision of the Board, its governing authority, the Center will study the administration of the Federal courts from every aspect. It will collect data, conduct research, depict the contours of each problem. Practitioners of the arts and sciences of administration will then formulate recommendations for solutions to the problems. Management experts, systems analysts, data interpreters, personnel experts, as well as judges, academicians, and practicing attorneys, will bring the skill and experience of their disciplines to the Center, there to be tested, weighed, and blended. In this way a new and dynamic approach will be brought to the resolution of the problems of judicial administration.

The size of the Center's staff and the sophistication of its technical resources will determine the quantum of research that the Center itself will conduct; but it is contemplated that much the Center will accomplish will result from its stimulation and coordination of the work of others. The Attorney General, for instance, may be urged to assist in a study of criminal case backlogs; the assistance of the Federal Bureau of Prisons may be promoted in a possible study of sentencing problems. Further, many professional and academic associations exist whose interests in the administrative problems of the courts may likewise be stimulated or coordinated to achieve studies that limitations on the Center's fiscal or personnel resources might preclude the Center from undertaking on its own. Bail reform, fair trial and free press—these are areas in which such associations have already demonstrated their capacities to perform invaluable services for the courts and for society. The Federal Judicial Center will encourage and support similar projects.

The Center's studies and research would be futile, were they not translated into proposals for resolution of the administrative problems encountered. The Center will therefore develop recommendations and present them for consideration by that body within the judicial branch specifically charged with rec-

ommending improvements in the administration of justice to the Congress, the Judicial Conference of the United States. With the proposals of the Center before it, and with the wisdom that cumulated years of judicial experience builds, the Judicial Conference can be expected to discharge its duty most effectively.

The Center will also confront a specific deficiency in existing judicial administration—the almost total absence of programs of continuing education for personnel for the judicial branch. The decision-makers of industry and finance, professionals of every discipline, middle management groups, technicians, even craftsmen, have responded to the knowledge explosion of recent decades by generating, and participating in, programs of continuing education. But judicial officers and employees have not had the benefits of such programs in any measure until very recently, and even then not on what might fairly be called a significant scale. Newly appointed judges are usually offered an orientation program by their senior brethren; there is an occasional "institute on sentencing," and referees in bankruptcy are afforded a number of seminars. But, generally, continuing education for members of the judiciary and supporting personnel is still in its incipiency. The Federal Judicial Center will bring such programs into maturity and develop new concepts of education for judges and supporting personnel at every level of the judicial hierarchy. With a permanent staff of its own, with the ability to enlist the assistance of experts not on its staff, and with the challenge of virtually unexplored territory before it, the Center can be expected to excell in training court personnel in their duties and keeping judges and other court officers ready to meet the challenges of a dynamic society.

Finally, the Center, consistent with the performance of its research, development, and education functions, will also be required to provide staff, research, and planning assistance to the Judicial Conference of the United States and the Conference's committees. At present members of the Judicial Conference rely principally upon their own law clerks for the research assistance necessary to carry on the work of the Conference. Additionally, the Administrative Office of the U.S. Courts has served as an unofficial secretariat for the Conference and its committees, and has rendered necessarily limited research assistance. These makeshift arrangements are unsatisfactory and ought to be abandoned.

THE CENTER'S BOARD

H.R. 6111, as amended, confers upon a Board of seven members the authority to supervise the activities of the Center. The Chief Justice of the United States, an ex officio member of the Board, will be its permanent Chairman. The other members of the Board will be two active judges of the courts of appeals of the United States and three active judges of the district courts of the United States, not members of the Judicial Conference, but elected by a vote of the membership of that body under such procedures as it may adopt for this purpose, and the Director of the Administrative Office of U.S. Courts.

Thus, each of the existing institutions with responsibilities relating to court management will be represented on the Center's Board: the Supreme Court and the Judicial Conference by the Chief Justice, the Administrative Office by its Director, and the circuit councils and conferences by the circuit and district judges elected to Board membership.

H.R. 6111, as amended, enumerates the duties of the Board of the Federal Judicial Center. The first of these is its duty to establish the policies and develop the programs that will promote the Center's achievement of its purpose and performance of its functions. This general policymaking duty of the Board overlaps a number of its more specific duties also set forth in the bill.

The second duty of the Board is the formation of recommendations for improvements in the administration of the courts of the United States, in the training and the personnel of those courts, and in the management of their resources. The Board's third duty, to submit its recommendations and reports of the Center's activity to the Judicial Conference of the United States, is a logical extension of its duty to recommend. It is appropriate that the Center report and recommend to the Judicial Conference, and that implementation of those recommendations which pertain to matters within the "jurisdiction" of the Conference be given Conference consideration. While the Center is to be free of Conference interference or domination in the conduct of its investigations and the formulation of its recommendations, still the Conference's responsibilities will remain unchanged from what they were before establishment of the Center.

It is not unlikely that, in its study of the administration of the Federal courts, the Center will uncover deficiencies and inefficiencies in the programs or activities of other governmental instrumentalities whose efforts are related to the administration of justice in the courts of the United States. Were the Center free to review only so much of a problem as related solely to the work or personnel of the judicial department, its utility would be compromised from the start. The Center, through the Board, is thus given the duty to present to other institutions of Government recommendations for improvement of those programs and activities that relate to the administration of justice.

The most specific of the Board's duties is evaluation of proposals for the application of data processing and systems techniques to the administration of the Federal courts. The computer revolution sweeping the financial and industrial enterprises of our Nation, has thus far made little headway in the courts. Claims of unprecedented efficiency for the courts in the age of the computer, on the one hand, and fears of "mechanized justice" and "trial by computer," on the other, have been voiced in various circles, but it is apparent that an objective evaluation of the potential of data processing systems in the work of the courts is a necessity. By its very nature as a center for the study of court administration, the Federal Judicial Center is an appropriate medium for such an evaluation.

Finally, Mr. President, the Board is charged with marshalling the efforts of business and voluntary enterprises behind programs to improve the administration of justice. The academic and professional communities abound with personnel and financial resources that may, with center motivation and guidance, be brought into the study and rehabilitation of judicial practice and procedures.

Mr. President, before moving on from this discussion of the composition of the Center's Board, I want to let my colleagues know about our subcommittee's deliberations on the matter of who should sit on the Board. It was almost instantly clear to us that unless the expertise of various nonjudicial disciplines would be drawn upon at the Federal Judicial Center, the Center could not hope to develop the enlightened, up-to-the-minute solutions that our court administration problems demand. We thoroughly considered at least two alternatives to the all-judicial Board H.R. 6111 envisions. The first was a "mixed discipline" Board—one which, by statute, would include representatives of the bar, the law schools, and the management sciences. The other was an advisory council, distinct from the Board, but with the responsibility to advise the Board, to recommend programs and activities for the Center, and to render other consultative services. The advisory council, like the "mixed discipline" Board, would have provided substantial representation for the administrative and management sciences, the bar, and the law schools.

Mr. President, proposals to engage nonjudges directly in the work of the judiciary generally encounter the coolest of receptions by our Federal judges. Throughout our hearings on S. 915, the Senate's Federal Judicial Center bill, judges who were enthusiastic about creation of the Center seemed reluctant to endorse the "mixed discipline" Board. Informal contacts with judges indicated a kind of suspicion of the advisory council as well. Key members of the judiciary time and again offered informal assurances that an all-judicial Board would make ample use of the consultantship provisions of the bill to draw upon the expertise of management consultants, court administrators, system analysts, and others with experience in the application of modern management techniques to the solution of administrative problems. These assurances weighed heavily in our subcommittee's decision to recommend the all-judicial Board. We feel that the judiciary should be given a chance to supervise the Center's activities. If the Center's Board does not demonstrate a willingness, in practice, to use and profit from the wealth of technical management and administrative resources available to it through its power to hire consultants, the Congress may well reconsider the composition of the Board. There can be no equivocation of the congressional intent in H.R. 6111 as amended: Congress is demanding that the Center bring court administration up to date. It is providing the medium, the funds, and the moral support for the judiciary to do a topflight job. The Congress will settle for nothing less.

LEGISLATIVE HISTORY AND BACKGROUND

The concept of a Federal Judicial Center that would deal with the pressing problems of judicial administration in the Federal courts originated in the Judicial Conference of the United States. The Conference's Special Committee on Continuing Education, Research, Training, and Administration, chaired by the Honorable Stanley Reed, retired Associate *Justice of the* Supreme Court, and manned by six distinguished Federal judges, developed the idea in fall of 1966. President Lyndon B. Johnson adopted it in his message on crime in the United States delivered to Congress on February 6, 1967. The President recommended that the Center be established in order to promote a more effective Federal judicial system through a program of research, planning and education.

Shortly after the President's recommendations, Senator MCCLELLAN, for himself, Senator METCALF and myself, introduced S. 915, a bill to provide for the establishment of a Federal Judicial Center. The bill was modeled upon a tentative draft that had been developed by the Judicial Conference's Special Committee. Chairman CELLER of the House Committee on the Judiciary introduced identical legislation (H.R. 5385) in the House of Representatives on February 15, 1967. Representatives CORMAN, RODINO, MCCLORY, and KELLY sponsored bills of similar purpose in the following weeks: H.R. 6111; H.R. 6955; H.R. 7091; and H.R. 7215.

The final report of the Judicial Conference's Special Committee was unanimously approved by the Judicial Conference of the United States at its meeting in March 1967. The report included a refined draft of legislation to establish a center, which draft differed only in minor respects from the bills already introduced in the Congress.

The Senate bill, S. 915, was referred to the Committee on the Judiciary, and our Subcommittee on Improvements in Judicial Machinery commenced hearings in April on the problems of judicial administration that stimulate the need for a Federal Judicial Center. Hearings were held on April 25, 26, 27, 28, May 3, 4, 10, 11, 18, and September 8. The subcommittee heard testimony or received statements from scores of individuals and associations, including the Attorney General, officers of judicial conference committees, the Administrative Office of the U.S. Courts, many scholars and practitioners, and the American and Federal Bar Associations. All of the witnesses heard by the subcommittee, and all written statements tendered, without exception supported creation of an institution like the proposed Federal Judicial Center, with the capacity to mount a coherent and continuous attack upon the problems of judicial administration in the Federal courts.

In June of 1967, at hearings on the President's message on crime before the Committee on the Judiciary of the House of Representatives, the concept of the Federal Judicial Center received the endorsements of the Attorney General of the United States, the American Bar Association, and the Federal Bar Association. The House Committee on the Judiciary reported out H.R. 6111, amended to reflect improvements recommended in the final report of the Judicial Conference's Special Committee, and to incorporate certain program, procedure, and "fringe benefit" provisions. The House of Representatives approved H.R. 6111, as amended, on June 20, 1967, and the measure was sent to the Senate, where it became pending business before the Judiciary Committee's Subcommittee on Improvements in Judicial Machinery, was studied, amended, and ultimately reported out unanimously by both the subcommittee and the Judiciary Committee.

The amended bill differs from the bill as it passed the House of Representatives in a number of particulars, most of which constitute technical or grammatical refinements, and in the addition of a second title that makes conforming changes—thought desirable in light of certain features of the bill as passed by the House—in existing statutory provisions relating to the Administrative Office of the U.S. Courts. The purpose and principal substantive provisions of the original bill, however, remain essentially unchanged.

MERITS OF THE BILL SUMMARIZED

Mr. President, the Federal Judicial Center to be established under provisions of H.R. 6111, as amended, will add a new dimension to the pursuit of improvements in the administration of justice, a professional dimension as yet untried in the Federal judicial system. Established as a permanent component of the judicial branch, with a single purpose and but a few enumerated functions, insulated against interference with its day to day operations, and staffed with experts and scholars in the administrative sciences, the Center can be expected to produce the objective and in-depth analyses of court management problems that existing administrative and judicial institutions have not been able to produce. The Center will bring to its task the insights and approaches of management experts, academicians, administrators, and others whose efforts have modernized private and public enterprise, but whose talents have yet to be put to use in the Federal courts. We cannot fail to recognize the need for a Federal Judicial Center. We must not fail to approve H.R. 6111.

Finally, Mr. President, I cannot close my remarks without paying tribute to my colleagues on the Judicial Improvements Subcommittee who worked so hard to shepherd this much needed measure through the subcommittee and the Committee on the Judiciary. In particular, it is fitting that I single out the hard work and close cooperation of my distinguished colleague from Nebraska, Mr. HRUSKA. The senior Senator from Nebraska labored long and unselfishly over the bill, even chairing many of the subcommittee's hearings. The bill as it is reported out contains many improvements contributed by Mr. HRUSKA, and the Nation owes him a large debt for his efforts with regard to this important step toward advancing the cause of justice.

The PRESIDING OFFICER. The question is on the engrossment of the amendment in the nature of a substitute, as amended, and the third reading of the bill.

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

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 781) explaining the purposes of the bill, together with some additional information.

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

PURPOSE OF AMENDMENT

The amendment is in the nature of a substitute bill, the provisions of which are explained in the sectional analysis part of this report. The substitute bill differs from the bill as it passed the House of Representatives in a number of particulars, most of which constitute technical or grammatical refinements, and in the addition of a second title that makes conforming changes—thought desirable in light of certain features of the bill as passed by the House—in existing statutory provisions relating to the Administrative Office of the U.S. Courts. The purpose and principal substantive provisions of the original bill, however, remain essentially unchanged.

PURPOSE OF LEGISLATION

The purpose of H.R. 6111, as amended, is the establishment, within the judicial branch of the Government, of a Federal Judicial Center charged with furthering the development and adoption of improved judicial administration in the courts of the United States. As amended, H.R. 6111 will amend title 28, United States Code, to add a new chapter—chapter 42—and to modify sections 376, 603, and 604.

NEED FOR THE LEGISLATION

Congestion and delay in many courts of the United States have reached crisis proportions in recent years. The number of civil cases pending before the U.S. district courts, for instance, was 79,906 at the end of fiscal 1967 [1]—an increase of approximately 5 percent over the 76,607 cases pending at the end of fiscal 1966,[2] and an increase of more than 23 percent over the number of cases pending 5 years earlier at the end of fiscal 1962.[3] More than 10 percent of the civil cases pending before district courts at the end of fiscal 1967 had been on the dockets 36 months or more.[4] The median elapsed time from joinder of issue to trial for the middle 80 percent of civil cases [5] completed in fiscal 1967 was 31 months in the eastern district of New York, 38 months in the southern district of New

[1] Annual Report of the Director of the Administrative Office of the United States Courts, 1967 (hereinafter cited as "Report of the Administrative Office, 1967," et cetera) table C–6a. [References to "Report of the Administrative Office, 1967" are to a mimeographed edition approved by the Judicial Conference of the United States, September 1967. A final, printed edition will not be available for some months; consequently, citations to the mimeographed edition contain table numbers only.]

[2] Report of the Administrative Office, 1966, table C–6a, p. 191.

[3] Report of the Administrative Office, 1962, table C–6a, p. 209.

[4] Report of the Administrative Office, 1967, table C–6a.

[5] Excluding both the 10 percent terminated in the shortest period of time and the 10 percent on the dockets for the greatest length of time.

York, and an astounding 41 months in the eastern district of Pennsylvania.[6] Such statistics chronicle the impact of the litigation explosion upon our hardest hit district courts. But the phenomenon of crippling congestion and delay, while less acute elsewhere, is a general problem of serious proportions throughout our 93 Federal judicial districts. The rapid growth of the Nation's population, coupled with burgeoning commercial activity, holds the promise of even greater strains being placed upon the Federal trial courts in years to come.

The U.S. courts of appeals have been caught in a similar landslide of litigation. Appeals filed in our circuit courts during fiscal 1967 exceeded by 10 percent the number filed in the previous fiscal year.[7] Many of the circuits are experiencing particularly heavy increases in the rate of appeals filed. In the fourth circuit, for example, appeals filed in fiscal 1967 constituted a 31-percent increase above the fiscal 1966 filings.[8] The third circuit increase was 24 percent[9] and the eighth circuit advance was almost 14 percent during the same period.[10] From fiscal 1966 to fiscal 1967 the median time interval between the filing of a complete record and final disposition after hearings or submission advanced from 13.1 to 14.4 months in the sixth circuit, from 9.2 to 10.1 months in the ninth circuit, and from 8.3 to 8.8 months nationally.[11] As of June 30, 1967, over 193 appellate cases had been awaiting decision for at least 3 months after hearing or submission.[12] Ninety-six of these appeals (50 percent) had awaited decision for at least 6 months after hearing or submission, and 39 (approximately 40 percent) had been undecided 12 months or longer.[13] Perhaps the most startling conclusion drawn from recent statistical analyses made by the Administrative Office of the U.S. Courts is that, at the present rate of appeals dispositions, the circuit courts would require 9½ months to dispose of pending business even in the absence of additional filings.[14]

The congestion in our appellate tribunals, piled upon the backlogs in our trial courts, creates a dismal picture of the state of justice in the Federal courts. Parties commonly wait 2 or 3 years for trial, then another year or more at the appellate level. Four or five years often pass before final disposition of a civil case. He must indeed have patience who to law will go[15] under such conditions. Only the stouthearted and financially secure can afford to pursue justice when the road is such a lengthy one.

Moreover, the problems of the present are dwarfed by the prospect of impending catastrophe. For example, if the trend of filings in the courts of appeals established between 1960 and 1966 is projected through 1975 on a straight line basis—a very conservative projection by any standard—the courts of appeals will see their burden almost double in the next 8 years.[16]

In the past, Congress has responded to accelerating judicial business by establishing new judgeships. It is more and more apparent, however, that increased manpower alone is not the entire solution to the problem. The number of Federal judges has almost doubled since 1941.[17] In particular, the record of the 5-year period from 1959 to 1964 belies the suggestion that the mere creation of additional judgeships is an adequate bulwark against burgeoning judicial backlogs. During that period, a 25-percent increase in the number of Federal district court judges resulted in but a 3-percent increase in the total number of cases terminated.[18] Moreover, new judgeships are expensive. The Administrative Office of the U.S. Courts estimates the first year's expense in setting up a newly authorized district judgeship, exclusive of the cost of providing courtrooms, chambers, and office furnishings, at approximately $100,000.[19] And the cost of maintaining such a judgeship thereafter, again exclusive of physical accommodations, is approximately $85,000 per annum.[20] Furthermore, increasing the number of judges on a court, particularly at the court of appeals level, may often be an administratively impractical and otherwise inappropriate course.[21] In all, wisdom dictates a search for constructive alternatives to the present process of periodic and wholesale multiplication of judgeships, and the development of such alternatives itself depends upon new approaches to the study of court efficiency.

Your committee is also convinced of the pressing need for the development of comprehensive programs of continuing education and training for personnel in the judicial branch. A recent survey conducted by the Subcommittee on Improvements in Judicial Machinery, for example, indicates that many U.S. commissioners are unaware of the full dimensions of even their more basic responsibilities.[22] Experience with existing programs of continuing education for judges indicates that these programs can be expanded and extended to other personnel in the judicial branch with great profit. At present, however, the judicial branch is not adequately equipped to conduct continuing education and training programs for judges, let alone referees in bankruptcy, court clerks, probation officers, U.S. commissioners, and other employees of the judiciary.

Congestion and delay, untrained supporting personnel, inadequate facilities, uneven distribution of caseloads, and the general absence of administrative expertise are some of the difficulties that must be overcome if the Federal judicial system is to realize its potential. The committees of the Judicial Conference of the United States struggle with these problems on a routine basis. Their grasp of the problems confronting our courts is remarkable in light of the handicaps they must overcome, but the solutions they offer necessarily lack the insight that only complete information, protracted research, and unhurried analysis can bring. The Conference's members are judges who owe primary devotion to their courts, and who can give only incidental time to problems of judicial administration. Moreover, the Conference operates without a permanent staff, specific appropriations, or even permanent headquarters. The Administrative Office of the U.S. Courts provides the judiciary with valuable fiscal and housekeeping services, but it too is ill-equipped to engage in the continuing and in-depth research and development necessary to provide long-term answers to the administrative and training problems of our courts.

In sum, there is great need for study of Federal court operations, for the development of programs to increase court efficiency, for training and continuing education of court officers and supporting personnel, for making available adequate staff assistance to the committees of the Judicial Conference, and for a permanent institutional framework in which to carry on such activities. Your committee believes that H.R. 6111, as amended, will equip the judiciary with the resources necessary to meet these needs.

LEGISLATIVE HISTORY AND BACKGROUND

The concept of a Federal Judicial Center that would study and develop solutions to the pressing problems of judicial administration in the Federal courts originated in the Judicial Conference of the United States. The Conference's Special Committee on Continuing Education, Research, Training, and Administration, chaired by the Honorable Stanley Reed, retired Associate Justice of the Supreme Court, and manned by six distinguished Federal Judges,[23] developed the idea in the fall of 1966. And President Lyndon B. Johnson adopted it in his message on crime in the United States delivered to Congress on February 6, 1967. The President recommended that the Center be established in order to promote a more effective Federal judicial system through a program of research, planning, and education.

Shortly after the President's recommendations, Senator McClellan, for himself and Senators Metcalf and Tydings, introduced S. 915, a bill to provide for the establishment of a Federal Judicial Center. The bill was modeled upon draft legislation written by the Judicial Conference's Special Committee. Chairman Celler of the House Committee on the Judiciary introduced identical legislation (H.R. 5385) in the House of Representatives on February 15, 1967. Representatives Corman, Rodino, McClory, and Kelly sponsored bills of similar purpose in the following weeks—H.R. 6111, H.R. 6955, H.R. 7091, and H.R. 7215.

The final report of the Judicial Conference's Special Committee was unanimously approved by the Judicial Conference of the United States at its meeting in March, 1967. The report included a refined draft of legislation to establish a center, which draft differed only in minor respects from the bills already introduced in the Congress.

The Senate bill, S. 915, was referred to the Committee on the Judiciary, and that committee's Subcommittee on Improvements in Judicial Machinery commenced hearings in

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[6] Report of the Administrative Office, 1967, table C–10.

[7] Compare Report of the Administrative Office, 1967, table B–1, with Report of the Administrative Office, 1966, table B–1, p. 149.

[8] Id., at table B–1 and p. 152, respectively.

[9] Id., at table B–1 and p. 151, respectively.

[10] Id., at table B–1 and p. 149, respectively.

[11] Id., at table B–4 and p. 159, respectively.

[12] Report of the Administrative Office, 1967, table, p.—.

[13] Ibid.

[14] See hearings, "The Administration of Justice in the Federal Court System and S. 915 and H.R. 6111, Bills to Establish a Federal Judicial Center," before the Subcommittee on Improvements in Judicial Machinery, Committee on the Judiciary, U.S. Senate, 90th Cong., first sess., p. 71. Hereinafter cited as "hearings, Federal Judicial Center."

[15] Robert Dodsley, "To Patience" (1794).

[16] See hearings, Federal Judicial Center, table, "U.S. Courts of Appeals, Total Caseload Projection for 1967–75," and text, pp. 72–75.

[17] According to the Administrative Office of the U.S. Courts, there were 197 district and 57 circuit judges in 1941, and 341 district and 88 circuit judges as of June 30, 1967.

[18] During fiscal 1959, more than 62,000 cases were disposed of by the Federal district courts. Two years later, in 1961, 63 additional district judgeships were created. Yet in fiscal 1964, after virtually all of those appointments had been filled, the district courts disposed of only 64,000 cases.

[19] See hearings, Federal Judicial Center, p. 259.

[20] Ibid.

[21] See generally, hearings, Federal Judicial Center, particularly at pp. 15 and 78.

[22] See generally, hearings, "Federal Magistrates Act," before the Subcommittee on Improvements in Judicial Machinery, Committee on the Judiciary, U.S. Senate, 89th Cong., second sess., and 90th Cong., first sess., and particularly app. I.

[23] The six judges were the Honorable Paul C. Weick, chief judge of the U.S. Court of Appeals for the Sixth Circuit; the Honorable Jean S. Breitenstein, U.S. Court of Appeals for the 10th Circuit; the Honorable James R. Browning, U.S. Court of Appeals for the Ninth Circuit; the Honorable Edward L. Devitt, chief judge, U.S. District Court for the District of Minnesota, the Honorable Arthur S. Lane, U.S. District Court for the District of New Jersey; and the Honorable Edward Weinfeld, U.S. District Court for the Southern District of New York.

April on the problems of judicial administration that underlie the need for a Federal Judicial Center. Hearings were held on April 25, 26, 27, 28; May 3, 4, 10, 11, 18; and September 8. The subcommittee heard testimony or received statements from the following individuals: The Honorable Ramsey Clark, Attorney General of the United States; the Honorable Lee Metcalf, U.S. Senator from Montana; the Honorable Harvey Johnsen, senior circuit judge, U.S. Court of Appeals for the Eighth Circuit and Chairman of the Judicial Conference's Committee on Judicial Statistics; Will Shafroth, Esq., former Deputy Director of the Administrative Office of the U.S. Courts and special consultant to the Judicial Conference's Committee on Judicial Statistics; the Honorable John S. Hastings, chief judge, U.S. Court of Appeals for the Seventh Circuit; the Honorable Albert V. Bryan, U.S. Court of Appeals for the Fourth Circuit; the Honorable John R. Brown, U.S. Court of Appeals for the Fifth Circuit; the Honorable J. Edward Lumbard, chief judge, U.S. Court of Appeals for the Second Circuit; the Honorable Clement F. Haynsworth, Jr., chief judge, U.S. Court of Appeals for the Fourth Circuit; the Honorable David L. Bazelon, chief judge, U.S. Court of Appeals for the District of Columbia Circuit; the Honorable Herbert J. Miller, Jr., Esq., former Assistant Attorney General of the United States (Criminal Division) and Chairman of the President's Commission on Crime in the District of Columbia; Gerhard A. Gesell, Esq., Chairman of the Committee on the Administration of Justice of the District of Columbia Circuit; Prof. Maurice Rosenberg of the Columbia University School of Law; the Honorable Stanley H. Barnes, U.S. Court of Appeals for the Ninth Circuit; Glenn P. Winters, Esq., executive director of the American Judicature Society; Orison S. Marden, Esq., president, American Bar Association; the Honorable Roszel C. Thomsen, chief judge, U.S. District Court for the District of Maryland; the Honorable Alfred P. Murrah, chief judge, U.S. Court of Appeals, for the 10th Circuit; Warren Olney, III, Esq., Director, Administrative Office of the U.S. Courts; Dr. Joseph Navarro and Miss Jean G. Taylor of the Institute of Defense Analyses; the Honorable Albert C. Wollenberg, U.S. District Court for the Northern District of California; the Honorable Edward J. Devitt, chief judge, U.S. District Court for the District of Minnesota; Prof. Charles Alan Wright, the University of Texas Law School; and Paul H. Gantt, Esq., president of the Federal Bar Association. All of the witnesses heard by the subcommittee, and all written statements tendered, without exception supported the establishment of an organization like the proposed Federal Judicial Center with the capacity to mount a coherent and continuous attack upon the problems of judicial administration in the Federal courts.

In June of 1967, at hearings on the President's message on crime held before the Committee on the Judiciary of the House of Representatives, the concept of the Federal Judicial Center received the endorsements of the Attorney General of the United States, the American Bar Association, and the Federal Bar Association. The House Committee on the Judiciary reported H.R. 6111, amended to reflect improvements recommended in the final report of the Judicial Conference's Special Committee, and to incorporate certain program, procedure, and "fringe benefit" provisions. The House of Representatives approved H.R. 6111, as amended, on June 20, 1967, and the measure was sent to the Senate, where it became pending business before the Judiciary Committee's Subcommittee on Improvements in Judicial Machinery.

The Judicial Conference's extensive work in developing the idea of the Federal Judicial Center and the thorough consideration that the proposal has received in both Houses of Congress are measures of the importance of this legislation.

GENERAL STATEMENT

Your committee's approval and favorable report of this legislation is founded upon at least two important principles: First, that solution of the problems besetting the Federal courts requires a new and professional approach; and second, that the appropriate medium for attaining the necessary professional dimension is a new institution, which, while pursuing its objective in a manner as yet untried in the Federal courts, will be able to work in harmony with existing institutions.

The Center will bring to its task the insights and approaches of management experts, academicians, administrators, and others whose efforts have modernized private and public enterprise, but whose talents have yet to be put to use in the Federal courts. Established as a permanent component of the judicial branch, with a single purpose and but a few enumerated functions, insulated against interference with its day-to-day operations, and staffed with experts and scholars in the administrative sciences, the Center can be expected to produce the objective and in-depth analyses of court management problems that existing administrative and judicial institutions have not been able to produce.

Moreover, the Federal Judicial Center's efforts will "fill out" the evolution of Federal court study programs begun with the passage of the Administrative Office Act of 1939. Four distinct institutions within the judicial branch are already commissioned to work toward improved judicial administration in the Federal courts: the Supreme Court of the United States, the Judicial Conference of the United States, the circuit councils and conferences, and the Administrative Office of the U.S. Courts. Your committee believes the creation of the Federal Judicial Center will provide a long-needed complement to these existing institutions.

The Supreme Court, in addition to its general supervisory power over the Federal judicial system, has the power to prescribe and amend general rules of practice and procedure for the courts of the United States.[24] Such rules, along with statutory prescriptions of jurisdiction and venue, provide the structural framework within which the Federal courts must operate. The Supreme Court, therefore, plays a substantial—if very specific—role in the administration of the courts. Yet it is the Judicial Conference of the United States, comprised of judges of various U.S. courts and under the chairmanship of the Chief Justice, that bears the broadest responsibility for the study and improvement of Federal court operations.

The Conference shares the Supreme Court's rulemaking responsibility; it has both investigative and advisory duties with regard to the business and dockets of the U.S. courts; and each of its member judges is bound to "advise as to the needs of his circuit or court and as to any matters in respect of which the administration of justice in the courts of the United States may be improved."[25] The Conference has broad supervisory power over the Director of the Administrative Office,[26] who is charged with directing the work of the clerical and administrative personnel of the courts, examining the state of court dockets, recommending improvements, determining the courts' need of assistance, and working for improvements in the transaction of the general business of the courts.[27] Finally, the circuit councils and conferences are charged to make "all necessary orders for the effective and expeditious administration of the business of the courts,"[28] and to "[consider] the business of the courts and [advise] means of improving the administration of justice"[29] within their circuits, respectively.

In discharging the duties imposed by H.R. 6111, as amended, the Federal Judicial Center will—

(1) conduct continuing research into the administrative techniques employed in the Federal courts, and stimulate and coordinate such research and study on the part of other public and private agencies;

(2) develop for consideration by the Judicial Conference of the United States recommendations for the improvement of court administration and management;

(3) foster programs of training and continuing education for the personnel of the judicial branch of the Federal Government; and

(4) to the extent consistent with the performance of its other functions, provide staff, research, and planning assistance to the Judicial Conference of the United States and its committees.

Each of the existing institutions with responsibilities relating to court management will be represented on the Center's Board—the Supreme Court and the Judicial Conference by the Chief Justice, the Administrative Office by its Director, and the circuit councils and conferences by the circuit and district judges elected to Board membership.

Yet more important than more interorganization representation is the structuring of the various roles of these institutions to avoid overlapping projects and duplications of effort. Your committee envisions no conflict of institutional programs arising from the establishment of the Center. It is to fill the gap in existing programs, rather than to refashion them, that the Center is to be established. The Supreme Court will retain its rulemaking powers. The Center may become involved in a survey of the impact of proposed rule changes upon the administrative burdens of the courts, or in documenting the need for certain changes; but it will have no power to effect these changes apart from the force of its own recommendations. The same is true with regard to the relationship between the Center and the circuit councils and conferences.

The Administrative Office and the Center will pursue parallel courses: the former as the operations and housekeeping agency of the courts, the latter as their research and development unit. Each will undoubtedly draw upon the services of the other, but both will be responsible ultimately to the Judicial Conference, which may be expected to maintain the essential distinction between the roles of the two organizations.

Perhaps the most important relationship between the Center and existing institutions will be that involving the various committees of the Judicial Conference. Your committee envisions no duplication of effort by the staff of the Center and the Conference committees. The Conference committees exist for the purposes of monitoring the various areas of judicial concern over which they have been granted responsibility by the Conference, handling routine problems as they arise, and advising the Conference upon the wisdom of proposed legislation that would affect the area of the law involved. The Center, in contrast, will concentrate on long-range problems and solutions, focusing upon different areas as the need arises. Thus, for example, the Judicial Conference Committee on Bankruptcy Administration will continue to oversee the administration of the bankruptcy laws and the operation of the referees in bankruptcy system and in the course of this oversight will attempt to identify and solve routine problems. When, however, during this

[24] 28 U.S.C. 2071–2075.

[25] 28 U.S.C. 331.

[26] 28 U.S.C. 604(a).

[27] 28 U.S.C. 604(a) (1) to (4).

[28] 28 U.S.C. 332.

[29] 28 U.S.C. 333.

process of regular oversight, it becomes apparent that there is some fundamental deficiency in the administration of the bankruptcy laws, or the prospect of such a deficiency, the response to which requires in-depth analysis beyond the capacity of the Committee on Bankruptcy Administration, the Committee will bring the problem to the attention of the Judicial Center's Board, which in turn will determine whether the Center will turn its available resources to the solution of the problem.

Thus, the Center may not become involved in the problems of the referees in bankruptcy or the administration of the bankruptcy laws until it becomes apparent that a problem of unusual magnitude has arisen. When the Center has studied such a problem and evolved what it considers to be an appropriate solution, there will be no need for it to again turn to a study of the bankruptcy area until some new problem of unusual proportions arises. The consequences of this relationship will be, on the one hand, continuing oversight by the Judicial Conference of the problems that affect the administration of justice in the Federal courts, and, on the other, a ready response by the Center to problems that cannot be handled by the regular functioning of the Judicial Conference committees.

The title was amended so as to read: "An act to provide for the establishment of a Federal Judicial Center, and for other purposes."

FISHING IN U.S. TERRITORIAL WATERS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 720, which has been cleared by both sides.

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

The LEGISLATIVE CLERK. A bill (S. 2324) to amend the act prohibiting fishing in the territorial waters of the United States with respect to the penalties provided thereunder.

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

There being no objection, the bill was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2324

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to prohibit fishing in the territorial waters of the United States and in certain other areas by vessels other than vessels of the United States and by persons in charge of such vessels", approved May 20, 1964 (78 Stat. 194; 16 U.S.C. 1081–1085), is amended as follows:

(1) in subsection (b) of section 2 strike out "including" and insert in lieu thereof a comma;

(2) in subsection (c) of section 2 strike out "including" in each place it appears therein; and

(3) strike out subsection (e) of section 3 and insert in lieu thereof the following:

"(e) Such person so authorized may seize any vessel, its tackle, apparel, furniture, appurtenances, cargo, and stores, or any part thereof, if such vessel is used or employed contrary to the provisions of this Act or the regulations issued hereunder or if it reasonably appears such vessel has been used or employed contrary to the provisions of this Act or the regulations issued hereunder."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 736), 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

This bill (S. 2324) would amend the seizure provisions of Public Law 88–308. The language of the present law is susceptible to the interpretation that only seizure of the whole offending vessel with her equipment, cargo, stores, etc., is authorized. The proposed amendment is directed to specific flexibility of penalty by declaring that the vessel and her equipment, and so forth, or any part thereof, is subject to seizure. Inasmuch as the proposal is not in derogation of the existing authority and the greater flexibility of penalty will permit perhaps more appropriate assessment for various circumstances, the change is deemed desirable. S. 2324 makes no substantive changes concerning Public Law 88–308, approved May 20, 1964, S. 2324 would amend the 1964 act to allow for partial seizure. Its purpose is to clarify that act rather than to establish a new policy for the United States.

BACKGROUND AND NEED FOR LEGISLATION

Since enactment of Public Law 88—308, there has been a total of five seizures of foreign fishing vessels involving violations of our territorial waters or of our contiguous fishing zone, which was established by law in October 1966 (Public Law 89—658, approved October 14, 1966) and under which the United States exercises the same exclusive rights in respect to fisheries in the zone as it has in the territorial sea. Three of the five violations involved our territorial sea and the remaining two were violations of our contiguous zone.

These five incidents have been disposed of as follows:

Vessel (nationality)	Violation of—	Date	Locality	Disposition
"Misty Moon" (Canada)	Territorial sea [1] (Public Law 88–308).	Sept. 16, 1966	Chuginadak Island, Aleutians.	Fined $5,000; part of catch ($250 value) seized.
"SRTM-8413" (U.S.S.R.)	do	Mar. 3, 1967	1.3 miles off Mitrofania Island, near Shumagins.	Nolo contendere; fined $5,000.
"SRTM-8457" (U.S.S.R.)	Contiguous zone (Public Law 89–658).	Mar. 22, 1967	5.5 miles off Shumagin Islands.	Nolo contendere; fined $10,000.
"Tenyo Maru No. 3" (Japan)	Territorial sea (Public Law 88–308).	July 16, 1967	2 miles off Segula Islands, Aleutians.	Nolo contendere; fined $5,000.
"SRTM-8457" (U.S.S.R.)	Contiguous zone (Publiv Law 89–658).	Aug. 3, 1967	10 miles off Akutan Island, Aleutians.	Forfeited bail of $20,000.[2]

[1] "Misty Moon" also tried separately for violation of halibut fishing regulations.
[2] To avoid trial by admiralty suit, agreement made on technical procedure. The Soviets posted $20,000 bail, which they forfeited. Criminal charges dropped by the United States.

It was the intention of the sponsors of the act of 1964 to provide in certain instances for the seizure and forfeiture of an offending vessel's tackle, apparel, furniture, appurtenances, cargo, and stores as penalty for violating the act's provisions. The Justice Department, however, reportedly has interpreted the 1964 act to mean that when violations occur the whole vessel, and not just its gear or cargo, is subject to seizure. Since in many instances the seizure and forfeiture of a multimillion-dollar fishing vessel would be an excessive penalty, the need has arisen to provide for penalties to "fit the punishment of the crime."

S. 2324 would make clear that all or any part of the vessel's tackle, apparel, furniture, appurtenances, cargo, and stores might be forfeited as the circumstances might indicate.

HEARINGS

A hearing was held on September 18, 1967. Witnesses from the Department of the Interior, Department of State, and Department of Justice appeared before the Committee. The witnesses from the Department of State and the Department of Justice stated that it was their view that enactment of this legislation is desirable as a clarification of the scope of the seizure and forfeiture provisions of Public Law 88–308. The witness for the Department of the Interior felt that the statute "now permits such a forfeiture, but we would not object to an amendment buttressing this authority."

COST OF LEGISLATION

Enactment would involve no additional cost to the Government.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill 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.

SOCIAL SECURITY ACT AMENDMENTS OF 1967

The Senate resumed the consideration of the bill (H.R. 12080) to amend the Social Security Act to provide an increase in benefits under the old-age, survivors, and disability insurance system, to provide benefits for additional categories of individuals, to improve the public assistance program and programs relating to the welfare and health of children, and for other purposes.

AMENDMENT NO. 442

Mr. MILLER. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The legislative clerk proceeded to read the amendment.

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

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

The amendment offered by Mr. MILLER is as follows:

Beginning on page 133, line 1, strike out all through page 139, line 25, and insert in lieu thereof the following:

"METHOD OF DETERMINING REASONABLE COST FOR PROVIDERS OF SERVICES

"SEC. 142. (a) (1) Strike out the third sentence of section 1861(v)(1) of the Social Security Act and insert in lieu thereof the following: 'Such regulations (A) shall provide for the determination of costs of services on a per diem basis, at the option of the provider of services, in all cases where the circumstances under which the services provided so permit, and, otherwise, shall provide for the determination of costs of services on a per unit, per capita, or other basis,

(B) may provide for the use of estimates of costs of particular items or services, and (C) may provide for the use of charges or a percentage of charges where this method reasonably reflects the costs. With a view to not encouraging inefficiency, in determining a per diem basis for cost of services there shall be taken into account the per diem costs prevailing in a community for comparable quality and levels of services. Such regulation shall include provision for specific recognition of a reasonable return on fair market value of the facility (determined in accordance with periodic Federal Housing Administration or similar appraisals); but the rate of return so recognized shall not exceed one and one-half times the average of the rates of interest for each of the months any part of which is included in such fiscal period, on obligations issued for purchase by the Federal Hospital Insurance Trust Fund. Where such return is allowed there shall not be allowed interest on capital indebtedness or depreciation on the facility in determining reimbursable costs.'

"(2) The fourth sentence of such section 1861(v)(1) is amended by inserting '(except as might happen by reason of the provisions of clause (A) of the preceding sentence)' immediately after 'will not'.

"(3) The last sentence of such section 1861(v)(1) is hereby repealed.

"(b) The amendments made by subsection (a) shall be applicable to services provided under title XVIII of the Social Security Act on and after July 1, 1968."

On page 321, strike out lines 20 through 23, and insert in lieu thereof the following:

"'(D) for payment of the reasonable cost (as determined in accordance with the regulations promulgated by the Secretary for determining reasonable cost under title XVIII) of inpatient hospital services, skilled nursing home services, intermediate care facility services, and home health care services provided under the plan;'."

On page 384, strike out lines 4 through 6, and insert in lieu thereof the following: "(as determined in accordance with the regulations promulgated by the Secretary for determining reasonable cost under title XVIII) of inpatient hospital services, skilled nursing home services, intermediate care facility services and home health care services, provided under the plan;".

Mr. MILLER. Mr. President, I invite the attention of Senators to the fact that the amendment, which is No. 442, has been modified slightly. The pending amendment is a slightly modified version of the original amendment No. 442.

Mr. President, I suggest the absence of a quorum, without losing my right to the floor.

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

The legislative clerk proceeded to call the roll.

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

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

THE $30 BILLION QUESTION

Mr. JAVITS. Mr. President, I invite the attention of the Senate to a movement which is underway in our country, which is a reply to the broad move in Congress to deal with quotas as an element in the foreign trade of the United States and the argument on the other side, with which I stand. It is summed up in the formation of a prestigious "Emergency Committee for American Trade" with some of the leading businessmen of the country represented on it.

In this morning's New York Times there appeared an advertisement announcing the formation of a prestigious "Emergency Committee for American Trade" composed of the heads of some of the largest corporations of the United States. This ad which appears today in three major newspapers across the country warns against the tremendous consequences of protectionism. It warns against possible retaliation against American exports, it calls attention to the tremendous cost that protectionism will impose on the American consumers, and its cost to American industry in terms of reduced efficiency and lower productivity.

Together with the effort now being organized by the Committee for National Trade Policy to form a national coalition of associations and business firms in support of liberal trade policy, this effort is designed to show Congress and the American people the grave consequences of massive reversal of U.S. trade policy through the imposition of quotas on a wide range of vitally important commodities in international trade.

I highly commend these public-spirited business leaders for undertaking this effort on behalf of the best interests of this country.

On October 31 in a speech I made to the National Foreign Trade Council in New York, I specifically called upon American business and labor and interested civic organizations to mount a concerted effort in opposition to the protectionist drive in Congress and to form an ad hoc emergency coalition for U.S. trade policy.

On November 9, I met with 11 organization representatives of about 100 such organizations that could be counted upon to join this fight. Among the organizations present as reported in the files were the Committee for National Trade Policy, the American Importers Association, the National Retail Merchants Association, the League of Women Voters, the National Grange, the United Auto Workers, the General Federation of Women's Clubs, the National Farmers Union, the American Institute for Imported Steel, the American Farm Bureau Federation, and the Committee for Economic Development. The Committee for National Trade Policy has undertaken to form a National Coalition on International Trade Policy.

I strongly commend Arthur K. Watson, chairman of this emergency committee, and the Committee for National Trade Policy for undertaking these efforts.

I ask unanimous consent that the advertisement in today's New York Times, an article reporting the formation of this committee from the New York Times of November 16, a New York Times editorial of November 2, my October 31 speech to the National Foreign Trade Council, and certain additional newspaper articles be printed in the RECORD at the conclusion of my remarks.

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

[From the New York Times, Nov. 17, 1967]

THE $30 BILLION QUESTION

"Should America endanger its $30 billion export business by restricting imports? Should we deliberately undermine the agreements we so recently made at the Kennedy Round to lower trade barriers?"

The answer, we believe, must be "no." Yet protectionist trade measures now being discussed in Congress would gravely jeopardize American markets abroad and would seriously weaken our position of leadership in the world. Furthermore, the result would be higher prices for the American consumer on a wide range of goods and services.

The U.S. businessmen, below, share this concern with the American public. Their statement follows:

"We have joined together out of deep concern over the protectionist measures currently being pressed upon the United States Congress.

"The meaning of these measures is plain. One quarter of our imports would be subjected to quantitative limits set not by competitive forces but by legislative fiat.

"These quotas would directly repudiate a fundamental policy of our Government—to work in cooperation with other free nations to lower barriers to international trade, to release the energies of productive business across national borders, and to create an economic climate in which all could prosper.

"That policy has not been a partisan matter. Born out of the hard lessons and chaos of self-defeating protectionism in the early 1930's, it has been maintained steadfastly for more than 30 years by five administrations. Only months ago, the successful conclusion of the arduous Kennedy Round negotiations promised the opening of a bright new chapter in cooperation for trade expansion.

"To enact this protectionist legislation can only lead other nations to believe that the United States is now going back on its word. This will seriously undermine our position of world leadership and impair our good relations with our trading partners. It will also clearly reduce the willingness of these partners to cooperate with us on such vital concerns as international monetary reform. More directly, such action would violate the General Agreement on Tariffs and Trade. This, in turn, would entitle countries whose exports are affected to retaliate against U.S. products—*retaliation to which we, as the world's largest exporter, are especially vulnerable.*

"The consequences are readily predictable:

"Foreign markets for American business, labor, and agriculture that now total some $30 billion—double the volume of only eight years ago—would be gravely jeopardized. Mindful of the problems of some domestic industries faced with aggressive foreign competition, we must not lose sight of our still larger volume of foreign sales. *The game of international retaliation is simply one that we, as a nation, cannot win.*

"At a time when inflationary pressures on costs and prices are already strong, further pressure would be placed on domestic costs and prices by arbitrarily limiting foreign sources of supply. The effort to shield some domestic industries from foreign competition simply adds to the costs of all. *It would ultimately add to prices ranging all the way from the supermarket to our major export items,* thus posing a direct threat to American business and American labor.

"Incentives to modernize, to cut costs, to increase productivity and output—the essential underpinning of our high standard of living and wages—would be weakened behind a shield of Government restrictions. In the long run, our economic growth and high standards of living are dependent on the ability of advanced and efficient industries to compete freely in world markets, even with American wage standards.

"The notion that national economies are neatly divided into domestic and international business is simply without substance. The fact is that every economy benefits from a growth in trade and is hurt by a contraction in trade. Efficient business managements can understand and deal with new competition arising from tariff reduction and can take advantage of the new export opportunities. But there is no way to cope with retaliatory tariff and other trade restrictions arising out of protectionism.

"There is another, broader aspect. The cement that binds free nations is made up of common ideals, mutual confidence, respect for agreements and flourishing ties of trade. A reversion to protectionism and retaliation would erode this bond, and thus ultimately weaken us all.

"This is the very reverse of what our role of leadership requires. While serious in its impact on the strong and relatively self-sufficient like ourselves, a return to protectionism would be devastating to many newly developing nations, dependent on thriving export markets for any realistic hope of raising their standards of living from misery.

We fully recognize the very real problems and dislocations faced by some domestic industries—even industries with a high level of technical efficiency—in coping with low price imports. There are ways of meeting these problems without quantitative import restrictions. One way we strongly support is the liberalization of the adjustment assistance provisions of the Trade Expansion Act, as the administration has proposed. We welcome the anti-dumping provisions of the Kennedy Round Agreements that should help maintain barriers against unfair competition. We particularly urge that the U.S. Government intensify efforts to reduce and eliminate existing non-tariff barriers abroad, and to provide more positive encouragement and support to our export effort.

"We therefore urge Congress and all American citizens to carefully consider the full implications and perils of a reversion to protectionism.

"Emergency Committee for American Trade."

FOUNDING MEMBERS

William M. Allen, president, Boeing Company, George W. Ball, Chairman, Lehman Brothers International; William Blackie, Chairman, Caterpillar Tractor Company; R. Hal Dean, President, Ralston Purina Company.

Henry Ford II, Chairman, Ford Motor Company; J. Peter Grace, President, W. R. Grace & Company; Patrick E. Hagerty, Chairman, Texas Instruments Inc.; H. J. Heinz II, Chairman, H. J. Heinz Company.

William A. Hewitt, Chairman, Deere & Company; Robert S. Ingersoll, Chairman, Borg-Warner Corporation; James A. Linen, President, Time Incorporated; George S. Moore, Chairman, First National City Bank.

David Packard, Chairman, Hewlett-Packard Company; Peter G. Peterson, President, Bell & Howell Company; Rudolph A. Peterson, President, Bank of America N.T. & S.A.; John J. Powers, Jr., President, Chas. Pfizer & Co., Inc.

James M. Roche, Chairman of the Board, General Motors Corporation; David Rockefeller, President, The Chase Manhattan Bank N.A.; A. Thomas Taylor, Chairman, International Packers, Ltd.

Charles B. Thornton, Chairman, Litton Industries, Inc.; Arthur K. Watson, Chairman, IBM World Trade Corporation; Joseph C. Wilson, Chairman, Xerox Corporation.

Emergency Committee For American Trade, Room 1203, 121[illegible] Avenue of the Americas, New York City, [illegible]036.

[From the New York Times, Nov., 16, 1967]

WATSON OF IBM HEADS GROUP OPPOSING IMPORT QUOTES MOVES

(By Gerd Wilcke)

Congressional restrictions on imports would invite international retaliation—a "game" the United States as a nation cannot win—a newly formed business committee warned yesterday.

The commitee, headed by Arthur K. Watson, chairman of I.B.M. World Trade Corporation, also warned that protective quotas on imported goods, would "threaten the health of our domestic economy and endanger our national security as well."

Disclosure of the formation of the group, known as the Emergency Committee for American Trade, coincided with news from Washington that Congress apparently had abandoned its drive to enact quota legislation during the current session.

LONG CONFIRMS MOVE

On Tuesday Senator Russell B. Long, Democrat of Louisiana, confirmed that the move to impose quota restrictions, except on textiles, was off. Originally, 16 commodity groups had been part of a drive that had the backing of a large number of Senators. Senator Russell said a new effort would be made next year, an election year, to introduce quota restrictions.

Government sources showed little cheer over the temporary delay on quota action. They pointed out that the textile problem was serious in itself, and that the fight over the whole range of quotas would be resumed in the next Congressional session.

In a news conference at the Americana Hotel here yesterday the new trade group, composed of top-flight executives from across the nation, said restrictive measures could persuade this country's trading partners that the United States was reneging on promises made during the Kennedy round of tariff-cutting negotiations.

A trade war, the group said, could reduce United States world leadership and the willingnes of its trading partners to cooperate on such important issues as international monetary reform. It would also endanger an estimated $30-billion in United States exports and affect four million jobs in this country that are dependent on exports, the group said.

Flanked by George S. Moore, chairman of the First National City Bank, and David Rockefeller, president of the Chase Manhattan Bank, Mr. Watson noted that the committee would have 22 founding members. "We are just beginning and expect more to join," he said.

The I.B.M. executive, who is also president of the International Chamber of Commerce, said the committee, as its first public action, was placing full-page ads in three major newspapers on Friday to warn of the consequences of protectionism.

In answer to a question, Mr. Rockefeller rejected the theory that small business needed more tariff or quota protection than big business. "This simply is not true," he said.

Asked what retaliatory steps European nations might take if Congress enacted protectionist legislation, Mr. Moore implied that Europeans had various avenues open to hurt such American exports as chemicals, electronics, coal, paper products, tobacco and canned goods.

In addition to Mr. Watson, Mr. Moore and Mr. Rockefeller, other members of the trade committee are as follows:

William M. Allen, president, Boeing Company; George W. Ball, chairman, Lehman Brothers International; William Blackie, chairman, Caterpillar Tractor Company; R. Hal Dean, president, Ralston Purina Company; Henry Ford 2d, chairman, Ford Motor Company; J. Peter Grace, president, W. R. Grace & Co.; Patrick E. Haggerty, chairman, Texas Instruments, Inc.; H. J. Heinz 2d, chairman, H. J. Heinz Company.

Also, William A. Hewitt, chairman, Deere & Co.; Robert S. Ingersoll, chairman, Borg-Warner Corporation; James Linen, president, Time Inc.; David Packard, chairman, Hewlett-Packard Company; Peter G. Peterson, president, Bell & Howell Company; Rudolf A. Peterson, president, Bank of America; John J. Powers, Jr., president, Chas. Pfizer & Co., Inc.

Also, James M. Roche, chairman, General Motors Corporation; A. Thomas Taylor, chairman, International Packers, Ltd., Charles B. Thornton, chairman, Litton Industries, Inc., and Joseph C. Wilson, chairman, Xerox Corporation.

PROTECTIONISM: U.S. FOREIGN POLICY DISASTER

(Remarks of Senator JACOB K. JAVITS prepared for delivery at the 54th Annual Convention of the National Foreign Trade Council, Grand Ballroom—Waldorf Astoria Hotel, October 3, 1967)

The country today is faced with the grave threat that the results of 30 years of U.S effort to liberalize world trade will be dismantled as a result of the so far highly effective effort to impose quotas on a substantial percentage of U.S. imports. Protectionist forces have gained tremendous momentum during the past few months and you should clearly understand that they will achieve their aims unless an organized effort is made to stop them.

There is a substantial support in the Senate behind many of the quota proposals. The Hollings textile quota bill has 67 co-sponsors. The Hartke steel quota bill has 37 co-sponsors. The Hruska meat quota bill has 33 co-sponsors. The Anderson lead and zinc quota bill has 28 co-sponsors. The Proxmire dairy quota bill is co-sponsored by 40 Senators, and so forth. There are hundreds of bills before the House Ways and Means Committee that would impose high tariffs or quotas on numerous products.

There has been much said in the Congress about the usurpation by the Executive Branch of the powers of the Congress in the field of foreign trade. What actually happened is that protectionist forces have persuaded substantial elements of the Congress to support their cause, leading to an excessive use of Congressional power on behalf of certain industries at the expense of the public at large and the nation.

As legislators, members of Congress have an obligation to concern themselves with the problems of their constituents whether caused by foreign competition or other causes. Until now the greatest contribution by Congress to alleviate the strains of adjusting to foreign competition has been the enactment of measures which have contributed to the economic health of this nation, including the very industries which are now clamoring for more protection. The 1964 tax cut, the 7% investment tax credit, more liberal depreciation allowances, have all contributed to healthy economic conditions in this country for the past five years. I do not believe that the proposal of the protectionists for across-the-board quotas covering an entire industry; or the limitation on imports achieved by allegedly "voluntary" international or bilateral agreements reached with our trading partners, is the "national interest" way to help injured industries and displaced workers.

Those of us who see the great dangers involved in the protectionist drive can and must meet their challenge.

The most important step necessary is an organized effort against protectionism by American business and labor and all those who feel that they have a stake in the expanding international commerce of the

United States. True, there have been individuals and organizations who have spoken out against these quotas before the Senate Finance Committee such as: the Committee for National Trade Policy, the American Importers Association, the U.S.-Japan Trade Council, and the International Chamber of Commerce. I, myself, have received a great many telegrams from business leaders across the nation opposing the current protectionist drive in the Congress. These are the expressions of individual business leaders and organization and they need to be organized and coordinated. *I would, therefore, propose the organization of an ad hoc, emergency coalition for U.S. trade policy.* What is needed is an organized expression by American business and labor that U.S. trade policy has been immensely beneficial to industries, to workers, to stockholders, and to the nation's economy—far beyond the small price we have to pay for increased foreign competition. This must be expressed in terms of jobs and profits in the district and state of every member of Congress.

Secondly, *Congress should start immediate work on constructive proposals to alleviate actual and valid problems that some sectors of business have—namely:* (a) the adjustment assistance provisions of Title III of the Trade Expansion Act should be substantially liberalized both by making it easier for the Tariff Commission to find injury for this purpose and by providing more liberal loans, tax benefits, and retraining programs for workers in the firms or sectors of industry seriously injured by imports; (b) a federally-supported program should be initiated to attack the basic causes of obsolescence, either directly through a modernization fund or by guaranteeing loans undertaken for significant modernization programs in lines threatened with obsolescence and which otherwise cannot help themselves; (c) government policies such as "two-price cotton" which contribute to difficulties of certain industries facing foreign competition should be ended.

Thirdly, *Presidential leadership is needed* both to fight protectionist legislation in the open and to maintain the momentum of trade liberalization by introducing legislation that would enable this Government to deal effectively with non-tariff barriers against American exports and to deal with the problems of less developed countries. I hope that the pressures now put on Congress for quotas will serve one useful purpose; that it will serve as a warning to the Administration that substantial segments of American business are dissatisfied with the efforts that have been made during the Kennedy Round on non-tariff barriers facing American exports. Except for the International Antidumping Code, the Kennedy Round scarcely touched the vital area of non-tariff barriers. Yet these are the real inhibitors of expanded and liberalized world trade and U.S. trade negotiators should go up against their foreign counterparts to hammer out agreements to open up protected European and Japanese home markets. But, U.S. quota legislation will only inhibit rather than facilitate such negotiations.

I am against the current push for protectionist legislation for a number of reasons.

Quotas would result in higher prices for millions of U.S. consumers and thereby contribute to current inflationary pressure. They would endanger billions of dollars worth of U.S. exports and thereby worsen our balance of payments position, resulting in unemployment and loss of profits.

Quotas, while ostensibly assisting an industry in trouble, will result in increased government control over industry, and threaten individual enterprise. The administration of quotas requires tremendous paper work resulting in difficulties for imports even beyond the quota restrictions themselves. Time and time again, as in the case of lead and zinc, a surplus situation calling for quotas has turned into one of shortage. Italy, for example, which has an allocation under the original lead and zinc quota proclamation, chose not to fill it. Since there was no provision for reallocating unused quotas, the total supply for the domestic market decreased while other supplying countries were prevented from increasing their exports to the United States.

I am also opposed to quotas for the very practical reason that such quotas would seriously damage the economy and welfare of New York State, which is heavily dependent on commerce with the rest of the world, as are other states. In 1966, close to $1.8 billion of manufactured exports originated in New York in addition to over $75 million in agricultural exports. Many of our industries are vitally dependent on imported raw material and parts needed for products manufactured in our state. $15.9 billion of foreign commerce is shipped through the Port of New York to and from destinations all over the United States. According to a recent study made by the First National City Bank, an estimated 375,000 jobs are involved in producing and handling these goods in the Port of New York area alone. Millions of dollars in income for steamship lines, airlines, railways, truck carriers, banks, insurance companies, freight forwarders, custom brokers, are also involved, not to speak of tax revenues for local, state, and Federal governments.

How have the protectionist forces been able to make so much headway in Congress? In my judgment, this has been a result of a combination of factors—a lack of effective resistance to restrictive legislation in the past three or four years; the unwillingness of the Administration to fight protectionist legislation in the open because U.S. foreign commerce appears to be an insignificant part of the U.S. economy.

Yet it should be remembered that the Trade Expansion Act got through Congress with substantial Congressional, business and labor support. There are many members of both Houses of Congress who continue to fight for trade liberalization. They realize that a liberal trade policy is important to keep our balance of payments deficit in reasonable limits and to support the worldwide economic, political and military interests of the United States. They also support this policy because U.S. exports and imports provide thousands and thousands of jobs and millions of dollars of profits to our industries. They also realize that international commerce is symbolic of the interdependence, both political and economic, of the United States and the rest of the world.

The threat of favorable Congressional action on import quotas is very real. Whether or not this effort will succeed will depend in large degree on what you do and on the willingness of the Congressional leadership to take quick action on legislation that would truly alleviate some of the basic causes of injury due to foreign competition. And above all, the President must himself step into the breach to show the true interests of the nation lie in open and liberal world trade.

[From the New York Times, Nov. 2, 1967]

AGAIN, THE PROTECTIONISTS

At the very moment when a broad counterattack seemed to be making headway against the protectionist tide in Congress, the House has again gone off the track by voting to eliminate cotton imports from the United Arab Republic.

An unusual coalition of members from cotton-growing states of the Southwest, chronic protectionists and big-city Congressmen engineered this result. The lopsided (274-to-64) vote showed that even members who usually support freer trade were unwilling to take a stand that might be construed as assisting Gamal Abdel Nasser.

This is not the issue, though if it were it would be worth considering whether the fall of Nasser at this stage would be likely to produce in Cairo a regime even more hostile to the interests of the United States and of peace in the Middle East.

What is really at stake is the attitude of Congress and the country toward trade barriers in general and the limited but substantial tariff restrictions of the Kennedy Round in particular. If it persists on the course of the House action, Congress will not merely damage relations with many other countries; it will call into serious general question the good faith of the United States in the Kennedy Round negotiations.

If producers of extra-long staple cotton get added protection from imports, what about producers of commodities ranging from steel to strawberries, from mink furs to olives? The span of goods for which import quotas are being demanded is even wider than this list indicates.

Instead of spiting President Nasser, Congress would do far better to recall the words spoken on Capitol Hill last week by a friend and neighbor, President Diaz Ordaz of Mexico: "Before you act, it might be well to stop and consider just what effects your action would have on the rest of the world," President Diaz might have added, "and on yourselves, as well." For foreign retaliation against any protectionist binge by Congress will be swift and widespread. Every American exporter will be a victim, and so, as Senator Percy reminded his colleagues the other day, will every consumer.

It will be up to the Senate to knock out the House ban on imports of Egyptian cotton; but meanwhile representatives of business, consumers and labor might adopt the suggestion of Senator Javits that they form an "emergency coalition" to battle the protectionists and hold the line for a liberal trade policy that has served this country well.

[From the New York Times, Nov. 10, 1967]

TRADE CAMPS VIE FOR FAVOR—SUPPORT URGED ON OPPOSING INTERESTS

(By Gerd Wilcke)

Powerful forces both in favor and against the conduct of the country's trade policy issued separate calls in behalf of their interests yesterday.

If nothing else, the chorus of statements was a hint that the fight between protectionists and liberal traders is far from over.

These were some of the developments:

The textile and apparel group of the American Importers Association, holding an emergency meeting at the Hotel Sheraton Atlantic, agreed on a five-point program to fight protectionist efforts in Congress.

Bernard L. Hohenberg, chairman of the group, and Michael P. Daniel, its Washington counsel, told the more than 100 textile representatives attending the meeting that the current protectionist drive was the most serious effort in more than 30 years to limit imports.

Former Secretary of Commerce John T. Connor, accepting the "Man of the Year" award by the textile section of the New York Board of Trade, called for an all-out effort to extend import controls "of the kind now applicable to cotton textiles" to all segments of the textile industry.

The American Institute for Imported Steel issued a warning that a steel quota bill would be voted upon and be passed by Congress next week unless "action is taken immediately."

Senator Jacob K. Javits, the New York Republican, said in a telephone interview that he had met in Washington with representatives of about a dozen organizations to coordinate the fight against protectionism.

He said the Committee for a National Trade Policy would issue a call for a national coalition on international trade policy.

Gerald H. Brien, executive vice president

of the American Importers Association who attended the meeting at Senator Javits' office, said his group had formed a "blue ribbon committee" to raise funds for an education campaign on the merits of freer trade.

Collingwood J. Harris, a member of the New York's Regional Export Expansion Council, said that independent members of the group were preparing a drive to counteract the mood in Congress.

Details of the effort are to be announced at a press conference Nov. 27.

Meantime, letters asking for support are being sent to about 1,200 business executives across the country.

The action program of the textile importers, as spelled out by Mr. Hohenberg, seeks better representation on Capitol Hill, better cooperation with other groups that stand to lose most by the imposition of protectionist measure and vigorous education and public relations campaigns.

Mr. Connor, speaking from the other side of the fence, asserted that there was evidence that "the right kind of textile import quotas will indeed serve the broad public interest."

Mr. Connor, who became president of Allied Chemical Corporation on leaving government service earlier this year, told his audience at the Hotel Pierre that the "terms free trader and protectionist don't tell the full story any more."

After stating that he much preferred the name "conservationist" applied to him, Mr. Connor added: "Personally I have always been and still am a strong supporter of American business, and see no reason to apologize for this position."

Senator Javits said that John W. Hight, the executive director of the Committee for a National Trade Policy, would be chiefly responsible to pull nation-wide organizations together to fight protectionism.

Mr. Hight did a similar job in 1962, when President Kennedy fought for his Trade Expansion Act.

Senator Javits said the fact that only about a dozen groups were present at yesterday's session was explained by the limited space of his Washington office.

Among the groups present were the League of Women Voters, the Farm Bureau Federation, the National Grange, the General Federation of Women's Clubs and the United Automobile Workers.

In warning that a steel quota bill might become reality soon, Victor V. Shick, vice president of the steel trade group, said that "a unique joint lobbying effort by steel management officials and United Steelworkers of America officials in recent days has had an enormous impact."

[From the New York Times, Nov. 2, 1967]

PROTECTIONIST MOVES IN CONGRESS ASSAILED—THE 54TH CONVENTION OF COUNCIL ENDS—JAVITS IDEA GAINS

(By Gerd Wilcke)

The National Foreign Trade Council ended its 54th annual convention here yesterday expressing sharp opposition to protectionist moves in Congress. The moves are designed to impose import quotas on a large number of foreign products.

In a 10,000-word declaration adopted by a majority of the more than 2,000 participants, the group also requested that:

The President's authority be extended to 1969 to make compensatory tariff cuts.

The Trade Expansion Act be amended to provide more adjustment assistance to industries hurt by imports.

The Government terminate the voluntary balance of payments program.

JOHNSON SENDS MESSAGE

President Johnson, in a message read to the convention, said the services of "all of us" should be enlisted to prevent the "constructive trade policy built over 30 years" from becoming engulfed in a new wave of protectionism.

The convention's declaration had been prepared before Senator Jacob K. Javits proposed that business and labor form an emergency coalition to fight protectionism. William M. Roth, the President's Special Representative for Trade Negotiations, subsequently endorsed the New York Republican's idea.

Yesterday, leading officials of the foreign trade group implied strongly that they were in accord with the idea. Elsewhere it was learned that the formation of a business committee might be close to realization.

APPRAISAL IS URGED

Regarding the mood of a considerable segment in Congress, the convention's declaration stated:

"The whole climate, both in this country and abroad, for further concerted action in expanding international trade and investment is being profoundly threatened by protectionist measures introduced in Congress."

The convention urged Congress to appraise such measures in terms of their cost to the United States economy as a whole, including those that could result from retaliatory measures "detrimental to United States, international trade and investments and have adverse effects on our balance of payments."

Assessing the Government's voluntary program to curb the outflow of capital for investment abroad, the convention suggested that the whole program be terminated "without further restrictive controls."

On another point, the declaration regretted "the uncertainty which surrounds" the question of Britain's entry into the Common Market.

Charles Lucet, France's Ambassador to the United States, provided little that would have removed the uncertainty among the delegates to the convention. In a luncheon address, the French diplomat reiterated the objections his country has against speedy participation of Britain in the European Economic Community.

Ambassador Lucet said the enlargement of the market, particularly by Britain and other members of the European Free Trade Area, should be examined "realistically" and without sentimentality.

He implied, however, that until Britain resolves problems surrounding the pound sterling and was ready to subject herself to the rules governing the Common Market's farm policy, there was little likelihood that France would drop her objections to Britain's membership.

MOVE IS DEFENDED

In another development, Dr. R. Buford Brandis, chief economist of the American Textile Manufacturers Institute, said the textile industry was not "protectionist" in its move to limit imports.

Speaking at a meeting of the Association of Textile Technology here, Dr. Brandis said the proposed legislation to establish quantitative controls on textile imports was "most generous to our foreign friends."

The bills before Congress, he said, provide for bilateral negotiations that will not only give foreign producers a large share of the market but also would provide for increases if the market grows.

He denied that the textile bills in Congress would result in any vast roll backs that would disrupt international trade, and held that they were a "reasonable approach to a critical problem," threatening textile employment in this country.

AT NFTC MEETING—PROTECTIONIST THREAT TO ECONOMY VIEWED—JAVITS AND ROTH PROPOSE ACTION

(By George F. W. Telfer)

The serious threat to the United States economy and exports and to world trade expansion posed by the protectionist drive in the U.S. was graphically illustrated here yesterday by a U.S. senator, by the administration's top Kennedy Round negotiator and by businessmen.

Highlights of speeches at the second day's sessions of the National Foreign Trade Convention included:

Sen. Jacob K. Javits called on business and labor leaders and all those with a stake in this country's expanding world trade to form an "emergency coalition for U.S. trade policy," in order to head off the "tremendous momentum" the protectionist forces have attained recently.

THE 1966 EXPORT PICTURE

The New York Republican noted that last year close to $1.8 billion of manufactured exports and more than $75 million in agricultural exports originated in New York State, and that nearly $16 billion of foreign commerce was shipped through the Port of New York, providing jobs for 375,000 people producing and handling these goods.

Few Americans realize the "astonishing dimensions" which the "deadly serious" protectionist drive has already attained, William M. Roth said.

Enactment of import quota bills introduced in Congress would mean higher prices and "might easily push us over the brink into inflation," Mr. Roth, the President's special representative for trade negotiations, told the convention at the Waldorf-Astoria Hotel.

Another speaker, Ian MacGregor, president of American Metal Climax, Inc. (Amax), also viewed with alarm the protectionist wave. On the other hand, he said restrictions on American mineral companies' discovery and development work abroad for balance of payments considerations was extremely shortsighted.

PAST DISCUSSIONS

As reported elsewhere on this page and in today's world trade section, afternoon panels in the last two days have discussed proposed trade preferences by advanced countries for goods produced in developing countries, financing U.S. corporations' overseas operations and the special problems of Europe, Latin America and countries of the Pacific-Asia area.

Citing Congressional comment on the alleged usurpation by the Executive Branch of Congress' powers in the foreign trade field, Sen. Javits said that "what actually happened is that protectionist forces have persuaded substantial elements of the Congress to support their cause, leading to an excessive use of Congressional power on behalf of certain industries at the expense of the public at large and the nation."

In addition to the private sector combating protectionism, Sen. Javits said "the President must himself step into the breach to show that the true interests of the nation lie in open and liberal world trade."

He said Congress should start immediately on constructive proposals to liberalize adjustment assistant provisions of the Trade Expansions Act's Title III and to attack the basic causes of obsolescence by creating a modernization fund or by guaranteeing modernization loans.

The administration should "maintain the momentum of trade liberalization by introducing legislation that would enable this government to deal effectively with nontariff barriers against American exports and to deal with the problems of less-developed countries."

The quota legislation will only inhibit rather than facilitate such negotiations, the senator said.

In order to illustrate the "astonishing dimensions" of the protectionist drive, Mr. Roth said, that enactment of a general import quota bill, "which has been widely discussed," would affect almost 80 per cent, or

about $9 billion of the nearly $12 billion of this country's dutiable imports.

If Congress passes only the import quota bills already introduced, he said, some 40 per cent of U.S. dutiable imports would be affected.

"These are not the run-of-the-mill protectionist bills that crowd the congressional hoppers every year and perish at the end of each session," Mr. Roth warned.

In his remarks, Amax President MacGregor said "the upsurge in the world economy of the '60s has encouraged a great deal of exploration for minerals and heavy capital investments in new sources of supply."

"The raw materials industries have a responsibility to assure the continued discovery and development of minerals resources both in the U.S. and in the free world," he added.

Mr. MacGregor also said that to restrict U.S. participation in such developments is extremely short-sighted and "as the search for minerals widens, formerly inaccessible sources must now be viewed as potential development projects. . . ."

[From the New York Times, Nov. 1, 1967]

UNITED STATES ENDORSES TRADE PROTECTIONISM FIGHT—JAVITS STAND BACKED BY PRESIDENT'S AIDE ON IMPORT QUOTAS

(By Gerd Wilcke)

The Administration's chief trade negotiator joined Senator Jacob K. Javits of New York yesterday in calling for an "emergency coalition" of business and labor to fight protectionism.

William M. Roth, who holds the title of the President's Special Representative for Trade Negotiations, departed from his speech to the 54th National Foreign Trade Convention to endorse the stand of the New York Republican.

Later, Ambassador Roth implied strongly that the initiative toward organizing such a group would have to come from business, not the Government.

In speeches to more than 1,000 business executives attending the three-day conference at the Waldorf-Astoria Hotel, both men sharply criticized recent moves in Congress calling for quotas to slow down foreign imports.

Although praising several groups that had testified against the introduction of quotas at recent hearings of the Senate Finance Committee, Senator Javits said:

"What is needed is an organized expression by American business and labor that United States trade policy has been immensely beneficial to industries, to workers, to stockholders, and to the nation's economy—far beyond the small price we have to pay for increased foreign competition."

The New York Republican asserted that dissatisfaction over the failure of the Kennedy round of tariff cutting negotiations to deal with non-tariff barriers had spurred the drive by some business segments for import quotas.

"Except for the international anti-dumping code, the Kennedy round scarcely touched the vital area of non-tariff barriers. Yet these are the real inhibitors of expanded and liberalized world trade," Mr. Javits said.

He added that the President's leadership is "urgently needed," both to fight protectionist legislation and to maintain the momentum of trade liberalization.

The President also should introduce legislation to deal with non-tariff barriers against American exports and the problems of underdeveloped nations, he said.

Congress, Mr. Javits continued, should act to facilitate adjustment assistance to industry under the Trade Expansion Act and the retraining of workers whose jobs are endangered by imports.

The New York Republican said he was opposed to quotas "for the very practical reason that such quotas would seriously damage the economy and welfare of New York State, which is heavily dependent on commerce with the rest of the world.

Mr. Roth said he thought that many Americans had not yet realized the "astonishing dimensions" of the protectionist move. "Enactment of these bills might easily push us over the brink into inflation," he added.

MANY IMPORTS AFFECTED

The Government official said that import quota bills already introduced in the Congress would affect 40 per cent of dutiable imports. If a general quota bill that is being discussed were instituted that figure would rise to almost 80 per cent.

"These are not the run-of-the-mill protectionist bills that crowd the Congressional hoppers every year and perish at the end of each session. They add up to a coordinated, concerted campaign by some of our nation's largest and most powerful industries. And they will not abandon it merely because they run into some comentary Congressional roadblock," Mr. Roth warned.

Giving examples, Mr. Roth said that the $20-billion textile industry had been joined by the $26-billion steel industry in pressing for legislation that would impose mandatory quotas if it proved impossible to negotiate long-term market-sharing agreements with the country's trading partners.

CHEMICAL INDUSTRY IN FRONT

The $38-billion chemical industry, he continued, had also joined the common front by urging the Senate Finance Committee to recommend legislation "broad enough to deal with the injury or threat of injury to the United States chemical industry, as well as other industries now being heard by this committee."

Enactment of these bills might "menace the very continuance of the sustained economic growth in which all sectors of our economy have an enormous stake," Mr. Roth warned.

Earlier in his speech, Mr. Roth said he would open public hearings March 25 to get the opinion of business, unions, farm organizations, consumer groups and scholars on where the country's future trade policy should go.

The office of the Special Representative has been instructed by the President to conduct a long-term study on the problem.

Other speakers at yesterday's session included Ian MacGregor, president of American Metal Climax, Inc., and Suwito Kusumowidagdo, Ambassador of Indonesia to the United States.

[From Life magazine, Nov. 3, 1967]

MISGUIDED PROTECTIONISM

The U.S. is the greatest trading nation the world has ever known. And we trade at a profit. This year we will export $31.2 billion worth of goods—while importing $26.5 billion worth, for a trade surplus of $4.7 billion in the balance-of-payments ledger. The harvest from one out of four of our cropland acres is exported. Twenty-nine percent of our production of construction machinery and equipment is shipped abroad. So are 16% of our computers.

In the face of such figures, it is alarming that strong pressure is building in the Congress to raise a protectionist barrier of imported quotas around the borders of the U.S. Eighteen measures already referred to the Senate Finance Committee and a number of other bills being prepared by members of both houses of Congress would apply or stiffen existing quotas on $12.6 billion worth of imports—three quarters of the value of all the dutiable imports that came into the U.S. last year.

Any such move would signal a reversal of America's trade policy. For more than 30 years, the U.S. has spread the gospel of expanded international trade. The recently completed Kennedy round of tariff cuts was an American initiative, the latest of many postwar moves that have liberated trade and contributed mightily to a phenomenal rise in the standard of living of much of the free world. It is odd to find the two senator brothers of the late President Kennedy, among others, listed as sponsors of new protectionist bills.

Import quotas will invite retaliation—legal under our trade agreements—from other countries. And as Secretary of State Dean Rusk pointed out to the Senate committee, "We could not choose the sectors which foreign governments might select for increased barriers against our exports. . . . A congressional decision to isolate our steel industry from foreign competition might be paid for not just by higher prices for steel in this country, but by reduced foreign sales opportunities for our farmers, our producers of machine tools, computers, canned fruit, automobiles and who knows what else."

In terms of economics, import quotas are a costly means of controlling trade. They frequently protect the inefficient, and tend to raise prices and contribution to inflation. They are defensible only in cases where they guard industries considered vital to national security. For example, the U.S. would spend at least $3 billion less each year for oil without import controls. But since in an emergency we could not depend on imports, we protect American oil producers with quotas.

In non-defense areas our general policy has been to negotiate mutual reductions of trade barriers with our trading partners. To reverse this policy—to stiffen quotas now, or to add new ones—would be regarded by other countries as reneging by us.

The industries that are now pressuring Congress for relief complain with some justice that foreign countries have not dropped their trade barriers as rapidly or as far as we have.

But to counter by raising our own trade barriers is no answer to foreign discrimination against U.S. products. The Administration has the power through trade agreements and laws already on the books to assure fair treatment for our exports. Enforcement of those agreements can assure an orderly increase in world trade. To erect instead a quota wall could, in the words of Senator Jacob Javits, "return us to the international trade wars of the 1930 and a continuous round of retaliation and counter-retaliation until the economic health of the world economy itself would be imperiled."

[From the Washington Post, Nov. 1, 1967]

TEN BRAVE SENATORS

At a time when a powerful protectionist lobby would bring the growth of world trade to a standstill by imposing import quotas on everything from steel to strawberries, it takes courage to swim against the retrogressive tide. Only 10 of the 100 members of the Senate are not now sponsoring or co-sponsoring import quotas or amendments to the antidumping bill that would also hobble international trade. As we went to press they were—*Democrats:* Byrd, Va., Gore, Tenn., Russell, Ga., Tydings, Md., Williams, N.J.; *Republicans:* Fong, Hawaii, Griffin, Mich., Javits, N.Y., Percy, Ill., Williams, Del.

The roll would doubtless be longer if other sincere proponents of freer world trade—Senator Smathers, who is now leading the good fight in the Finance Committee, is an outstanding example—had not permitted their names to be attached to minor protectionist measures. But the significant expansion of the slim honor roll will come when logic and the hard facts of international economic life break the spell that was cast by the siren song of protection. This country is the world's leading exporter, and it also has the world's largest export surplus. Denying other countries access to this market will only cause them to close their markets to our exports. It is a game which

everyone loses as the shrinkage of world trade causes a contraction of income and employment.

SOCIAL SECURITY ACT AMENDMENTS OF 1967

The Senate resumed the consideration of the bill (H.R. 12080) to amend the Social Security Act to provide an increase in benefits under the old-age, survivors, and disability insurance system, to provide benefits for additional categories of individuals, to improve the public assistance program and programs relating to the welfare and health of children, and for other purposes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. METCALF. 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. METCALF. Mr. President, if I may have the attention of the chairman of the committee, I wish to submit two amendments, which I send to the desk.

Does the chairman of the committee want to set aside the pending amendment at this time?

Mr. LONG of Louisiana. Mr. President, does the Senator from Iowa wish to press his amendment at this time or withdraw it temporarily?

Mr. MILLER. Mr. President, I am ready to proceed, unless the Senator from Louisiana has something more pressing.

Mr. LONG of Louisiana. No; I am ready to proceed.

Mr. MILLER. Mr. President, I invite attention to the fact that my amendment No. 442, as modified, is designed to relieve hospitals, nursing homes, and other facilities covered by titles 18 and 19 of a serious problem with respect to their present method of reimbursement.

There are two problems, really. The first problem is the inadequacy in many cases of the present method of reimbursement; and the second is the horrible cost accounting through which these facilities and their owners have to go in order to obtain their reimbursement.

Insofar as No. 1 is concerned, this amendment would permit, at the option of the facility, a shift to a per diem basis in determining reasonable cost for payment to providers of services, namely, inpatient hospitals, skilled nursing homes, intermediate care facility services, and home health care services.

The amendment is also calculated to prevent such a provider of services from benefiting from inefficient operations by providing that in determining such per diem cost there shall be taken into account the per diem costs prevailing in a community for comparable quality and levels of services. Thus, for example, it would be our intention that a hospital coordinate its capital investment action with a State planning agency, if there is one, to the extent at least of avoiding unnecessary or duplicative high cost investment which would increase its per diem unduly over that prevailing in the community.

There is another aspect of this amendment; namely, that it would recognize a reasonable return on the fair market value of the facility, with no reimbursement in that case for depreciation and interest on indebtedness, instead of the present provision for a return on the net equity of the provider of services plus reimbursement for depreciation and interest on indebtedness.

In my opinion, it is the fair market value of the facility which is the true basis for the determination of a fair profit. The Government is protected in my amendment by the provision that this fair market value be determined by FHA or similar appraisal on a periodic basis. So this avoids all manner of complexities in computing proper depreciation and interest reimbursement, as presently required.

I wish to point out that the substance of this amendment was offered last year insofar as the fair market value basis for the return is concerned. The Senator from Louisiana very graciously took my amendment to conference. However, the result of the conference was that, instead of using the fair market value as the basis for a return, they compromised on the net equity, as far as the depreciation allowance was concerned, plus interest allowance, plus a 2-percent factor.

That is the present formula.

This is better than what the previous regulations had provided, but I think it is still somewhat inadequate, at least in some cases. For example, depreciation reimbursement may be based on a cost basis which does not reflect current market value. If it does not, then it does not provide sufficient revenue to make provision for reinvestment in new facilities and equipment.

With respect to older facilities, there should be some increase because reimbursement would take into account the fair market value rather than the outmoded cost basis against which depreciation reimbursement is currently measured. But such increase is essential to enable the providers of services to keep their facilities updated. Without it they will not be able to do so, and may be even discouraged, in some cases, from seeking to provide such services.

Now, with respect to the per diem approach, this really reflects the fact that older people in a hospital use more nursing services and other components of the room-and-board category than do younger patients. It also reflects the fact that such additional services tend to offset the fact that there may be a lower cost as a result of a longer stay by an older person in the hospital.

I know concern has been expressed that the per diem approach might cost more money, but I do not believe it is well placed because of the express provision in the amendment that there shall be taken into account the per diem costs prevailing in a community for comparable quality and levels of services. In fact, I suggest that, in some cases, this would result in some savings.

I am apprised of the fact that Mr. Robert Myers, for whom I have a great amount of respect, has made a hurried cost estimate of this, resulting in a cost increase of from $500 to $650 million in 1968. But I do not know of any basis on which he rests this estimate, and, in fact, I believe he has stated it is very difficult to know what the effect of the fair market value provision would be.

With respect to new facilities, there should not be any difference at all. The 1½ times the trust fund interest rate on the fair market value certainly would not be any greater than 1½ times the net equity plus reimbursement for depreciation plus reimbursement for interest plus the 2-percent factor.

If a provider of services does not wish to use the per diem approach, then the regulations that are provided for in my amendment are to provide for determining costs of services on a per unit, per capita, or other basis, including the one presently in use.

Many hospitals have complained of the inordinate cost accounting they must do in order to comply with present regulations. I do not think it is correct to say that this problem has been overcome. In any event, if these hospitals or other facilities feel that it has been overcome, then they may elect not go on the per diem basis. They can go on some other basis. They can proceed on the present basis. Breaking out the separate cost accounting for medicare and other patients is a backbreaking bookkeeping job.

The cost of this amendment, in my judgment, has not been carefully evaluated; and I believe it is clear that the Department's analysis, which was hurriedly presented to the committee during its consideration of the amendment, did not take into account the compensating savings resulting from the "per diem rate in the locality" provision, which applies not only to hospitals but to all other types of facilities involved in the programs.

In fact, Mr. President, if my amendment is adopted, this will be the first time that Congress has put in writing its policy—and I am sure that this is the policy of Congress—that inefficiency not be benefited. Under the present state of the law on the cost reimbursement formula, an inefficient hospital or nursing home will receive a larger reimbursement than an efficient facility. I might add that the hospital and nursing home associations are most unhappy with this hiatus in the law.

I would hope that my amendment could be taken to conference. I believe that the cost estimates involved could be more carefully reviewed; and I am quite confident that the hospitals, the nursing homes, and the other types of facilities would then feel that they were being taken care of properly.

On the basis of my correspondence and my contacts with many people in these various institutions, they feel that they are being shortchanged now. They feel that they have been put upon by the requirement of an inordinate amount of cost accounting and bookkeeping, and some of them are actually suggesting they may even have to go to computer type operations in order to meet the costing for the individual medicare and medicaid patients.

I do not believe that when the medicare and medicaid bills were passed originally, there was any intention by Congress to have such a burdensome undertaking placed on those facilities.

Mr. President, as I pointed out last year, if we do not do something about this problem, we are going to find that many of these facilities will not seek to serve the patients who are entitled to such care, and we will have patients entitled without the opportunity for service. I do not believe that the amendment provides for any overreaching. As I said last year, I think that it provides for a fair approach and a practical approach. In fact, the per diem is used by Blue Cross and Blue Shield. I see no reason why we should not give this a try, and I think if it could be taken to conference, we would find a goodly reception on the other side of the Capitol, for putting this provision into effect.

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

Mr. MILLER. Yes; indeed.

Mr. HOLLAND. I have had several telegrams from highly reputable sources in Florida, primarily from small private hospitals, church-supported or other privately supported hospitals—not from the large public hospitals—complaining very vigorously about the provisions of the section of this bill which would be changed by the amendment of the Senator from Iowa.

I ask the Senator this question: Am I correct in my understanding that his amendment, which would provide for the application of a per diem rate similar to that stated for the same services in that community and in that facility, would remove the objections of the hospital boards and operators to the provision of the bill—I believe it is section 142—which in effect limits very greatly the amount that may be included in computing the value of services for medicare and medicaid on a basis which includes the principal capital investments, and includes the interest that is expended? Will the Senator's amendment, which does not mention those two factors by direction, cover them by indirection, in that it would provide, as I understand it at least, that the per capita cost charged in that community and by that facility for the rendition of similar services would be the charge recognized?

Mr. MILLER. The Senator is correct. This is the principal thrust of one part of my amendment.

There are two parts to my amendment. The first is the per diem part; the second is reimbursement on the fair market value of the facility.

With respect to the first part, it is the per diem approach that most of the hospitals wish. I should point out, however, that there are some hospitals that do not want the per diem basis. Therefore, my amendment provides that the per diem basis will be at the option of the provider of services.

Mr. HOLLAND. That means the hospital?

Mr. MILLER. The hospital or the nursing home or other type of facility.

If they do not wish to use the per diem approach, then the amendment provides that the provider of services will have his costs reimbursed on a per unit per capita, or other basis. The "other basis" could include the present basis.

We were told that there was one hospital which did a lot of teaching, and that the per diem approach did not fit their requirements. That is the reason why we left it open, so that, at their option, they could have the per diem; if they did not wish to have per diem, then it would be on some other basis established by the regulation.

With respect to this capital matter, I invite the attention of the Senator to the fact that the amendment strikes all of the bill starting on line 1 on page 133 through line 25 on page 139.

Mr. HOLLAND. That is the portion of the bill which incorporates the provisions that are so seriously objected to by the people from whom I have heard.

Mr. MILLER. That is correct; but I should like to add this caveat: If that portion of the bill is struck out, and my amendment is inserted in lieu thereof, we will be eliminating the absolute requirement that capital investment be limited, and that the capital investment is approved by State planning agencies.

At the same time, I do believe that it is fair to say that the intention behind this amendment is not that hospitals should overlook State planning agencies' plans. They should not feel that they have carte blanche to go out and invest in expensive capital equipment and facilities which unduly or unnecessarily duplicate those of some other facility in the same community.

The intention is that they will coordinate with the State planning agencies, with a view to avoiding, as far as possible, the duplication of high-cost items. If they do not do that, of course, they naturally increase the average per diem cost in the community.

That is another aspect of the average per diem cost in the community which my amendment seeks to avoid. I think it is better, in this way, to encourage the hospitals to coordinate with State planning agencies, than as the bill now provides to require that they do so, and, in effect, give the State planning agencies complete control over their capital investments.

Mr. HOLLAND. Mr. President, if the Senator will yield to me for a general statement, I am glad to see that the distinguished Senator from Alabama [Mr. HILL] is present, because his interest and concern with hospitals and their proper operation is well known; and I am also glad that the Senator from Louisiana is here, and I hope he will follow my remarks, which will not be of undue length.

I have received a number of telegrams and letters, and I note that they are all from relatively small hospitals that have been hard hit, as they have complained to me for months now, by the methods followed in the medicare program.

For instance, a gentleman who is my longtime friend, and is attorney for several of these hospitals, has called me on the telephone to talk at length about it, to say that more than 30 percent of the patients in the hospitals which he represents, which are all relatively small, are medicare patients. They are operating at a very great loss, and they will soon have to go out of business.

I have letters and telegrams here, two of which I would like to read because I think they express the point I wish to stress.

The first is a letter from St. Anthony's Hospital, Inc., St. Petersburg, Fla., signed by Sister Mary of Lourdes, O.S.F., administrator. It reads:

NOVEMBER 15, 1967.

Hon. SPESSARD HOLLAND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HOLLAND: I urge that you do all within your power to bring about the removal of the provision in the Senate measure similar to that defeated in the House in H.R. 12080, which would deny reimbursement to hospitals of amounts representing depreciation and interest attributable to "substantial capital items"—expenditures which were not in accordance with a state's overall planning under the Partnership for Health Act.

Depreciation is a return to the hospital of expenditures already made—and hospitals need the funds to make mortgage payments. Further, making capital expenditures subject to a state planning agency—financed by a federal grant—is an unwarranted interference in the rights of hospital trustees to control finances of individual hospitals. Hospitals will support "voluntary" planning but can tolerate no further erosion of the reimbursement and still make mortgage payments and buy new equipment.

Sincerely,
Sister MARY OF LOURDES, O.S.F.,
Administrator.

I have a similar communication, a telegram in this instance, from another Catholic hospital, the Sacred Heart Hospital in Pensacola, Fla., signed by Sister Anne William, administrator.

I shall not read this communication. I ask unanimous consent to have it printed at this point in the RECORD.

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

Hon. SPESSARD L. HOLLAND,
U.S. Senate,
Washington, D.C.:

We urgently request that you use your influence to defeat the Senate provision to the amendment of H.R. 12080 that would deny reimbursement of amounts representing depreciation and interest attributable to "substantial capital items." Our trustees would recommend cancellation of our medicare contract if this provision became a law.

We are indeed grateful for your continued support in these important matters.

Sister ANNE WILLIAM,
Administrator, Sacred Heart Hospital.

Mr. MILLER. Mr. President, that is the very point I wish to emphasize. The hospital administrator from the State of Florida who wrote to the Senator was complaining about the rigid requirement that a hospital must coordinate the whole capital investment program with the State planning agency.

That is what the bill now provides. My amendment would strike that all out. It does not say anything about a State planning agency as such. It merely provides that in determining this per diem there shall be taken into account the prevailing per diem rate in the community.

If that is done, that will indirectly cause hospital administrators to be very careful that they do not engage in high-cost capital investments that will be wasteful or duplicative.

I do not think we will have much

difficulty with that anyway. However, in any event it will not do any harm for the hospitals in the community to sit down with the State planning agency and try to coordinate their hospital services. Perhaps one hospital wishes to have a kidney machine and another hospital wishes to have a new type of heart machine instead. If everyone is to have the same type of equipment, there would be a problem.

Hospitals that would disregard this provision would do so at their peril and get out of step with the prevailing per diem in the community. The amendment would serve in that way as a salutary inducement and encouragement to do something with voluntary State planning agencies.

I think that would achieve the objective of the writer of the letter to which the Senator referred.

Mr. HOLLAND. Mr. President, I have here a telegram from a small hospital at Dunedin, Fla. Dunedin is a beautiful little city just north of Clearwater. The communication reads:

MEASE HOSPITAL, INC.,
Dunedin, November 15, 1967.

Re: H.R. 12080 Social Security Amendments.

Hon. SPESSARD HOLLAND,
Senate Office Building,
Washington, D.C.:

Urge removal of amendment denying reimbursement for depreciation and interest. Large numbers of hospitals are entirely dependent upon these funds to meet mortgage obligations. This is appropriate reimbursement for past capital expenditures. Such usurping of authority of hospital trustees in controlling hospital finances would result in consideration of decision to participate in medicare.

Urge your careful attention to this most urgent matter.

DONALD M. SCHRODER
(For trustees).

That is another private hospital.

I have so many of these items that I shall not put them all in the RECORD.

I have a letter from Mr. William J. Schneider, administrator of the Fish Memorial Hospital, at New Smyrna Beach, Fla. That is a relatively small city and a relatively small hospital.

The letter reads:

NOVEMBER 14, 1967.

DEAR SENATOR HOLLAND: Let me urge you to consider the removal of the provision in the Social Security Amendment (H.R. 12080) which restricts reimbursement to hospitals for depreciation and interest on capital expenditures that are not approved by some state planning agency.

Such a law, if passed, can only work to the long range detriment of the health field by preventing the trustees of hospitals from carrying out their responsibilities for providing the health facilities of local communities. Further, this law would negate the efforts of administrators in operating hospitals on a sound fiscal basis while participating in the medicare program, and would further increase the cost to the paying patient.

Thank you for your continued interest in our health facilities.

Very truly yours,

WILLIAM J. SCHNEIDER,
Administrator.

I have received other communications from throughout the State that indicate that unless the hospitals do get a fair allowance based upon their capital investments and their interest charges, as well as other items, they will just have to discontinue their taking care of medicare patients, which they do not want to do.

The telegrams speak for themselves. I shall not even have them printed in the RECORD. However, I do want to give the names of persons from whom I have received some of these wires.

I have a telegram here from S. R. M. Innocent, R.S.M., Holy Cross Hospital, administration. That is another Catholic hospital. It is located in Fort Lauderdale, Fla.

I have one from Leo Wotitzky, president of the Charlotte Hospital Association, Inc., and Robert O. Bruce, executive director of the Medical Center, Punta Gorda, Fla. That is another small town and a small hospital.

I have another communication from Mr. W. L. Simon, administrator of the North Miami General Hospital, North Miami, Fla. That is to be distinguished from Miami, the larger city. North Miami is a relatively small city in the north part of that area.

I have a communication from C. A. Severs, executive director of the Doctors' Hospital of Sarasota, Inc., Sarasota, Fla.

I have another communication from Russell T. Clayton, administrator of the Bethesda Memorial Hospital, and Mr. William F. Koch, chairman of the board of hospital commissioners of the Bethesda Memorial Hospital, Boynton Beach, Fla. That is another small town and a relatively small hospital.

There are other communications here. I will not try to include all the names.

I have received, in addition, communications from the head in Florida of the hospital association and one from the head, here in Washington, of the American Hospital Association, who states that he speaks for 7,000 of the Nation's hospitals, and that he strongly protests this action.

It seems to me that when the burden of all of these communications is that the medicare service will be discontinued by many small hospitals in relatively small communities unless something of this sort is done, and that the charge to patients other than medicare patients will have to be raised. The seriousness of this point stands out.

I suggest that the amendment of the Senator from Iowa does deal adequately with this problem, as I am inclined to think it does.

My legislative assistant has called the American Hospital Association, in Washington, and they think it does. If it does not, I am sure that if we can include this proposal in the bill, the conferees can find out exactly what is the meaning and make a correction, because I am sure we are all agreed that we do not want to handicap the medicare program, nor do we want to see hospitals continuing to operate at a loss simply because they are handling that program.

Regardless of how we may feel toward medicare, in my State, at least, which has so many elderly people, it has come to be, particularly in the smaller towns where the retired people like to stay, a very large part of the business of the average small hospital. So the program must be placed on an adequate basis, or it will dry itself up. It just cannot be continued if it is not on an adequate basis.

I do not know what the attitude of the distinguished chairman of the committee is on this proposal, but I would express the strong hope that he might take the amendment, have it studied in conference, and bring out whatever is the exact language that will cure the situation. If this will not correct it, let us bring out something that will. I am sure that the chairman would not want to bring about the hardship of closing hospital doors to medicare patients, or possibly even closing small hospitals in the way that is indicated.

I strongly support the Senator from Iowa in his effort. In fact, I was planning to draft an amendment myself when I was told by the American Hospital Association that the amendment of the Senator from Iowa would meet this issue. I strongly hope that the Committee on Finance, and especially the chairman of the committee [Mr. LONG], who is handling the bill so ably on the floor of the Senate, may see fit to take the amendment and make certain that in the final version we will have something that is fair to the Nation—yes, we all represent the Nation—and is also fair to the small hospitals and fair to Medicare patients in our communities, because they do not, in all communities, have access to the very large publicly supported hospitals.

Mr. MILLER. Mr. President, I wish to thank the Senator from Florida for his very able thoughts on this amendment. I should like to assure him that this amendment was most carefully drawn after close consultation with various hospital groups.

The hospital association in my home State was very carefully coordinated with on this, and they in turn very carefully coordinated it with other organizations, including the National Hospital Association.

I should also like to point out that during our consideration of this amendment and in our consultation with the hospital people, there never was any effort on their part to try to gain a windfall or to overreach or to dig into the treasury for an unwarranted sum of money. They want to perform a service, but they do not believe that they can perform their service under the present formula. They have very good reasons for this belief.

Furthermore, as I have pointed out, they are bogged down with all types of accounting and bookkeeping which, in my judgment, is enough to try the patience of a saint. I do not know how they have been able to get along as well as they have thus far.

As I have said, some hospitals will not desire the per diem approach. My guess is that most of them will. All of this will be saved. They will be on a basis that has been recognized by Blue Cross and Blue Shield for a long time. I believe it will get the job done very well, and it certainly merits a fair trial.

I hope the Senator from Louisiana will see fit to acquiesce in the request of the Senator from Florida that this proposal be taken to conference.

Mr. LONG of Louisiana. Mr. President,

since the medicare bill went into effect, the costs of hospital benefits has advanced under the program by approximately $1 billion a year. It has been in operation about a year and a half, and in this bill we have to raise taxes by $1 billion to cover the increased cost since the last time we looked at the medicare program. If we did everything for the hospitals that the hospital administrators believe is necessary and desirable, it might increase the cost of this program another $2 billion right now. We do not have money in this bill to pay an additional $2 billion.

We plan to look more deeply into this matter when we have more time to work on it, because there may be a great deal of merit to what the hospital administrators say; and we probably will accede to some of their suggestions. Naturally, when we study it more, we will know more about the merits and the demerits of their case.

I cannot agree with one feature of the proposed amendment, and it arises entirely out of a misunderstanding between those who represent the hospital associations in Washington and those of us who drafted the bill. It is an unfortunate misunderstanding. They have misinformed the members of their association, with the result that, I suppose, by now they have wired all Senators requesting them to vote to strike out the language that appears on pages 133 through 139. This is completely meritorious language and should not be stricken from the bill. The language on those pages seeks to make some savings in a most reasonable way, looking to the future. It does not take anything away from hospitals. It just says, for instance, looking into the future, that if you have a big surplus of hospital beds in a town and someone wants to build another hospital or build room for an additional 100 beds and the State "Partnership for Health" agency does not think it necessary and affirmatively and specifically disapproves of it, then we are not going to pay depreciation or interest on debt incurred by somebody for building a lot of surplus beds when there is already a surplus in the area.

If there is no State planning agency or, if the planning agency does nothing, that would be all right. The surplus beds would be built, and we would pay all the costs of care in those beds. We are not complaining about that. We are saying that where the States do have a planning agency—most of them do—and the planning agency affirmatively and specifically tells the facility that this is not needed, and it still goes ahead and does it anyway, we do not propose to pay depreciation and interest on the debt for that disapproved addition out of the medicare program.

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

Mr. LONG of Louisiana. I yield.

Mr. HOLLAND. Mr. President, I thoroughly agree with that statement, and I do not see how anybody could take issue with it.

We are talking about long-established hospitals, with capital assets that in part they have paid out and in part is still owed in mortgages, and they are paying interest on those mortgages; and we believe that the value of their capital investments, the depreciation therein, and the interest are all items which should be taken into account. That would be done in any other private business.

Mr. LONG of Louisiana. That is not what I am talking about at the moment. I am speaking about lines 1 and 2 of the proposed amendment, which would strike out six pages of very good language in the committee bill. This language was put in by the committee. And may I say that that language is what should be done, as modified by the Senator from Nebraska.

If an agency affirmatively says this is not needed, we would respect that statement.

We believe that the wires from the hospital associations arise entirely from the fact that they have not read the committee report. The committee report was not available until the morning we took up the bill. In an attempt to inform everyone as to what was in the bill, we furnished a little blue pamphlet, which apparently those who represent hospital associations in Washington must have read. From this thumbnail sketch of the amendment, they have read into it something it does not do. If they read the committee report, their fears will be allayed, and they will realize that the language on the six pages to which I have referred would not do what they think. It is an unfortunate misunderstanding. I do not believe anyone could quarrel with what the committee has done in that regard.

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

Mr. LONG of Louisiana. I yield.

Mr. CURTIS. When this language was originally proposed, as I recall, the hospital had to get an affirmative ruling from the State hospital planning board. I opposed it because I did not believe it was necessary.

In the State of Nebraska, the only places where we have a number of hospitals are Omaha and Lincoln. They have this system on a voluntary basis at present and have had it a long time. If one hospital goes into open heart surgery, another hospital does not do it.

I do not believe this language is necessary. It was finally changed so there was not a burden on the hospital to get approval, but he would not have been interfered with if the State planning board did not take action to deny it.

I desire to comment briefly about the other proposal of the distinguished Senator from Iowa. I am in sympathy with it. I do not regard it as opening and enlarging the medicare program. It is a matter of efficient and fair treatment of our hospitals.

Congress chose to make medicare uniformly available, as a matter of right, to all people over 65, regardless of income; and when we did so, we placed a terrific burden on the hospitals.

I do not believe any Senator wishes to have the Government's money spent in auditing hospitals. They would rather have that money spent for caring for people. I do not believe Senators wish to see a hospital's budget unnecessarily spent in cost accounting to satisfy the government.

Frankly, I am not sufficiently competent as a cost accountant to pass on the merits of the entire amendment offered by the Senator from Iowa. I am in favor of its objective, although I have consistently voted against expanding the program. I believe that if you are going to have the program, the cost of it must be paid by the funds provided, and it should not be subsidized by the hospitals.

Neither should the care of medicare patients be subsidized by other patients in the hospital. That is what it amounts to. I mention that our two larger cities in Nebraska and cities elsewhere would be money ahead if they would settle on a reasonable charge rather than a cost. If you have costs you have to have figures to have the cost and it takes more to take care of that than it does to cure the sick. In rural hospitals they are able to look at it and tell if that is a reasonable charge, and that should be the end of it.

I am not passing on the adequacy or the inadequacy of the amendment because I do not feel competent to do that. However, I hope that something can be done to meet the objective of the Senator from Iowa before the bill becomes law.

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

Mr. LONG of Louisiana. I yield.

Mr. PASTORE. I wish to ask the chairman of the committee a question. Does the Senator admit there is a loss to the hospital under present procedures?

Mr. LONG of Louisiana. No, I do not admit it; but I am aware of the complaints that the hospitals make about this. I agree that this is a matter we should look into.

Mr. PASTORE. Then there is some substance to the allegations made that the hospitals are, to some extent, subsidizing this program.

Mr. LONG of Louisiana. They have just closed their fiscal year, and we are still analyzing the books. They contend that is so. They are honest and decent institutions, and they are not trying to victimize the public.

Mr. PASTORE. Why would it not be a good idea to take the matter to conference? If there is no validity to it, it can be disposed of there. If there is some validity then it can be considered further. We are the ones who initiated the medicare program and thrust the burden upon these hospitals. They are all nonprofit institutions and they are not making money, although they are pretty well managed. They are out to serve the people.

I do not see how, through an act of Congress, we can place an imposition on a hospital which is nonprofit to subsidize the program. I do not understand the weight of the argument that it is going to cost money. All of the program is going to cost money, but the question is: Who is going to pay for it?

Mr. LONG of Louisiana. The costs of hospital care under medicare is going up a billion dollars a year. If we did everything they would like us to do it might cost as much as $2 billion a year more.

If we take lines 1 and 2 of the amendment we will not be permitted to go to conference.

Mr. PASTORE. On that question, cannot the Senator from Iowa concede to that argument and take that part of the amendment out, and let us reach some understanding? I do not think we are going to resolve this intricate problem this afternoon at 15 minutes after 5. It is not going to happen. There should be a sensible and reasonable approach.

I think the Senator from Louisiana makes a good argument on the six-page provision, and the Senator from Iowa makes a good argument on the other point. Let us be sensible, fair, and expeditious.

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

Mr. LONG of Louisiana. I yield.

Mr. HOLLAND. I agree with the Senator from Rhode Island. I was going to make a suggestion that the Senator from Iowa consider, in place of his striking out a part, to add the words at the proper place in the bill. Add the words, and then you will have both provisions, and the matter can be gone into in conference.

I am strongly of the feeling that there are two problems. The first problem is the financing of additional hospitals in the future; and the second problem is paying fair costs to hospitals in existence.

We have a great many hospitals in Florida, as Senators know. We try to take care of a community in which a large number of people are retired and aged people, even before medicare was thought of. That means we must have a large number of hospitals. We have a large number of hospitals, many of which are small hospitals. We have a great many county seat towns in Florida which have fine hospitals, and they are not publicly supported. They cannot continue to accumulate losses as they are doing.

The kind of assurances I have are such that I know that they are truthful and they come from people who know the facts and who are not interested in gouging Uncle Sam. They want to continue to render services and live. They are not asking for profits. They are community or church ventures. Two of these hospitals were created by money donated by Cary Fish, the former Ambassador to Egypt, who left the money in a will for hospitals to be built in New Smyrna and De Land. They are fine hospitals. I assisted in the inauguration of one of them years ago.

The people behind those hospitals are not seeking something to which they are not entitled, but something to enable them to continue to live and serve.

If the Senator can take this amendment, with such words as I indicated, to add at the proper place, it might be helpful. It is true that there will be confusion between the provisions of the bill and the amendment. However, that is what conferences are for, to work out confusion, as we have tried to work out confusion in the past. It seems to me that that might be the way to get this matter on the road.

Mr. MILLER. I appreciate the suggestion made by the Senator from Florida.

Mr. President, I would like to have just a few minutes to discuss this matter with the Senator from Louisiana. With the concurrence of the Senator from Louisiana, I suggest the absence of a quorum, and it will not be very long.

Mr. HOLLAND. Mr. President, I understand that the Senator from Montana is here and is ready to take up a matter.

I would suggest we set this matter aside temporarily.

The PRESIDING OFFICER (Mr. BAYH in the chair). Does the Senator withdraw his request?

Mr. MILLER. Mr. President, I withdraw my request. I ask unanimous consent that the matter may be temporarily set aside, and I yield to the Senator from Montana [Mr. METCALF].

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

Mr. METCALF. Mr. President, I have two amendments. I send the first amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 275, line 15 of the bill, add the words "or other persons" after the word "mother."

Mr. METCALF. Mr. President, this is an amendment that would provide working mothers who are actually caring for children of preschool age will be exempt from some provisions of the Welfare Act.

The effect of this amendment would be that a grandmother, an elder sister, or an aunt, or somebody in that category could be considered as taking care of the children. We tried to take care of this in the report at page 148, where they say a mother or person acting as a mother.

Upon consideration I believe it would be better to spell it out in the law, in the statute, and insert the words "or other person" such as a grandmother.

Mr. President, I understand this amendment would be satisfactory to the chairman of the committee.

Mr. LONG of Louisiana. Mr. President, the Senator wants to make clear that the word "mother" could include some person who is acting in place of the mother in the home?

Mr. METCALF. Taking care of preschool children.

Mr. LONG of Louisiana. I think the amendment has merit.

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

Mr. METCALF. I yield.

Mr. CURTIS. It would be with the same limitations that now exist with reference to a mother?

Mr. METCALF. The Senator is correct, and the language of the report would be unchanged.

Mr. LONG of Louisiana. I think the Senator is right about the matter, and the language should be broadened.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana [putting the question].

The amendment was agreed to.

Mr. METCALF. Now, Mr. President, I send to the desk another amendment and ask that it be stated.

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

The ASSISTANT LEGISLATIVE CLERK. Beginning on page 191, line 22, strike out all through line 4, page 193.

On page 193, line 5, strike out "(5)" and insert in lieu thereof "(2)".

On page 194, strike out lines 11 through 18.

On page 194, line 19, strike out "(e)" and insert in lieu thereof "(d)".

Mr. METCALF. Mr. President, I ask that the amendment be considered as read and that the various parts of the amendment be considered en bloc, and I will explain it.

The PRESIDING OFFICER. Without objection, the provisions of the amendment will be considered en bloc.

Mr. METCALF. Mr. President, this is a different amendment from any we have considered today. Before today, we have been considering amendments that broadened the scope of the bill, enlarged payments, or extended the time.

This amendment is a limiting amendment. It narrows and restricts the definition of "disability."

Under the bill before us, this "disability" is redefined so that an individual shall be determined to be under disability only if his impairment or impairments are so severe that he is not only unable to do his previous work but cannot, considering his age, education, and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the general area in which he lives, or whether a specific job vacancy exists, or whether he would be hired if he applied for work.

A rather impressive list of witnesses, eight in all, testified before the Committee on Finance in opposition to this particular provision of the bill. So that Senators may have the full benefit of their thinking on this matter, I ask unanimous consent that the pertinent excerpts from the evidence submitted to the Finance Committee be printed at this point in the RECORD.

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

DEFINITION OF DISABILITY

(AFL–CIO, statement of George Meany, hearings, p. 1434–35)

The House included a more restrictive definition of disability than now in the law by providing that a disabled worker is not eligible for disability benefits if he can engage in any kind of substantial gainful work which exists anywhere in the national economy.

The large majority of the seriously disabled are over 50. We all know that once an older, disabled person loses his job, his chances of obtaining a similar position are about zero. It is unrealistic and unfair to say to this severely disabled worker that he is not disabled because there may be employment someplace in the national economy which he might be able to handle even though he has no way of reaching that place and it is very unlikely he would be hired if he did apply. A major complaint of disabled workers has been the stringent administration of the disability provisions. Greater liberalization, not restriction is needed.

The problems of disability, age and unemployment are all interrelated and what is needed is a comprehensive and broad program to deal with them as a group. Many people suffer chronic ill health during their later working life. Unless they are so totally

disabled that they can meet the stringent definition of disability in the Social Security Act, they are in an economic no-man's-land. They are unable to work but are not yet eligible for their regular retirement benefits.

There are a number of changes that could be made in the Social Security Act that would help alleviate this problem.

First, we feel there should be an occupational definition of disability that would permit older workers after age 50 or 55 to receive disability benefits if their disability prevents them from doing their usual occupation.

Second, an increase in the number of drop-out years in the benefit formula would also help. At the present time, the social security law permits the dropping out of 5 years of low or no earnings in computing a worker's benefit which does provide some limited protection against unemployment, illness and low earnings. Because of the low wage bases in the earlier years of the system, which must be used in computing the average wage on which benefits are based, the typical worker receives a low percentage of his wages earned shortly before retirement. The problem is compounded for older workers who are laid off by plant closings, technological changes, ill health, etc. who must include these years of low or zero earnings in determining their average wage. Additional drop out years would be of great help to them.

Third, the AFL–CIO also advocates a flexible zone of retirement between 60 and 65 that would permit retirement at age 60 with less than full actuarial reduction. In general, as workers grow older, they often find the pace of their work is beyond their physical ability. A flexible zone of retirement, if coupled with a substantial increase in benefits, would permit the individual to make a retirement decision during a period of years based on his financial resources, age, health and the nature of his occupation.

Though the social security program can be of considerable value to unemployed older workers, we know that it cannot solve what is essentially an unemployment problem. We are also advocating changes in other programs so that efforts in these various programs may dovetail to solve this social problem. It may not be possible to include all or most of our proposals for changing the Social Security law in this respect in the present legislation, but at the very least, Congress should refrain from making the problem of older workers more difficult by a more restrictive definition of disability.

DEFINITION OF DISABILITY

(American Foundation for the Blind, Inc., A. 168)

We are also pleased that H.R. 12080 has included disabled surviving divorced wives and disabled widowers for cash benefits. However, we believe that the requirement of attainment of age 50 for eligibility would work an undue hardship on otherwise eligible disabled widows, surviving divorced wives, and widowers. *Similarly, we believe that the definition of disability for these individuals is unduly harsh and should be made the same as the definition of disability for beneficiaries of the disability insurance program.* We also would strongly recommend that the cash benefits be 82½% of the primary insurance amount immediately upon eligibility for benefits rather than graduated from 50% to 82½%. The American Foundation for the Blind welcomes the extension of the provision covering blind persons between the age of 21 and 31 for cash disability insurance benefits to all types of disabled persons who meet the definition of disability in the law. *However, we believe that the guidelines in the new Section 223(d)(2)(A) concerning the definition of disability are unduly harsh. The individuals covered for cash benefits are severely disabled under the definition in the existing law, and this definition should not be made any stricter than it already is.*

DEFINITION OF DISABILITY

(Georgia Federation of the Blind, Conyers, Ga., A22)

CONYERS, GA.,
August 24, 1967.

Hon. RUSSELL B. LONG,
Chairman, Senate Committee on Finance
Senate Office Building,
Washington, D.C.

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: You now have before you, for consideration, H.R. 12080 as adopted by the House. This bill contains many excellent and progressive amendments to the social security act and in general, the Georgia Federation of the Blind supports this bill.

However, Section 156 contains the most regressive and punitive definition of disability ever to be included in a public assistance law since the days of the Elizabethan "poor laws". This provision makes the existence of a theoretically possible employment for a disabled person sufficient grounds for denying public assistance payments, whether or not such employment opportunities actually exist for him. It is our belief that public assistance in all categories should be granted on the basis of definite, objective criteria and not be made subject to the whim of Federal and State officials. The great majority of the severely disabled earnestly desire to become self sufficient and contributing members of society. They should be encouraged and assisted to reach this goal. This certainly would not be the effect of the provision written into this bill by the House Committee.

We would like to see the present criterion for assistance to the "totally and permanently disabled", which admittedly is severely restrictive, modified so that the criteria used for eligibility for benefit payments to the disabled under Title II of the social security act would also apply to applicants for assistance to the disabled under Title XIV. This would require the elimination of the word "permanently" in this Title and the substitution in the definition of disabled, wording similar to that now contained in Title II.

We respectfully request that the Senate Finance Committee eliminate the phraseology to which objection has been voiced herein, and the inclusion in the Senate version provisions which will allow the totally disabled, whose disability has lasted or is expected to last for at least twelve (12) months, eligible for public assistance payments under Title IV of the Act.

Respectfully submitted.

NED FREEMAN,
President,
Georgia Federation of the Blind.

DEFINITION OF DISABILITY

(Gov. Philip H. Hoff, Vermont, A109; excerpt from September 8, 1967, letter to LONG)

(5) Social Security Disability Program: The bill sets a tighter definition of disability than presently exists in the law. The effect of this on the states will be to require denied applicants to seek public welfare under our State-Federal Aid to the Permanently and Totally Disabled Program. This simply amounts to an abrogation of responsibility on the part of the Federal Government and a pass on of the financial burden to the States.

DEFINITION OF DISABILITY

(Blinded Veterans Association, American Association of Workers for the Blind; excerpt from statement of Irvin P. Schloss, national president of Blinded Veterans Association, A160)

BVA and AAWB endorse the provision of H.R. 12080, which would make disabled widows, surviving divorced wives, and widowers eligible for benefits under age 62, even if they do not have minor children in their care. However, we believe that the requirement of attainment of age 50 for eligibility would work an undue hardship on these individuals. Similarly, we believe that the definition of disability for these individuals is unduly harsh and should be made the same as the definition of disability for beneficiaries of the disability insurance program. We also would strongly recommend that the cash benefits of 82½% of the primary insurance amount become available immediately upon eligibility for benefits rather than graduated from 50% to 82½%.

DEFINITION OF DISABILITY

(National Council of Senior Citizens; excerpt from statement of John F. Edelman, president, National Council of Senior Citizens, p. 1076–1077)

The House-passed bill contains a harshly restrictive definition of disability, forbids for widows without dependent children benefits below age 50, limits the primary benefit for widows at age 50 to half of the regular benefit with a gradual step-up in benefits determined by the age benefits begin.

DEFINITION OF DISABILITY

(Physicians Forum; excerpts from statement of Malcolm L. Peterson, M.D., chairman of the Physicians Forum, New York, N.Y., A242)

E. We regret the more restrictive definition of disability in H.R. 12080 as compared with the present law, and we regret the failure to included disabled beneficiaries under Medicare as recommended by the administration.

DEFINITION OF DISABILITY

(Excerpt from statement of Robert M. Gettings, assistant for governmental affairs, on behalf of the National Association for Retarded Children, p. 1935)

The House Ways and Means Committee expressed concern over several recent court decisions reversing departmental determinations of eligibility for disability payments. In these cases, HEW found that the individual was not absolutely disabled but only disabled relative to the local job market. In an effort to correct this situation, H.R. 12080 revises the definition of disability to provide that if the client can do appropriate work which is significantly available in any part of the economy he will not be considered disabled. This language has two drawbacks from the point of view of the retarded. First, a retarded individual may be able to live and work in the community if he is residing with his family but not if he must venture forth on his own without proper social shelter. Second, the definition of feasibility for purposes of vocational rehabilitation depends on the availability of suitable work opportunities locally or at least within the State. The House language would tend to hinder proper coordination between welfare and rehabilitation programs immediately after these two activities had been combined for administrative purposes in the new social and rehabilitation service. We respectfully suggest that this committee include clarifying language in its report to insure that the new House definition of disability does not work to the disadvantage of retarded citizens.

Mr. METCALF. Mr. President, we heard eight witnesses, all of whom testified against the change in disability. Only one witness in this voluminous record testified in support of the present language in the bill. He was Mr. Paul P. Henkel, chairman of the Social Security Committee of the Council of State Chambers of Commerce.

This is what he said:

We do not oppose the disability insurance amendments proposed in H.R. 12080. We support the concern of the House Ways and Means Committee over the extension by judicial decisions of the definition of disability. We agree there is a need for a stricter definition.

Mr. President, in this whole record, the only justification for taking this backward step and abandoning the position we took on the Social Security Amendments of 1965 is the testimony by Mr. Henkel of the Council of Chambers of Commerce.

Actually, what has happened is that the social security system and the Department of Health, Education, and Welfare have lost a lawsuit. The courts have defined disability using definitions out of the Veterans' Act, out of the precedents of the Workmen's Compensation Act, and held against the present definition we have in the present bill.

Thus, all I am asking is to return to present law and remove this restrictive definition.

Going back to what the court has already defined, let me tell the Senate what it objects to. For instance, the administration is objecting to the case of Leftwich against Gardner.

Mr. President, the recent decision of the Court of Appeals for the Fourth Circuit in *Leftwich* v. *Gardner*, 377 F. 2d 287 (1967), has been criticized by the Social Security Administration and that criticism has been adopted in the committee report. I do not share in the criticism of that opinion. Because of the significance of that decision which centered on a disabled father of nine children and so that my colleagues may have the full benefit of the court's thinking, I ask unanimous consent to have the opinion printed in the RECORD.

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

John J. Leftwich, Appellee, *v.* John W. Gardner, Secretary of Health, Education, and Welfare, Appellant. No. 11015. United States Court of Appeals, Fourth Circuit. Argued March 7, 1967. Decided May 1, 1967.

Social Security case. The United States District Court for the Southern District of West Virginia at Beckley, John A. Field, Jr., Chief Judge, granted claimant a period of disability and disability insurance benefits and Secretary of Health, Education, and Welfare appealed. The Court of Appeals, Craven, Circuit Judge, held that where 52-year-old manual laborer suffered from spondylolisthesis and had congenital marked curvature of spine so that he could not stoop, bend or lift and suffered pain when he sat more than 10 minutes and all of the time while he was standing, he was totally and permanently disabled for purposes of disability benefits under the Social Security Act and fact that he chose to work every day as a dishwasher to support his family did not preclude him from recovering disability benefits.

Affirmed.

Before Sobeloff and Craven, Circuit Judges, and Harvey, District Judge.

Craven, Circuit Judge.

In this unusual social security case, claimant Leftwich was denied disability benefits at the administrative level largely because he has the admirable motivation to insist upon working for the support of his family despite physical inability to do so. There is more logic than common sense in such a result, and there is irony not intended, we think, by the Congress. We affirm the decision of the district court granting Leftwich a period of disability and disability insurance benefits.

[1] We have carefully reexamined the record as a whole before deciding that the decision of the Hearing Examiner and the Appeals Council is not supported by substantial evidence. "The substantiality of the evidence to support the Secretary's findings is the issue before each court." Thomas v. Celebrezze, 331 F.2d 541 (4th Cir. 1964), citing Farley v. Celebrezze, 315 F.2d 704 (3d Cir. 1963), and Ward v. Celebrezze, 311 F.2d 115 (5th Cir. 1962).

[2] Although we review the same record and make the same determination as made in the district court, "[i]t should hardly require articulation to note that an appellate court gives great weight both to the reasoning and conclusions of the district courts." Farley v. Celebrezze, supra, 315 F.2d at 705 n. 3. There is here no inconsistency: we are influenced by the decision of the district court, but we are not bound by it. See Roberson v. Ribicoff, 299 F.2d 761, 763 (6th Cir. 1962); Flemming v. Booker, 283 F.2d 321, 322 n. 4 (5th Cir. 1960).

In the Hearing Examiner's decision appears the following:

"The Hearing Examiner will not attempt to describe in detail each of the medical reports relative to the claimant or to describe the two hearings previously referred to,[1] since the Hearing Examiner feels that the primary issue to be resolved herein is whether or not the claimant's present job as a dishwasher at the Pinecrest Sanitarium, which he has been doing since around June 1960 to the present, constitutes the ability to engage in substantial gainful activity within the meaning of the disability provisions of the Social Security Act and the regulations implementing such provisions." Consistent with that position, the hearing held at Beckley, West Virginia, on September 7, 1965, lasted exactly fifteen minutes. At that hearing, the Hearing Examiner said:

"It would appear to the Hearing Examiner that the reason the claimant's application was denied was because of his work at the Pinecrest Sanitarium as a dishwasher and they apparently considered this as the ability to engage in substantial gainful activity."

We agree with the Hearing Examiner that it is unnecessary to narrate in great detail the medical history of claimant. Only a small part of it will make it crystal clear that but for the question posed by his minimal employment he would unquestionably have been found unable to engage in substantial gainful employment.

WORK HISTORY AND DISABILITIES

[3] Leftwich is now fifty-two years old. Although he has a high school education, his entire work history consisted of manual labor in the coal mines, where he suffered two severe back injuries, one in 1951 and another in 1953. In the first accident he suffered a fractured right clavicle, fractures of the ribs, and injuries to the lower back. In the later accident he suffered a ruptured disc, which was removed by surgery in 1954.[2] Since that year, he has suffered from spondylolisthesis. He also has a congenital marked scoliosis (curvature) of the spine. Flexion of the spine is limited to two-thirds and side bending and extension nil. As of 1963, Dr. Stallard reported that claimant's condition had grown progressively worse and that claimant could not stoop, bend, or lift. In a 1964 report, Dr. Raub concluded that the claimant was "quite disabled" and could not return to the mines.

The Hearing Examiner noted in his decision that one doctor "further commented that under modern screening processes and pre-employment examinations the claimant is barred from securing employment * * *."

Typical of medical opinion in the file is that of Dr. C. W. Stallard, who concluded as of May 12, 1961, "this patient is totally and permanently disabled from work."

In addition to the extremely limiting physical disability, Leftwich suffers from psychoneurotic symptoms which the neuropsychiatrist has predicted will continue "unabated". This condition was described as "moderately severe" and sufficient to make him a poor candidate for rehabilitative retraining.

Despite the foregoing, and much more, the Hearing Examiner concluded "that the objective medical evidence of record establishes that the claimant has suffered moderate impairments to his musculoskeltal [sic] system that would preclude him from engaging in any work requiring heavy manual labor or lifting, bending, stopping, etc. But the Hearing Examiner does not feel the objective medical evidence of record establishes that the residuals of the claimant's impairments to his musculoskeltal [sic] system would preclude him from engaging in all substantial gainful activity, particularly of a light or moderate type, and he so finds." We think it apparent that the Hearing Examiner and the Appeals Council accorded too much weight to the dishwashing job.

Much of the record and the Hearing Examiner's decision is devoted to consideration of claimant's having worked for approximately the past five years as a dishwasher at Pinecrest Sanitarium. Claimant says in explanation of his employment that his job is rather easy and that he is not pushed by his supervisor. He also says, and it rings true when read with the rest of the record, that he works days when he does not feel like it for the sake of his family. He has nine children dependent upon him. By way of corroboration, claimant has repeatedly advised doctors who examined him that he endures pain while he works for the sake of making a living for his family, that he has pain if he sits more than ten minutes, and that his back hurts all the time while he is standing.

Claimant started his dishwashing job on May 25, 1960. He put in ten hours a day at first, 240 hours a month, and earned $130.00 a month. As of 1965, his work day was eight hours, totaling 184 hours per month, for which he was paid $150.00. Although he is present at the place of work for an eight-hour day, he actually works only four to five hours per day. He washes dishes by the use of a dishwashing machine and scrubs aluminum pots by hand. He does no lifting. Claimant's supervisor testified that he was not capable of doing anything but dishwashing and pot washing, and that if he were, she would have assigned other duties to him. She disclosed that he could not have obtained his job without political influence and stated that a lot of employees at the sanitarium are persons who could not handle jobs in private industry.

The Hearing Examiner conceded that claimant "may well have gotten his job on the basis of politics," but he felt that claimant's position was not a "made" job involving minimal or trifling tasks which make little or no demand on the individual and are of little or no utility to his employer or to the operation of a business, and refused to apply the exclusion in the Regulations.[3] In making

[1] These were Workmen's Compensation hearings.

[2] Despite his serious injuries, claimant worked in the mines (after periods of recuperation) until in 1959 he was rejected by the company doctor.

[3] The exclusion reads as follows:" 'Made work', that is, work involving the performance of minimal or trifling duties which make little or no demand on the individual and are of little or no utility to his employer, or to the operation of a business, if self-employed,

this determination, the Hearing Examiner adverted to Hanes v. Celebrezze, 337 F.2d 209 (4th Cir. 1964), and acknowledged that counsel for claimant urged its similarity to the instant case. The Hearing Examiner rejected the analogy in these words:

"The Hearing Examiner also invites attention to the fact that the Administration does not acquiesce in either the results or the opinions expressed by the Fourth Circuit Court of Appeals in the *Hanes* case, and that it does not feel that the decision in the *Hanes* case is binding on it with respect to any other disability case."

We recognize that we are neither final nor infallible. However, we respectfully suggest that Hearing Examiners in this circuit may with some profit consider our prior decisions to see whether or not they have value as precedents.

In *Hanes,* supra, this court held that evidence of claimant's earnings of $125.00 per month as a building custodian did not by itself and in view of other evidence constitute substantial evidence to support the Secretary's decision that claimant was disqualified for benefits due to ability to engage in substantial gainful activity. Judge Boreman, writing for the court, expressed the view that "the court below erred in ascribing controlling significance to the evidence of claimant's earnings." The decision of the district court affirming denial of benefits by the Secretary was reversed.

In Flemming v. Booker, 283 F. 2d 321 (5th Cir. 1960), despite evidence that the claimant averaged five days a week work at a used car lot for which he was paid $15.00 or $20.00 a week, it was held that, nevertheless, the claimant had established his inability to engage in any *substantial* gainful activity. Judge Rives, speaking for the court, thought it not inappropriate to borrow tests of disability from other areas of the law. The quotations relied upon by the Fifth Circuit are worthy of reproduction here:

"In Berry v. United States, 1941, 312 U.S. 450, 455, 456, 61 S. Ct. 637, 639, 85 L. Ed. 945, Mr. Justice Black, speaking for a unanimous Court, said:

" 'It was not necessary that petitioner be bedridden, wholly helpless, or that he should abandon every possible effort to work in order for the jury to find that he was totally and permanently disabled. It cannot be doubted that if petitioner had refrained from trying to do any work at all, and the same evidence of physical impairment which appears in this record had been offered, a jury could have properly found him totally and permanently disabled. And the jury could have found that his efforts to work—all of which sooner or later resulted in failure—were made not because of his ability to work but because of his unwillingness to live a life of idleness, even though totally and permanently disabled within the meaning of his policies.' "

"In Mabry v. Travelers Ins. Co., 5 Cir., 1952, 193 F. 2d 497, 498, Judge Holmes, for [the Fifth] Circuit, said:

" 'Pinched by poverty, beset by adversity, driven by necessity, one may work to keep the wolf away from the door though not physically able to work; and, under the law in this case, the fact that the woman worked to earn her living did not prevent a jury from finding, from the evidence before it, that she was totally and permanently disabled even while working.' " 283 F. 2d at 324.

The similarity of Leftwich's situation to those of claimants in *Hanes* and *Booker* is apparent.[4] No two cases are, of course, exactly alike. But Hearing Examiners may not quit thinking when a claimant's earnings reach a magic mark.[5] The test is not whether Leftwich by will power can stay on his feet yet another day—but whether objectively and in the totality of circumstances, including especially his afflictions, he is disabled within the meaning of the Social Security Act. Substantial medical evidence establishes that claimant was totally and permanently disabled. In spite of such disablement, he chose to work every day to support his family. The statute defines disability as an "inability to engage in any substantial gainful activity." In this case, the emphasis properly is on *inability*. We think the Congress did not intend to exclude from the benefits of the Act those disabled persons who because of character and a sense of responsibility for their dependents are most deserving.

Affirmed.

Mr. METCALF. Mr. President, while there are enough Senators in the Chamber, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. METCALF. Mr. President, the appropriate part of the report begins on page 46, where it discusses the definition of disability and continues on through pages 47, 48, and 49.

The only justification given in the report for changing the definition is this:

The Social Security Administration has indicated that in large part the reasons why a larger number of people than anticipated have become entitled to disability benefits are:

(1) Greater knowledge of the protection available under the program leading to increased numbers of qualified people applying for benefits—

They are complaining about the fact that more people know about the basic rights that we have given them, and thus more qualified people are getting some benefits.

(2) Improved methods of developing evidence of disability.

That means that they have learned about the case in court, the Leftwich against Gardner case, which the administration is complaining about, demonstrating that their disability makes them qualify under the law.

(3) More effective ways to assess the total impact of an individual's impairment on his ability to work.

In a veteran's case, the Supreme Court unanimously declared, and in a case quoted in the HEW case, that a person does not have to be completely or totally disabled. They said:

It was not necessary that petitioner be bedridden, wholly helpless, or that he should abandon every possible effort to work in order for the jury to find that he was totally and permanently disabled.

What is wrong with that?

That is basic law. That is in the basic Workmen's Compensation law in most States.

Continuing to read:

It cannot be doubted that if petitioner had refrained from trying to do any work at all, and the same evidence of physical impairment which appears in this record had been offered, a jury could have properly found him totally and permanently disabled. And the jury could have found that his efforts to work—all of which sooner or later resulted in failure—were made not because of his ability to work but because of his unwillingness to live a life of idleness, even though totally and permanently disabled within the meaning of his policies.

Continuing to read:

Pinched by poverty, beset by adversity, driven by necessity, one may work to keep the wolf away from the door though not physically able to work; and, under the law in this case, the fact that the woman worked to earn her living did not prevent a jury from finding, from the evidence before it, that she was totally and permanently disabled even while working.

Mr. President, the law now, as written by the committee, states that his physical or mental impairments are of such severity that not only was he unable to do his previous work but he cannot, considering his age, education, and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the general area where he lives, or whether a specific job vacancy exists for him, or whether he would be hired if he applied for one.

There is an exceptional case of a man disabled in the mines, as in the case of Leftwich against Gardner, in Montana.

They say, well, he cannot work in the mines any more, but he could answer the telephone for Arthur Murray, who teaches dancing back in New York, that since he could solicit people on the telephone for dancing lessons, as part of the national economy, he would have to leave his State and go to New York and participate in such an activity.

Of course, that is probably beyond—coming up under the definition—even what the Secretary would apply.

Actually, what the Secretary could apply under this conclusion is that a man would have to leave the geographic area in which he lived and he would have to engage in work in which he had no experience either by age, education, or training, and if such work were available in the national economy, whether he could get to it or not, whether he would be available or not, whether a vacancy existed, he would still be disqualified because of disability.

Yet, when we made the change in 1965, and changed the definition of disability, we broadened and liberalized this portion of the act because those who are disabled needed this sort of liberalization.

For instance, the courts have applied this precedent in other areas—veterans, workmen's compensation—to the detriment of the definition laid down by the Secretary or the Hearing Examiner.

The reason stated to take this severe backward step, to broaden the bill, as the chairman has stated, to broaden the scope of social security, makes this the most important financial bill that has ever come before the Senate so far as

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does not demonstrate ability to engage in substantial gainful activity."

[4] But cf. Canady v. Celebrezze, 367 F.2d 486 (4th Cir.1966); Simmons v. Celebrezze, 362 F.2d 753 (4th Cir.1966); Brown v. Celebrezze, 347 F.2d 227 (4th Cir.1965).

[5] 20 C.F.R. § 404.1534 provides in pertinent part:

"(b) *Earnings at a monthly rate in excess of $100.* An individual's earnings from work activities averaging in excess of $100 a month shall be deemed to demonstrate his ability to engage in substantial gainful activity in the absence of evidence to the contrary.

increasing and broadening social security is concerned.

But, so far as those who are, unfortunately, disabled, are concerned, we are going back to make this a more limited bill than we have ever had before.

I submit, Mr. President, that these people want to come in and win their lawsuits. They should, therefore, at least appeal some of the cases to the Supreme Court and get some legal definition before they come out to the Senate and try to have us pull their irons out of the fire.

I submit that we should go back to existing law. We should return to the law we passed in 1965.

Mr. President, I ask unanimous consent that, as a part of my remarks, an excerpt from the Senate committee report of 1965 be included in the RECORD.

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

4. AMENDMENTS OF DISABILITY PROGRAM

The Social Security Amendments of 1956 extended the insurance protection of the social security program to provide monthly benefits for persons with disabilities of long-continued and indefinite duration and of sufficient severity to prevent a return to any substantial gainful work. In providing this protection against loss of earnings resulting from extended total disability, the Congress designed a conservative program. Amendments enacted in 1958 and 1960 liberalized the disability program, among other changes, extended benefits to wives and children of the disabled, and provided for the payment of benefits to disabled workers under age 50, who had previously been excluded. All the recommended changes in the disability provisions of the program would be adequately financed from the contributions the committee is recommending be earmarked for the disability insurance trust fund.

(a) *Elimination of the long-continued and indefinite duration requirement from the definition of disability.*

Under present law, disability insurance benefits are payable only if the worker's disability is expected to result in death or to be of long-continued and indefinite duration. The House bill would broaden the disability protection afforded by the social security program by providing disability insurance benefits for an insured worker who has been totally disabled throughout a continuous period of 6 calendar months. The committee believes that the House provision could result in the payment of disability benefits in cases of short-term, temporary disability. Under the House provision, for example, benefits could be paid for several months in cases of temporary disability resulting from accidents or illnesses requiring a limited period of immobility. The committee believes, therefore, that it is necessary to require that a worker be under a disability for a somewhat longer period than 6 months in order to qualify for disability benefits. As a result, the committee's bill modifies the House bill to provide for the payment of disability benefits for an insured worker who has been or can be expected to be totally disabled throughout a continuous period of 12 calendar months. (Disability insurance benefits would also be payable if disability ends in death during this 12-month period, provided the worker has been disabled throughout a waiting period of 6 calendar months prior to death.) The effect of the provision the committee is recommending is to provide disability benefits for a totally disabled worker even though his condition may be expected to improve after a year. As experience under the disability program has demonstrated, in the great majority of cases in which total disability continues for at least a year the disability is essentially permanent. Thus, where disability has existed for 12 calendar months or more, no prognosis would be required. Where a worker has been under a disability which has lasted for less than 12 calendar months, the bill would require only a prediction that the worker's disability will continue for a total of at least 12 calendar months after onset of the disability.

The House bill modifies the provision of present law under which the waiting period is waived in subsequent disability so as to make this provision more restrictive when applied to short-term disabilities. Since, under the definition the committee is recommending, disability protection would be limited to workers with extended total disabilities the same test of disability initially applied should also be applicable in second and subsequent disabilities. Under the provision in the committee bill, benefits would be paid beginning with the first month of onset of the second or subsequent disability and without regard to the waiting period requirement if the individual is under a disability which occurred within 5 years of the termination of his previous disability and which can be expected to result in death or has lasted, or can be expected to last, for a continuous period of not less than 12 calendar months.

The modification in the definition of disability recommended by the committee does not change the requirement in existing law that an individual must by reason of his impairment be unable "to engage in any substantial gainful activity."

An individual with a disabling impairment which is amenable to treatment that could be expected to restore his ability to work would meet the revised definition if he is undergoing therapy prescribed by his treatment sources, but his disability nevertheless has lasted, or can be expected to last, for at least 12 calendar months. However, an individual who willfully fails to follow such prescribed treatment could not by virtue of such failure qualify for benefits.

The committee expects that, as now, procedures will be utilized to assure that the worker's condition will be reviewed periodically and reports of medical examinations and work activity will be obtained where appropriate so that benefits may be terminated promptly where the worker ceases to be disabled.

The committee retains the provision in present law under which payment of disability benefits is first made for the seventh full month of disability. The House bill would have authorized payments beginning with the sixth full month of disability.

It is estimated that if benefits were payable for disabilities that are total and last more than 12 calendar months but are not necessarily expected to last indefinitely, about 60,000 additional people—workers and their dependents—would become immediately eligible for benefits. Benefit payments under the provision in 1966 would total $40 million.

Mr. CURTIS. Mr. President, I am not out of sympathy with the individual cases in which the Senator from Montana is interested. We have, however, a far broader question before us. When it was undertaken to pay benefits to a disabled person just as though he were retired because of age, the decision was arrived at to make it a narrow definition.

Those who are interested might turn to the committee report beginning near the bottom of page 46, which reads:

The present law defines disability (except for certain cases of blindness) as the "inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

We have this strange situation. This narrow definition has been enlarged by interpretation of the courts. It is quite unlikely that any of those decisions will ever get to the Supreme Court. Consequently, courts all over the land have proceeded in various ways. The result is that the cost of disability retirement pay has gone up and up.

The allocation to the disability trust fund has increased from 0.50 percent of payroll in 1956 to 0.70 percent today, and will be increased to 0.95 percent by the committee's bill. In 1965 the Congress adopted an increase in the social security taxes allocated to the disability insurance trust fund; a large part of which was needed to meet an actuarial deficiency of 0.13 percent in the system. Again this year the administration has come to the Congress asking for an increase in the taxes allocated to that fund to meet an even larger actuarial deficiency, which has reduced the 0.03-percent surplus, estimated after the 1965 amendments, to a 0.15-percent deficiency.

What has happened is that even though the percentage of people in the total economy has not increased, the number of people who are now on disability retirement has increased. Because the Ways and Means Committee felt that the definition of disability as originally written by the Congress was not being adhered to, it inserted this language and put further guidelines in it, as appears on page 48 of the committee report, where Senators will find the following interesting comments:

When asked about the court decisions, the Social Security Administration summarized developments in the courts in some jurisdictions as—

(1) An increasing tendency to put the burden of proof on the Government to identify jobs for which the individual might have a reasonable opportunity to be hired, rather than ascertaining whether jobs exist in the economy which he can do. Claims are sometimes allowed by the courts where the reason a claimant has not been able to get a job is that employers having jobs he can do, prefer to avoid what they view as a risk in hiring a person having an impairment even though the impairment is not such as to render the person incapable of doing the job available.

(2) A narrowing of the geographic area in which the jobs the person can do must exist, by reversing the Department's denial in cases in which it has not been shown that jobs the claimant can do exist within a reasonable commuting distance of his home, rather than in the economy in general.

(3) The question of the kind of medical evidence necessary to establish the existence and severity of an impairment, and how conflicting medical opinions and evidence are to be resolved.

(4) While there have heretofore been no major differences by or among the courts on the issue of disability when the claimant was performing work at a level which the Secretary under the regulations had determined to be substantial gainful activity, this issue was recently highlighted and publicized in the case of *Leftwich* v. *Gardner*. The Fourth Circuit Court of Appeals in this case held that the claimant was under a disability despite his demonstrated work performance considered by the Secretary to be substantial gainful activity.

Then the Finance Committee said this:

The committee concurs with the statement of the Committee on Ways and Means instructing the Social Security Administration to report immediately to the Congress on future trends of judicial interpretation of this nature. As a remedy for the situation which has developed, the committee's bill would provide guidelines to reemphasize the predominant importance of medical factors in the disability determination.

In summary, it amounts to just about this: Congress provided for the disability program. It provided for the degree of disability. The Ways and Means Committee of the House and the Finance Committee of the Senate found that that definition of disability was being exceeded and they placed in this bill some guidelines. I believe they should be left in there. I think to depart from a rather strict and narrow definition of disability in the social security program would be a mistake. That is not to say that some people should not have consideration in other programs. I regretfully express the hope that the amendment will not be adopted.

Mr. METCALF. Mr. President, I shall take only a few minutes.

I have a memorandum from Robert J. Myers, Chief Actuary of the Social Security Administration, which reads:

H.R. 12080, both as passed by the House and as reported by the Finance Committee, would provide a more detailed definition of "disability" as used in determining eligibility for disability benefits under Social Security. It has been proposed—

That is my amendment—

that this detailed definition should be eliminated, so that the definition would then be that in present law.

In my opinion, such a change would not necessitate any increase in my estimate of the cost of the program, since I did not reduce the cost estimate when the more detailed definition was added to the bill. But, in the absence of the more detailed definition, there is a much greater likelihood that the costs actually developing will exceed my intermediate-cost estimate.

So we do not need to add any further taxes; we do not need to add any further increases; this amendment goes back to existing law.

I point out that in the Leftwich case, which I mentioned and which the Senator from Nebraska [Mr. CURTIS] mentioned, Mr. Leftwich was denied disability benefits by the hearing examiner and Secretary. Mr. Leftwich could not stoop, bend, or sit down for more than 10 minutes. Yet he took a job as a dishwasher at $130 a month to support himself and nine children. The Circuit Court of Appeals for the Fourth Circuit, quite properly, I think, held that, under that definition, a man who could not bend, stoop, or sit for very long yet who took a job at $130 a month while he was under physical pain at all times was entitled to disability benefits.

That is all I seek: To go back to that kind of definition, to return to the kind of language that we had in the bill in the 1965 act, which to my mind actually protects all the people who need to be protected, protects the financial integrity of the act, and will prevent us from taking the backward step we would be taking should we adopt the definition that is now in the bill.

Mr. LONG of Louisiana. Mr. President, it was my privilege to be a part of the fight and a cosponsor of the Senate amendment which provided that disabled people could receive social security benefits. I recall that at the time we agreed to it, it carried by a very close vote.

I was one of those who prevailed upon the former chairman of the committee, Senator Walter George, of Georgia, to offer the amendment on behalf of himself and a number of other Senators—I believe the Senator from New Mexico [Mr. ANDERSON] may have been one of them—by which we voted disability insurance into the act.

One of the big problems has been that the cost of this program, relative to payroll, has been increasing. For example, the cost of disability insurance has moved up from one-half of 1 percent of payroll to seven-tenths of 1 percent of payroll, and this bill would advance that cost to 0.95 percent—roughly 1 percent of payroll—to cover the cost of this protection.

So the cost of disability insurance, measured against the total earnings of the people of this country, will thus have doubled since we put it into effect in 1956.

One thing which has added to the increase in cost has been the fact that Federal courts have had considerable sympathy for those who appear before the courts and urge that they should be entitled to benefits as disabled people.

It is a relative thing. In the State of Louisiana, for example, under its workmen's compensation program, good lawyers—my father being one of them—over the years, were successful in persuading the courts that a man is totally and permanently disabled when he can no longer hold the same job he had in the past. Under workmen's compensation there might be a specific allowance provided for the loss of a hand. However, a man who, for example, had been working on the railroad and lost his hand might also be regarded as totally and permanently disabled, even though he could still do many other things. As a matter of fact, one man whom I highly respect lost his hand while working on the railroad, went into other businesses, was very successful at them, and is today one of the richest men in the city. Even though at the time of his accident no employer would hire a man with but one hand, he was later extremely successful despite his disability.

The courts, as I say, tend to be very sympathetic toward disabled persons, so much so that the House committee felt they had gone far beyond the intent of Congress when it enacted the disability program which was in general based on the idea that if there is a job available, that he could do, not in a few isolated places, but in a considerable number of places in the national economy, even though it might not be available in the man's hometown, he should not be regarded as disabled.

If Senators wish to hold to the court decisions on this matter, which have tended to liberalize the interpretation of the law beyond what the House of Representatives felt Congress intended when the program was enacted, that must be left to the judgment of each individual Senator. As pointed out by the Senator from Nebraska, this tightening of the definition was by way of insistence that we adhere to what the House committee had in mind as to the intent of Congress when this provision was originally enacted. I have great sympathy for the position of the Senator from Montana, but I feel also that we have a real cost problem to contend with here. This, the House thought, and the Senate committee concurred, is one area where the cost of the program could be restrained.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana. 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 Nevada [Mr. CANNON], the Senator from Alaska [Mr. GRUENING], the Senator from Hawaii [Mr. INOUYE], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oregon [Mr. MORSE], the Senator from Connecticut [Mr. RIBICOFF] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. ERVIN], the Senator from Tennessee [Mr. GORE], the Senator from Oklahoma [Mr. HARRIS], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Wisconsin [Mr. NELSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], the Senator from Georgia [Mr. TALMADGE], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Louisiana [Mr. ELLENDER] are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada [Mr. CANNON], the Senator from Alaska [Mr. GRUENING], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Connecticut [Mr. RIBICOFF] would each vote "yea."

On this vote, the Senator from South Carolina [Mr. HOLLINGS] is paired with the Senator from Louisiana [Mr. ELLENDER]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Louisiana would vote "nay."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator

from Florida [Mr. SMATHERS]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from Florida would vote "nay."

On this vote, the Senator from Washington [Mr. JACKSON] is paired with the Senator from Ohio [Mr. LAUSCHE]. If present and voting, the Senator from Washington would vote "yea," and the Senator from Ohio would vote "nay."

Mr. KUCHEL. I announce that the Senator from Tennessee [Mr. BAKER], the Senator from Utah [Mr. BENNETT], the Senator from Colorado [Mr. DOMINICK], the Senator from California [Mr. MURPHY], the Senator from Illinois [Mr. PERCY], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] and the Senator from Texas [Mr. TOWER] are absent on official business.

The Senator from Massachusetts [Mr. BROOKE], the Senator from Kansas [Mr. CARLSON], the Senator from Hawaii [Mr. FONG], the Senator from Oregon [Mr. HATFIELD], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Idaho [Mr. JORDAN] are detained on official business.

If present and voting, the Senator from Kansas [Mr. CARLSON], the Senator from California [Mr. MURPHY], and the Senator from Texas [Mr. TOWER] would each vote "nay."

On this vote, the Senator from Massachusetts [Mr. BROOKE] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from Colorado [Mr. DOMINICK]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Oregon [Mr. HATFIELD] is paired with the Senator from Idaho [Mr. JORDAN]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from Idaho would vote "nay."

The result was announced—yeas 34, nays 20, as follows:

[No. 329 Leg.]

YEAS—34

Aiken	Hayden	Pell
Bartlett	Hill	Prouty
Bayh	Javits	Proxmire
Bible	Kuchel	Randolph
Boggs	Mansfield	Sparkman
Brewster	McGovern	Spong
Burdick	Metcalf	Symington
Byrd, W. Va.	Mondale	Tydings
Case	Montoya	Williams, N.J.
Clark	Moss	Young, Ohio
Hart	Muskie	
Hartke	Pastore	

NAYS—20

Allott	Griffin	Mundt
Anderson	Hansen	Pearson
Cotton	Holland	Smith
Curtis	Hruska	Thurmond
Dirksen	Long, La.	Williams, Del.
Fannin	Miller	Young, N. Dak.
Fulbright	Morton	

NOT VOTING—46

Baker	Cooper	Gore
Bennett	Dodd	Gruening
Brooke	Dominick	Harris
Byrd, Va.	Eastland	Hatfield
Cannon	Ellender	Hickenlooper
Carlson	Ervin	Hollings
Church	Fong	Inouye
Jackson	McClellan	Russell
Jordan, N.C.	McGee	Scott
Jordan, Idaho	McIntyre	Smathers
Kennedy, Mass.	Monroney	Stennis
Kennedy, N.Y.	Morse	Talmadge
Lausche	Murphy	Tower
Long, Mo.	Nelson	Yarborough
Magnuson	Percy	
McCarthy	Ribicoff	

So Mr. METCALF's amendment was agreed to.

Mr. METCALF. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG of Louisiana. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD a letter prepared by Mr. Robert J. Myers concerning the cost estimates in connection with the Miller amendment as originally introduced.

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

MEMORANDUM

NOVEMBER 17, 1967.

From: Robert J. Myers, Chief Actuary, Social Security Administration.

Subject: Cost estimate for amendment No. 442 relating to reimbursement basis under hospital insurance program.

This memorandum will present a cost estimate for Amendment No. 442, submitted by Senator Miller, which would amend H.R. 12080 as reported by the Committee on Finance.

This Amendment would provide an increased reimbursement basis for hospitals and other providers of service (both proprietary ones and nonprofit ones) under the Medicare program, with the principal effect being on the HI program. Reimbursement would be on the basis of average per diem costs for persons of all ages (rather than on the basis of actual costs for beneficiaries aged 65 and over), and also return of 1½ times the trust-fund interest rate would be paid on "fair market value" of the facility (in lieu of the present provisions for payment of depreciation, interest on indebtedness, and the 2% factor).

It is very difficult to know what the effect of the "fair market value" provision would be, although it would be quite significant. It is estimated that the level-cost of the HI program would be increased by .19% to .25% of taxable payroll over the cost in the Finance Committee version of H.R. 12080 (a lower cost estimate relative to payroll being shown than for the House version of the bill, because of the higher taxable earnings base in the Finance Committee version). The increased outgo in 1968 is estimated at $500 to $650 million, while for 1972 the corresponding cost is $700 to $950 million.

My estimate of the increased cost was made separately for the two parts of the Amendment. An accurate estimate can be made for the proposal to use the average per diem cost for persons of all ages as the reimbursement basis (instead of basing such reimbursement only on the cost for Medicare beneficiaries). When costs are determined relative to charges, the routine room-and-board costs (including general nursing services) are taken to be the same per day for Medicare patients as for other patients.

However, the costs for ancillary services for medicare patients average out at a lower cost per day (because their longer average stay more than offsets their somewhat greater use of these services per stay). As a result, the average daily cost for Medicare patients so determined is about 8% less than the average for all persons. Accordingly, the cost for going to this basis of reimbursement would be .10% of taxable payroll, or for the first full year of operation about $300 million.

It is argued by some that room-and-board costs are higher for Medicare patients because they require more nursing services and that this should be offset by using the higher average daily cost applicable to all patients in lieu of the lower average applicable to Medicare patients. This may be the case, and equity might require a change to recognize this situation, but it will cost the HI program additional money.

As to the second part of the Amendment, providing a return on capital (based on fair market value) for all hospitals and other facilities, a significant cost would be involved on account of the much more favorable treatment involved for the large number of nonprofit hospitals. Because of the uncertainty involved as to how the provision would be administered (e.g. as to determining "fair market value" and as to the interest rate to be used), I must give a range estimate—namely, a level-cost of .09 to .15% of taxable payroll, or $200 to $350 million in the first full year of operation.

It has been suggested that the portion of the proposal relating to return on capital be deleted and that only the "average daily cost for all patients" reimbursement basis should be left in the Amendment. In addition, the legislative history would indicate that the present 2% increase-factor for otherwise unrecognized costs (1½% for proprietary institutions) should be discontinued. The net effect would be an increase in the estimated level-cost of the program amounting to .07% of taxable payroll, or a cost of about $200 to $250 million in the first full year of operation.

ROBERT J. MYERS.

Mr. LONG of Louisiana. It was because of the high cost of this amendment, in the main, that I did not feel that the amendment could be accepted, although I would be willing to accept some part of it.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from Iowa, as modified.

Mr. LONG of Louisiana. Mr. President, I believe it would be best that we vote on that amendment on Monday, after we have had an opportunity to think about it over the weekend.

Unless other Senators desire to make statements, I will move to adjourn.

ORDER OF BUSINESS—UNANIMOUS-CONSENT AGREEMENT

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

Mr. LONG of Louisiana. I yield.

Mr. KUCHEL. Do I understand the parliamentary situation, then, to be that the amendment of the junior Senator from Iowa is now pending?

Mr. LONG of Louisiana. Yes; it is pending at the moment.

Mr. KUCHEL. It will be subject to the 1-hour limitation on Monday morning?

Mr. LONG of Louisiana. It will be subject to the limitation on Monday.

Does the Senator desire his amendment to be the pending business when we adjourn tonight, or would he care to withdraw it and offer it again on Monday?

Mr. MILLER. Mr. President, I do not believe much more time will be required in connection with this amendment, and I believe we could expect a vote on it rather early. I am hopeful that I will be able to work out an arrangement with the manager of the bill so that he would be willing to accept it.

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

Mr. LONG of Louisiana. I yield.

Mr. HOLLAND. Mr. President, I am sorry that the vote cannot be taken tonight. As the Senator knows, I have supported this amendment rather actively on the floor, and I renew my request that I be given a live pair on this amendment. I do not make this request often.

Mr. LONG of Louisiana. If there is any substantial opposition to the amendment, I believe we will be able to arrange a pair. I hope the Senator will not be too dismayed if the amendment is agreed to by an overwhelming majority.

Mr. HOLLAND. I believe it would be a wise decision, and I recommend it.

Mr. KUCHEL. Mr. President, I wish to say for the record what I have said informally to my able friend, the majority whip, that it is my hope to offer my amendment as early as I may be permitted to do so on Monday morning. Speaking for the able senior Senator from New York, who has another amendment, I would hope that he would be permitted to offer his early Monday morning, also.

Mr. MILLER. Mr. President, in view of the need for the Senator from California and the Senator from New York to have their amendments taken up early, I wonder if it would be in order to ask unanimous consent that my amendment be laid aside pending the action taken on the Kuchel and the Javits amendments, at which time my amendment would then become the order of business. I make that request, Mr. President.

Mr. KUCHEL. I would prefer, however, to offer it on Monday, perhaps after we have a quorum call, so that many Senators will be present.

Mr. LONG of Louisiana. The thought occurs to me that if the Senator has it ready it might be called up now and we could adjourn with it being the pending business for Monday.

Mr. WILLIAMS of Delaware. We could have it understood it would be the pending business.

Mr. MILLER. Why not agree?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that when we meet on Monday, when the pending business is laid before the Senate, that the Senator from California [Mr. KUCHEL] be recognized to call up his amendment.

Mr. KUCHEL. Mr. President, reserving the right to object, and I shall not object, I ask my friend, the Senator from Louisiana, to modify his agreement so that we may first agree to a short quorum call so that we may have a quorum present, and then I shall offer my amendment.

Mr. LONG of Louisiana. I so modify the request.

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

Mr. MILLER. And that will be followed by the Javits amendment, and then the Miller amendment.

Mr. KUCHEL. I agree to that, in that order.

Mr. LONG of Louisiana. I am not sure we should include the Javits amendment. I am not sure he wants that done.

I now understand that he does. We will proceed to consider the amendments in that order.

Mr. KUCHEL. I thank the Senator.

ADJOURNMENT UNTIL MONDAY AT 10 A.M.

Mr. LONG of Louisiana. Mr. President, I move, in accordance with the order previously entered, that the Senate adjourn until 10 a.m. Monday next.

The motion was agreed to; and (at 6 o'clock and 10 minutes p.m.) the Senate adjourned until Monday, November 20, 1967, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate November 17, 1967:

ASSISTANT SECRETARY OF THE NAVY

Charles A. Bowsher, of Illinois, to be an Assistant Secretary of the Navy.

POSTMASTERS

The following-named persons to be postmasters:

CALIFORNIA

James L. Weatherall, Guadalupe, Calif., in place of J. W. Moffitt, retired.

COLORADO

Clifford Wilkening, Crawford, Colo., in place of W. V. Engen, retired.

CONNECTICUT

Edward T. Hanley, Naugatuck, Conn., in place of F. T. Green, retired.

ILLINOIS

James A. Reed, Blandinsville, Ill., in place of L. O. Huff, retired.

Bernard H. Krippel, Emington, Ill., in place of L. J. Conroy, transferred.

George B. Street, Wonder Lake, Ill., in place of P. H. Eberle, retired.

MAINE

Joseph D. Mayo, Millinocket, Maine, in place of W. J. Gates, retired.

MASSACHUSETTS

Chester A. Pinkos, Belchertown, Mass., in place of M. G. Hanifin, retired.

MISSISSIPPI

Dora L. Simon, Cruger, Miss., in place of C. S. Parker, retired.

NEBRASKA

A. Keefe Crowley, Lexington, Nebr., in place of C. G. Hutt, declined.

NEW JERSEY

William F. Verhaegen, Caldwell, N.J., in place of W. J. Quinn, retired.

NORTH CAROLINA

Hugh A. McKenzie, Shannon, N.C., in place of B. F. McGregor, retired.

SOUTH DAKOTA

Edward C. Colvin, Philip, S. Dak., in place of R. V. Millstead, retired.

WASHINGTON

Ralph O. Link, Snohomish, Wash., in place of H. C. Cochran, resigned.

WEST VIRGINIA

Helen R. Burnside, Hometown, W. Va., in place of O. H. Casto, deceased.

EXTENSIONS OF REMARKS

"Operation Gratitude" Is a Welcome Change

EXTENSION OF REMARKS

OF

HON. DONALD J. IRWIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 17, 1967

Mr. IRWIN. Mr. Speaker, this Nation has been engulfed by demonstrations protesting the presence of American troops in Vietnam.

Many of these demonstrations have been crude, riotous, and certainly have given comfort only to the enemy.

That is why it is refreshing to call attention to a different kind of demonstration—a patriotic type showing some faith in our Nation—sponsored by the National Committee for Responsible Patriotism.

This is the organization that recently organized the highly successful Operation Gratitude across the country.

At that time, thousands upon thousands of loyal Americans took part in Operation Gratitude, a program dedicated to respect for law and support for the men and women in our Armed Forces, especially those serving in Vietnam.

Operation Gratitude unquestionably lifted the morale of the men fighting in Vietnam, for it made clear to them—and to the world—that we love and honor the men and women who wear the uniform of the United States.

There should be more Operations Gratitude and the National Committee for Responsible Patriotism will be glad to help, if asked, to organize them.

The committee acts only in an advisory and coordinating role. It does not sponsor and can help only if asked.

The committee was formed by those who organized the "Support Our Men In Vietnam" parade in New York City last May—the longest parade in two decades.

Charles W. Wiley is the executive director of the National Committee for Responsible Patriotism, which has its headquarters in the Commodore Hotel, 109 East 42d Street, New York City 10017.

Mr. Wiley points out that the committee's efforts are nonpartisan and nonpolitical; that it takes no stand on administration policies and does not dispute the right to responsible dissent.

Peace, Mr. Wiley says, is not the issue—all sane men, he adds, are for peace.

Every community in America, I believe, should become associated with the National Committee for Responsible Patriotism. The least we can do is show our

fighting men in Vietnam that we, the people of the United States, are behind them every inch of the way.

The 50th Anniversary of Ukrainian National Revolution

EXTENSION OF REMARKS

OF

HON. THOMAS S. KLEPPE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 17, 1967

Mr. KLEPPE. Mr. Speaker, this week the First World Congress of Free Ukrainians is meeting in New York City to mark the 50th Anniversary of the Ukrainian National Revolution. I include in the RECORD the following letter from Dr. Anthony Zukowski, president of the North Dakota Branch of the Ukrainian Congress Committee of America, Inc., together with my reply to him:

UKRAINIAN CONGRESS COMMITTEE OF AMERICA, INC.,

November 7, 1967.

Hon. THOMAS S. KLEPPE,
U.S. Congressman, U.S. House Office Building, Washington, D.C.

DEAR CONGRESSMAN KLEPPE: It is our great pleasure to inform you that on November 16, 17, 18, and 19, 1967, the First World Congress of Free Ukrainians will be held at the New York Hilton Hotel, New York City.

The Congress is being convened in the year of the 50th Anniversary of the Ukrainian National Revolution which led to the establishment of free and independent Ukrainian National Republic.

Also it will be held in the month of November on the 50th anniversary when "Central Rada"—Ukrainian Parliament in Kiev, Ukraine, passed in 1917 its "Third Universal" the basic law of modern time on which the Ukrainian National Republic was founded.

Delegates from 22 countries of free world will take part in the Congress, including high-ranking clergy, civic and political leaders. Also delegation from our state of North Dakota representing over 25,000 Americans of Ukrainian descent will take part in the Congress.

This historic gathering will be also held at the time when Communist Russia is observing 50th anniversary of its Bolshevik revolution or like it is known—fifty years of Russian Bolshevik tyranny in Eastern Europe.

Therefore the World Congress of Free Ukrainians will reject the Communist "thesis" that Bolshevik revolution brought freedom and social equality to the Ukrainians and other Captive Nations in the Russian prison house called U.S.S.R.

Furthermore the World Congress of Free Ukrainians will appeal to the United Nations and its members for support in the struggle for the legitimate rights of Ukrainian people to freedom and national independence.

There is no doubt that under present international circumstances especially at the time when Moscow is giving full support to North Vietnam and is mounting new offensive against the Ukrainian people for the destruction of their national and cultural attainments, this Congress should have a special significance for the entire Ukrainian Community in the free world and for the United States especially.

The aims of the Congress, as stated in the Manifesto announcing its convocation are as follows:

1. To demonstrate before the world the Ukrainian people's unwavering will to continue its struggle for the restoration of their free sovereign and unit state;

2. To manifest the solidarity of the Ukrainian community in the free world with the struggle of the Ukrainian people and its readiness to help them with all means at our disposal;

3. To unite all the forces and resources of Ukrainians who are the citizens of the various countries of the free world to secure closer cooperation among themselves;

4. To determine a proper source of action in strengthening and further developing all spheres of our activity and diverse pursuit in the free world.

In order to give you more information in regards to the Ukrainian National Revolution, I am enclosing a short pamphlet entitled "Facts about Ukraine and the Ukrainian People" and an excellent article "Fifty Years of Russia-Bolshevik Tyranny" by Dr. Ctibor Pokorny printed on November 2nd 1967 in "America" Ukrainian Catholic Daily, Philadelphia, Pa., which I believe would be of interest to you and to the American people.

Therefore, speaking in behalf of 25,000 Americans of Ukrainian descent we shall be grateful to you if you could bring this matter to the attention of the U.S. Congress and to read your message into Congressional Record in commemoration of these outstanding events in the modern history of Ukraine.

This will give us assurance, that our fellow Americans would join with us in marking this historic event of Ukraine and will demonstrate to both the captive Ukrainians and their captors our unity and determination in upholding the cause of freedom everywhere.

Thank you in advance for your cooperation, I remain,

Sincerely yours,

Dr. ANTHONY ZUKOWSKY,
President, UCCA State Branch of North Dakota.

WASHINGTON, D.C.,

November 17, 1967.

Dr. ANTHONY ZUKOWSKY,
President, North Dakota Branch, Ukrainian Congress Committee of America, Inc., New York, N.Y.:

It is a great honor to be invited to join with delegates to the First World Congress of Free Ukrainians in marking the fiftieth anniversary of the establishment of the Ukrainian National Republic.

Freedom is indivisible and so long as even one man remains in bondage our common goal of a free world will not be achieved. The devotion of the Ukrainian people to the realization of that goal is an inspiration to free men everywhere.

Best wishes for a most successful meeting.

TOM KLEPPE,
Member of Congress.

KAKE Instant Televote—KIT

EXTENSION OF REMARKS

OF

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 17, 1967

Mr. WINN. Mr. Speaker, I would like to congratulate KAKE TV in Wichita, Kans., for its latest venture into its already highly regarded program of public service to the people of Kansas. KAKE TV has instituted a new service, KAKE Instant Televote—KIT—which is designed to reflect the feeling of its audience on important and controversial issues of the day.

On the KAKE 5:30 Evening Report, a question of the day is announced; and on the 10 p.m. Night Report, "yes and no" votes on the question are given in percentages. Thousands of calls are automatically tabulated each night on "yes" and "no" phone numbers.

As an example of how KAKE Instant Televote works, I would cite their Friday, November 3, program. The question was:

Do you favor a 10-percent surcharge on income tax as recommended by President Johnson to help fight inflation?

Of the thousands of KAKE viewers voting on the issue, 69 percent voted "no" and 31 percent voted "yes."

Again I congratulate KAKE TV for its interest in serving the people of Kansas.

Priorities and the 90th Congress

EXTENSION OF REMARKS

OF

HON. HERBERT TENZER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 17, 1967

Mr. TENZER. Mr. Speaker, many Members of the House have shown a lack of compassion this week while considering the Economic Opportunity Amendments of 1967. The majority party, resisting the battering attempts to cut the guts out of the program, did manage to keep the scope of the war on poverty intact.

The House vote to cripple the war on poverty is a sad, sad commentary on the irrational priorities set by the 90th Congress. Our Nation's health—the hungry, the undereducated, the unskilled, and the underprivileged should have received primary consideration in the House.

After approving nearly $5 billion for the space program, nearly $5 billion for public works and an appropriation to develop a supersonic transport which will eventually cost $5 billion, the 90th Congress regrettably made drastic cuts in the poverty program.

Mr. Speaker, I believe there is an urgent need to cut spending on the space and supersonic transport programs the public works projects which can be deferred until the war in Vietnam is over, and other nonessential programs.

The President should set the priorities which the House has failed to do.

Many in Congress also fail to realize that the withdrawal of these funds is false economy. The House action will merely shift the burden to other areas such as social services, job training programs, education and several other forms of assistance. The end result would cost the Federal Government many more millions of dollars.

Many people have been restored to the group of taxpayers from the ranks of taxeaters. They have been taken off the relief rolls. On-the-job training programs and training to upgrade job capacities have been most successful.

A reduction in war on poverty funds

would adversely affect too many people too quickly. It will affect programs already in progress. How can we forget the disturbances and riots which have increased steadily from 1961 through the summer of 1967. I fear that repercussions in the summer of 1968 will not be easily subdued and that the 90th Congress will be haunted by their unrealistic order of priorities.

To Set Standards for Redistricting

EXTENSION OF REMARKS

OF

HON. WILLIAM M. McCULLOCH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 17, 1967

Mr. McCULLOCH. Mr. Speaker, the road to redistricting has been a long and tiresome one. As a member of the House-Senate conference, I can testify to that fact. The managers of both Houses spent many a day discussing the intricacies of this most complex problem. It is with some regret that I say that the conference was unable to produce a bill with permanent redistricting standards. No less disappointed than I was Congressman CHARLES MATHIAS of Maryland, for his efforts in this regard were unsurpassed. He has worked continually toward the end of achieving some accord on redistricting. His recent bill, H.R. 13691, is simply one more in a long line of commendable efforts on his part. He has written a very incisive and thought-provoking letter to the New York Times, which it is my pleasure to call to the attention of my colleagues. The letter follows:

TO SET STANDARDS FOR REDISTRICTING

To the EDITOR:

I commend The Times for keeping before the public the complicated question of Congressional redistricting.

Public education includes indicating clearly were the problems lie. On the second conference report on the Celler bill it is evident from your news columns that the principles of equitable districting were maimed, but not by the House.

In regard to permanent standards to take effect after the 1970 census, the House conferees did accept the Senate provisions, including the Kennedy amendment emphasizing compactness. The eventual rejection of this cannot fairly be laid at the door of the House Judiciary Committee, since its chairman and members have fought for such standards for many years and were simply outvoted in a difficult conference.

In regard to interim standards, the House worked from the obvious fact that one-man, one-vote, in practice, depends on up-to-date statistics. The 1960 census figures are seriously obsolete. To require widespread redistricting on this basis could subvert the principles of fair representation rather than advance them. Rapidly growing areas, in particular, would be denied adequate voice, especially in states which have already redistricted since 1960.

CONFUSING FOR VOTERS

We must consider also the stability of political processes. Continual redistricting is extremely disruptive, as it confuses voters and candidates and complicates the communication between elected and electors which is the key to real representation. At-large elections in populous states can undermine the principles of sound government even more.

My own experience as a conferee convinced me that House rejection of the second conference report would be like mailing a directive to a dead-letter office, since the conference committee would probably never meet again.

House adoption of the report had more positive results. The report was forwarded to the other body, where it appeared that continued debate could produce new instructions for the Senate conferees. At least it might prevent disruptive at-large elections in 1968 and 1970, and avoid the new inequities resulting from applying panaceas in the absence of reliable statistics and any Congressional mandate at all.

The recent House debate did have the depressing atmosphere of a funeral, but the House conferees attended this funeral not as murderers but as mourners. Understanding and empathy are in order. We should not bemoan the unfortunate past, but rather continue to advance the principles of equitable, orderly redistricting. I, for one, have introduced a new bill (H.R. 13691) incorporating the Senate-passed permanent standards previously accepted by the House conferees. I hope that you will join me in encouraging passage of such a measure.

CHARLES McC. MATHIAS, Jr.,
Member of Congress.

Civic Action Resolution Endorsed

EXTENSION OF REMARKS

OF

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 17, 1967

Mr. WOLFF. Mr. Speaker, with 37 colleagues—Mr. ADAMS, Mr. ADDABBO, Mr. BINGHAM, Mr. BRASCO, Mr. BUTTON, Mr. CONYERS, Mr. DADDARIO, Mr. DIGGS, Mr. DOW, Mr. EDWARDS of California, Mr. EILBERG, Mr. ERLENBORN, Mr. FINDLEY, Mr. FINO, Mr. FOLEY, Mr. FRIEDEL, Mr. HALPERN, Mrs. HANSEN of Washington, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. HUNGATE, Mr. JACOBS, Mr. JOELSON, Mr. KARTH, Mr. KUPFERMAN, Mr. KYROS, Mr. LEGGETT, Mr. LONG of Maryland, Mrs. MINK, Mr. O'KONSKI, Mr. OLSEN, Mr. OTTINGER, Mr. REES, Mr. RIEGLE, Mr. ROSENTHAL, Mr. TIERNAN, and Mr. WRIGHT—I have introduced the following resolution:

H.J. RES. —

Joint resolution to establish a joint investigatory committee on the United States Civic Action Program in Vietnam

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby established a joint congressional committee, to be called the "Committee on Civic Action in Vietnam" (hereafter in this resolution referred to as the "committee"), to be composed of—

(1) nine members of the House of Representatives appointed by the Speaker of the House of Representatives; and

(2) nine members of the Senate appointed by the President of the Senate.

(b) Vacancies in the membership of the committee shall not affect its powers, and any such vacancy shall be filled in the same manner as in the case of the original appointment.

(c) The committee shall select a chairman and a vice chairman from among its members.

SEC. 2. The committee shall conduct a full and complete investigation and study of the pacification program in South Vietnam, including—

(1) the Civil Operation and Revolutionary Development Program;

(2) the Commodity Import Program;

(3) black market activities; and

(4) such other programs and factors as the committee deems important.

SEC. 3. The committee shall first report to the House of Representatives and the Senate the results of its investigation and study, together with its findings and such recommendations as it deems advisable, six months after the date of the enactment of this resolution, and annually thereafter. Such report shall be filed with the Clerk of the House of Representatives if the House of Representatives is not in session and with the Secretary of the Senate if the Senate is not in session.

SEC. 4. For the purpose of carrying out the investigation and study authorized by this resolution, the committee or any duly authorized subcommittee thereof is authorized to sit and act during the present Congress as such times and places within or outside the United States, whether the Congress or either House thereof is in session, has recessed, or has adjourned, to hold such hearings, and to require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

SEC. 5. (a) The committee is authorized to appoint and fix the compensation of such experts, consultants, and clerical and stenographic assistants, to procure such printing and binding, and to make such expenditures, as it deems necessary and advisable.

(b) The committee is authorized to utilize the services, information, and facilities of any department, agency, or instrumentality of the United States, and of private research and other agencies.

Mr. Speaker, Mr. Tran Van Dinh, head of the Overseas Vietnamese Buddhist Association here in Washington, has written an interesting letter to me relevant to this resolution. Under leave to extend my remarks, I include that letter in the RECORD at this point:

OVERSEAS VIETNAMESE
BUDDHIST ASSOCIATION,
Washington, D.C., November 16, 1967.

Hon. LESTER WOLFF,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN WOLFF: I have read with interest and admiration in to-day Baltimore Sun your proposal for a legislative plan to set up a joint congressional committee to probe into non-military aid for South Viet Nam. I am happy to know that already there are 30 of your Colleagues who support your initiative. You have done a great service for your country and mine. As a Vietnamese citizen who is paying taxes in this country, I have been very much concerned, especially for moral reasons, for the waste which has been so obvious in the conduct of the AID program in my country. The Vietnamese in the past held very high the virtues of austerity, integrity and honesty and it would

be a tragic irony that the Vietnamese officials are now corrupted by the assistance from the US which holds the same principles.

Please send me a few copies of your proposed plan so I could forward them to my friends in the Vietnamese Congress.

Sincerely yours,

TRAN VAN DINH.

Secretary Trowbridge Sounds Note for Pittsburgh Businessmen

EXTENSION OF REMARKS

OF

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 17, 1967

Mr. MOORHEAD. Mr. Speaker, during our recently concluded debate on the war on poverty I commented that jobs are the key to the dilemma of the poor—and that the war on poverty is an investment in people, designed to transfer individuals from the liability side of the Nation's balance sheet to the asset side, from tax-eating recipients of welfare to tax-production workers. And I said that I was proud that Pittsburgh has already established a comprehensive employment program, an OEO and labor partnership, to find and develop jobs for nearly 2,000 hard-core unemployed, with 350 jobs pledged by the city, and private industry asked to respond with the rest. Industry will respond, I know, as they always have in the past in solving public problems with private responsibilty.

I am very pleased, therefore, to note that Secretary Trowbridge has sounded the same "Investment in People" theme in his luncheon address before the Pittsburgh Commerce Institute, an institute initiated by the businessmen themselves in pledging the expertise and services of the Department of Commerce to create employment and develop talent and skills in the untapped labor force.

Under unanimous consent I submit the remarks of Secretary Trowbridge for inclusion in the CONGRESSIONAL RECORD, as follows:

REMARKS BY SECRETARY OF COMMERCE ALEXANDER B. TROWBRIDGE, PREPARED FOR DELIVERY AT THE PITTSBURGH COMMERCE INSTITUTE, PITTSBURGH, PA., NOVEMBER 17, 1967

I am delighted to be with all of you today, and to thank the people who have made this Institute possible—for this has been planned and in large measure executed by the businessmen of Pittsburgh. It is good testimony to the sparkle that has always characterized the Pittsburgh business community.

At the outset, I'd better state that it is *not* true that the Commerce Department is moving to Pittsburgh—it just seems that way. However, I hope that we have moved enough of it here to give you a flavor of the many services the Department provides to the business and the public.

I have both business and sentimental ties to Pittsburgh. In my business and governmental experience, I have built many friendships in the corporate community here; but long before that, I spent a very pleasant half-year at Shadyside Academy. In those carefree days, I can't recall that I worried a great deal about such things as air pollution, structural unemployment, city planning, or urban renewal—but I am now grateful that some of your businessmen and civic leaders *were* concerned about them. At that time, this city was making its first moves along the road to becoming the renaissance city—the showplace of responsible urban planning.

This city has always taken a do-it-yourself attitude toward economic problems. Only last week I learned that two European concerns are interested in establishing plants in Pittsburgh as a result of some intensive spadework by Bill Boyd of the Pittsburgh National Bank. On his own initiative, Bill arranged a meeting in Paris of 50 bankers and industrialists representing eight countries. I think the prospective benefits should be obvious: It will mean increased business for Pittsburgh and the Nation; it will mean more jobs; and, it will enhance our balance of payments accounts.

Pittsburgh is still in the forefront as America's major cities struggle with a new wave of problems that threaten to strangle out great centers of business and social life. Mayor Barr helped organize the conference of mayors and businessmen which will give greater coordination to your efforts to cope with these problems. I would like to devote most of my time today to a discussion of the predicament of our cities, and in particular, the role of the businessman as a problem solver.

But first, let me say a few more words about what is transpiring here today. In the meetings with Commerce officials, you hopefully are finding some new, specific ways in which the Department can be of help to you in your business. Our mission is to serve business and the public, and we have thousands of experienced, talented people and a great deal of sophisticated equipment at your disposal. In terms of credentials, we boast of nearly 600 Ph. D.'s, 1,300 persons with masters degrees and 475 lawyers. Perhaps more important to your needs is that many of our employees have previously enjoyed productive years of business experience. Our activities include sending probes to the ocean floor and weather satellites into space; we gather the great bulk of statistics on business and the economy; we disseminate scientific and technological data; we supervise the issuance of patents; we forecast the weather for the next day and the economy for the next year. After today, I hope the Department will seem somewhat less distant to you. It's your government—your Department—and if you haven't found what you are looking for, drop us a line or come visit us—the door is open.

Next Monday our great Census clock in the Department will register the arrival of our Nation's population at the 200 million mark. Even with heavy immigration, it was not until 1915 that we reached 100 million population; we added another 100 million people in about 50 years. It is entirely within the realm of possibility that the U.S. population will have grown by another 100 million in the next 23 years.

We still have ample land and abundant opportunity for coming generations. If they take stock of themselves next Monday morning, most Americans can look forward to a firm financial future—a means of earning a living and the prospect of higher income, adequate diet, suitable housing, education for the children, with some money to spare for luxuries and some income in their advancing years. We can also take stock as we come through our 81st month of steady economic expansion during this month of November.

The American businessman, be he an independent entrepreneur or a salaried executive, has grown and prospered with the economic expansion of the last 80 months. Indeed, he has been a vital element in fostering our unprecedented prosperity, as well as beneficiary of its rewards.

Probably the highlights of this expansionary period have been the scope and confidence reflected in the increase of our productive capacity—a 39 percent gain in real production matched with a 63 percent increase in real business fixed investment.

Businessmen saw the American market potential and rose to meet the needs and capabilities of that market. With real personal income expanding by 37 percent, the American economy demanded more of its producers—and those demands were met. Manufacturing production rose 53 percent, mining output gained 25 percent, utilities produced 55 percent more; with an overall average increase in consumer prices of only 1.8 percent.

The rewards of this expansion have been large and widespread. The workers and the executives of America gained 60 percent in total wages, salaries and other forms of compensation during the past 80 months. Corporate profits rose 91 percent after taxes, and dividends increased by 71 percent. The value of outstanding shares climbed by 80 percent or some $365 billion. Hence we gained, and gained handsomely, for a job well done.

What we have seen is continuing evidence of the American businessman's basic credo—"There must be a better way." The past 80 months have brought forth many better ways, and we are economically, socially and physically stronger as a result. As we look back, we surely gain confidence for the future. Our government's ability to enhance the economic climate, and business' capacity to enrich our Nation—both key partners in progress—are proven in strength and in resiliency. Our task is to keep it moving in a sustained and sustainable upward line.

There is widespread agreement among business and government economists that the growth will continue, with strong indications that the rate of increase will be excessive and that inflationary pressures will be all too obvious. It is to curb these pressures, and to relieve the dependence on monetary policy, that the President has urged the 10 percent tax surcharge and a program of non-defense expenditure cuts. The Federal deficit, potentially at a $25-$30 billion level for the fiscal year, simply must be brought into more manageable proportions. The money market today is all too clearly showing the need for prompt and positive tax action by the Congress. On the expenditures side, I can assure you that the pressure is on—from top to bottom—to cut back and trim and defer expenses in the Federal budget. The President, and all those who are in charge of managing governmental programs, are taking this responsibility seriously.

A moment ago I said that we have lots of room and lots of opportunities for coming generations. But even though our economic expansion has pulled millions of people above the bare subsistence level, it is not enough. Some 16 percent of the people in this country still live at or below the poverty line—in congested slums, on obsolete farms, or around wornout mines. The reason for the unemployment of these people is *not* because there are no jobs; it is because there are not enough jobs which fit the qualifications of those in the poverty pockets, or because they don't know where to look for suitable jobs, or because there is a lack of adequate transportation between the jobs and the jobless. President Johnson's antipoverty programs have made considerable progress in dealing with these root causes of unemployment, as well as other aspects of poverty.

Perhaps the most vital of all these programs are those which train people for jobs or create jobs for them so that they can become self-supporting with a self respect

which can only come from a firm place as participating members of society. And there are tangible benefits as well. It costs about $2,500 to keep a man in jail for a year, and it costs about $2,000 per year to sustain a mother and one child on welfare.

The President has asked me to coordinate a Test Program for Job Development. It offers broad Federal assistance to encourage business to hire the hard-core unemployed by underwriting part of the extra risk and extra cost. Two days ago the Avco Corporation became the first participating company in this test program. The government will assume part of the cost of training 232 unemployed men and women in the Roxbury area of Boston who will be trained for jobs in a printing plant which Avco will build in that area. Twenty-one other major corporations—several of whom are represented here today—have expressed support for the program and are fomulating plans through which jobs for the hard-core unemployed can be developed.

This is not a question of encouraging businessmen to engage in charity work. We recognize that most of the permanent jobs will be created by profit-seeking businessmen. We do ask that you consider the ghettoes and other marginal areas as potential fields for new business—and that you consider the people who live there as an untapped labor force. If there are unusual obstacles or abnormal risks involved, this program may be able to help surmount them by use of a Federal capacity to share some of the special risks.

As a test, this program is being focussed first on five cities: Boston, Chicago, Los Angeles, San Antonio, and Washington, D.C. The range of business ventures to be considered will be limited only by the imagination and energy of businessmen. My special representative for the test program, William E. Zisch, is the single point of contact for companies seeking government help, and he can arrange what we call "one stop service" for the business man who wants to deal with the government.

We also would like to encourage larger corporations to team up with small businessmen who operate in economically deprived areas. Plans for this phase of the program have not been completed, and we will welcome any suggestions. This spirit was demonstrated in this conference. I understand that Gulf Oil and some other corporations were most energetic in encouraging some small businessmen to attend this Institute.

While our test program is limited to the cities I have named, because it *is* a pilot program, there are of course unlimited ways in which the business community and individual firms can join the fight against poverty and despair—and to their own economic advantage. Companies of every size and description have recently inaugurated a broad range of enterprises in slum areas.

We in the Federal government fully understand that profits provide the chief motivating force for business. Naturally, any corporate manager must consider profits as a prime objective in fulfilling his obligations to his stockholders. Moreover, if we are successful in creating profit-making opportunities and jobs in a few neglected areas through our test program, other firms in other places with hard-core unemployment problems will get the word and launch projects on their own initiative.

Right here I want to say that I have a profound respect for the ingenuity of American business, its awareness of the social and economic problems that confront us in so many big cities, and the imagination it can bring to bear upon the solutions. As I have said I am not appealing for charity but for the application of tough business thinking—and shrewd business criteria—to these problems. This is an opportunity for forward-looking businessmen to make a very considerable public service contribution, and—at the same time—to plan projects that can spell profits as well as good citizenship. To put it another way, righting the social and economic scales will create not only human dignity but also purchasing power.

Recently I made some inquiries to determine how deeply businessmen have become involved in the anti-poverty campaign. Even this informal survey, conducted in only a couple of dozen cities, turned up numerous instances of business participation. Some businesses, of course, are working in job training and other government programs under contract; others are working voluntarily with the Federal government, local governments, foundations, Negro leaders, and labor unions; and, more importantly, many of them are going it alone or in cooperation with other businesses.

The very largest corporations, with huge amounts of resources at their disposal, are participating. As you will recall, President Johnson recently announced that a group of insurance companies have set aside $1 billion for investment in construction in the slums.

And some very small businesses have figured out ways to participate. One resourceful American entrepreneur whose name is doubtless unknown to you—Charley Head of Phoenix, Arizona—sharpens saws and other tools for only a penny if they are used in slum improvement. His personal crusade for better housing started when a church group volunteered to help with new construction on an Indian reservation.

This hardly matches in magnitude the contribution of the insurance companies, but it is a human and dramatic example of one man's initiative and business acumen. I suspect that Charley is doing pretty well sharpening tools for non-slum work at his regular prices.

Unfortunately, I haven't many Charley Heads to point to. But our random survey turned up an amazing number of firms concerned about community problems—and doing something about them.

For example, companies in Hartford, Connecticut, are involved in 38 social programs involving commitments of money, manpower, and facilities.

So are the automobile companies which have been moving into ghettoes in Detroit in an active search for new employees from deprived neighborhoods. The response has far exceeded their expectations.

Alcoa and Reynolds have completed or have under construction urban renewal projects in Washington, Kansas City, Cincinnati, Richmond, Hartford, Providence, Syracuse and, of course, here in Pittsburgh. Some of these projects have been sold to non-profit organizations or cooperatives.

U.S. Gypsum has invested $1¼ million so far in a rapidly expanding project to rehabilitate tenements in East Harlem. The purpose is to test the market for new building materials and to explore the feasibility of renovating slum housing. The company also is rehabilitating six slum buildings in Cleveland and is studying similar pilot projects in Philadelphia, Chicago, Atlanta, Los Angeles, San Francisco, and Oakland.

The National Association of Manufacturers had documented some 70 cases in which companies have inaugurated programs to provide employment and education and training programs. These programs include part-time jobs and counseling for high school dropouts; special academic instruction, ranging from basic courses for illiterates to high school subjects; and special efforts to create jobs for persons with prison records and others with no work experience.

Smith, Kline and French operates an information center in Philadelphia to help slum residents acquire knowledge about education, credit, and consumer problems. The company is also engaged in rebuilding rundown apartment houses.

In Cambridge, Massachusetts, KLH Research and Development Corporation is working with the government in establishing a pilot program for an all-day, year-round school for young children whose fathers and mothers work in a plant nearby.

Seven hundred companies in the Boston area are participating in a Jobs Clearing House which compiles an inventory of vacancies as a means of facilitating the matching of men and jobs. This type of program is gaining in popularity. In Kansas City, 43 firms participated in a successful program to find underprivileged youths and steer them into jobs or job training. At a job fair in Houston, businessmen found jobs for more than 1,000 young people in two days of intensive work. In Los Angeles, employers pledged to hire 25,000 persons during a special television program, and the next day state employment offices were swamped with applicants.

In addition to the aluminum companies and U.S. Gypsum, other building materials firms are becoming active in slum construction. Johns-Manville has offered to experiment with the construction of 125 low-cost homes in Phoenix; the homes would cost about $6,000, including the price of land. Some enterprising companies came with the idea of stacking mobile homes to provide low-cost townhouses or apartments.

Finally, there is the venture which was managed by Bill Zisch, the Watts Manufacturing Company in Los Angeles. This operation, established as a subsidiary of Aerojet General, employs residents of the Watts area as workers and in some supervisory positions, and it is about to go into the black two years after it was inaugurated.

These are only a few examples of how private business is engaged in public problem solving, but I hope you get the idea: business is already participating on a substantial scale. And it is doing so with both public responsibility and private profits in mind.

Extending economic opportunity to the neglected areas is a joint responsibility of business and government. The Federal government provides less than 4 percent of the jobs, and state and local governments another 12 percent; the remaining 84 percent are employed in the private sector. We all have a common stake in blotting out poverty in America. But the resources in your hands are often greater than those we have in Washington. We hope we can provide the stimulus, but we look to you for much of the inspired practical leadership which we always count upon.

The census statistics on poverty tell us that a steadily expanding economy, plus these special government and business programs I've mentioned, have made significant inroads into the poverty ranks, but we still have a long way to go. The high Negro unemployment reflects the extent of poverty because so many of them are trapped in the central cities or on small, marginal farms.

We need to create less than 350,000 jobs to bring the rate of unemployment among Negro men down to the national average for whites. This task is not insurmountable for an economy which has been creating 1.5 million jobs a year.

In the past few years we have demonstrated to the world an unprecedented pattern of economic success; a system which will soon be turning out $800 billion worth of goods and service a year. In the not too distant future, I hope, we can show the world that our system extends economic opportunity and holds out the hope of personal dignity to everyone, and that this Nation of 200 million people still regards individual initiative, talent, and skill as our most precious resources.

Thank you.