Pedro A. Paulete; to the Committee on the Judiciary.

By Mr. BURTON of California:

H.R. 15584. A bill for the relief of Cheng Ken Han; to the Committee on the Judiciary.

H.R. 15585. A bill for the relief of Anna M. Knips and her daughter, Patrizia Knips; to the Committee on the Judiciary.

H.R. 15586. A bill for the relief of Fernando Enrique Mayorga; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 15587. A bill for the relief of Mrs. Mariangela Parisi Violi; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 15588. A bill for the relief of Eufemia, Natale, and Paolo Paladino; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.R. 15589. A bill for the relief of Teresita Luy; to the Committee on the Judiciary.

By Mr. KUPFERMAN:

H.R. 15590. A bill for the relief of Marguerite Cecelia Meeth (nee O'Connor); to the Committee on the Judiciary.

By Mr. McCORMACK:

H.R. 15591. A bill for the relief of Pfc. John Patrick Collopy, US51615166; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 15592. A bill for the relief of Maria Denaro; to the Committee on the Judiciary.

H.R. 15593. A bill for the relief of Crisanto G. Mamaril; to the Committee of the Judiciary.

H.R. 15594. A bill for the relief of Giuseppe Novello; to the Committee on the Judiciary.

By Mr. PATTEN:

H.R. 15595. A bill for the relief of Francesco Buzzetta; to the Committee on the Judiciary.

By Mr. PERKINS:

H.R. 15596. A bill for the relief of Masak Abdulian; to the Committee on the Judiciary.

By Mr. SHRIVER:

H.R. 15597. A bill for the relief of Dr. Yusuf Qamar; to the Committee on the Judiciary.

By Mr. SLACK:

H.R. 15598. A bill for the relief of Dr. Prabhond Chinuntdet, Saichai Chinuntdet, Saharat Chinuntdet, and Rattapol Chinuntdet; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

247. By Mr. HALEY: Petition of the Preserves of American Religious Tradition, relative to the voluntary expression in public schools of religious beliefs; to the Committee on the Judiciary.

248. By the SPEAKER: Petition of State Corporation Commission, Topeka, Kans., relative to a moratorium on all train discontinuances; to the Committee on Interstate and Foreign Commerce.

SENATE—*Monday, February 26, 1968*

The Senate met at 12 o'clock meridian, and was called to order by Hon. JOHN STENNIS, a Senator from the State of Mississippi.

Rev. Hans Rebane, pastor, Estonian Evangelical Lutheran Congregation, Seabrook, N.J., offered the following prayer:

Our gracious heavenly Father, it is good to pause with Thee for a moment before starting out into the business of this day.

Thou hast called us and our Nation to a place of trust and responsibility throughout the world; enlighten the thoughts and govern the actions of all those in our country and in all other lands who are responsible for justice and order and peace. Guide and protect those who guard us and watch upon the ramparts the men in line of battle; those who direct them here and abroad; the leaders of this Nation who bear the weight of duty, even when those around them are uncertain and critical. Grant us grace fearlessly to contend against evil wherever it is found, and to make no peace with oppression and tyranny.

Thou, heavenly Father, knowest the aspirations and hopes of all Estonians on this 50th anniversary of the proclamation of their independence; the independence for which that small nation paid a great price but which was snatched from them by the cruel aggressor. We pray, make the aggressor loosen his grip on their homeland and all the other countries still kept captive. Hasten the day when all men shall dwell together in peace and unity and in obedience of Thy law of love.

We are grateful to know that we do not pray in vain in Jesus' name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 26, 1968.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. JOHN STENNIS, a Senator from the State of Mississippi, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. STENNIS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, February 22, 1968, be dispensed with.

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

MESSAGE FROM THE PRESIDENT ON HOUSING RECEIVED DURING ADJOURNMENT (H. DOC. NO. 261)

The ACTING PRESIDENT pro tempore. Pursuant to the order of Wednesday, February 21, 1968, the Secretary of the Senate on February 22, 1968, received a message from the President of the United States on housing.

The Chair now lays the message before the Senate, and without objection it will be printed in the RECORD without being read, and then appropriately referred.

The message from the President was referred to the Committee on Banking and Currency, as follows:

To the Congress of the United States:

The cities that sprang up along the seaports, the river banks and the prairie crossroads of America were built and grew with pride and hope—until the early 20th century.

For several decades, now, the tide has run against the growth, strength and vitality of our cities.

Today, America's cities are in crisis. This clear and urgent warning rises from the decay of decades—and is amplified by the harsh realities of the present.

The crisis has been long in forming. At the turn of the century, Lincoln Steffens told of "the shame of the cities." Jane Addams spoke of "the vast numbers of the city's disinherited."

Powerful forces swept the city after World War II, hastening its erosion.

People who could afford to began moving by the hundreds of thousands to new suburbs to escape urban crush and congestion. Other hundreds of thousands were trapped inside by a wall of prejudice, denial, and lack of opportunity.

They were joined by still thousands more from America's rural heartland—the unskilled and the unprepared, displaced by advances in technology. Their thirst was for opportunity, for jobs, and for a better life. They found instead a mirage: for stripped of its bright lights, the city for them was poverty, unemployment and human misery.

We see the results dramatically in the great urban centers where millions live amid decaying buildings—with streets clogged with traffic; with air and water polluted by the soot and waste of industry which finds it much less expensive to move outside the city than to modernize within it; with crime rates rising so rapidly each year that more and more miles of city streets become unsafe after dark; with increasingly inadequate public services and a smaller and smaller tax base from which to raise the funds to improve them.

But these problems exist in hundreds of smaller towns and cities across America—towns and cities whose growth is in numbers of people, but not in homes, or jobs, or public services, or schools or health facilities to serve them. The result too often is that these cities grow with decay, human misery, lack of job opportunity and increasingly concentrated poverty.

If the promise of the American city is to be recaptured—if our cities are to be saved from the blight of obsolescence and despair—we must now firmly set the course that America will travel.

There is no time to lose.

THE PEOPLE OF THE CITY

The human problems of the city are staggering:

—Ghetto youth with little education, no skills and limited opportunity.

—Citizens afraid to walk their streets at night, and justifiably so.

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—Negroes, Puerto Ricans and Mexican Americans barred by prejudice from full participation in the city's life.

Illiteracy and disease, a lack of jobs and even dignity itself—these are the problems of the city, just as as its tenements, traffic jams and rats are problems.

The city will not be transformed until the lives of the least among its dwellers are changed as well. Until men whose days are empty and despairing can see better days ahead, until they can stand proud and know their children's lives will be better than their own—until that day comes, the city will not truly be rebuilt.

That is the momentous and inescapable truth we face in this hour of America's history.

No single statement or message can embrace the solutions to the city's problems. No single program can attack them.

No one can say how long it will take, or how much of our fortune will eventually be committed. For the problems we are dealing with are stubborn, entrenched and slow to yield.

But we are moving on them—now—through more than a hundred programs, long and short range, making financial commitments of more than $22 billion to the task.

THE WORK SO FAR

The last several years have witnessed a remarkable record of legislative achievement—and most of it has borne on the problems of the cities.

We struck down discrimination in job opportunities, public accommodations, and voting in the Civil Rights Acts of 1964 and 1965.

We provided job training for nearly 2 million disadvantaged men and women who now have the skills to support themselves and their families with dignity and self-respect.

We cut through a century of opposition and controversy to help the poor school child with the Elementary and Secondary Education Act of 1965.

We brought healing and health to the elderly and the poor through Medicare and Medicaid.

We moved to help combat the pollution that poisons a city's air and fouls its waters.

And, with the Economic Opportunity Act of 1964, we finally embarked on a concentrated effort to eliminate poverty in this nation. That landmark measure has helped to change the lives of 6 million Americans.

These programs have brought hope to people in every city and town in America. Children from the slums find a new chance to succeed through Head Start. Poor teenagers earn their first paychecks through a Neighborhood Youth Corps program and stay in school. Needy young men and women, whose talents might once have been their life's frustration, go on to college through Upward Bound. Men find self-respect and good jobs through work training programs. Half a million volunteers are engaged in a mission of service to the destitute of their communities. More than 6 million Americans have been lifted out of poverty.

But almost 29 million citizens still remain in poverty.

If the problems of the city are to be solved, there can be no retreat in the War on Poverty. It must be pressed, with renewed emphasis on the most critical needs of the poor—job opportunities and education for the young, and the chance to join in cooperative self-help efforts to improve their own lives, as well as to participate in the broader community attack on poverty.

Last year the Congress extended the life of the poverty program for two years—but it appropriated only $1.77 billion, some $290 million less than we sought.

For fiscal 1969, I recommend appropriations to the full level of Congressional authorization—$2.18 billion—for the anti-poverty program.

All of these measures help the people who live in our cities.

They are new programs, and only now are they beginning to take hold in improving lives of men, women and children.

With other proposals I have made to Congress this year—for open housing, for safe streets, for gun control, for 500,000 new, private sector job opportunities for the hard-core unemployed, for better education—we can further protect and improve the lot and the life of the city dweller.

Today, however, I want to speak of programs designed especially for our cities—of shelter for its citizens and plans for its revitalization. This message, too, is for men and their families. For our lives are profoundly affected by the environment in which we live, the city in which we work and reside, the home in which we relax and renew our strength.

AN EVOLUTIONARY RESPONSE

Five Presidents and fifteen Congresses have forged the Federal response to the problems of housing and urban development.

It began in 1937, when Franklin Roosevelt saw a third of the nation ill-housed. He and the 75th Congress recognized that poor families could not, with their own resources, afford homes on the private market, and that some form of Government help was necessary if they were to have decent shelter. The result was the historic legislation that launched the Public Housing program.

Twelve years later, with the Housing Act of 1949, President Truman and the 81st Congress started urban renewal and pledged "as soon as feasible . . . a decent home and a suitable living environment for every American family."

In the 1954 Housing Act, President Eisenhower and the 83rd Congress expanded the program of urban renewal.

At the beginning of this decade, President Kennedy and the 87th Congress enlarged the Government's role to bring decent houses into the reach of families with moderate income.

In spite of these strides, when I became President:

—We had a loose collection of federal housing agencies, each operating programs in isolation, not only of each other but also of the federal assistance programs of other departments.

—Urban renewal was demolishing slum housing and dislocating people, but not enough new housing was being built for those forced to relocate.

—There was little interest in the private sector—by builders, architects and engineers—in providing decent shelter for poor families, and the public housing program was stagnated in numbers and in quality.

—Our concern with housing, health care, education, welfare and other social services was fragmented in the local neighborhoods where it counts.

Over the past four years, you in the Congress have approved our proposals to:

—Establish a Department of Housing and Urban Development to bring scattered housing and urban development programs together and give the American city the cabinet role it deserves.

—Begin a new program of Rent Supplements to increase the housing supply for needy families. Built and operated by private enterprise, the portion of rent paid by the Government declines as the tenant's income rises.

—Inaugurate the Model Cities Program, the first effort to attack blight on a massive scale and renovate entire neighborhoods, by providing special supplementary grants to those cities that concentrate the entire array of Federal, state and local programs, from health to housing, in the worst slum neighborhoods.

Even these achievements are not sufficient to deal with the crisis our cities face today. They do provide a base on which the proposals in this message build.

THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

I propose the Housing and Urban Development Act of 1968—a charter of renewed hope for the American city.

With this Act, the Nation will set a far-reaching goal to meet a massive national need: the construction of 26 million new homes and apartments over the next 10 years. Six million of these will finally replace the shameful substandard units of misery where more than 20 million Americans still live.

This Act will authorize the construction and rehabilitation of 2.35 million housing units with $2.34 billion of contracting authority for the first five years of the ten-year program.

Under this legislation, we will in the year ahead:

—Start 300,000 housing units for more than one million citizens who need federal assistance to obtain decent housing. This is triple the rate of this year, and more than half the number built over the last decade.

—Continue to restore the core of our center cities—and with that, improve the lives of nearly 4 million Americans—through the Model Cities Program.

—Summon the talents and energies of

private enterprise to the task of housing low-income families through the creation of a federally-chartered private, profit-making housing partnership.

—Make Urban Renewal a more effective instrument for reclaiming neighborhoods, through a new neighborhood development program.

—Add many thousands of construction job opportunities in the inner city.

—Stimulate the flow of private credit for home building in the city by providing flexible interest ceilings on FHA mortgages and transferring the secondary market operations of the Federal National Mortgage Association to private ownership.

—Help American cities develop modern and efficient mass transit systems and services.

—Offer the American family an alternative to crowded cities and sprawling suburbs, through a program to build new communities.

—Improve planning for the orderly development of public facilities for urban areas.

—Establish a base of research, analysis and knowledge of urban areas so we can make better informed decisions about the cities.

WHAT IS REQUIRED

To achieve our housing goal, we must move from low to high production.

We can make that shift only if the challenge summons the commitment of

—*The capital and mortgage finance markets,* to supply the private funds which are the lifeblood of the construction industry. These funds must flow steadily and in increasing scale.

—*The home building industry,* to tap an expanded Federally-assisted market for private low and moderate income sales and rental housing.

—*The genius of American business to bring to home building* its skill and resources and the methods of modern technology so that houses can be built faster, less expensively and more efficiently than ever before.

—*American labor,* which has pledged to provide the necessary skilled manpower without discrimination.

—*Government at all levels,* to improve the working relationships with each other, and with the builders, lenders, and low income families who will be served by this program.

—*Most importantly, the Congress.*

First, the Congress must take steps now to insure strong, stable economic growth for the nation as a whole and the home building industry in particular.

Once again I call upon the Congress to pass the anti-inflation tax which I recommended more than a year ago. Soaring interest rates will cripple the homebuilding industry. The temporary surcharge tax legislation can help to keep that from happening.

Second, I urge the Congress to enact the fair housing legislation recommended repeatedly by this Administration.

Third, I urge the Congress to renew, fully fund and strengthen the basic housing and urban development legislation already on the books.

HOMES FOR AMERICANS

I urge the Congress to enact a program to provide 300,000 housing starts in fiscal 1969 for the poor, the elderly, the handicapped, the displaced, and families with moderate incomes.

This program would:

1. *Enable 100,000 low-income families to buy or repair their own homes.*

Home ownership is a cherished dream and achievement of most Americans.

But it has always been out of reach of the nation's low-income families.

Owning a home can increase responsibility and stake out a man's place in his community. The man who owns a home has something to be proud of and good reason to protect and preserve it.

With the exception of the pilot program I began last year, low-income families have been able to get Federal help in securing shelter only as tenants who pay rent.

Today I propose a program to extend the benefits of home ownership to the nation's needy families.

Under this program, the broad outline of which has already been set forth in S. 2700, low-income families will be able to buy modest homes financed and built by the private sector. These families will devote what they can reasonably afford—a specified percentage of their income—to mortgage payments, with the Government paying the difference in the form of an interest subsidy. Under this interest subsidy, the Federal Government would pay all but 1 percent of the interest on the mortgage, depending on the income of the homebuyer.

2. *Start 75,000 public housing units, to provide homes for 300,000 Americans.*

The job is to turn authorization to action—by accelerating the processing of applications, by moving quickly from commitment to construction, and by involving private industry fully under the new Turnkey concept.

Under Turnkey, a low-income project can be put up in less than half the time traditionally required for public housing.

Turnkey frees the builder from complicated and cumbersome procedures and stimulates his initiative to develop imaginative and well-designed buildings at lower cost.

We have already extended the Turnkey concept to enable private industry not only to build low-income housing developments, but also to manage them.

Some Public Housing projects built in the past—when the challenge was simply to get units in place—reflect a tasteless conformity, and an indifference to community amenities.

At my direction, the Secretary of the Department of Housing and Urban Development has been working with leading architects and planners to achieve higher design standards for public housing developments. We know new projects can be pleasant places to live, reflecting the needs of human beings, with attention to comfort and convenience.

Our concern must be not only with the quantity of new public housing, but with its quality as well.

I propose a $20 million program to promote improved tenant services in public housing developments.

With these funds, we can enable those who live in public housing to take better advantage of job, health and education opportunities.

We can help and encourage them to become involved, personally and responsibly, in the day-to-day problems of the projects where they live.

3. *Authorize 72,500 units under the Rent Supplement Program to provide shelter for almost 250,000 poor Americans.* In fiscal 1969, 35,000 dwelling units will be started under this program.

This program, which holds so much promise for the poor families of America, has been underfunded by the Congress. Last year, we sought $40 million in annual payment authority. The Congress granted only $10 million.

Rent Supplements is a free-enterprise program, strongly endorsed by the home building, real estate, and insurance industries which have responded enthusiastically to this new approach to low-income housing. It contains incentives for escape from poverty, while creating modest, but decent shelter for those in poverty.

If we are to match our concern for the cities with our commitments, this program must be adequately funded.

I recommend $65 million in authority for the Rent Supplement Program for Fiscal 1969.

4. *Begin to build 90,000 rental housing units for 360,000 members of moderate income families.*

A program to provide housing for families with incomes too high to qualify for public housing, both too low to afford standard housing began in 1961.

This is a below market interest rate program known as "221(d)(3)." It serves families earning between $4,000 and $8,000 a year.

After 5 years of testing, we are ready now to move this program into full production.

But first we must improve it.

I recommend legislation to strengthen the financial tools under which the moderate income rental housing program operates.

Under this legislation, capital financing would be shifted to the private sector, and the Government would increase its support by providing assistance to reduce rents to levels moderate income families can afford.

Now the Government provides financial support for loans at 3 percent interest. Under this new arrangement, the private sector would make loans at market rates. The Government would make up the difference between the market rate of interest and 1 percent. The loans would remain in private hands.

TO HELP THE NONPROFIT SPONSOR

Many housing projects are sponsored by non-profit organizations—including church groups, and fraternal orders. In many instances these groups lack the technical and financial know-how which modern construction demands.

Their efforts are in the best interests of this nation, and the nation should help them.

I propose legislation to provide needed technical assistance and skills to the non-profit sponsors of our housing programs.

Through grants, loans, and technical assistance, this program will help small private non-profit organizations in our cities. These organizations will then be able to draw quickly upon architects, engineers and financial experts to speed the construction of low income housing.

THE BLIGHTED NEIGHBORHOOD

MODEL CITIES

The slum is not solely a wasteland of brick and mortar. It is also a place where hope dies quickly, and human failure starts early and lingers long.

Just as the problem of the slum is many-faced, so must the effort to remove it be many-sided.

The Model Cities program gave us the tools to carry forward the nation's first comprehensive concentrated attack on neighborhood decay.

It was developed by some of the country's foremost planners, industrialists and urban experts.

The program is simple in outline—to encourage the city to develop and carry out a total strategy to meet the human and physical problems left in the rubble of a neighborhood's decay.

That strategy, which Model Cities spurs through special grants, is to bring to a dying area health care services, as well as houses; better schools and education, as well as repaved streets and improved mass transit; opportunities for work, as well as open space for recreation.

This program is now in its early stages. Sixty-three cities are drawing their plans to reclaim the blighted neighborhoods where 4 million Americans live. By this summer, a second group of cities will begin their planning.

Last year, I requested full funding of the amount authorized for Model Cities—$662 million. But the Congress approved less than half that amount.

To the cities of this land, that cut came as a bitter disappointment.

In the cities' struggle for survival, we dare not disappoint them again. We must demonstrate that they can rely on continued Federal support.

I recommend $2.5 billion for the Model Cities special grants over the next three years:

—$500 million for fiscal 1969.

—$1 billion each for fiscal 1970 and 1971.

In addition, for fiscal 1969 I recommend $500 million in appropriations for urban renewal solely related to the Model Cities program. This includes full funding for a $350 million increase in the authorization.

The total funds needed to move the Model Cities program forward in fiscal 1969 are $1 billion.

I urge the Congress to fund fully this vital request for the people who live in America's worst urban neighborhoods.

URBAN RENEWAL

Urban Renewal is the weapon that deals primarily with the physical side of removing blight. An essential component of the Model Cities Program, it is a major instrument of reform in its own right.

Last year, nearly 900 American communities were reclaiming inner city land under urban renewal.

Last year, the Congress appropriated $750 million for Urban Renewal in Fiscal 1969.

To give communities sufficient lead time for planning, I recommend that the Congress appropriate now $1.4 billion for fiscal 1970.

Even at these higher appropriation levels, under existing law Urban Renewal will not operate at sufficient speed to overtake the decay of our cities.

The lag between a community's decision to rebuild a neighborhood and the breaking of ground is far too long. Urgent neighborhood needs go unmet, awaiting the development and approval of a total plan for an entire area.

We must begin now to make urban renewal more immediately responsive to urban needs.

To apply our resources more quickly, I recommend that Congress authorize a new Neighborhood Develepoment Program under Urban Renewal.

This legislation would permit detailed planning and execution to proceed segment by segment in an Urban Renewal area. Under existing law, neither demolition nor rehabilitation can begin on any portion of the area to be renewed until it is ready to begin throughout the entire area.

With this Neighborhood Program, cities can start work quickly on the most pressing problems that are to be renewed, with the emphasis on the construction of new and rehabilitated housing.

MEETING THE INSURANCE CRISIS OF OUR CITIES

Insurance protection is a basic necessity for the property owner. But for the resident of the city's inner core and the local businessman who serves him, protection has long been difficult to obtain.

The problem has been heightened by civil disorder or its threat.

Last August I established a Special Panel to seek the solutions to this problem. The Panel, headed by Governor Richard Hughes of New Jersey, offered a clear example of how the States, industry and the Federal Government can join in a constructive effort.

The Panel looked deeply into the property owner's dilemma, and reported:

> Society cannot erase the suffering of the innocent victims of fire, windstorm, theft, or riot. But it can at least provide the opportunity to obtain insurance to safeguard their capital, and thereby prevent a disastrous occurrence from becoming a permanent tragedy.

The Panel recommended a comprehensive program of mutually supporting actions by the insurance industry, the States, and the Federal Government.

My advisers and I have reviewed the Panel's proposals carefully. We believe they are sound.

Accordingly, I call upon the insurance industry to take the lead in establishing plans in all States to assure all property owners fair access to insurance. These plans will end the practice of "red-lining" neighborhoods and eliminate other restrictive activities. They will encourage property improvement and loss prevention by responsible owners.

I call upon the States to cooperate with the industry and, where necessary, to organize insurance pools and take other steps to cover urban core properties. These measures will assure that all responsible property owners can obtain insurance, and provide a method of spreading equitably throughout the insurance industry risks that no single insurer would otherwise accept.

I recommend that the Congress establish a cooperative Federal-State-Industry program by chartering a National Insurance Development Corporation within the Department of Housing and Urban Development.

This Corporation will bring together all those vitally interested in the inner city insurance problem—members of the public, State insurance regulators and other State officials, insurance industry representatives, and interested Federal agencies.

The Corporation will perform a number of vital functions in support of the actions of private industry and the states to assure adequate property insurance in all areas or our nation's cities.

Through the sale of reinsurance against the risk of civil disorders, the corporation will marshall the resources of the insurance industry and add to this the backing of the states and the Federal Government. Without this reinsurance, many insurers and state insurance regulators do not believe the industry can move forward to provide adequate property insurance in urban areas.

This program will assist the insurance industry and the States to offer adequate property insurance for the inner cities. Through reinsurance, the program can help the States provide for the contingency of any large emergency losses.

For those companies who participate in this program, *I recommend tax deferral measures, proposed by the Panel, to increase the industry's capacity to insure homes and businesses in the center city.*

This program will encourage insurance companies to increase their reserves to cover unusual losses. Any deferred taxes will be invested in appropriate Government securities, so that no Federal revenues will be lost by the tax deferral unless unusual losses do occur.

Insurance is vital to rebuilding our cities. It is a cornerstone of credit. It can provide a powerful incentive for homeowners and businessmen to rehabilitate their own property and thereby improve the community.

THE PRIVATE SECTOR

The Federal role—a quarter of a century in the making—is designed to assure that every citizen will be decently housed.

The Government's concern is to stimulate private energy and local action—to provide capital where needed, to guarantee financing, to offer assistance that encourages planning and construction.

The real job belongs to local government and the private sector—the homebuilder, the mortgage banker, the contractor, the non-profit sponsor, the industrialist who now sees in the challenge of the cities a new opportunity for American business.

All of the programs I have outlined in this message are directed toward the deeper involvement of the private sector. That involvement must match the massive dimension of the urban problem.

What is needed is a new partnership between business and Government. The first outlines of that partnership are already visible.

We see it in:

—The recent undertaking of the American Bar Association to improve the landlord-tenant laws—now more medieval than modern—and to attack other legal problems in our urban centers.

—The commitment of 318 of the Nation's life insurance companies to invest $1 billion of their capital in low-income housing.

Within the next several days, the Savings and Loan Associations and the Mutual Savings Banks of this nation will announce their plans to intensify the investment of their capital for similar purposes.

NATIONAL HOUSING PARTNERSHIPS

How can the productive power of America—which has mastered space and created unmatched abundance in the marketplace—be harnessed to meet the most pressing unfilled need of our society; rebuilding the urban slum?

Last June, I asked a select Commission of leading industrialists, bankers and labor leaders to study this question. That Commission, headed by Edgar F. Kaiser, has now given me an interim report with many valuable recommendations.

Acting on the Commission's recommendation, *I propose that the Congress authorize the formation of privately-funded partnerships that will join private capital with business skills to help close the low-income housing gap.*

The Kaiser Commission identified three principal reasons why American industry has not yet been attracted to the field of low- and moderate-income housing. The problems and the steps proposed to meet them are:

1. *Concentration of Risk*

The profitability of individual housing projects varies widely and the risk of loss on any one project is high. The proposals national partnerships would permit industrial and financial firms to pool their investments and spread their risks over a large number of projects.

2. *Rate of Return*

Substantial operating losses are usually incurred in the first 10 years of a housing project's life to cover operating expenses, interest and depreciation.

By employing the partnership form of organization, which some building owners now use, under existing tax law these operating losses can be "passed through" to each investor, and offset against the investor's other taxable income. This reduces the investor's current income taxes otherwise payable, and makes possible an annual cash return on investment comparable to the average earnings of American business in other manufacturing enterprises.

3. *Management*

The management personnel of major corporations are inexperienced in the field of low-income housing. They cannot afford to devote substantial time to occasional housing ventures.

The proposed national partnerships would be strongly financed organizations, fully committeed to long term activity in the single field of housing for the poor. As such, the proposed partnerships should be able to attract top flight management and technical experts on a competitive career basis.

The objective of these partnerships will be to attract capital from American industry and put that capital to work. Their exclusive purpose will be to generate a substantial additional volume of low and moderate-income housing. They will use the best private management talent, planning techniques and advanced methods of construction. They will probe for the savings inherent in the latest technology and in economies of scale.

They will:

—Participate in joint ventures throughout the country in partnership with local builders, developers and investors.

—Join with American labor to open new job opportunities for the very people their projects will house.

—Participate in our existing and proposed federal programs for assisting low and moderate-income housing projects on the same basis as other project sponsors.

This new undertaking will begin with one national partnership. We expect that others will follow as the approach proves itself.

A NEW ERA IN HOUSING

The supply of credit is not unlimited. The Nation's banks, insurance companies, pension funds and other financial sources have an obligation to their depositors and shareholders to seek a fair and competitive return for their investments.

To insure that home financing remains competitive with alternative long-term investment opportunities, I recommend that the Congress:

—authorize the Secretary of Housing and Urban Development to adjust the FHA interest rate ceilings.

—authorize federal insurance of bond obligations issued by private mortgage companies or trusts holding sizeable pools of FHA-insured and VA-guaranteed home mortgages.

—transfer the secondary market operations of the Federal National Mortgage Association to completely private ownership.

FHA INTEREST RATES

Mortgages insured by the Federal Housing Administration and the Veterans Administration can by law carry no more than a 6 percent interest rate. In today's market this is no longer competitive. In practical terms, the result is the sale of mortgages at substantial discounts.

Discounts require hard cash beyond the normal downpayment. They erode the hard-earned equity of a home-owner and the profit margin of the builder of new housing. For when the rate of return on federally-insured mortgages is less than lending institutions can obtain from other investments, they require property-sellers to absorb discounts. To sell their homes, therefore, sellers realize less than they originally anticipated. And when builders of large projects—with 90% mortgages of $1 or $2 million, or more—must find additional hard cash to pay deep discounts, they will defer construction until the cash requirements are reduced.

As a result, many a house goes unsold and many apartment projects go unbuilt in a deep credit squeeze.

To assure a steady flow of funds into homebuilding, *I recommend that the Congress authorize the Secretary of Housing and Urban Development to adjust the FHA interest rate ceilings to reflect the economic realities of the financial markets. I have already recommended a similar adjustment on the interest rates for home loans to veterans.*

FEDERALLY-INSURED MORTGAGE BONDS

Some private institutional and individual investors have shunned investments in home mortgages because they could realize nearly comparable rates of return in other investments, and avoid the bookkeeping and paper work associated with hundreds of individual mortgages.

These pools of savings—in large institutional pension funds, private trusts, and occasionally in individual estates—can be attracted to residential finance. It will take a new, marketable financial investment, with competitive yields and security. Such a bond-type obligation can be created to cover federally-insured mortgages held by private mortgage bankers or trusts.

To enhance the attractiveness of such an obligation to investors, and thus attract additional funds to the housing market, *I recommend that the Congress authorize the Department of Housing and Urban Development to insure mortgage bonds that are secured by pools of FHA-insured and VA-guaranteed mortgages.*

FEDERAL NATIONAL MORTGAGE ASSOCIATION

Through the Federal National Mortgage Association, the Federal Government has helped keep mortgage funds flowing by buying mortgages when credit was tight and selling them when money was plentiful.

Today, FNMA is a hybrid, owned in part by private shareholders, in part by the government, but managed by Government officials.

This secondary market operation is largely a private function, which ought to be performed by the private sector—as the Congress has always intended.

I propose legislation to transfer the secondary market operation of the Federal National Mortgage Association on an orderly basis to completely private ownership.

This new FNMA, concerned exclusively with providing an increasing and continuous flow of funds into residential financing will close an important gap in the existing network of financial institutions.

This change will not affect the Government's special assistance to selected types of mortgages which are not yet readily accepted in the private market.

URBAN TRANSPORTATION

In the modern city the arteries of transportation are worn and blocked. The traffic jam has become the symbol of the curse of congestion.

It was only a few years ago, however, that we recognized this as a national problem. In signing the Urban Mass Transportation Act in 1964, I said:

This is a many sided challenge. We cannot and we do not rely upon massive spending programs as cure-alls. We must instead look to closer cooperation among all levels of government and between both public and private sectors to achieve the prudent progress that Americans deserve and that they expect.

Under this Act, we are

—Aiding cities to draw the blueprints to modernize, expand and reorganize their transportation systems.

—Helping to train specialists in the urban transportation field.

—Advancing research to improve the system and the service.

—Assisting communities to buy the capital equipment and to build terminals for their transit systems.

We must step up this effort.

In the year ahead, we expect to increase our grants to cities from $140 million to $190 million.

I recommend that the Congress provide $230 million for fiscal 1970 so cities can begin now to plan the improvement of their mass transit systems and service to the people.

Urban transportation is the concern of our two newest Departments—Housing and Urban Development, and Transportation.

The Department of Housing and Urban Development is responsible for the development of the metropolitan community—and transportation is an essential part of that effort.

The Department of Transportation is responsible for the coordination of different—but closely related—modes of transportation. Moreover, research facilities bearing on transportation—out of which will come the transportation technology of tomorrow—are concentrated in this Department.

When the Department of Transportation was established in 1966, the Congress required both Secretaries of Housing and Urban Development and Transportation to study this problem and recommend the arrangement which would best assure the Government's ability to meet the transportation needs of America's urban citizens.

On the basis of their intensive study, and their recommendations, *I will shortly submit a reorganization plan.*

—*transferring to the Department of Transportation the major urban transit grant, loan, and related research functions now in the Department of Housing and Urban Development.*

—*Maintaining in the Department of Housing and Urban Development the leadership in comprehensive planning at the local level, that includes transportation planning and relates it to broader urban development objectives.*

RESEARCH AND TECHNOLOGY FOR THE CITIES

Federally-sponsored research has helped us guard the peace, cure disease, and send men into space.

Yet, we have neglected to target its power on the urban condition. Although 70 percent of our people live in urban areas, less than one-tenth of one percent of the Government's research budget has been devoted to housing and city problems.

We must:

—Learn how to apply modern technology to the construction of new low-income homes and the rehabilitation of old ones.

—Test these ideas in practice, and make them available to builders and sponsors.

—Look deep into the fiscal structure of the cities—their housing and building codes, zoning, and tax policies.

—Learn how best the federan government can work with state and local governments—and how states and local governments can improve their own operations.

—Evaluate our city programs, so we can assess our priorities.

Last year, I sought the first major appropriations for urban research: $20 million. Congress appropriated only half that amount.

I once again propose a $20 million appropriation for urban technology and research. This will assist the universities and private institutions of America to carry out the studies so crucially needed.

These funds, along with those from other Government agencies, will also help launch the new Urban Institute, which I recently recommended. This is a private non-profit research corporation formed to create a bank of talent to analyze the entire range of city problems.

PLANNING FOR THE FUTURE

A passenger on an airline flying from Miami to Boston is rarely out of sight of city lights below.

As our urban areas expand, the citizen's sense of community broadens. He may live in one locality, work in another, and seek leisure in still another.

The face of the landscape is changing with our growth.

The question is: *How* shall our communities grow?

Unless we decide now for order and purpose, the result will be surrender to chaos, confusion, ugliness and unnecessary and exorbitant cost.

The key to orderly growth is planning—planning on an area-wide basis.

Planning, both immediate and long-range, is the function and the responsibility of the State and community. But the Federal Government has long recognized the need for its support.

That need grows as the problem grows.

I urge the Congress to provide $55 million in Fiscal 1969 to assist planning for the orderly growth of our urban areas, a 22 percent increase over last year.

So essential is orderly development to the future of our urban centers that we must provide incentives to encourage it. In 1966 the Congress authorized—but did not fund—such a program of incentive grants.

I ask Congress to authorize $10 million for a program of area-wide Incentive Grants in Fiscal 1969.

The Federal share of a project will increase by up to 20 percent of the costs of projects of areawide significance—if they are part of a comprehensive area plan.

The far-sighted community which responds to this incentive program will find its burdens lighter in providing hospitals, roads, sewage systems, schools and libraries.

NEW COMMUNITIES

Over the next decade, 40 million more Americans will live in cities.

Where and how will they all live? By crowding further into our dense cities? In new layers of sprawling suburbia? In jerry-built strip cities along new highways?

Revitalizing our city cores and improving our expanding metropolitan areas will go far toward sheltering that new generation. But there is another way as well, which we should encourage and support. It is the new community, freshly planned and built.

These can truly be the communities of tomorrow—constructed either at the edge of the city or farther out. We have already seen their birth. Here in the nation's capital, on surplus land once owned by the Government, a new community within the city is springing up.

In other areas, other communities are being built on farm and meadow land. The concept of the new community is that of a balanced and beautiful community—not only a place to live, but a place to work as well. It will be largely self-contained, with light industry, shops, schools, hospitals, homes, apartments and open spaces.

New communities should not be built in any set pattern. They should vary with the needs of the people they serve and the landscapes of which they are a part.

Challenge and hard work await the founders of America's new communities:

—Careful plans must be laid.

—Large parcels of land must be acquired.

—Large investments in site preparation, roads and services must be made before a single home can be built and sold.

—The development period is long, and return on investment is slow.

—But there is also a great opportunity for, as well as a challenge to, private enterprise.

The job is one for the private developer. But he will need the help of his Government at every level.

In America—where the question is not so much the standard of living, but the quality of life—these new communities are worth the help the Government can give.

I propose the New Communities Act of 1968.

For the lender and developer, this Act will provide a major new financing method.

A Federally-guaranteed "cash flow" debenture will protect the investment of private backers of new communities at competitive rates of return. At the same

time, it will free the developer from the necessity to make large payments on his debts, until cash returns flow from the sale of developed land for housing, shops and industrial sites.

For the local and State government, the Act will offer incentives to channel jointly-financed programs for public facilities into the creation of new communities. The incentives will take the form of an increased Federal share in these programs.

A SENSE OF PLACE AND PURPOSE

"A city," Vachel Lindsay wrote, "is not builded in a day."

Nor—we know well—will its problems be conquered in a day. For the city's tides have been ebbing for several decades. We are the inheritors of those tragic results of the city's decline.

But we are the ones who must act. For us that obligation is inescapable.

Our concern must be as broad as the problems of men—work and health, education for children and care for the sick. These are the problems of men who live in cities. And the very base of man's condition is his home: he must find promise and peace there.

The cry of the city, reduced to its essentials, is the cry of a man for his sense of place and purpose.

Violence will not bring this. But neither should fear forestall it.

The challenge of changing the face of the city and the men who live there summons us all—the President and the Congress, Governors and Mayors. The challenge reaches as well into every corporate board room, university, and union headquarters in America. It extends to church and community groups, and to the family itself. The problem is so vast that the answer can only be forged by responsible leadership from every sector, public and private.

We dare not fail to answer—loud and clear.

To us, in our day, falls the last clear chance to assure that America's cities will once again "gleam, undimmed by human tears."

No one can doubt that the hour is late.

No one can understate the magnitude of the work that should be done.

No one can doubt the costs of talk and little action.

As we respond to the cities problems—to the problems caused by the accumulated debris of economic stagnation, physical decay and discrimination—let us recall and reaffirm the reasons for our national strength: unity, growth and individual opportunity.

And recalling these truths, let us go forward, as one nation in common purpose joined, to change the face of our cities and to end the fear of those—rich and poor alike—who call them home.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 22, 1968.*

REORGANIZATION PLAN NO. 2 OF 1968—URBAN MASS TRANSPORTATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 262)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying paper, was referred to the Committee on Government Operations:

To the Congress of the United States:

As long as he has lived in cities, man has struggled with the problem of urban transportation. But:

—Never before have these problems affected so many of our citizens.

—Never before has transportation been so important to the development of our urban centers.

—Never before have residents of urban areas faced a clearer choice concerning urban transportation—shall it dominate and restrict enjoyment of all the values of urban living, or shall it be shaped to bring convenience and efficiency to our citizens in urban areas.

How America and its cities solve the transportation problem depends largely on our two newest Federal Departments—the Department of Transportation and the Department of Housing and Urban Development:

—The Department of Housing and Urban Development is responsible for the character of all urban development.

—The Department of Transportation is concerned specifically with all the modes of transportation and their efficient interrelationship.

At present, responsibility for program assistance for urban highways and urban airports, and urban mass transportation is divided between the Department of Transportation and the Department of Housing and Urban Development. As a result:

—Federal coordination of transportation systems assistance is more difficult than it need be.

—Communities which have measured their own needs and developed comprehensive transportation proposals must deal with at least two Federal agencies to carry out their programs.

To combine efficiently the facilities and services necessary for our urban centers and to improve transportation within our cities, State and local government agencies should be able to look to a single Federal agency for program assistance and support. The large future cost of transportation facilities and services to the Federal Government, to State and local governments, and to the transportation industry makes wise investments and efficient transportation systems essential.

An urban transportation system must:

—combine a basic system of efficient, responsive mass transit with all other forms and systems of urban, regional, and intercity transportation;

—conform to and support balanced urban development.

In this, my second reorganization plan of 1968, I ask the Congress to transfer urban mass transportation programs to the Secretary of Transportation and to establish an Urban Mass Transportation Administration within the Department of Transportation to strengthen the organizational capacity of the Federal Government to achieve these objectives.

The plan transfers to and unifies in a new Urban Mass Transportation Administration in the Department of Transportation those functions which involve urban mass transportation project assistance and related research and development activities. Because urban research and planning and transportation research and planning are closely related, however, the plan provides that the Department of Housing and Urban Development perform an important role in connection with transportation research and planning insofar as they have significant impact on urban development.

We expect the Department of Transportation to provide leadership in transportation policy and assistance. The Department of Housing and Urban Development will provide leadership in comprehensive planning at the local level that includes transportation planning and relates it to broader urban development objectives.

The transfer of urban mass transportation programs will not diminish the overall responsibilities of the Department of Housing and Urban Development with respect to our cities. Rather, adequate authority is reserved to that Department to enable it to join with the Department of Transportation to assure that urban transportation develops as an integral component of the broader development of growing urban areas.

The new Urban Mass Transportation Administration in the Department of Transportation, working with other elements of the Department, will consolidate and focus our efforts to develop and employ the most modern transportation technology in the solution of the transportation problems of our cities.

The reorganization plan provides for an Administrator at the head of the Administration who would be appointed by the President, by and with the advice and consent of the Senate. The Administrator would report directly to the Secretary of Transportation and take his place in the Department with the heads of the Federal Aviation Administration, Federal Highway Administration, Federal Railroad Administration and the Coast Guard.

I have found, after investigation, that each reorganization included in the reorganization plan transmitted herewith is necessary to accomplish one or more of the purposes set forth in section 901 (a) of title 5 of the United States Code.

I have also found that it is necessary to include in the accompanying plan, by reason of these reorganizations, provisions for the appointment and compensation of the new officer specified in section 3(b) of the plan. The rate of compensation fixed for this officer is comparable to those fixed for officers in the Executive Branch of the Government having similar responsibilities.

The reorganizations included in this plan will provide more effective management of transportation programs. It is not feasible to itemize the reduction in expenditures which the plan will achieve, but I have no doubt that this reorganization will preserve and strengthen overall comprehensive planning for developing urban areas while simultaneously insur-

ing more efficient transportation systems for our cities than would otherwise have occurred.

I strongly urge that the Congress allow the reorganization plan to become effective.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 26, 1968.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on the District of Columbia.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 1, Public Law 86–42, the Speaker had appointed Mr. SLACK, of West Virginia, as a member of the U.S. Delegation of the Canada-United States Interparliamentary Group, vice Mr. PIKE, of New York, excused.

The message announced that the House had passed the bill (S. 1093) to authorize the use of the vessel *Annie B.* in the coastwise trade, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 14743) to eliminate the reserve requirements Federal Reserve notes and for U.S. notes and Treasury notes of 1890, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 269) to authorize an exchange of lands at Acadia National Park, Maine, and it was signed by the Vice President.

HOUSE BILL PLACED ON THE CALENDAR

The bill (H.R. 14743) to eliminate the reserve requirements for Federal Reserve notes and for U.S. notes and Treasury notes of 1890, was read twice by its title and ordered placed on the calendar.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the Legislative Calendar, under rule VIII, be dispensed with.

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

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 PRESIDING OFFICER. Without objection, it is so ordered.

THE HONORABLE SCOTT W. LUCAS

Mr. DIRKSEN. Mr. President, the passing of the Honorable Scott W. Lucas, former majority leader of the U.S. Senate, marks the end of a colorful career.

Scott Lucas and I grew up together in the same area of Illinois, for we lived but 30 miles apart. I first came to know him when he played baseball as a first baseman in the old Illinois-Missouri league. In that field, he gained a great reputation and became known to thousands of baseball fans, young and old, as an outstanding player.

But it was by virtue of our association in the American Legion that we became intimately acquainted. He had served in World War I both as an enlisted man and as a lieutenant. My service was exactly the same.

He became active in Democrat politics as chairman of the State tax commission, as a delegate to many Democrat National Conventions, and then as a Member of Congress.

I came to the 73d Congress, and he was elected to the 74th and 75th Congresses. He was elected to the Senate in 1938 and again in 1944.

It became our destiny that I should become his opponent for the Senate in the campaign of 1950, and after his defeat he returned to the practice of law.

Some years ago, a circulatory affliction necessitated the amputation of his left leg. I went to the hospital to visit with him shortly before this surgery. No man faced such an ordeal with greater cheerfulness and courage; and when it became possible for him to move around, he attended dinners, baseball, and football games, and golf tournaments with magnificent determination.

While we were cast in the role of political opponents, it did not fracture our lifelong friendship. Scott Wike Lucas had a great career in public service, and he discharged every duty responsibly and well. He had a host of friends in all parts of the Nation who will mourn his passing.

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

Mr. DIRKSEN. I yield.

INTERFERENCE WITH CIVIL RIGHTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the hour between now and the vote on cloture be equally under the control of the minority and majority leaders or whomever they may designate.

The PRESIDING OFFICER. Does the Senator desire that the unfinished business be laid down at the present time?

Mr. MANSFIELD. Yes. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business.

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

The LEGISLATIVE CLERK. A bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, 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, I ask unanimous consent—this will vacate a previous request that was granted—that the morning hour occur after the vote on cloture, so that the time can be devoted to that and related matters in between.

Mr. STENNIS. Mr. President, reserving the right to object, I did not understand the procedure of the majority leader in making these requests. He might have conferred with someone else. I am the one on duty today.

Mr. MANSFIELD. I must apologize.

Mr. STENNIS. There is no objection to it. The majority leader plans to arrange for an hour of active debate on the measure?

Mr. MANSFIELD. That is correct.

Mr. STENNIS. I have no objection.

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

Mr. MANSFIELD. I yield.

Mr. JAVITS. There is a word of art which we understand from the Parliamentarian with respect to "morning hour." Does the Senator refer to morning business?

Mr. MANSFIELD. The morning business.

The PRESIDING OFFICER. Without objection, the agreement is so altered.

Mr. MANSFIELD. If the Senator would allow me 1 minute, I yield my time on the pending proposed legislation to the distinguished Senator from Michigan, the lonely end.

Mr. HART. Mr. President, I yield to my majority leader such time as he may desire.

THE HONORABLE SCOTT W. LUCAS

Mr. MANSFIELD. Mr. President, I join the distinguished minority leader in expressing my deep sense of loss in the passing of an old colleague of ours and a former majority leader, the late Scott Lucas, of Illinois.

There is not much I can add to what the distinguished minority leader has already said, except to state that Scott Lucas was a man of great talents, not only in the field of athletics, but in the field of politics and in the field of law as well. He was a well known figure in the annals of the American Legion in the State of Illinois. He was a highly competent majority leader, a man who handled the legislative work with great ability, and who remained a friend to all of us, even after he retired from the Senate.

On behalf of my family I wish at this time to extend my deepest sympathy to the family of Scott Lucas and say to them that we will miss him. May his soul rest in peace.

Mr. CARLSON. Mr. President, I was shocked last Thursday to learn of the sudden and untimely death of Scott Lucas.

Scott and Mrs. Lucas were our neighbors in the Sheraton Park Hotel for many years. We were not only neighbors, we were close friends.

Scott and I were sworn in as Members of the House of Representatives at the same time. During our service in the House, I was fortunate to have the opportunity to learn to know him and work with him, particularly in the field of agriculture. As a member of the House Committee on Agriculture, he rendered great service to the farmers of our Nation. This was during the depression days and agriculture was in serious difficulty.

Scott was majority leader when I became a Member of the U.S. Senate. Following his service in the Senate, I had many opportunities to seek his advice on legislation and other current and pressing problems. My many personal contacts with him will always be remembered fondly.

He was kindly, courteous, and considerate of his fellow man. It can be truly said of Scott Lucas that he was a great American and a great public servant.

Mr. PERCY. Mr. President, all of us note with sadness the passing of a great public servant, former majority leader of the Senate, Scott Lucas.

Scott Lucas' service to his State and his Nation began with his election as State's attorney for Mason County, Ill., in 1920, and continued uninterrupted until the day of his death. In his brilliant political career he served both in the House of Representatives and the Senate, and the measure of the esteem in which he was held is shown by his election as majority leader in 1948.

I had the privilege of talking with Senator Lucas frequently last year, during my first few months in Washington, when we both lived in the Sheraton Park Annex. He maintained an active interest in public affairs, and provided wise and valuable counsel not only to me, but to many others, on a wide variety of subjects. He advised me, for instance, on our homeownership for low-income family program, in which he maintained an active interest.

We of Illinois are particularly proud of his distinguished service to his State and his Nation. He left his mark on the Congress and will long be remembered by his friends and colleagues. He will be sadly missed by them and by the Nation he served so well.

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. The Senator from Michigan is recognized for 5 minutes.

Mr. HART. Mr. President, once again we approach a vote on cloture; never a routine course of action for the Senate, and always a matter of high sensitivity when it relates to what is labeled a civil rights bill.

Those of us who support the bill that has been pending now for, I think, 6 weeks, on the occasion of the vote last week on the tabling motion indicated our intention to submit a modification today or prior to the vote today. The modification would lessen somewhat the reach of coverage and make some procedural changes.

I want to report that over the weekend a new and most encouraging factor has developed. It is a new force and gives a new dimension and promise for those of us who believe with a very deep conviction that this country needs to be assured that what a majority of the Senate has plainly indicated it desires to achieve can be achieved, an effective worker protection bill and an effective open housing order.

It is for the reason that there has developed this new factor and force that before the vote occurs today on cloture I wish to state while there will be offered a modified housing amendment, in nowise does it reflect the reach or scope we anticipated might be necessary when we voted on the motion to table last week.

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

Mr. HART. I yield.

Mr. JAVITS. Mr. President, may I have the attention of the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JAVITS. Mr. President, I have submitted to Senator DIRKSEN on behalf of the manager of the bill, Senator HART, certain ideas with respect to modifications in the civil rights worker protection bill before the Senate and the Mondale-Brooke nondiscrimination in housing amendment. I am satisfied that these are receiving earnest and, I feel, sympathetic consideration from Senator DIRKSEN. It is my belief that there is a reasonable—I would say, good—chance that Senator DIRKSEN may be persuaded by his own views and the proposals which I have submitted to him to come again into the role which proved to be historic in respect of bringing about the enactment of the Civil Rights Act of 1964. I can assure the Senate that I shall continue to work diligently with Senator HART, Senators MONDALE and BROOKE, and other Senators toward this end.

I emphasize that this is a unilateral statement. The Senator from Illinois [Mr. DIRKSEN] is in no way committed. I wish to have no such coloration in my statement. I am advancing my views as to where I think matters stand.

Mr. HART. I thank the Senator for this clarification of the statement he made. We do not undertake to commit anyone and certainly we do not imply that the suggestions of the Senator from New York indicated have yet been accepted by anyone other than our own group, but we are enormously encouraged to realize that the man who in 1964 permitted Congress to place on the books an effective and far-reaching bill may again assist in what we believe to be equally necessary, and perhaps even more necessary congressional action in 1968.

I thank the Senator from New York for the contribution he has made over the weekend.

AMENDMENTS NOS. 522 THROUGH 536

Mr. MILLER. Mr. President, will the Senator yield to me briefly?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield the Senator 1 minute.

Mr. MILLER. Mr. President, I send to the desk various amendments to the bill H.R. 2516, and to the Mondale amendment No. 524, and I ask that they be printed and regarded as read for the purposes of the cloture motion.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

Mr. DIRKSEN. Mr. President, I have affirmed over and over again my fervent hope that we could enact a civil rights bill in this session. For weeks I have devoted myself to it and to the many conferences held with respect thereto that have taken place repeatedly. There were other conferences held earlier this morning. My entire weekend was devoted to the matter.

I see the prospect of some modifications that will bring the possibility of a bill much closer. I shall vote against cloture today because it will give us a little maneuvering time, but I actually believe we have now come to that point in connection with modifications of both title I and title II that make the prospect of success quite growing. Therefore, I have consulted with the majority leader in the hope that the bill will not be drawn down, because I doubt very much whether at some subsequent time during this session we could develop the interest in a bill of this kind that is manifest at this time.

I say that to the Senate with the fond hope that at long last we seem to be approaching a common denominator and I am grateful to everyone who has been participating in these various conferences. I have freely used the long-distance telephone to people in different parts of the country to solicit their views and to get their advice and the benefit of their experience, all of which has been extremely helpful. It is because of all of this that I am confident we can still get a bill.

Mr. BROOKE. Mr. President, I welcome the prospect of our distinguished minority leader bringing negotiations to a successful conclusion.

I was personally reluctant and I did not sign the motion for cloture because I believed more time was necessary to negotiate, discuss, and debate this important measure.

I am very proud that members of my party, the Republican Party, have joined with members of the Democratic Party in working tirelessly in bringing about negotiations which could give to this country important civil rights legislation in 1968. I want to take this opportunity to commend our distinguished leader for the time he has put into these negotiations. The prospects that they will be successful are certainly very heartwarming to me and, I am sure, to the people of this country who know the importance of civil rights legislation, particularly legislation involving housing at this time in the history of the United States of America.

Mr. SCOTT. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield 2 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 minutes.

Mr. SCOTT. I am delighted that our distinguished minority leader is lending his manifold talents and skills to the solution of this extremely important and difficult problem. I certainly join in the expression of great satisfaction because I think it is well known that unless we have the benefit of the great interest and ability of the distinguished minority leader in this matter, the opportunity to work out a satisfactory bill becomes infinitely more difficult.

I am very happy, indeed, that he feels as he does. I am hopeful that something can be worked out which will enable all of us to go to the country with a report that we have worked well in the interests of all the people.

Mr. MURPHY. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield 2 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes.

Mr. MURPHY. Mr. President, in my experience, this is not a new position for the minority leader. No one who takes the trouble to study the RECORD can fail to note that all the workable and practical civil rights progress has been made mainly through the good judgment and wisdom of the Senator from Illinois, and his ability to compromise and bring opposing forces together.

It comes as no surprise to any of us who have been working on this subject for some time that he had objections to certain things existing in the bill, as do many of us. I am very pleased that one other thing has been very clear, that there is a clear and distinct difference in a vote for or against cloture on the Mondale amendment and a vote for or against cloture as regards the bill. There are many people who have the feeling that the debate should be unlimited, there are many who oppose the Mondale amendment for many reasons, yet they may have been for the bill; so that the two should not have been mixed. That confusion, I am pleased to say, my minority leader has taken away, so that there can be no further confusion about it.

Mr. MILLER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield 2 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 2 minutes.

Mr. MILLER. Mr. President, I want to make clear that I am going to vote against cloture again. I do so reluctantly, but with the realization that not sufficient progress has been made to arrive at a consensus by way of compromise, not only on the Mondale amendment but also on the basic bill. The way this will have to be handled, in order to come up with a sound and workable bill, is to have a package on which most Senators can agree.

We have not reached that point yet. Therefore, there is no choice, if one wants to be sure that there will be a sound and workable bill, except to vote against cloture.

I feel we are getting closer all the time. If we can have a few more days, then those of us interested in making progress can arrive at a reasonable compromise, one which will be a sound and workable approach to the problems.

Mr. President, I spent practically all this past weekend developing amendments, which are now at the desk. I have others which may have to be filed as a matter of protecting the situation, if cloture is invoked; but I hope that if cloture is not invoked—and, as I say, I am going to vote against it—the leadership will see fit not to discard all the efforts which have been made by having the bill put aside, but will give those interested in working out an agreement a few more days to do so. I have a genuine hope that all of us can get together and come up with something which will make this a very important step forward in progress in the cause of civil rights.

I thank the Senator from Illinois for yielding to me.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield 2 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. JAVITS. Mr. President, I have been very cautious in my own statement, but I think that the majority leader has certainly been very generous in his.

I hope no one will have a sense of euphoria about this matter, since we are by no means all together. There are very deep questions of conscience involved on the part of the Senator from Illinois [Mr. DIRKSEN] and other Senators which must be resolved.

I am hopeful that they will be, but I do not wish to celebrate the event yet. I say that for this reason: I think that the Senator from Illinois [Mr. DIRKSEN] has suffered "the slings and arrows of outrageous fortune"—which he always takes philosophically, and to which he has become accustomed—on the theory that he was kind of flint-hearted about the matter.

I should like to testify that that is not at all the case, that from its inception, he has interested himself in what could be done to command enough votes in the Senate, under the circumstances which we face, which would bring about legislation. I think that in all fairness to him, and to what I consider to be now, in view of 1964, his historic position in this field, it should be said that from its inception, whatever may have been his attitude on cloture, his attitude has been to find a way.

I only express the hope that we will find a way, but I would not wish our expectations to exceed reality.

To those of us on this side of the aisle and, as it were, the Senator from Michigan [Mr. HART], the Senator from Minnesota [Mr. MONDALE], the Senator from Massachusetts [Mr. BROOKE]—and certainly for myself—this is precisely the moment when we must keep our battalions strong and intact.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. DIRKSEN. Mr. President, I yield 1 additional minute to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 additional minute.

Mr. JAVITS. Mr. President, if we do not make at least the showing that we might, on the first vote, there is grave danger that the majority leader, who controls the calendar, may become discouraged. We all want to see if something can really be done on this matter in this very dangerous year of 1968.

Mr. President, I close by repeating what I have stated to the Senate time and again, that we are not going to try to appease or placate or buy off those who may be considering civil disobedience or violating the law, but certainly, as responsible legislators, we do not want to give them the excuse for doing so because we have not done what is right.

I admire the deep awareness of conscience which the Senator from Illinois [Mr. DIRKSEN] has about it. He thinks differently about this matter in some respects than I do, but the fundamental thrust is the same.

I did want to make it clear that we need to keep our battalions together today, if we are going to make an auspicious beginning. At the same time, we should have no illusions about the fact that it takes two to agree and that we have not agreed yet; that there are important things which still separate us and which I hope can be surmounted. I do not think they are insurmountable. But we do not want the impression to go abroad that we are just waiting to write off the details.

Mr. HART. Mr. President, I wish to yield 5 minutes to the Senator from Minnesota [Mr. MONDALE], but before doing so, let me thank the Senator from New York for the comments he has just made.

It would appear that on many occasions we in the Senate have been flailing around for 6 weeks. Despair has been the note which has characterized most reports of the prognosis.

The fact that we now strike a note which is one of measured optimism should be treated with some measure of tentativeness. We are by no means out of the woods, and it is important that those of us who have a conviction that this Nation needs a fair housing commitment by its National Congress and that civil rights workers and those seeking to exercise constitutional rights should have Federal protection should realize this. It is equally important to make clear that, for the third time, this is precisely how we feel and it is precisely the course we intend to pursue.

I yield now to the Senator from Minnesota [Mr. MONDALE].

Mr. MONDALE. I thank the Senator.

Mr. President, last evening it was my privilege to address a very unique and impressive organization, which calls itself COOL—the Committee for Open Occupancy Legislation. It is composed of a

broad range of community leadership in northern Virginia. Over 500 citizens from that community assembled at George C. Marshall High School last night to discuss fair housing objectives for northern Virginia.

They have published some remarkably candid and well-prepared literature, which spells out in laymen's terms what is at stake in this issue. Their three documents set forth the case for fair housing as well as I have ever seen it set forth. I ask unanimous consent that these three documents be included at this point in my remarks.

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

EQUAL OPPORTUNITY IN HOUSING IN NORTHERN VIRGINIA

(A report and proposal for the enactment of fair housing laws by the governments of City of Alexandria, Arlington County, Fairfax County, City of Fairfax, City of Falls Church, Town of Vienna, Town of Herndon, and Town of Clifton)

Submitted January 1968 by Committee for Open Occupancy Legislation.

SPONSORS

League of Women Voters of Arlington.
Church Women United of Arlington.
Arlington Council on Human Relations.
Arlington Community Action Program, Housing Committee.
Arlington Branch, National Association for the Advancement of Colored People.
Fairfax City Area Housing Council.
Annandale Christian Community for Action.
Fairfax County Community Action Program.
Fairfax County Wide Citizens Association.
Fairfax County Branch, National Association for the Advancement of Colored People.
Fairfax County Council on Human Relations.
Fairfax County Citizens Committee for Adequate Housing.
Gum Springs Citizens Association.
Alexandria Branch, Washington Urban League.
Alexandria Branch, National Association for the Advancement of Colored People.
Durant Civic Association.
Alexandria Council on Human Relations.
The Most Reverend John J. Russell, Catholic Bishop of Richmond.
Catholic Interracial Council of Northern Virginia.
Christian Family Movement.
Episcopal Society for Cultural and Racial Unity.
Potomac Association, Christian Social Education and Action Committee, United Church of Christ.
Jewish Community Council of Greater Washington.
Langley Hill Friends Meeting.
Northern Virginia Fair Housing, Inc.
American Veterans Committee.
Northern Virginia Chapter, National Capital Area Civil Liberties Union.
Unitarian-Universalist Ministers Association of Northern Virginia.
Virginia Methodist Board of Christian Social Concerns.

FOREWORD

This report and the proposed fair housing ordinance that it incorporates have been prepared for submission to the governing bodies of the jurisdictions in Northern Virginia within the Washington metropolitan area—the City of Alexandria, Arlington County, Fairfax County, City of Fairfax, City of Falls Church, and the towns of Vienna, Herndon, and Clifton. The report and proposed ordinance reflect the considered judgment of many people who in recent months have studied in depth the problem of housing discrimination as it exists in Northern Virginia. This study has led to the firm conclusion that the enactment by each Northern Virginia jurisdiction of a meaningful fair housing ordinnace is the first and most important step that should be taken toward eliminating discrimination from the housing market and thus solving this problem, which is of such critical importance in our society.

Accordingly, our Committee recommends to the governing body of each suburban jurisdiction in Northern Virginia the adoption of a comprehensive fair housing ordinance. Included as Appendix "A" to this report is a proposed model ordinance suitable for enactment by each jurisdiction; it is patterned largely after the identical ordinances adopted recently in the City of Rockville and Montgomery County, Maryland. The proposed ordinance is also similar to the fair housing regulations effective in the District of Columbia.

We are certain that the deep concern felt by most citizens of Northern Virginia for justice, tranquillity, and progressive government will move them to support constructive action in this important area of human relations. In addition to the groups and individuals listed on the cover of this report, the enactment of fair housing legislation is also favored by the following organizations, but they are not in a position to support a specific proposal at the present time: Council of Churches of Greater Washington, League of Women Voters of Fairfax County, Alexandria Economic Opportunities Commission, Greater Washington Association of Unitarian-Universalist Churches, and the Fairfax Council of Church Women United, Executive Committee.

COMMITTEE FOR OPEN OCCUPANCY LEGISLATION.
ALLISON W. BROWN, Jr., *Chairman.*
FALLS CHURCH, VA., *January 1968.*

SECTION I: EQUAL OPPORTUNITY IN HOUSING IN NORTHERN VIRGINIA—PROBLEM AND SOLUTION

Problem

The recent adoption of fair housing laws by communities in nearby suburban Maryland, as well as the enactment by the Maryland legislature of a state-wide fair housing law, underscore the fact that discrimination in housing is a matter of prime public concern which the local governments in Northern Virginia can no longer ignore. Minority families seeking decent housing in the Northern Virginia suburbs are confronted with a nearly insuperable barrier—there are very few houses or apartments available to them, and those that are, with few exceptions, are in all-Negro settlements or ghettoes. Ghetto-style housing is no answer to the problem, for whatever may have been the Negro's views in the past, it is obvious that today he emphatically rejects this form of discriminatory living arrangement.

The part of Northern Virginia generally considered to be within the Washington, D.C., metropolitan area has a population of nearly ¾ million people. As the white population in the suburbs has grown rapidly during the past 10 to 15 years, the proportion of Negroes to the total suburban population has steadily declined. Although census data shows that the ratio of whites to Negroes in the Washington metropolitan area has remained unchanged for over 100 years, discriminatory practices in the suburbs have resulted in the high concentration of Negroes in the District of Columbia that we know today. The difficulty that Negroes encounter in obtaining housing outside the District of Columbia has led to the characterization of the suburbs as a "white noose" encircling the city. That this confinement of Negroes to the ghetto of the city is not likely to change substantially for many years, if at all, under present circumstances, is shown by the fact that despite intensive efforts by private groups to achieve a greater degree of housing integration on a voluntary basis, during the past years fewer than 100 Negro families are known to have moved into previously all-white neighborhoods. Although a small number of apartment owners have stated that they will rent to Negroes, there has at best been only a slight degree of token integration in a handful of apartments. Apartment owners in Northern Virginia overwhelmingly refuse to accept Negroes as tenants.

The discrimination that Negroes encounter when they seek to buy or rent housing for themselves and their families implies that they are inferior to other persons. Such practices are in direct conflict, therefore, with the basic democratic principles upon which our country was founded. It is obvious that many people are only paying lip service to these principles when they deny minorities the same opportunity that they enjoy of living in the home of their choice.

Besides being in conflict with the principles of our American Constitution, discrimination is repugnant for a more basic reason. In the teachings of all our major religions it is considered a grave moral evil, and it is for this reason more than any other that it touches the individual conscience of every American. At the heart of every such teaching is respect for the dignity of man. In our present society, it is a sad fact that some people forget that Negroes and other minority members of our community also possess this same dignity.

Our concern for justice and morality should be sufficient to prompt us to seek the best possible solution to the problem of housing discrimination. However, there are other important reasons for seeking a prompt solution. We have seen that housing discrimination, in particular, acts as a cleavage in our society which threatens its peace and tranquillity. In Northern Virginia we run the risk that this injustice will create bitter resentment in our communities just as it has done elsewhere. We are fortunate that until now our local Negro citizens have reacted to this situation with dignity and restraint, but we cannot ignore what is happening throughout the country in the great social and political awakening of the American Negro. In the Washington metropolitan area, the need for access to adequate housing is the most pressing civil right of the minority citizen, and to postpone corrective action of the present unjust conditions is to invite possible racial tensions.

Discrimination in housing is also an evil that impedes the economic growth of our Northern Virginia communities. We want to attract new businesses and to encourage the movement of government agencies into our area. It is a known fact, however, that those responsible for locating such facilities are increasingly reluctant to locate in communities where their present employees, as well as those whom they must attract, cannot find satisfactory housing. Finally, we must not lose sight of the fact that the Northern Virginia suburbs are part of the metropolitan area that is the seat of our National Government. Many persons from foreign countries reside in our area for varying periods, and they cannot help but observe the extent to which we adhere to the principles of democracy and equality which we proclaim as guiding values for our society. How shallow our proclamations must sound to visitors from other countries when they experience or see first-hand the injustice of housing discrimination as it is manifested in the National Capital area.

Solution

It is apparent that the minority housing problem is too big and complex, habits of discrimination are too ingrained, and that time is too short to rely solely on voluntarism to achieve equal housing opportunities for

all persons. The principal advantage of a fair housing law is that it establishes a new moral and legal standard for the community which is beneficial even without resort to sanctions or enforcement procedures. Such a law informs people that it is wrong and contrary to acceptable practice in selling or renting housing to discriminate on grounds of race, color, religion, ancestry, or national origin. Realtors, apartment owners, and builders, the three major groups involved commercially with providing housing, and traditionally reluctant to "pioneer" in open occupancy matters, need no longer be concerned that they will alienate white customers by accommodating minority groups, for the law will prohibit them from doing otherwise. Similarly, the private home owner who chooses to sell or rent his home on a nondiscriminatory basis need no longer be deterred from doing so because of real or imagined prejudice of his neighbors and the belief that he will somehow "hurt" the neighborhood by selling or renting to a minority family. The law will serve as notice to the owner and his neighbors that he must deal with all persons without discrimination.

There is no question but that counties, cities, and towns in Virginia have the legal authority to enact fair housing laws under their power to legislate for the public health, safety, and general welfare. Because of the large number of local governmental jurisdictions in suburban Northern Virginia, and because the problem of housing discrimination is not confined to any single jurisdiction but is area-wide, there is a definite need for a degree of coordination and uniformity in considering legislation on this issue. Furthermore, since complexities and misunderstandings are frequently encountered when such legislation is under consideration, it is important that the channels of public communication be kept open to their fullest extent and that opportunities for all elements in the community to be fully informed are maximized.

With these factors in mind, this report has been prepared in order to accomplish two things—first, to convey to the residents of Northern Virginia and the public officials who govern them an understanding of the reasons why it is essential and in the best interest of each of our communities to enact without further delay legislation that will insure equal opportunity in housing to all persons. Secondly, submitted as part of this report (Appendix A) is a recommended model ordinance suitable for enactment by each jurisdiction in Northern Virginia. This model ordinance is patterned after the identical ordinances enacted recently in Montgomery County and Rockville, Maryland, and is similar to the fair housing law in effect in the District of Columbia. The precedent established by those three laws strongly recommends itself to Northern Virginia jurisdictions, both from the standpoint of achieving uniformity in the Washington metropolitan area, and because the type of law adopted in those communities is comprehensive in coverage, with no large-scale exclusions. The difficulties and lack of effectiveness experienced by states and communities operating under limited and inadequate laws with major exclusions support this latter recommendation. The proposed ordinance included with this report applies to sales of individual family dwellings, and rentals of such units unless they are owner-occupied, not only because of this type of law found in nearby jurisdictions but also because an ordinance of lesser coverage obviously would have only limited impact in the communities of Northern Virginia where the great majority of people live in single-family homes. Finally, if one accepts the underlying premise of this report—that discriminatory practices in the housing market constitute a grave social and moral evil which must be abolished before we can achieve our highest democratic ideals—it does not suffice to adopt a law which concededly falls far short of getting to the root of the problem.

Several changes have been made in the Rockville-Montgomery County ordinance to make it more suitable for adoption in Northern Virginia communities. Thus, the recommended ordinance provides for the establishment of a new Fair Housing Board to enforce the law, whereas the Maryland jurisdictions granted enforcement powers to human relations commissions previously established by those governments. Secondly, the recommended ordinance does not contain the quota provision adopted in the Maryland ordinances which establishes a automatic presumption of compliance on the part of a person engaged in commercial real estate activity whenever he can show that 10 per cent of his sales or rentals have been to minority groups members. This quota provision is not recommended for adoption by Northern Virginia communities because: first, it is of doubtful constitutionality; second, it would have virtually no legal effect in an enforcement proceeding brought under the ordinance; and third, it carries implications that are believed to be insulting and demeaning to Negro citizens.

The model ordinance recommended for adoption in Northern Virginia reflects other efforts to improve on the ordinance that was adopted by the two Maryland communities. Thus, some language has been redrafted in an attempt to make it clearer and more understandable to nonlawyers. In addition, a few other provisions have been revised in an effort to make the ordinance generally more workable and to improve its enforcement procedures. The model ordinance, however, does not contain any major substantive departure from the fair housing laws adopted by those two Maryland jurisdictions and the District of Columbia, and it conforms generally to the pattern existing in many communities with fair housing laws in other parts of the country.*

SECTION II: FAIR HOUSING LAWS—THE RECORD TO DATE

In other States and localities

By late 1967, 21 states and 75 local jurisdictions had adopted fair housing laws. Well over 50 per cent of our country's population lives in jurisdictions currently having some type of fair housing law. These statistics, of course, attest to the widespread recognition of the fact that discrimination in housing is a matter of public concern and of the necessity of legislation as an important method of combating it.

The first municipal fair housing law went into effect in New York City on April 1, 1958. The first state law became effective in Colorado on May 1, 1959. In addition to the nearly 100 state and local fair housing laws that have been adopted, several additional states have measures which prohibit discrimination in certain types of publicly assisted housing. Further, a dozen or so local jurisdictions having no antidiscrimination laws affecting private housing generally have adopted legislation prohibiting efforts to incite panic selling ("blockbusting") based on the entry or prospective entry of minority families into neighborhoods. Finally, a sizeable number of communities lacking laws as such have adopted policy resolutions or regulations against the denial of housing because of race, color, religion or national origin. Such resolutions have been adopted in Virginia by the cities of Alexandria, Fairfax, and Fredericksburg, and the Town of Vienna. (Copies are contained in Appendix B.)

Significantly, of the 76 local jurisdictions that have adopted fair housing laws, about two-thirds cover private single-family housing.

Federal fair housing requirements

There is no national law compelling nondiscriminatory housing practices. Only a small segment of the housing market is covered by Executive Order 11063 entitled Equal Opportunity in Housing, which was issued by President Kennedy on November 20, 1962. In essence, the order says that anyone taking advantage of Federal financing or loan guarantees on new construction must maintain a non-discriminatory policy in the sale or rental of the affected housing. The order was intended principally to cover home mortgages guaranteed by FHA and VA which were committed after the date of the order. While it was initially estimated that the order would affect 15 to 20 per cent of newly constructed housing only about 5 per cent of new construction is actually covered. In some communities and depending on the condition of the mortgage money market, this percentage is even less. Experience shows that the requirements of the Executive Order are widely ignored by builders, brokers, and lenders, and that the FHA and VA have done virtually nothing to enforce it.

The Executive Order and the Civil Rights Act of 1964 require a non-discriminatory policy for all federally-owned housing and federally-financed urban renewal projects.

National fair housing legislation has been proposed in the last two sessions of Congress by President Johnson's administration. The House of Representatives passed a bill in 1966 covering apartment houses and boarding houses of 5-family units or more, but exempting most individual homes. The bill, however, failed to survive a Senate filibuster. Another fair housing bill was submitted to Congress by the Administration in 1967, but did not get beyond the committee hearing stage.

Washington metropolitan area

The fair housing laws recently enacted in suburban Maryland point the way for Northern Virginia communities. Further, the District of Columbia prohibits discrimination in the sale or rental of private housing. Real estate brokers and salesmen, and lending institutions also, are prohibited from discriminating under the District's anti-discrimination regulations. Complaints alleging a violation may be filed with the Commissioners' Council on Human Relations. This body may attempt to settle the matter through conciliation and other informal procedures; may recommend to the Corporation Counsel that an appropriate civil action be filed to preserve the status quo or to prevent irreparable harm; may refer the matter to the real estate commission, which may revoke the license of a real estate broker or salesman who has committed a violation. The Corporation Counsel can also prosecute violators in a criminal action. Punishment for violation is a fine of not more than $300, or imprisonment for not more than 10 days.

SECTION III: MYTHS AND FACTS ABOUT A FAIR HOUSING LAW

Many of the objections to a fair housing law are based on misinformation and unfounded fears. In order that there be greater familiarity with the objectives and operation of such a law, listed below are some of the main points of misunderstanding frequently expressed on the subject, as well as the factual answer for each.

Myth: Property values drop when nonwhites move into an all-white neighborhood.

Fact: Of all the myths concerning housing integration, none has more currency than the belief that property values will decline

* Prince Georges County recently adopted a fair housing ordinance which, in contrast to the Montgomery County and Rockville ordinances, provides a major exclusion from coverage for single-family housing. For the reasons indicated, however, we recommend adoption by Northern Virginia jurisdictions of a more comprehensive law such as the model ordinance accompanying this report.

when nonwhites move into a previously all-white neighborhood. In the past 16 years, many studies have been made in an attempt to show whether this is true. The results of these extensive surveys reveal no evidence that prices decline merely because a neighborhood is integrated. The most decisive factor affecting prices is the reaction of the white residents of the neighborhood. Where there is no panic selling and no general flight of white residents, prices will either remain stable or increase in the changing neighborhood. There is no evidence to show that the Negro families who have thus far moved into all-white Washington suburban communities have had any effect on the property values in those areas.

Myth: If one nonwhite family moves into a neighborhood, there is the danger that many more will follow, causing suburban ghettoes to be created.

Fact: Here, again, the reaction of the white residents is an important factor—if they "stay put," the neighborhood will not change radically. The passage of fair housing legislation in other areas of the country has never resulted in a mass movement of nonwhites into an all-white neighborhood. Also, as the force of law and public opinion increasingly breaks down restrictions in home buying and renting, there will be less pressure for decent housing in a few "open" neighborhoods—there will be greater dispersion of minority families. The plain fact is that there are relatively few Negroes who can afford the moderate and high-priced homes that make up most of our suburban communities. And there are probably even fewer who are ready today to move themselves and their children into the unfamiliar environment of a heretofore all-white neighborhood. It must also be pointed out that even if the housing market is freed of discriminatory restraints, nonwhites may or may not choose to live in suburbia. Certainly, restrictive housing practices and other forms of discrimination have discouraged the development of a nonwhite "commuter class."

Myth: Negroes will not maintain their property.

Fact: The principal reason Negroes move into a previously all-white neighborhood is that they find a house there that meets their needs and desires and is better than they had before. Most experience has shown that Negroes who move into suburban communities have kept up their property as well as or sometimes better than their white neighbors. They, too, have a property interest and are concerned with protecting their investment. There are, of course, good standards and bad standards in both white and nonwhite neighborhoods. If a Negro family can afford the price of a suburban home, the family is generally of a comparable economic and social class as the other residents of the neighborhood and as such has the same standards as that class. Whites observing Negroes living in crowded, dilapidated, slum conditions are prone to blame the Negroes for the condition. This view fails to recognize that the slums were not caused by the Negro, and that rundown property is often the result of failure by landlords in slum areas to make repairs on deteriorated houses and the failure by the city to enforce its housing and sanitary regulations to prevent the overcrowding and filth that characterize these areas. Negroes are the victims, not the cause.

Myth: The movement of Negroes into an all-white neighborhood will create social tensions.

Fact: The Negro family, just as any white family, would hope that the residents of a neighborhood would be pleasant and responsible people. They would expect to give and to receive the common courtesies normally extended among neighbors. Any decision as to whether to establish a closer relationship is not usually made until people get to know each other. A neighbor may become a good friend or remain simply another resident on the block. Whether social bonds develop or not, each neighbor can respect the other as an individual, and their personal lives are their private affairs. If the white residents of a neighborhood do not make prior judgments against unknown persons, more valid decisions about personal relationships can be made after they have had a chance to know each other in a neighborly atmosphere. Furthermore, recent studies show that residents of integrated communities frequently develop more favorable attitudes toward persons of a different race after living in such communities.

Myth: Conflict will almost certainly accompany neighborhood integration.

Fact: Between 80 and 100 Negro families have moved into previously all-white areas of suburban Virginia in the past few years. This has almost always been accomplished without any serious difficulties. Even where there has been a coolness on the part of some neighbors, this has been vastly outweighed by the friendly response of the majority of neighbors. Unfortunately, newspapers often spotlight stories of conflict in housing, but the success stories fail to make news. The possibility of more open conflict arising as the result of enactment of fair housing legislation must be viewed in the total context of all forces working to break down bias and prejudice. Progress in these matters has changed the feelings of a great number of people. There are dozens of divergent forces at work which are continually educating and changing the attitudes of those who might have actively opposed such legislation a short time ago. In Northern Virginia in 1965, as part of a fair housing pledge campaign, 44,000 signatures were obtained to a statement asserting the moral right of all persons to purchase or rent a home anywhere. The success of the campaign and the 3,000 volunteer solicitors that it involved are impressive evidence of the widespread realization in this area that discriminatory housing practices are morally and socially indefensible. That this realization is growing rapidly is demonstrated by the recent adoption by Virginia communities of resolutions expressing commitments to fair housing practices (Appendix B), and the enactment of fair housing legislation in the suburbs of nearby Maryland.

Myth: Fair housing legislation restricts a property owner's right to dispose of his property as he wishes and therefore deprives him of a basic personal freedom.

Fact: Property rights are not "sacred"—there are many ways in which government regulates the use of private property to achieve desirable social objectives. Examples are zoning laws and regulations, sanitation codes, fire codes, and building construction codes. The highest court in Massachusetts in a 1962 decision upholding the constitutionality of that state's fair housing law, had this to say: ". . . neither property rights nor contract rights are absolute; for the government cannot exist if the citizen may at will use his property to the detriment of his fellows, or exercise his freedom of contract to work them harm. Equally fundamental with the private right is that of the public to regulate it in the common interest." (*Massachusetts Commission* v. *Colangelo*, 182 N.E. 2d 595.) Labor laws that prohibit an employer from denying employment to a person because he is a union member, child labor laws, minimum wage laws, stock and security registration and control laws, as well as many other laws all gave rise to charges that government was violating private rights. Such laws are accepted today, however, as instances where private rights may be regulated by government for the public good.

Myth: Communities in Virginia do not have the legal authority to adopt fair housing laws.

Fact: Fair housing laws have been upheld by courts throughout the country as valid exercises of the police power, i.e., the power to legislate for the public health, safety, and general welfare. Counties, cities and towns in Virginia have this power under the laws of the State and the power has been broadly construed by the courts to sustain a wide range of local legislation. There is no reason to believe that a local fair housing ordinance would not be upheld in Virginia as a valid exercise of the police power, just as has been the case in courts elsewhere. A legal memorandum covering this subjct is included as Appendix C to this report.

The recent decision by the Circuit Court for Montgomery County casting doubt on the validity of that county's fair housing ordinance has no bearing on the legal situation in Virginia. The Circuit Court judge's ruling is being appealed to the Maryland Court of Appeals, but even if it is upheld, it should be noted that the decision turns on a technical construction of Maryland law for which there is no counterpart in Virginia. Counties in Maryland generally have more limited autonomy and must operate under a greater number of legal restraints than is true of Virginia jurisdictions. If the Montgomery County judge's decision is sustained, that ordinance will have to be reenacted under provisions of law which will make it subject to procedures for petition and referendum. There is no comparable means under Virginia law for obtaining a referendum on a local ordinance.

Myth: A fair housing ordinance is unworkable because it cannot be proved whether a person has turned away a potential purchaser or tenant for proper reasons or on grounds of race, and further, there will be many unfounded charges of discrimination which will force a home owner to bear heavy legal expenses to defend himself.

Fact: As in the case of other laws, the government always has the burden of proving a violation. Under a fair housing law, the problem for the enforcement agency is to prove the property owner's motive in rejecting a prospective buyer or tenant. This must be determined on the basis of all the evidence available, and the person charged with a violation has full opportunity to show that he did not discriminate. The investigative and conciliation stages of a case brought under the model law proposed with this report provide abundant opportunity for the person charged with discrimination to establish his good motives and willingness to comply with the law. Since the proposed model ordinance is intended to be remedial and not punitive, even if the evidence shows that a person has discriminated, the enforcing agency seeks only an agreement not to discriminate; it does not seek a public hearing or subsequent court action. These are sought only when the person refuses to conciliate or cease proven discrimination. If that occurs, a formal hearing is held and it is only then that a person may need a lawyer. It is clear, therefore, that a person who agrees to comply with the ordinance will not necessarily incur legal expenses in connection with proceedings under it. Experience in jurisdictions with fair housing laws shows that the overwhelming majority of cases are settled at the investigative and conciliation stages, and only a small number go as far as formal hearing or a court proceeding.

SECTION IV: SUMMARY OF PROPOSED FAIR HOUSING ORDINANCE

Policy

It is declared to be the policy of the enacting jurisdiction "to ensure equal opportunity for all persons to purchase or rent and reside in adequate housing facilities of their choice regardless of race, color, religion, ancestry or national origin and to that end to prohibit discrimination in housing."

Coverage

The ordinance applies to any building, structure, or facility that is used or occupied

as the home, residence, or sleeping place of one or more individuals, groups, or families, and any vacant land for sale or lease for the construction or location of such building, structure, or facility. It does not apply, however, to rentals in one or two-family dwellings in which the owner resides. Nor does it apply to the sale or rental of housing by a religious organization where a restriction on admission or the giving of preference to a person of the same religion is related to the organization's regular activities. The ordinance, it is to be noted, covers lending institutions and real estate brokers and salesmen.

Unlawful housing practices

The ordinance declares that certain discriminatory acts are unlawful housing practices. Thus, it is unlawful for anyone to refuse to sell or rent, or to discriminate in any way, in connection with the sale or rental of housing because of race, color, religion, ancestry or national origin. It is also unlawful to advertise or list housing in such a manner as to indicate a policy of discrimination. Further, a lending institution may not discriminate in making financing available to persons or in the terms or conditions of such financing. Finally, it is unlawful to cause or coerce anyone to violate the ordinance, or engage in any form of reprisal or retaliation against a person because of his having asserted his rights under the ordinance.

Requirements and prohibitions affecting those engaged in the real estate business

Section 4 of the ordinance requires real estate brokers, commercial home developers, and apartment operators to post in their regular place of business a prescribed notice to the public stating that it is a violation of the ordinance for any person to deny housing to any person or otherwise discriminate in providing housing accommodations or related services on grounds of race, color, religion, ancestry or national origin. This section of the ordinance also prohibits "blockbusting" practices by real estate brokers and salesmen, as well as others engaged commercially in the real estate business. Specifically prohibited is the solicitation by such persons of any sale, rental or other transfer of property on the basis of representations regarding the existing or potential proximity of property occupied by persons of a particular race, color, religion, ancestry or national origin. It is similarly unlawful as a business practice to induce "panic" transfers of property by displaying sale, rental, or inspection signs regarding property that is not in fact for sale or rent. Section 4 of the ordinance is the only section carrying a criminal penalty; a violation is punishable by a fine of up to $300 or imprisonment for 30 days, or both.

Fair Housing Board—Procedure

The ordinance creates a Fair Housing Board of five appointed members to receive and investigate complaints of unlawful housing practices. The Board is authorized to appoint an executive secretary, hire staff personnel, issue subpoenas, hold hearings, and make necessary rules and regulations.

Any person who believes he has been subjected to an unlawful housing practice may file a sworn complaint in writing with the Board. The Board is also empowered to initiate its own complaints. There is a 90-day time limit on the bringing of complaints from the date of the alleged unlawful housing practice. Following investigation, if the Board decides that there is probable cause to credit the complaint, it must as an initial step where feasible conduct informal conciliation proceedings with the parties on a confidential basis. The Board can take up to 60 days to try by means of conciliation and persuasion to resolve the issue of alleged discrimination.

If conciliation succeeds, the terms of agreement must be reduced to writing and signed by the parties; if such efforts are unsuccessful, the Board must proceed to a full hearing on the complaint. If, on the basis of the evidence taken at the hearing, the Board concludes that an unlawful housing practice has occurred, it will state its findings and conclusions and issue an appropriate order. The order will require the person found to have violated the ordinance to cease and desist from his unlawful conduct and to take other steps deemed appropriate by the Board to remedy the discrimination.

Court proceedings—Sanctions

If a person disagrees with a Fair Housing Board finding that he has committed an unlawful housing practice, he may institute a court proceeding to obtain judicial review. Similarly, if a party refuses or fails to comply with a Board order, the Board may bring a proceeding in court seeking a decree of enforcement to compel compliance.

The court, in addition to being authorized to review and enforce Board orders, may be resorted to by the Board at any time after a complaint has issued, if it appears that temporary injunctive relief is necessary to preserve the *status quo* pending the outcome of the proceeding before the Board.

Finally, the ordinance provides that any person found to have been subjected to an unlawful housing practice, as proscribed by the ordinance, is entitled to bring his own civil suit for damages, an injunction, or other relief.

APPENDIX A

FAIR HOUSING ORDINANCE

Be it ordained by the _____ for _____, Virginia:

SECTION 1. Policy. It is hereby declared to be the policy of the _____ of _____, in the exercise of its police power for the protection of the public safety, public health and general welfare, for the maintenance of business and good government and for the promotion of the _____'s trade, commerce and manufacture, to ensure equal opportunity for all persons to purchase or rent and reside in adequate housing facilities of their choice regardless of race, color, religion, ancestry or national origin and to that end to prohibit discrimination in housing.

SEC. 2. Definitions. For the purpose of this Ordinance:

A. "Person" means any individual, firm, partnership, association, organization, corporation, company, legal representative, trustee, trustee in bankruptcy, receiver or other organized group of individuals or representative thereof. Included in this meaning, without limiting the generality thereof, are any owner, lessor, assignor, builder, manager, broker, salesman, agent, employee or lending institution, and the _____ of _____ and any political subdivision, authority, agency, board or commission thereof.

B. "Lending institution" means any bank, insurance company, savings and loan association or any other person regularly engaged in the business of lending money or guaranteeing loans.

C. "Housing" means any building, structure, or facility, or portion thereof, that is used or occupied or is intended, arranged, or designed to be used or occupied as the home, residence, or sleeping place of one or more individuals, groups or families, and any vacant land offered for sale or lease for the purpose of constructing or locating such building, structure, or facility, and includes any interest in housing as so defined, fee simple, leasehold or other.

D. "Personal residence" means a buidling or structure containing living quarters occupied or intended to be occupied by no more than two individuals, two groups, or two families living independently of each other, and used by the owner thereof as a bona fide residence for himself and any member of his family forming his household.

E. "Real estate broker" means a person doing business in the _____ of _____ who is the holder of a real estate broker's license issued pursuant to Article 3 or Article 5 of Chapter 18 of Title 54 of the Code of Virginia.

F. "Real estate salesman" means a person doing business in the _____ of _____ who is the holder of a real estate salesman's license issued pursuant to Article 3 or Article 5 of Chapter 18 of Title 54 of the Code of Virginia.

G. "Person in the business of building, developing, selling, renting or leasing housing" means any person who, within the preceding twelve (12) months, has participated as principal or agent in three (3) or more transactions involving the sale, lease or rental of any housing.

SEC. 3. Unlawful housing practices.

A. It shall be an unlawful housing practice

(1) for any person, on account of the race, color, religion, ancestry or national origin of another person,

(a) to refuse to sell, lease, sublease, rent, assign or transfer to such other person any housing;

(b) to refuse to negotiate with such other person for the sale, lease, sublease, rental, assignment or other transfer of any housing;

(c) to represent to such other person that housing is not available for inspection, sale, lease, sublease, rental, assignment or other transfer when in fact it is so available.

(d) to represent to such other person that housing is available for sale, lease, sublease, rental, assignment or other transfer at rates or on terms or conditions different from those at which or on which it is in fact available to the generality of persons;

(e) to discriminate in respect of the provision of services, facilities, or other amenities connected with such other person's ownership, leasing, subleasing, rental, possession or occupancy of housing;

(f) to interfere with, interrupt or terminate such other person's ownership, leasing, rental, possession or occupancy of housing or other enjoyment of any interest therein;

(g) to deny to such other person access to, participation in or other benefit of any multiple-listing service or other service or facility related to the business of selling or renting housing.

(2) for any person

(a) to include in the terms or conditions of any sale, lease, sublease, rental, assignment or other transfer of housing any condition or provision that purports to forbid or discourages or attempts to discourage the ownership, leasing, possession, occupancy or use of such housing, or discriminates against any person in the occupancy or use of such housing by persons, because of race, color, religion, ancestry or national origin;

(b) to print or publish or cause to be printed or published any notice, statement or advertisement, to announce a policy, to use any form of application or to make a record or inquiry in connection with the sale, lease, sublease, rental, assignment or other transfer of housing that indicates any preference, limitation or other discrimination based on race, color, religion, ancestry or national origin, or an intention to engage in any such preference, limitation or other discrimination;

(c) directly or indirectly to cause or coerce, or attempt to cause or coerce, any person to do any act declared to be an unlawful housing practice, or to engage in economic reprisal or otherwise retaliate, or to cause or coerce or attempt to cause or coerce another person to engage in economic reprisal or otherwise retaliate, against any person because such person has opposed an unlawful housing practice or has filed a complaint, testified, assisted or participated in any manner

in any investigation, proceeding or hearing under this Ordinance.

(3) for any lending institution to discriminate in lending money, guaranteeing loans, accepting mortgages or otherwise making available money for the purchase, acquisition, construction, alteration, repair or maintenance of any housing or to discriminate in the fixing of the rates, terms or conditions of any such financing or in the extension of service in connection therewith because of race, color, religion, ancestry or national origin.

B. Nothing herein contained shall

(1) bar any religious or denominational institution or organization, or any organization operated for charitable or educational purposes, which is operated, supervised or controlled by or in connection with a religious organization, from limiting admission to or giving preference to persons of the same religion or denomination with regard to occupancy, leasing, sale or purchase of housing or from making such selection as is calculated by such organization to promote the religious principles for which it is established or maintained;

(2) apply to the rental or leasing of a room or rooms in a personal residence.

SEC. 4. Other requirements and prohibitions.

A. Every real estate broker and every other person in the business of developing, selling, renting or leasing housing, including every person who operates a multi-unit residential building containing more than two units, shall post in a conspicuous location in that portion of his housing business normally used by him for negotiating the sale, rental or leasing of housing a notice that contains the following language, printed in black on a light-colored background, in not less than fourteen-point type:

"IT IS A VIOLATION OF THE FAIR HOUSING ORDINANCE OF THE ---------- OF ----------, VIRGINIA, FOR AND PERSON TO—

(1) Deny housing accommodations to any person because of race, color, religion, ancestry or national origin;

(2) Discriminate against any person because of race, color, religion, ancestry or national origin with respect to the terms, conditions or privileges of housing accommodations or in the furnishing of facilities or services in connection therewith.

B. No real estate broker, real estate salesman or other person in the business of building, developing, selling, renting or leasing housing shall

(1) solicit the sale, lease, sublease, rental, assignment or other transfer of housing, or discourage the purchase, lease, sublease, rental, assignment or other transfer of housing by representations regarding the existing or potential proximity of real property owned, used or occupied by a person or persons of any particular race, color, religion, ancestry or national origin;

(2) display a sign or any other device representing that housing is available for inspection, sale, lease, sublease, rental, assignment or other transfer when in fact it is not so available.

C. A violation of this section shall be punishable by a fine of not more than three hundred dollars ($300) or imprisoned for a period not exceeding thirty (30) days or both.

SEC. 5. Fair Housing Board. There is hereby created in the government of the ---------- of ---------- a Fair Housing Board, hereinafter referred to as the Board, which shall consist of five members, all of whom shall reside in the ---------- of ----------. The members shall be appointed by the ---------- and shall be entitled to receive such compensation as the ---------- shall direct. Of the members first appointed two shall be appointed for terms of three years, two shall be appointed for terms of two years, and one shall be appointed for a term of one year. Thereafter, members shall be appointed for terms of three years each. Any vacancy shall be filled by the ---------- for the unexpired portion of a term. There shall be an executive director of the Board, who may be a person otherwise employed by the ----------, and the Board may employ such additional staff personnel as it deems warranted to secure effective enforcement of this Ordinance.

SEC. 6. Conduct of Board. The Board shall elect a chairman from its membership. Three members of the Board shall constitute a quorum. Decisions of the Board shall be made by a majority vote of the members present. The Board shall render each year to the ---------- a full written report of its activities under the provisions of this Ordinance and its recommendations concerning measures to be taken to further the purposes of this Ordinance.

SEC. 7. Enforcement by the Board. The Board is empowered and directed to prevent and to remedy unlawful housing practices as described in Section 3 of this Ordinance. In carrying out this authority it may proceed either upon its own initiative or upon complaint alleging the commission of an unfair housing practice.

A. The procedure of the Board in the case of the filing with it of a complaint shall be as follows:

(1) A complaint alleging the commission of an unlawful housing practice, in writing and verified by the complaint, may be filed with the Board. Such a complaint shall state the name and address of the complainant and of the person or persons against whom complaint is made and shall also state the alleged facts surrounding the alleged commission of an unlawful housing practice and such other information as the Board by regulation may require. Every complaint shall be held in confidence by the Board unless and until the complainant and the person complained against consent to its being made public or a hearing such as is described in Paragraphs (5) and (6) hereunder is begun. A complaint shall be filed within ninety (90) days after the date of the alleged unlawful housing practice.

(2) Upon the filing of such a complaint the Board shall make such investigation as it deems appropriate to determine whether there is probable cause to credit the allegations of the complaint. If it is determined after such investigation that there is no probable cause to credit the allegations of the complaint, the Board, within five (5) days after such determination, shall cause to be issued and served upon the complainant written notice of such determination. The notice shall also state that the complaint will be dismissed unless within ten (10) days after such service the complainant files with the Board a request for a review hearing. Upon request for such a hearing the Board shall afford the complainant an opportunity to appear before the Board in person or by counsel. If, after such a hearing, the Board determines that no probable cause exists for crediting the allegations of the complaint, the complaint shall be dismissed. There shall be no appeal from such determination or other review thereof.

(3) If the Board, after investigation, determines that there is probable cause to credit the allegations of the complaint, it shall immediately endeavor to eliminate the unlawful housing practice complained of. Its effort initially shall consist of conciliation and persuasion unless, taking into account the gravity of the unlawful housing practice charged, the attitude of the person complained of as manifested during the preliminary investigation of the complaint, the prior record of the person complained of under this Ordinance and other relevant factors, the Board determines that the complaint is not susceptible to conciliation and persuasion. Conferences and other efforts at conciliation and persuasion shall be informal and may be conducted by any member of the Board or its staff designated. Nothing said or done during and as part of such conciliation efforts shall be made public or used as evidence in a subsequent proceeding instituted under this Ordinance unless all of the interested parties agree thereto in writing.

(4) If conciliation succeeds, the terms of the agreement reached shall be reduced to writing and signed by or on behalf of the parties and the Board.

(5) If attempts at conciliation and persuasion do not succeed within sixty (60) days after the date of filing of the complaint, or if the Board at any time within such period determines that the complaint is not susceptible to conciliation and persuasion, the Board shall proceed promptly with a full hearing of the complaint. The purpose of such a hearing is to determine whether an unlawful housing practice has been or is being committed and what remedy is appropriate if the decision is that an unfair housing practice has been or is being committed. The Board shall serve upon the person charged with engaging or with having engaged in the unlawful practice a statement of the charges made in the complaint and a notice of the time and place of the hearing. The hearing shall be held not less than ten (10) days after the service of the statement of charges. The hearing shall be open to the public. The person complained of, hereinafter referred to as the respondent, may file an answer to the statement of charges and may appear at the hearing in person and through counsel and shall have the right to examine and cross-examine witnesses. The complainant shall likewise have the right to appear at such hearing in person and through counsel and to examine and cross-examine witnesses. The Board shall not be bound by the strict rules of evidence prevailing in courts of law or equity. The testimony taken at the hearing shall be under oath or affirmation and shall be transcribed.

(6) If upon all the evidence at the hearing the Board shall find that the respondent has committed or is committing any unlawful housing practice, the Board shall state its findings and conclusions and shall issue and cause to be served on the respondent an order requiring the respondent to cease and desist from such unlawful practice or practices and to take such affirmative action as may be indicated to effectuate the purposes of this Ordinance, including, if the Board so determines, reporting on the manner of his compliance.

(7) If upon all the evidence at the hearing the Board shall find that the respondent has not engaged in any unlawful housing practice, the Board shall state its findings and conclusions and shall dismiss the complaint. Notice of such action shall be given to the complainant and to the respondent.

B. In a case in which the Board proceeds on its own initiative, without receiving a formal complaint, the procedure followed shall be that prescribed in subsection A. above, *mutatis mutandis*. No investigation shall be undertaken by the Board on its own initiative if more than ninety (90) days has elapsed since the occurrence of the unlawful housing practice that the Board has reason to believe occurred. In a case in which a formal hearing is held and in which there is no complainant, the executive director of the Board shall be responsible for developing the evidentiary record before the Board. The executive director may participate in hearings in which there is a complainant.

SEC. 8. Powers of the Board. In making the investigations, pursuing conciliation and persuasion and conducting hearings, all as described in the foregoing Section 7, the Board shall have the power to issue sub-

poenas to compel the attendance of witnesses and the production of papers, to administer oaths, to make findings of fact and issue orders and publish findings of fact and orders in accordance with the provisions of this Ordinance and to make and adopt such rules and regulations which shall be published, as may be necessary or proper for carrying out the provisions of this Ordinance.

SEC. 9. Interlocutory relief. If, at any time after the filing of a complaint or institution of an investigation on its own initiative, the Board determines that, prior to the completion of its action on the complaint or on its own initiative, the housing with respect to which the complaint is made, or that the Board has reason to believe is the subject of an unlawful housing practice, may be sold, rented or otherwise made unavailable, or other conduct may occur tending to render ineffectual any action the Board may take to remedy the alleged or suspected unlawful housing practice, the Board shall so certify to the Commonwealth's Attorney. The Commonwealth's Attorney, within two (2) days of receiving such certification, shall apply to a court of competent jurisdiction for a restraining order or temporary injunction restraining the respondent from engaging in any such conduct, including but not limited to restraining the respondent from making unavailable in any way, to the person allegedly discriminated against, the housing with respect to which the alleged or suspected unlawful housing practice, the Board shall so certify to the Commonwealth's Attorney. The Commonwealth's Attorney, within two (2) days of receiving such certification, shall apply to a court of competent jurisdiction for a restraining order or temporary injunction restraining the respondent from engaging in any such conduct, including but not limited to restraining the respondent from making unavailable in any way, to the person allegedly discriminated against, the housing with respect to which the alleged or suspected unlawful housing practice has been committed.

SEC. 10. Judicial review. Any party aggrieved by an order of the Board entered after a hearing hold pursuant to Section 7 of this Ordinance may have such order reviewed by a court of competent jurisdiction. A review proceeding shall be instituted by filing with the court a petition for review naming the Board as respondent. A copy of the petition shall be served upon the Commonwealth's Attorney, who shall see that the record of the proceeding in which the order was entered shall be certified to him by the Board and shall transmit the same to the clerk of the court. The Commonwealth's Attorney shall represent the Board in every review proceeding. No petition for review may be filed more than thirty (30) days after the date of service of the order of which review is sought.

SEC. 11. Enforcement by the Court. If the respondent refuses or fails to comply with any order of the Board, including any order in the nature of subpoenas commanding the attendance of witnesses or the production of documents, the Board shall certify the matter to the Commonwealth's Attorney, who shall bring an action in a court of competent jurisdiction to secure enforcement of or compliance with the order. In the case of an order to cease and desist from engagement in any unlawful housing practice the Board shall certify the entire record of its proceedings to the Commonwealth's Attorney. In proceedings under this section, as well as those brought under Section 10 of this Ordinance, the findings of the Board shall be accepted by the court if they are supported by substantial evidence in the record considered as a whole.

SEC. 12. Other remedies. Nothing herein shall prevent any person from exercising any right or seeking any remedy to which he might otherwise be entitled or from filing any complaint with any other agency. Any person who has been subjected to any act of discrimination prohibited by Section 3 of this Ordinance shall be entitled to sue for damages, injunction or other civil relief.

SEC. 13. Severability. The provisions of this Ordinance are severable and if any provisions, sentence, clause, section or part thereof is held illegal, invalid, or unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of the ordinance, or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Ordinance would have been adopted if such illegal, invalid or unconstitutional provisions, sentence, clause, section or part had not been included therein, and if the person or circumstance to which the ordinance or any part thereof is inapplicable had been specifically exempted therefrom.

APPENDIX B

RESOLUTION

Whereas, numerous citizens of the City of Alexandria have requested the City Council to adopt a policy with respect to segregated housing patterns in the City;

Now, therefore, be it resolved by the City Council of the City of Alexandria that the City Council in the interest of progress in human relations and the orderly growth of the City, urge that home owners, apartment owners, mortgage lenders, and all real estate agents negotiating the sale and/or rental of homes or apartments within the City of Alexandria voluntarily and publicly adopt the policy of selling and renting property, homes and apartments to persons who qualify, without regard to race, creed or national origin.

And be it further resolved, that this resolution be made public so that any interested organizations and/or individuals may join or support this appeal.

CITY COUNCIL, CITY OF ALEXANDRIA, VA.
OCTOBER 24, 1967.

RESOLUTION

Whereas, the City Council of Fairfax supports and takes pride in the efforts of individuals and groups in the City of Fairfax to improve understanding and cooperation between different groups in our community, and to seek equality of opportunity for all; and

Whereas, the City Council recognizes that it is the moral right of every person regardless of race, color, creed, or national origin to buy, build or rent a home in the area of his choice, consistent with his ability to pay;

Now, therefore, we, the members of the City Council of the City of Fairfax do hereby call upon all home owners, realtors, builders, developers, and financial institutions operating in this City, voluntarily to rent, sell and make housing loans available to individuals without regard to race, religion, color or national origin.

CITY COUNCIL, CITY OF FAIRFAX, VA.
NOVEMBER 7, 1967.

RESOLUTION OF OPEN HOUSING

Whereas, segregation in housing is a violation of the basic human right of equality of opportunity, and a contributing factor in and to poverty, unemployment, and social unrest; and

Whereas, recently reported experience has demonstrated that the policy of open occupancy wherever it has been adopted in the United States does not reduce or adversely affect property values; and

Whereas, orderly transition from segregated open housing requires enlightened cooperation of citizens and real estate brokers and agents with public authorities, and is most likely to be successful if undertaken over a wide area;

Now, therefore, be it resolved: that the Town Council of Vienna advocates complete support of the principle of voluntary open housing in Vienna and environs; and

That it be further resolved: That the Town Council's statement of its position on the principle of open housing receive the widest distribution, to include newspapers, radio and television stations throughout Virginia, and to real estate brokers and agents doing business in and near Vienna.

Adopted at regular meeting of Vienna Town Council, November 7, 1966.

A RESOLUTION

Whereas, the Bi-racial Commission apparently has been faced, for at least the past two years, with increasing numbers of complaints concerning problems of segregated housing patterns within the City and has made heroic, but unsuccessful, efforts to solve the problem, and

Whereas, a survey of rental housing ordered by the Defense Department reveals that segregation policies exist here,

Now, therefore, be it resolved, by the Council of the City of Fredericksburg that the Council, in the interest of progress in human relations and the orderly growth of our City, request that the Fredericksburg Board of Realtors and all Real Estate Agents negotiating the sale and/or rental of homes or apartments within the City voluntarily and publicly adopt the policy of selling and renting property, homes and apartments to persons who qualify, without regard to race, creed or national origin, except where an unsolicited written statement from the owner forbids such a sale or rental.

And be it further resolved, that this resolution be made public so that any interested organizations and/or individuals may join or support this appeal.

SEPTEMBER 12, 1967.

CITY COUNCIL, CITY OF FREDERICKSBURG, VA.

APPENDIX C

LEGAL AUTHORITY OF LOCAL GOVERNMENTS IN VIRGINIA TO ENACT FAIR HOUSING LAWS*

Fair housing laws have been upheld by courts throughout the country as valid exercises of the police power—the power to legislate for the public health, safety and general welfare. In Virginia, counties, cities and towns possess such power under statutory grants by the General Assembly. (Sections 15.1–510, 15.1-839, Code of Virginia (1950)).

Leading court decisions in the states where there are fair housing laws reveal a clearly favorable judicial response to such legislation. Attacks on such laws have commonly been grounded on the argument that such an enactment does not represent a proper exercise of the police power, because it is not reasonably related to the public health, safety or general welfare. In the leading case of *Jones* v. *Haridor Realty Co.*, 37 N.J. 384, 181 A. 2d 481, 485 (1962), the Supreme Court of New Jersey aptly answered this contention as follows:

"Discrimination against Negroes in the sale and rental of housing accommodations results in inadequate housing for them and in segregation in housing. They are thus compelled in large numbers to live in circumscribed areas under substandard, unhealthy, unsanitary and crowded living conditions. These conditions in turn produce disease, increased mortality, unstable family life, moral laxity, crime, delinquency, risk of fire, loss of tax revenue and intergroup tensions. Standards of sanitation have to be

*This memorandum has been reviewed by a group of attorneys competent to pass judgment of the subject who unanimously concur in the conclusions expressed herein.

sacrificed because strict enforcement of building and health codes will simply make a great many people homeless. All of these things imperil the tranquility of a community. In addition, substandard and segregated housing complicates the problem of public school integration. Manifestly, in their totality these conditions reveal an evil which is within the competency of the lawmakers to correct." [Citations omitted.] [1]

In addition to New Jersey, the courts of other states have similarly sustained fair housing legislation as a proper exercise of the police power. Favorable decisions have been rendered in California,[2] Colorado,[3] Connecticut,[4] Massachusetts,[5] and New York.[6] While the cases in each of these states have involved the validity of state fair housing laws, the same judicial acceptance accorded such laws is reflected in litigation concerning municipal fair housing ordinances.

The principal case involving a local law is *Porter* v. *City of Oberlin*, 1 Ohio St. 2d 143, 205 N.E. 2d 363 (1965), in which the Ohio Supreme Court generally sustained the validity of the Oberlin fair housing ordinance on the basis of the city's police power. The Oberlin ordinance was challenged on the ground, among others, that it was an unreasonable deprivation of individual property and contract rights, particularly the right to dispose of one's property to whomever one pleases. The court noted, however, that to permit discrimination would interfere with the inalienable right of the person discriminated against to acquire property.[7] The court concluded that the police power possessed by the City of Oberlin "clearly includes the power to prohibit the owner of property from discriminating, in its sale or rental or in the terms, conditions and privileges of such sale or rental, against any person purely because of race, creed or color." [8] In other cases where the validity of fair housing ordinances has been called into question they have been similarly upheld. There has been litigation involving such ordinances in Chicago,[9] New York City,[10] Pittsburgh,[11] and the District of Columbia.[12] A broader civil rights ordinance in Kansas City which prohibited discrimination on the basis of race by hotels, motels and restaurants, has been sustained by the Missouri Supreme Court as a valid exercise of local police power.[13]

The police power of local governments in Virginia has been broadly construed by the State's Supreme Court of Appeals. As the court said in a leading case upholding the validity of a residential zoning ordinance, *West Bros. Brick Co.* v. *City of Alexandria*, 169 Va. 271, 192 S.E. 881, 885 (1937):[14]

"The [police] power is not limited to regulations designed to promote public health, public morals, or public safety, or to the suppression of what is offensive, disorderly, or unsanitary, but extends to so dealing with conditions which exist as to bring out of them the greatest welfare of the people by promoting public convenience, or general prosperity."

There is no reason to suppose that this liberal construction of local government police power would not be followed by the Supreme Court of Appeals in upholding the validity of fair housing legislation. Further, if the court should take a more restrictive view of the police power, and fail to sustain such a law, thereby departing from precedents established in other states, there is strong reason to believe that its decision would be subject to reversal by the United States Supreme Court. Likewise, if any official of the State Government or if the General Assembly should take any action designed to impede or restrict the adoption of local fair housing legislation, such state action would be of doubtful constitutionality and would be vulnerable to court attack. For it is now clear that a state may not intrude itself into a matter of this nature in a way that its actions may be construed as sanctioning private racial discrimination in the housing market. This was made clear by the recent decision in *Reitman* v. *Mulkey*, 387 U.S. 369, where the Supreme Court held that California's Proposition 14 was violative of the Federal Constitution. Proposition 14, which amended the state constitution, not only repealed California's fair housing law, but further prohibited the state or any municipality from enacting such legislation. The Supreme Court held that by adopting the proposition, the state "authorized and constitutionalized the private right to discriminate" and that this degree of state sanction to racial discrimination violated the Fourteenth Amendment. It is a reasonable conclusion that any effort by the State of Virginia to interfere with a locality's adoption of a fair housing law under its police power would be invalid under the ruling in the *Reitman* case.

FAIR HOUSING IN NORTHERN VIRGINIA—QUESTIONS AND ANSWERS

(Prepared by the Committee for Open Occupancy Legislation (COOL), P.O. Box 277, Falls Church, Va., February 1968)

Northern Virginia suburbs adjacent to Washington, D.C. have experienced a phenomenal growth in population in the past decade. Only a few of those moving into the area during this period have been Negroes or members of other minority groups. Part of the reason is economic, but a major contributing factor has been the inability of Negroes to secure housing in communities of their choice.

Discrimination against Negroes deprives them of the same opportunity enjoyed by other persons to obtain desirable living accommodations. It has become increasingly clear that fair housing ordinances are needed in the Northern Virginia jurisdictions to end discrimination in the sale or rental of housing. A model ordinance has been proposed to the governing body of each jurisdiction in the area by the Committee for Open Occupancy Legislation (COOL), a volunteer committee comprised of representatives of many local civic and religious organizations.*

Q. To whom would the Fair Housing Ordinance apply?

A. It would apply to everyone involved in the sale or rental of housing units: real estate brokers and salesmen, agents, managers, apartment owners, builders, lenders, and owners of property. It would not apply to persons who rent out rooms in their own homes.

Q. How would it apply to a homeowner who wanted to rent or sell his house?

A. The owner would go through the usual channels of putting his house up for sale or rental. He would not be forced to sell or rent to the first person interested in the property. The prospective buyer or tenant would have to meet whatever terms the owner might set, such as proof of ability to pay. But the proposed ordinance would not allow the owner to refuse sale or rental because of race, color, religion, ancestry or national origin.

Q. What happens to a neighborhood when a Negro family moves in?

A. In the past few years, about 100 Negro families have moved into previously all-white neighborhoods in Northern Virginia. White residents have not moved out. Neighborhood stability has been maintained. The Negro family who may move into your neighborhood is likely to have the same general income, educational background, and living habits as yours.

Q. What happens to property values when a Negro family moves into a neighborhood?

A. Nothing. Experience in Northern Virginia—and throughout the United States—demonstrates beyond question that property values are not affected when Negro families move into a previously all-white neighborhood.

Certainly, lowering of property values could be caused by panic selling on the part of white homeowners. But the proposed fair housing ordinance prohibits unscrupulous "block-busting" practices intended to promote panic selling by stimulating fears of racial, religious, or ethnic changes in the neighborhood. Experience in suburban Washington communities indicates white residents do not panic.

Q. Why do we need an ordinance? Can't fair housing be accomplished voluntarily?

A. Fair housing laws help achieve the basic American principle of equality of opportunity for all. Negro Americans, including those who are fighting and dying for their country, are now being denied such equality.

Voluntary approaches have demonstrated that residents of Northern Virginia accept integration. But such means are inadequate to assure a truly open market.

The ordinance will also protect against the creation of new ghetto areas, since without fair housing legislation many brokers tend to show Negroes houses only in areas where Negro families have already settled.

Q. Doesn't the ordinance deny property rights?

A. The right to own property is in no way impaired by the proposed ordinance, and the right to acquire property is significantly strengthened.

Laws often have the effect of placing reasonable limitations on the use of property in order to achieve significant gains in human rights and to advance the welfare of all citizens. The fair housing ordinance limits only the so-called "right" to discriminate, and such a limitation is minimal compared to such well-accepted regulations as zoning,

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[1] Accord: *David* v. *Vesta Co.*, 45 N.J. 301, 212 A. 2d 345, 351–352 (1965).

[2] *Burks* v. *Poppy Construction Co.*, 57 Cal. 2d 463, 370 P. 2d 313, 317 (1962).

[3] *Colorado Anti-Discrimination Commission* v. *Case*, 151 Colo, 235, 380 P. 2d 34, 41–42 (1962).

[4] *Swanson* v. *Commission on Civil Rights*, 6 Race Rel. Rep. 841, 842 (1961).

[5] *Massachusetts Commission Against Discrimination* v. *Colangelo*, 344 Mass. 387, 182 N.E. 2d 595, 599–600 (1962).

[6] *New York State Commission Against Discrimination* v. *Pelham Hall Apartments, Inc.*, 10 Misc. 2d 334, 170 N.Y.S. 2d 750, 758–759 (1958); *Cooney* v. *Katzen*, 41 Misc. 2d 236, 245 N.Y.S. 2d 548 (1963).

[7] 205 N.E. 2d at 367, citing Article I, Section 1, of the Ohio constitution. A similar provision is contained in the Virginia constitution. Article I, Section 1, of this State's constitution declares that all men "have certain inherent rights," among them being that of "acquiring and possessing property."

[8] 205 N.E. 2d at 368.

[9] *Chicago Real Estate Board* v. *City of Chicago*, 36 Ill. 2d 530, 224 N.E. 2d 793 (1967).

[10] *Martin* v. *City of New York*, 22 Misc. 389, 201 N.Y.S. 2d 111 (1960).

[11] *Stanton Land Co.* v. *City of Pittsburgh*, 8 Race Rel. L. Rep. 1580, 1585–1586 (1963).

[12] *Filippo* v. *Real Estate Commission of the District of Columbia*, D.C. Ct. of App. 223 A. 2d 268, 273–274 (1966); and see *District of Columbia* v. *John R. Thompson Co.*, 346 U.S. 100, 108–109 (1953).

[13] *Marshall* v. *Kansas City*, 355 S.W. 2d 877, 882–883 (1962).

[14] Quoting from *Wulfsohn* v. *Burden*, 241 N.Y. 288, 150 N.E. 120, 122 (1925); see also *Weber City Sanitation Commission* v. *Craft*, 199 Va. 1140, 87 S.E. 2d 153, 157–160 (1960).

* Copies of the ordinance and accompanying report are available from the committee.

building codes, and maximum occupancy laws.

Q. How many areas already have fair housing laws?

A. As of January 1968, 21 states and about 80 local jurisdictions had fair housing laws. Half of these states and about two-thirds of the localities prohibit discrimination in all residential house sales and most rentals. And the trend is toward more comprehensive coverage. In the past two years, seven states have strengthened their laws.

Q. How would the proposal ordinance be enforced?

A. Enforcement would be primarily by conciliation. That is the way 99% of the complaints in the country are settled under fair housing laws.

When the Fair Housing Board that would be established under the ordinance receives a complaint charging violation of the ordinance, it would first try to establish the facts by quiet investigation. If there is no evidence of discrimination, the matter would be dropped. If there appears to be substance to the complaint, the Board would try to get the problem settled between the two parties.

If the parties still couldn't agree, a public hearing would be held to establish the facts. The Board could then order compliance with the ordinance. Only as a last resort would a violation be sent to the courts for action. The ordinance is not a criminal law, essentially, but rather, places principal reliance on civil court remedies aimed at getting housing for minority group members who are the victims of discrimination—the law is not intended to be punitive.

Adoption of fair housing ordinances by Northern Virginia jurisdictions is supported by the following (partial listing):

Fairfax County Council on Human Relations.

Fairfax County Community Action Program.

Fairfax County Democratic Committee.

League of Women Voters of the Fairfax Area.

Fairfax County Wide Citizens Association.

Fairfax County Branch, National Association for the Advancement of Colored People.

Fairfax County Citizens Committee for Adequate Housing.

Vienna Human Rights and Community Relations Commission.

Annandale Christian Community for Action.

Gum Springs Citizens Association.

Fairfax City Area Housing Council.

Alexandria Branch, Washington Urban League.

Alexandria Branch, National Association for the Advancement of Colored People.

Alexandria Council on Human Relations.

Alexandria Democratic Committee.

Alexandria Economic Opportunities Commission.

Durant Civic Association.

Arlington Council on Human Relations.

Arlington Community Action Program.

League of Women Voters of Arlington.

Arlington Branch, National Association for the Advancement of Colored People.

Arlington Education Association.

Arlington Branch, American Association of University Women.

Arlington County Democratic Committee.

Arlington Young Democrats.

Langston Citizens Association.

ACCESS.

American Federation of Government Employees.

American Veterans Committee.

Northern Virginia Fair Housing, Inc.

Northern Virginia Women's Democratic Club.

Washington Housing Council.

Northern Virginia Chapter, National Capital Area Civil Liberties Union.

Council of Churches of Greater Washington.

The Most Reverend John J. Russell, Catholic Bishop of Virginia.

The Right Reverend Samuel B. Chilton, Episcopal Suffragan Bishop of Virginia.

Washington City Presbytery, United Presbyterian Church, U.S.A.

Greater Washington Association of Unitarian-Universalist Churches.

Virginia Methodist Board of Christian Social Concerns.

Potomac Association, Christian Social Education and Action Committee, United Church of Christ.

Jewish Community Council of Greater Washington.

Langley Hill Friends Meeting.

Christian Family Movement.

Catholic Interracial Council of Northern Virginia.

Ecumenical Dialogue Group Experiment.

Church Women United of Arlington.

Council of Catholic Women.

Fairfax Council of Church Women United, Executive Committee.

Episcopal Society for Cultural and Racial Unity.

Committee on Christian Social Concerns of the Arlington District, Methodist Church.

Presbyterian Interracial Council.

Unitarian-Universalist Ministers Association of Northern Virginia.

NORTHERN VIRGINIA FAIR HOUSING, INC.

Should I move to a Northern Virginia Suburb? How Would I Be Received?

Should I Welcome a Negro as a Neighbor? Should I Sell My House to a Negro?

OUR OBJECTIVE

Whoever you are, colored or white, the problem of segregated housing affects us all. It is of our making, it infects our society. We can solve it, if we will—and make our community a better place for ourselves and our children. The solution is to help Negro families buy or rent in neighborhoods of their choice as freely as anyone else. To this end Northern Virginia Fair Housing, Inc. has been organized.

Metropolitan Washington is webbed with walls of prejudice and indifference which prevent Negro families from moving out from the center of the city to the suburbs. Many of these families have incomes, positions and backgrounds typical of suburban residents.

These walls of prejudice must come down. For as increasing numbers of Negroes move North in search of equal opportunities, new ghettos, poisonous and explosive, are being formed in the hearts of northern cities. Today the capital is predominantly Negro. But Negroes comprise only about 6% of *suburban* Washington's population.

Here as elsewhere in America, Negroes, a century after emancipation, are demanding their full rights as citizens. Recent events make clear that these rights, in housing as in other areas of life, cannot longer be withheld without more hostility and more bloodshed than we have already suffered. In housing it is up to us to work out new patterns of living that are in keeping with the times—and with our most fundamental democratic and religious beliefs.

Northern Virginia Fair Housing, Inc., like more than 500 similar groups across the nation, is prepared to offer practical help through its housing information service and community relations advisors, to citizens in this area who would welcome equal housing opportunities for all in their own communities.

NVFH works closely with many like-minded groups such as the Urban League and Human Relations Councils. The Metropolitan Washington Housing Program of the American Friends Service Committee contributes invaluable professional services.

QUESTIONS AND ANSWERS FOR WHITE PROPERTY OWNERS

1. Will the value of my property fall if a Negro family moves into our neighborhood?

Information received to date on resale prices of houses in Maryland and Virginia shows that property values are not disturbed when Negro families move into previously all-white communities. Elsewhere in the nation, a seven-city study of 10,000 real estate sales over a 12-year period also contradicts the myth that values fall when a Negro family comes to a white surburb. In fact, the study shows that prices are four times as likely to increase or remain the same as they are to decline.

2. Will the new neighbors take good care of their property?

Experience has shown that minority group families who move into your neighborhood take great pride in their homes and keep up their property as well as or better than their neighbors.

3. Is the arrival of a Negro family likely to lead to a shift to an all-Negro neighborhood?

This is up to the neighborhood. Only the fear of such a shift will make it happen. Now that it is more and more common for Negroes to buy homes in previously all-white suburbs, the old fears about falling property values, etc. are losing their force, and reports of panic selling are rare. Part of this is due to the fair housing groups that have been formed across the nation. New Negro neighbors are welcomed smoothly in most instances, and the neighborhood carries on as before. In such communities white families have repeatedly purchased property adjacent to non-white newcomers. It is true that there is a tendency of minority groups to maintain old, segregated patterns of living. However, as equality of opportunity in jobs and education becomes a reality, the pressures for normal, free conditions in housing will eventually increase. The movement toward the suburbs will inevitably quicken. The formation of additional ghetto communities is unhealthy and unjust and will create explosive social tensions. To avoid this, NVFH is striving to work out sane and progressive housing policies now.

4. What about social relations with minority group neighbors?

Similarity of interests, backgrounds and tastes determine the extent and character of any social relationships. What neighbors expect and deserve is respect, courtesy and a reasonable degree of privacy.

5. Is it fair to my neighbors to sell or rent to a Negro family?

Certainly the feelings of old friends and neighbors are bound to be a factor in your decision. And some of them may not favor open housing. But this must be balanced against other factors just as real: denying a family the home they want and need—and an opportunity for them to live and bring up their children as first class citizens. With good management, your neighbors will suffer neither financial loss nor community friction. If your neighbors are simply prejudiced against Negroes, you must ask yourself whether this should prevent you from helping a family to a better life—and from giving your unprejudiced neighbors a chance to help realize the promise of America's democracy. To those who favor fair housing "in principle" but think it should happen "naturally," point out that integration always takes initiative and courage, and seldom occurs of its own accord. In almost all circumstances you will not only be fair to your community if you sell to a Negro family—you will be doing it a favor by expressing in action an established American principle.

QUESTIONS AND ANSWERS FOR PROSPECTIVE BUYERS

1. Should I move to a Northern Virginia suburb?

Northern Virginia offers some of the most attractive suburban communities in the capital area. Several of the larger garden apartments have announced an open occupancy rental policy. NVFH has a wide variety of individual homes available on an unrestricted basis. For most middle-income families, Virginia taxes are lower than either Maryland or the District of Columbia.

2. How can I buy or rent a home in northern Virginia?

Call the NVFH Housing Information Service (524-4452) if you desire a list of homes or apartments in the price range and locality you want. NVFH will be glad to arrange to have any you select shown to you. You may also want to talk about the neighborhood with a NVFH community relations person who lives there.

3. How are Negroes received in previously all-white communities?

Experience in both Virginia and Maryland indicates that Negro families who move to the suburbs can be received in friendly fashion and take up perfectly normal lives as members of the community. More than 150 Negro families, many with the help of fair housing associations, have settled in previously all-white Virginia and Maryland suburbs without serious difficulties of any kind. Where there has been coolness on the part of some neighbors, this has been vastly out-balanced by the friendly support of the majority of neighbors. At last report, all the Negro families involved felt that the moves had been highly successful, and that they had been well received by their white neighbors. Some have been living in their "new" communities for as much as eight years, enjoy it greatly, and would never consider returning to segregated living.

4. Are Northern Virginia's schools, restaurants, and theaters integrated?

Arlington, Alexandria, Falls Church and Fairfax County have integrated restaurants and theaters. Most areas have integrated schools. In short, the situation, overall, is promising. Check with NVFH about particular neighborhoods and facilities.

WHAT YOU CAN DO

If you believe that a family's color should not bar it from having the home it wants, there are several things you can do:

Let your friends and neighbors know how you feel. Where the changing of a well-ingrained social pattern is involved, never underestimate the power of your expressed opinions.

Know the facts. Much of the uneasiness about open housing is based on misinformation—or lack of information. Write to NVFH, INC., 6308 N. 22nd Street, Arlington, Va. 22205, for fair housing literature which answers questions about property values, community relations and many other things.

When you sell or rent your property, insist on its being offered without reference to race or religion. Register your property with the NVFH Housing Information Service (Phone: 524-4452, 9:30 to 1:00, Mon. thru Fri.).

When other homes in your neighborhood are being sold or rented tell the owner of your willingness to welcome a Negro family. Suggest they list their property with NVFH.

Let your Negro friends know about NVFH. If they are looking for a home in Northern Virginia, find out what they want (price range, number of rooms, etc.) and ask them to list with NVFH.

If there is an opportunity for a Negro family to settle in your neighborhood, call NVFH for guidance in handling community relations, or for a person experienced in community relations to come to talk to you and your neighbors.

Encourage builders, real estate brokers, developers, and apartment owners to accept the principles of fair housing. They have a moral and social responsibility to do so. It is in the economic interest of the industry and the nation that the housing market be broadened.

And by all means—Join Northern Virginia Fair Housing, Inc.

NVFH DIRECTORY

Housing Information Service (Mon. thru Fri.), Telephone 524-4452.

Membership and Fair Housing Literature, NVFH, Inc., 6308 N. 22nd St., Arlington, Va. 22205.

Community Relations Assistance, Bernard Goodkind, 273-0610; Doris Linehan, JE 2-6185.

Speakers' Bureau, Carolyn Hodgin, TE 6-8540.

Public Information, G. Hinckley Porter, SO 5-8570.

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Rev. William E. Basom, Beverly Hills Church, Alexandria.

*Mrs. Mae Bartek, Catholic Interracial Council.

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Officers

Charles Dell, *President*, Vice President, National Capital Clearing House for Neighborhood Democracy.

Marion Johnson, *Vice President*, Lt. Col. AUS (Ret.), Vice Pres. Alexandria Council on Human Relations.

Annette Goldreyer (Mrs.), *Secretary*, Fairfax Council on Human Relations.

Don Patch, *Treasurer*, Chairman, Housing Committee, Fairfax Council on Human Relations.

Mr. MONDALE. Mr. President, on February 26 the AFL-CIO Executive Council in Bal Harbour, Fla., once again came out strongly and unequivocally in favor of Federal fair housing legislation. At this point in my remarks, I ask unanimous consent to have included the resolutions and statements by the executive council issued on that date.

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

THE URBAN CRISIS

(A statement by the AFL-CIO Executive Council, Bal Harbour, Fla., Feb., 26, 1968)

Last week the President of the United States sent to the Congress a challenging and eminently worthwhile program to meet America's urban crisis.

This Executive Council, which has long warned of the growing, festering problems of America's cities, has also proposed vast and far-reaching solutions to these problems.

We are deeply gratified that the President's message proposes programs that match, in many respects, our earlier proposals.

The President has proposed a 10-year program to provide 6 million publicly-assisted low- and moderate-income housing units to meet the most urgent housing needs of the nation as rapidly as possible. He renewed his plea—with which we have joined wholeheartedly—that the Congress enact fair-housing legislation.

We, therefore, support the President's program in its broad sense and will reserve our detailed comments until we testify on the legislation, since the bills have not as yet gone to the Congress.

But we do want at this time to state our feelings in these specific areas:

1. We will support, with all vigor, the President's plea for the full level of appropriations for the anti-poverty program—right up to the $2.18 billion authorized.

2. We hail the President's determination to build the housing America needs so desperately. The statistics of our housing needs are shameful—6 million substandard units that today are occupied by 20 million Americans. There must be immediate, intensified steps taken—both by the Administration to build already authorized public housing units and by the Congress to adopt the necessary additional legislation.

The President has announced his determination to get 75,000 already authorized public housing units started this year and that's a big forward step. But the problem is much broader and the need is much greater and he is sending Congress new legislative proposals designed to meet these needs. It is on the details of these new proposals that we reserve comment until the bills are presented.

3. We regret that the President's proposals will have the inevitable result of further increasing interest rates which we consider to be already far too high. We do not believe America should be paying an ever growing financial tribute to its bankers, who are already extracting too much from their fellow citizens. We have not and we will not relax our fight against higher and higher interest rates which we consider an intolerable burden on the public purse and on the private purses of Americans. We do not believe that higher interest rates are going to produce the urgently needed acceleration of low- and moderate-income housing.

This Executive Council will continue without abatement its fight to solve the problem of our cities. To that end, we renew our plea to the Congress to start acting now by adopting programs that will meet the continuing need for one million public service jobs, open housing, public facilities, water supplies, sewage systems, schools, hospitals, day care centers, playgrounds and the many other vital components of today's complex society.

Mr. MONDALE. Mr. President, I submit for myself, the Senator from Massachusetts [Mr. BROOKE], and other Senators, an amendment which I send to the desk. I ask that the reading of the amendment be waived, but that it be considered as having been read for all purposes under rule XXII.

Mr. ERVIN. Mr. President, I reserve the right to object, so that I can ask some questions before I decide what to do about the Senator's request.

It was stated last week that an amendment would be proposed at this time which would be similar to the amendment offered in the House several years ago by Representative MATHIAS of Mary-

*Member of Executive Committee.

land. I would like to ask the Senator if this amendment conforms to the amendment offered in the House by Representative MATHIAS of Maryland.

Mr. MONDALE. Will the Senator withhold that question until I complete my remarks? Then I shall be glad to yield for questions.

Mr. ERVIN. If the Senator withdraws his unanimous-consent request. Otherwise I will have to ask questions to find out what is in his new amendment.

Mr. MONDALE. Mr. President, I withdraw my unanimous-consent request at this time and will renew it at a later time.

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

Mr. ERVIN. Mr. President, I would have to object until I find out what is in the amendment.

Mr. MONDALE. Very well.

Mr. President, the distinguished Senator from Massachusetts and myself, and other Senators, present this amendment to H.R. 2516, the pending bill, to protect civil rights workers. The amendment is title 4 of the Civil Rights Act. It is intended as a substitute for the fair housing amendment, amendment No. 524, which I submitted earlier.

Last week's parliamentary tactics require us to put in a new version of the fair housing amendment today. With the exception of a few procedural changes, the new amendment is the same as the one voted on last week.

Of crucial importance is the vote today. We must demonstrate again that we who have voted for open occupancy mean to have a bill. If we can muster for the third time a majority of the Senate in favor of a full coverage fair housing proposal, we will be bargaining from a position of strength which cannot be ignored.

I assure you, Mr. President—and it has been expressed on many occasions already this morning—that talks and negotiations are continuing in the effort to find a version of the housing amendment which will be acceptable to two-thirds of our number and at the same time a version which will in fact provide fair housing. We must not throw away today the opportunity to alleviate riots and racism in the United States.

The crucial necessity for a fair housing measure will be underlined by the report of the Commission on Civil Disorders. Throughout the Commission's report, according to the Commission Chairman, Gov. Otto Kerner of Illinois, runs the thread that the white majority has failed the Negro minority. The report shows the root causes of the riots and disorders in 1967 to be "racism, not poverty or cynicism." I ask unanimous consent that the news article from the New York Times of February 25, 1968, describing the Riot Commission's findings, be inserted in the RECORD at this point.

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

JOHNSON UNIT ASSAILS WHITES IN NEGRO RIOTS—WILL URGE DRIVE ON PREJUDICE, NEGLECT, AND IGNORANCE

WASHINGTON, February 24.—The President's National Advisory Commission on Civil Disorders plans to recommend drastic changes in the operation of city governments, police departments and other institutions to help stem rising militancy and estrangement between whites and Negroes in urban areas.

The commission, appointed by President Johnson last July 27, has found that the primary cause of last summer's riots was a massive failure of the white majority, through prejudice and neglect, to deal justly with the Negro minority.

It found no evidence of organized direction or control, on either a national or local level, of the violence that broke out in American slums during the summer.

Militant black organizations and leaders, by their rhetoric, contributed to an atmosphere conducive to rioting, the commission concluded. But the thrust of its forthcoming report is to put the burden of responsibility chiefly on the white society.

Consequently, the commission is expected to say, the white society must assume the burden of initiating reforms that will attack the injustices, neglect and ignorance of Negro problems that are the root causes of disorder.

The commission, headed by Gov. Otto Kerner of Illinois, has prepared a broad set of recommendations that will touch various aspects of the society, with the Federal Government in the leadership role. The 11-member commission will meet next week to complete its voluminous report, scheduled for publication March 3.

The following recommendations, though far from inclusive and still tentative, are planned:

City governments should drastically decentralize their operations to make them more responsive to the needs of poor Negroes by increasing community control over such programs as urban renewal, antipoverty work and job training. This would take the form of "little city halls" or neighborhood service centers throughout the slums.

Police officers should be given special training for handling disorders in the slums. Those assigned to slum areas should be required to know the people and problems of the community and be stationed in neighborhood service centers to help handle complaints and requests for information. The commission's idea is to have a larger, better trained police force with a higher percentage of Negro officers working in the slums as advocates rather than adversaries of the people.

A nonprofit, nongovernment institute of urban communications should be established to help close a chasm that the commission found between the mass news media and Negroes. It would train journalists in urban affairs and bring more Negroes into journalism.

Cities should establish emergency plans for the administration of criminal justice in the event of a riot to provide adequate counsel, hearings, bail and care for prisoners. The commission found that the 1967 disorders resulted in a breakdown of the systems of justice in most cities, with indiscriminate arrests, unnecessary delays, overcrowding facilities and some procedures not in keeping with the due process of law.

The welfare system should be extensively revised, with the Federal Government assuming a much larger share of the cost.

PRICE OF INACTION

One section of the commission's report will say that although its recommendations are costly and extensive, the "price of inaction" will accelerate the trend toward two separate and hostile societies.

The report will consist of numerous chapters written by staff members under the supervision of the commission and a summary of several thousand words that the commissioners have been laboring over in long, tiring sessions.

"It's been a hell of a job," one commission member said this week. "All of us are completely worn out."

There will be profiles of some of the worst riots, historical chapters on the extent and nature of American racism and disorders, and detailed summations of the areas investigated, such as city governments, the police and National Guard, militant organizations, Federal services and the courts.

The commission has been trying to come up with a unanimous report without compromising the findings and recommendations sought by the majority.

Members of the commission say that American people are not aware of the extent of alienation involved and hope the report will serve an educational purpose.

Governor Kerner said in a recent interview that the report would show the root causes of the disorders in 1967 to be "racism, not poverty or cynicism."

Another commission member, who asked not to be identified, said:

"The race problem is the core. The poverty problem is something we have to face. But we can't say it is the cause of the riots. There are many other poor groups in this country—whites, Indians, Mexicans—but they didn't riot.

"The one thing you can't put aside, you can't attack clearly, is race. It's frustrating. What the hell do you do about racism? When you get down to it what can you really do quickly?"

WORDING PRESENTS PROBLEM

Because racism has been so deeply involved, the commission has had trouble agreeing on the wording of the report. But it's findings are said to be clear—that the white majority has failed the Negro minority. This is a common threat running through all of the commission's investigations.

The commission, for example, has found that in many cities Negroes who rioted in the last four summers are almost completely shut out from the processes of government. This isolation, the commission asserts, has been a major cause of alienation and bitterness.

As city governments have become more professional through the employment of the city managers and the use of such techniques as cost-effectiveness analysis, the gap between governments and their poorer constituents has widened, the commission found. Democracy has been diluted by efficiency.

The commission's findings also constitute an indictment of the manner in which the riots of 1967 were handled by the authorities and reported by the mass media.

One example to be cited concerns the wide belief that riot cities were being paralyzed by sniper fire. The commission said its investigation showed that almost all these reports were exaggerated or untrue.

It said that in one city, alarming accounts of sniping turned out to be firecrackers exploded by children.

A study of 100 deaths that occurred in three cities failed to disclose a death that could be clearly attributed to a sniper's bullet, the commission said.

The commission found that more than 50 cities experienced civil disorders last summer. Most were minor disturbances that were effectively suppressed. Others, such as in Detroit and Newark, were devastating.

The difference, the commission found, was due in large part to the manner in which the police and responsible leaders and officials responded to the initial incident.

The average police officer, the commission found, has little knowledge or understanding of the communities involved and the underlying tensions and grievances that may exist. Most cities, furthermore, have no clear policy

for officers to follow in putting down such incidents.

The officers were not properly trained and many police forces send their poorest rather than their best men into the troubled areas, the commission found. The use of excessive force was common when the use of minimum force was a clearly established legal and social principle.

The commission was reported to be concerned that future efforts to put down disorders might lead to the indiscriminate use of force against an entire community, which could further alienate and embitter the entire Negro population and play into the hands of those who advocated violence.

The report, therefore, will go into some detail on how force should be used so as to protect the innocent and contain violence with minimum force.

As to organized violence, the commission found that there were militant organizations and individual agitators who repeatedly forecast and called for violence and were active in the slums in the spring and summer of 1967.

The commission said it believed they deliberately sought to incite violence, but it could find no evidence that they planned or directed the riots. Intensive investigations on all levels failed to uncover any comprehensive riot plans.

Militant Negroes, the commission found, were influenced by various foreign revolutionary ideologies, including communism, but no evidence was found that they were being controlled from abroad.

VIOLENCE BREEDS VIOLENCE

The commission learned that both Negroes and whites who saw disorder in their cities during the summer of 1967 later found violence or talk more acceptable as a means of furthering or safeguarding their interests in the aftermath of disorder.

Both Negroes and whites were reported to be arming in self defense. In Detroit the commission found one white extremist organization, breakthrough, with several hundred members, conducting target practice. New militant Negro organizations have sprung up and others have expanded their membership.

Mutual fear between Negroes and Whites, the Negroe's belief that the power structure will not respond to legitimate grievances and the belief of many citizens that law enforcement agencies may be unable to respond to outbreaks has created an incendiary situation, the commission believes.

In its study of the new media, the commission found that the major fault was not in the reporting of riots as such, but a failure to report adequately on race relations and slum problems and to bring more Negroes into journalism.

Newspapers, television and radio, the commission believes, have failed to understand and therefore failed to communicate to their white audiences a sense of the degradation, misery and hopelessness of living in a slum.

For the same reason, the commission found, the press has not communicated a sense of black culture, thought and history.

MODERATES STILL LEAD

The commission is reported to believe that neither anarchists nor the black extremists are in the vanguard of Negro leadership, that moderate leaders still speak for the majority of Negroes.

But it also believes that the peaceful Negro movement can succeed gains toward the goal of social and economic equality.

Members of the commission besides Governor Kerner are as follows:

Mayor Lindsay of New York, vice-chairman.
Senator Fred R. Harris, Democrat of Oklahoma.
Senator Edward W. Brooke, Republican of Massachusetts.
Representative James C. Corman, Democrat of California.
Representative William M. McCulloch, Republican of Ohio.
Charles B. Thornton, chairman of Litton Industries, Inc.
Roy Wilkins, executive director of the National Association for the Advancement of Colored People.
I. W. Abel, president of the United Steel Workers of America.
Katherine Graham Peden, former Commerce Commissioner for Kentucky.
Herbert Jenkins, police chief of Atlanta.

Mr. MONDALE. Mr. President, among the things that we can do about the terribly frustrating racism—which is evidenced in America's housing patterns—is to enact a fair housing law. The extreme importance of this measure requires patience and strength and care to assure that we get a meaningful law and that we get it now.

The changes that have been made in this amendment, as compared to amendment No. 524, are as follows:

We have included a provision to make clear that the burden of proof with respect to allegations of discrimination rests on the complainant.

We have provided that all complaints and answers must be verified and sworn.

We have provided that bona fide purchasers or tenants, unaware of charges or allegations of discrimination, are not affected by the remedies of the act which run against the seller, or other person who discriminates.

In addition, we have included technical amendments to define the word "person," to clarify the "Mrs. Murphy" exemption, and to clarify the section regarding prohibition of discrimination by financial institutions.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ERVIN. Mr. President.

Mr. HART. Mr. President, I yield 2 additional minutes to the Senator.

Mr. ERVIN. Mr. President, my concern arises out of the fact that at this late hour this amendment is offered and, should cloture be voted, those of us who do not favor fair housing and who consider fair housing a gross violation of the freedom of Americans would have no opportunity to offer any amendments to this amendment, as I understand rule XXII.

Mr. MONDALE. Well, as I stated——

Mr. ERVIN. So we would have to take this or nothing. We would have no opportunity to have it changed.

Mr. MONDALE. At no time prior to the cloture vote has any Senator been denied the opportunity to present any amendment to the fair housing amendment or to the worker protection provision which he desired. This particular proposal, which is sponsored by the Senator from Massachusetts [Mr. BROOKE], myself, and other Senators, is, as we have described, a tentative proposal. Unfortunately, the vote on cloture today arrives at an inopportune moment, but we believe that the proposal that is now before us is a strong and a valid one. We believe that the hearings which were held by the Banking and Currency Committee clearly established the need for this legislation, and we think it is sound and responsible. It is quite clear that a strong majority of the Senate favors it. We hope we can be successful eventually in adopting a strong fair housing provision.

Mr. ERVIN. Is it not clear to the Senator that no one can prepare an amendment to an amendment unless he knows what the amendment is, and is it not also clear to the Senator that those of us who oppose fair housing would like to offer some amendments to any so-called fair housing measure to make it less unreasonable in case cloture is adopted?

Mr. MONDALE. It is interesting to note that we have had the fair housing proposal, which is essentially the amendment we have had introduced, in a different form, for 3 weeks now. It is hard to believe that anyone can claim surprise. We have been open-handed at every stage of the proceedings. We have nothing to hide. In fact, we are proud of the proposal. I do not think the nature of the proposed amendment is such as to put anyone at a disadvantage.

Mr. ERVIN. That procedure would prevent those who oppose the new amendment from offering any amendments to modify the new amendment.

Mr. MONDALE. As I have said, this amendment is almost exactly the same as the previous amendment except for a few technical changes, which the Senator from North Carolina ought to find desirable. I do not think there is any difference.

Mr. ERVIN. A man and a woman are almost the same with the exception of some very important differences, and I assume this amendment has some differences from the pending amendment.

Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. HART. I yield, yes.

Mr. ERVIN. I ask the Chair, if this amendment is read and becomes eligible for consideration, and cloture is voted, would it be subject to amendments proposed after cloture?

The PRESIDING OFFICER. Under rule XXII, if cloture is invoked and voted for, the only consideration before the Senate at that time would be the amendments which were then pending, prior to cloture, and which have been read.

Mr. ERVIN. That is my understanding; amendments which have been pending and which have been read.

Therefore, if a new amendment is offered at this late hour, a Senator who was not clairvoyant enough to anticipate what is in the new amendment and prepare amendments to it before it was offered and when he did not know what was in it would be precluded from offering any amendments to the amendment.

The PRESIDING OFFICER. The only way such an amendment could be offered would be by unanimous consent.

Mr. HART. Mr. President, the amendment the Senator from Minnesota and the Senator from Massachusetts have just filed is not being called up.

It is interesting to recall, however, that it is by reason of the fact that the Senator from North Carolina obtained the yeas and nays on the Mondale-Brooke amendment that it is not possible to change that at this time.

Mr. HOLLAND. Mr. President, the Senator is as mistaken as he can be.

Amendments to matters that have been subjected to the yeas and nays can be offered and can be adopted. It is true that an amendment on which the yeas and nays have been ordered cannot be withdrawn, but amendments to it may be offered.

Mr. HART. Nor can they be modified, is my understanding. Mr. President, is that correct?

The PRESIDING OFFICER. They cannot be modified, but they can be amended.

Mr. HOLLAND. They can be amended; that is what I say.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. I yield to the Senator from Florida first.

Mr. DIRKSEN. Well, then, I yield him 3 minutes.

Mr. HOLLAND. Mr. President, I thank the Senator for yielding.

I have such a brief time that I must hurry.

First, it appears to me that these so-called modifications are almost meaningless, because they do not approach the liberality of the Mathias amendment. Senators will note that the Senator from Minnesota failed or refused, one or the other, to answer the very good question of the Senator from North Carolina when he asked him whether his amendment was like unto the Mathias amendment.

Why is the question asked? Because individual homes are still left completely covered by the terms of the Mondale amendment, as modified.

First, as to the original bill, Mr. President, time does not permit talking at length, but I mention this one point: If we wish to make it harder on police officers all over this country, just pass that original bill.

How many times we have heard charges of brutality made. It happens almost every time an officer tries to correct people of the minority race. Sometimes it is justified, yes; brutality does occur. More often, it is not justified.

I say to the Senate, if we want to make all of those charges of brutality Federal applications for prosecution, just pass that original bill.

One second point, and I shall be through: With reference to the Mondale amendment, even as modified, they are asking us to forget entirely the lesson we should have learned at the time of the adoption of the 18th amendment on prohibition. Numerous States adopted similar constitutional provisions. We did in my State.

We found out we had made a mistake, because individuals would not support it. Individuals will not support this matter, because the owner of a house, instead of listing his property for sale, will quietly investigate and find some individual purchaser.

If we wish to drive the real estate people out of business, we may do so by passing this measure.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLAND. I ask for 1 more minute, if I may have it.

The PRESIDING OFFICER. Does the Senator from Illinois yield the Senator from Florida 1 more minute?

Mr. DIRKSEN. I yield 1 additional minute.

Mr. HOLLAND. All of us will become hypocrites in selling our homes. I would not think of selling my home to a person who would offend the feelings of my neighbors, who have been my neighbors for years, and neither, I am sure, would any other Senator.

Mr. President, I hope that cloture will not be voted, and we will not be put in the intolerable situation where the original Mondale amendment is still pending. We have already seen, in an important vote, how the Senate feels toward that.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator.

Mr. President, I hope that no individual Senator—not one—would change his vote or be influenced in any way on this cloture vote because of the last-minute filing of a great number of amendments here. There is an element of surprise involved, when there is not time to read, much less consider or check upon, these many amendments.

Let us not be misled. Let us go right on down the line on the merits of what has already been presented, discussed, and debated here, and what we know is contained in the provisions.

I make the further point that the only real issue here, the main one and the only real one, is the preservation of the rights of all the people. I am talking about personal, individual rights related to their personal freedom and liberty, that are as old and as solid and as substantial as the idea of a home itself.

Once we break the line, go over the dam, breach the dike on that proposition, however mild or innocuous the proposition we pass now might seem, it will be an opening of the door. The courts will construe it most liberally in favor of the language. We know what the administrators of the program would do; they would stretch it and bend it to the very utmost degree. Amendments to any such so-called measure would flood in here, at this session and the next, with all kinds of contingencies.

If we are going to pass a law to stop a riot, we had better not pass a mild law. There would be a riot, then, because the law was not strong enough, and another riot because we would not make an amendment that is more effective. If we are seeking to run from any situation because of threats of that kind, then that is a breaking down of our system of representative government.

My plea is that we go on and pass on this matter, in view of what has been before us all the time, and vote our convictions on the merits of those measures. I do not believe that cloture can be imposed by that standard.

I thank the Senator for yielding.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished junior Senator from Illinois.

Mr. PERCY. Mr. President, I should like to reply to the distinguished Senator from Florida, my own native State, on one point he raises, in defending the sensitiveness of his and our neighbors.

I had occasion to be a visitor in the living room of a distinguished Negro doctor on the South Side of Chicago and had called to my attention, as I now call to the Senator's attention, the sensitiveness of 20 million people in this country.

This doctor indicated that he was treated well by our American society. He was making $40,000 to $45,000 a year. He lived in a fine apartment, that he himself owned. But he said, "You know, every time I read the Sunday supplement papers, and read all about the houses with expanses of open space and fine lawns I cannot help but think, 'This is not for me and my people, this is for you white people', and I experience a feeling of bitterness and deep-seated frustration. If you can imagine me, in my income bracket and in an attractive home—a college graduate, my children college graduates, my wife a community and civil leader working every day with the white community, feeling frustrated and bitter when I know I cannot live in most of the white communities of the Chicago area just because of my color—can you imagine how frustrated and bitter and disillusioned the poor must feel when they know the impossibility of escaping from their ghetto slum home even if they succeed in achieving income and status?"

I commend the distinguished senior Senator from Illinois [Mr. DIRKSEN] for his efforts to work out a compromise bill on civil rights that will open up the opportunties and promise of America to more of our American citizens.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the distinguished Senator from New Hampshire.

Mr. COTTON. Mr. President, last week I voted against cloture. Today I shall vote for it.

This does not represent a change in my attitude. Sometime ago I stated in the Senate, as well as publicly in my own State, that I would in due time vote to permit the Senate to exercise its will on this measure.

Last week the distinguished minority leader, the Senator from Illinois, pleaded for more time to try to effect a compromise and secure a more reasonable provision for public occupancy than that contained in the Mondale-Brooke amendment. He would have had no opportunity to do this had cloture been voted last week because after cloture, no new amendment or substitute can even be offered without unanimous consent, and obviously a member of the so-called southern bloc would object to any provision for public occupancy, however it might be restricted.

Therefore, I voted against cloture, knowing that there would be another opportunity to invoke it this week. However, no agreement has been reached, and unless cloture is voted today, there might not be another opportunity to do so.

Mr. President, I still think that if the ardent supporters of the pending measure were really anxious for a law and not for an issue, they would be willing to accept the bill passed by the House, including the Mathias amendment on public occupancy. To me, this would be a

sane and sensible compromise. Furthermore, there would be no committee of conference, and an adequate civil rights law of 1968 would immediately become a fact. If the Senate insists on a different version, a conference with the House will take place, and when an agreement between the two bodies is reported to the Senate, there will be another opportunity for prolonged, delaying debate. If this comes at a later time in the session when we may be recessing for the conventions or striving for adjournment, it is quite likely that there will be no bill passed at all.

Mr. President, it seems evident that the majority of the Senate is adamant in demanding a drastic open occupancy provision. It seems equally evident that neither the minority leader or anyone else can effect a satisfactory compromise. Therefore, I shall vote for cloture in the hope that the Senate will work its will and after 7 weeks the Senate can stop talking and go to work. The times demand it.

Mr. HART. Mr. President, I yield 1 minute to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 1 minute.

Mr. MORSE. Mr. President, I shall vote for cloture again today, as I am satisfied that no matter what housing bill we have pending before the Senate, we will have a filibuster on that measure.

Therefore, the adoption of cloture today gives us the best parliamentary assurance of being able to work out a housing bill.

We have to get the matter before us, and if we vote against cloture today, we will have to vote on cloture at some time in the future, in my judgment, because I do not think the opposition group in the Senate will let any form of open housing amendment go through without prolonged debate. I think we should have cloture now and then do the best we can to work out a housing bill that is acceptable.

I am willing to follow the leadership of the Senator from Minnesota [Mr. MONDALE] and the Senator from New York [Mr. JAVITS] and other Senators regarding working out a bill that will get a majority vote.

Mr. MUSKIE. Mr. President, one of the traditional arguments against Federal open housing legislation is the contention that this is a matter for the cities to resolve for themselves.

This argument overlooks the jurisdictional problem, which the mayors recognize themselves. In a letter to the able floor manager of this bill, Senator HART, Mayor Joseph M. Barr of Pittsburgh, president of the U.S. Conference of Mayors, has written:

> Federal action is particularly needed to solve the problems of housing discrimination in our metropolitan areas. Individual cities are unable to meet the challenge alone because of their limited geographic jurisdiction.

Mayor Barr's letter reflects the concern expressed by the mayors at their 1967 annual meeting, in which they adopted a strong resolution of support for equal opportunity, particularly in housing. I commend that resolution to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

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

EQUAL OPPORTUNITY RESOLUTION ADOPTED BY THE U.S. CONFERENCE OF MAYORS AT THEIR ANNUAL MEETING, HONOLULU, JUNE 21, 1967

Whereas, the U.S. Conference of Mayors is committed to the broad principles of equal opportunity laid down in the Constitution of the United States; and

Whereas, full implementation of all rights of citizenship is a direct and primary obligation of officials who serve at the local levels of government; and

Whereas, the Conference has worked hard to implement its commitments to advance equal opportunities by its support of federal, state and local legislation, through programs of education and technical assistance and through support of governmental policies that will contribute to stable community relations; and

Whereas, the continued existence in our society of racial discrimination, especially in housing, emphasizes the need for all segments of the nation to support every constructive effort to protect equal rights of citizenship for all,

Now therefore be it resolved that the U.S. Conference of Mayors: (1) Continues to support programs that advance and extend equal opportunities to all citizens. (2) Pledges its full support in creating a broad climate of compliance with law, cooperation among all groups and mutual confidence between citizens. (3) Urges the swift passage by Congress of legislation designed to promote equal opportunity in housing.

Mr. BYRD of West Virginia. Mr. President, while I have generally followed the policy of voting against cloture, as a matter of principle, and will do so again today, I do not believe it can be gainsaid that had the proponents of the "forced housing" amendment been willing to drop the amendment, they would have a far better chance of invoking cloture today. That amendment would constitute a gross governmental invasion of property rights. I do not know what the outcome on the cloture vote at 1 p.m. will be. If cloture is invoked, I shall vote for the civil rights bill, but only if the forced housing amendment is dropped.

I voted for the 1957 Civil Rights Act, the 1960 Civil Rights Act, and the 1962 resolution proposing a constitutional amendment to outlaw the poll tax as a prerequisite to voting in Federal elections. Although there are other undesirable features in the 1968 civil rights bill, as it was reported to the Senate, perhaps those provisions can be deleted from the bill by amendments, and I reiterate that, in any event, if cloture is invoked, I shall vote for the bill, conditioned, however, upon the scrapping of the forced housing amendment, an amendment which would set in motion an additional Federal incursion into the private and personal affairs of individuals who prefer to exercise their own good judgment in the mangement and use and disposition of their own property.

Mr. DIRKSEN. Mr. President, I yield 3 minutes, the remaining time, to the distinguished Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. ERVIN. Mr. President, I object strenuously to the offering of an amendment at this stage of the debate without any knowledge of what is contained in the amendment. I do not know whether the amendment provides for the settlement of controversies in the courts or whether the amendment continues to attempt to prostitute the judicial process by uniting in one person, the Secretary of Housing and Urban Development, the functions of complaining witness, investigator, prosecutor, judge, and jury.

I want to have the enforcement of law in the hands of an impartial court, where due process can be had, instead of having a bill or an amendment which makes a hypocritical pretense of judicial process by taking controversies from all 50 States of this Union and putting their solutions in the hands of one bureaucrat, a member of the Cabinet sitting on the banks of the Potomac River, thousands of miles in many cases from where the property in controversy lies.

It would be a terrible thing for Congress to rob people of such basic rights.

In reply to the junior Senator from Illinois [Mr. PERCY], I would say that if the pending housing amendment is adopted, it will rob all property owners among the 200 million Americans of the right to determine to whom they shall sell or lease their property and confer the power to determine questions arising in such matters upon one bureaucrat sitting on the banks of the Potomac, and the sensitivities of all Americans who love liberty will be hurt. To paraphrase the words of Learned Hand, the day such an amendment becomes law will make it plain that love of liberty has died in the hearts of Senators and Representatives, and the American people will be converted into helpless puppets on a bureaucratic string.

I therefore object to the waiving of the reading of the proposed amendment.

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

The PRESIDING OFFICER. The Senator from Michigan has 4 minutes remaining.

Mr. HART. Mr. President, I yield 1 minute to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

AMENDMENT NOS. 539 THROUGH 544

Mr. ALLOTT. Mr. President, I submit various amendments and ask that they be printed and ask unanimous consent that the amendments be considered as having been read for the purpose of complying with rule XXII.

Mr. STENNIS. Mr. President, reserving the right to object, may I ask the Senator to give us a word or two of explanation. Have the amendments been printed, and are they available to Senators?

Mr. ALLOTT. Not at this point. The amendments that I have submitted are all amendments to the pending Mondale amendment, and they try to strengthen it in various aspects relating to the protection of the individuals and the so-called judicial process involved in the pending amendment in a way that would make it far more acceptable to me.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. Mr. President, does the Senator not think that submitting amendments here under these circumstances, amendments of any far-reaching significance, is downright wrong legislativewise under our rules?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. Mr. President, will the Senator yield me another minute?

Mr. HART. Mr. President, I am under some obligation to yield time to the able Senator from West Virginia, and I do now yield 1 minute to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 1 minute.

Mr. ERVIN. Mr. President, I object to the waiving of the reading of the amendments submitted by the distinguished Senator from Colorado.

The PRESIDING OFFICER. Is there objection to the printing of the amendments?

Mr. ERVIN. I have no objection to the printing of the amendments, but I do have an objection to the waiving of the reading of the amendments.

The PRESIDING OFFICER. Without objection, the amendments will be printed and lie on the table.

Objection is heard to the waiver of the reading of the amendments.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that during the disposition of the pending cloture motion, the Sergeant at Arms be directed to clear the floor and the Senate lobby of all personnel except the personnel attached to the staffs of the Secretary of the Senate, the Sergeant at Arms, the secretary for the majority, the secretary for the minority, and the two policy committees.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Sergeant at Arms is so directed.

Who yields time?

Mr. HART. Mr. President, I yield 1 minute to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator.

In all sincerity, I submit to every Senator that we would be going too far now if we were to bring in far-reaching amendments at the last minute, amendments that are not even printed, amendments that we have not had a chance to read, and permit the amendments to be submitted under the rule. We would be thereby sweeping out the substance of all our debate.

To force cloture on top of such conditions would be an intolerable situation and would set an impossible precedent.

I yield to no Member of the Senate in being willing to debate or go into any matter. However, if we act this way, we will live to regret it. I believe that it would be very irresponsible of us if we were to take such a step.

Mr. HART. Mr. President, the Senator from Mississippi, I know, feels very deeply the point he made. I feel with equal conviction that a majority of the Senate is equipped and competent to give its judgment when the opportunity is present to vote yes or no. And after 6 weeks' time, I think that we have reached the point where we can insist that a majority be permitted to act. I hope the Senate votes in favor of cloture.

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

Mr. HART. I yield.

Mr. ERVIN. The proposed new amendment has not been pending for 6 weeks.

The PRESIDING OFFICER. All time has expired.

The hour of 1 o'clock having arrived, the Chair lays before the Senate the pending motion, which the clerk will state.

The assistant legislative clerk read the motion, as follows:

MOTION FOR CLOTURE

We the undersigned Senators, in accordance with the provisions of Rule 22 of the Standing Rules of the Senate hereby move to bring to a close the debate upon the pending business, H.R. 2516, an act to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

DANIEL K. INOUYE, JACOB K. JAVITS, P. A. HART, THOMAS H. KUCHEL, MARK O. HATFIELD, HUGH SCOTT, HARRISON WILLIAMS, CHARLES H. PERCY, ROBERT F. KENNEDY, WALTER F. MONDALE, STEPHEN M. YOUNG, ROBERT P. GRIFFIN, GEORGE D. AIKEN, WARREN MAGNUSON, GALE W. MCGEE, EDMUND S. MUSKIE, BIRCH BAYH, MIKE MANSFIELD, JENNINGS RANDOLPH, FRANK J. LAUSCHE, FRANK CHURCH, JOSEPH S. CLARK, WILLIAM PROXMIRE, EDWARD M. KENNEDY, STUART SYMINGTON, LEE METCALF, ERNEST GRUENING, JOHN SHERMAN COOPER, CLIFFORD P. CASE, ABRAHAM RIBICOFF, HENRY M. JACKSON, THOMAS J. MCINTYRE, FRED R. HARRIS, FRANK E. MOSS, WAYNE MORSE, JOSEPH D. TYDINGS, GEORGE MCGOVERN, CLAIBORNE PELL, THOMAS J. DODD, GAYLORD NELSON DANIEL BREWSTER, VANCE HARTKE, JOSEPH M. MONTOYA, HIRAM L. FONG.

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The bill clerk called the roll, and the following Senators answered to their names:

[No. 9 Leg.]

Aiken	Griffin	Montoya
Allott	Gruening	Morse
Anderson	Hansen	Morton
Baker	Harris	Moss
Bartlett	Hart	Mundt
Bayh	Hartke	Murphy
Bennett	Hatfield	Muskie
Bible	Hickenlooper	Nelson
Boggs	Hill	Pearson
Brewster	Holland	Pell
Brooke	Hollings	Percy
Burdick	Hruska	Prouty
Byrd, Va.	Inouye	Proxmire
Byrd, W. Va.	Jackson	Randolph
Cannon	Javits	Ribicoff
Carlson	Jordan, N.C.	Russell
Case	Jordan, Idaho	Scott
Church	Kennedy, Mass.	Smith
Clark	Kennedy, N.Y.	Sparkman
Cooper	Kuchel	Spong
Cotton	Lausche	Stennis
Curtis	Long, Mo.	Symington
Dirksen	Long, La.	Talmadge
Dodd	Magnuson	Thurmond
Dominick	Mansfield	Tower
Eastland	McClellan	Tydings
Ellender	McGee	Williams, N.J.
Ervin	McIntyre	Williams, Del.
Fannin	Metcalf	Young, N. Dak.
Fong	Miller	Young, Ohio
Fulbright	Mondale	
Gore	Monroney	

Mr. BYRD of West Virginia. I announce that the Senator from Texas [Mr. YARBOROUGH] and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

I also announce that the Senator from Minnesota [Mr. MCCARTHY], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

The question is, Is it the sense of the Senate that the debate shall be brought to a close.

On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT (when his name was called). On this vote I have a pair with the distinguished Senator from Rhode Island [Mr. PASTORE] and the distinguished Senator from South Dakota [Mr. MCGOVERN]. If they were present and voting, they would "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. MANSFIELD (after having voted in the affirmative). On this vote, the distinguished Senator from Texas [Mr. YARBOROUGH] and I have a live pair with the distinguished Senator from Florida [Mr. SMATHERS]. If the Senator from Florida were present and voting, he would vote "nay." If Senator YARBOROUGH and I were permitted to vote, we would vote "yea." Therefore, I withdraw my vote.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Arizona [Mr. HAYDEN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Minnesota [Mr. MCCARTHY], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS] are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota [Mr. MCCARTHY] would vote "yea."

I further announce that, if present and voting the Senator from Arizona [Mr. HAYDEN] would vote "nay."

The yeas and nays resulted—yeas 56, nays 36, as follows:

[No. 10 Leg.]

YEAS—56

Aiken	Harris	Morse
Allott	Hart	Morton
Anderson	Hartke	Moss
Bayh	Hatfield	Muskie
Boggs	Inouye	Nelson
Brewster	Jackson	Pearson
Brooke	Javits	Pell
Burdick	Kennedy, Mass.	Percy
Case	Kennedy, N.Y.	Prouty
Church	Kuchel	Proxmire
Clark	Lausche	Randolph
Cooper	Long, Mo.	Ribicoff
Cotton	Magnuson	Scott
Dodd	McGee	Smith
Dominick	McIntyre	Symington
Fong	Metcalf	Tydings
Gore	Mondale	Williams, N.J.
Griffin	Monroney	Young, Ohio
Gruening	Montoya	

NAYS—36

Baker	Fannin	Miller
Bennett	Fulbright	Mundt
Bible	Hansen	Murphy
Byrd, Va.	Hickenlooper	Russell
Byrd, W. Va.	Hill	Sparkman
Cannon	Holland	Spong
Carlson	Hollings	Stennis
Curtis	Hruska	Talmadge
Dirksen	Jordan, N.C.	Thurmond
Eastland	Jordan, Idaho	Tower
Ellender	Long, La.	Williams, Del.
Ervin	McClellan	Young, N. Dak.

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Bartlett, against.
Mansfield, for.

NOT VOTING—6

Hayden	McGovern	Smathers
McCarthy	Pastore	Yarborough

The VICE PRESIDENT. Two-thirds of the Senators present and voting not having voted in the affirmative, the motion is rejected.

Mr. KENNEDY of Massachusetts. Mr. President, I think there are very few Members of this body who would have thought on New Year's Day, or even a few weeks ago, that we would still be discussing the civil rights legislation today, or that for the first time we would have a feeling that there was some light at the end of the tunnel. For those of us who have spent the better part of the last four sessions of Congress working for enactment of an effective civil rights bill, it is most encouraging to see the strong support, already expressed in four votes, for such legislation. And it is even more gratifying to see that this effort is a bipartisan one. Both in subcommittee and the full Judiciary Committee, members of both parties joined together to report out a strong bill on protection against violence. In the Banking and Currency Committee, Senators MONDALE and BROOKE led a majority of the members in expressing support for the open housing title of the 1967 civil rights bill. And, of course, once again Senators HART and JAVITS have joined together efficiently and effectively in the management of the bill on the floor.

Mr. President, I hope and believe that before the week is over, the Nation will see an even broader bipartisan effort to eradicate two of the most vicious remnants of discrimination from American life, the use of violence to interfere with the exercise of rights and the imposition of race as a barrier to a man's choice of a place to live.

I am confident that our action this week will demonstrate unequivocally to all Americans that the processes of government can respond to the needs of justice and equality, that the promises of the Constitution will be fulfilled; in short, as the New York Times put it yesterday, that "Somebody on the Hill Still Cares." Mr. President, I know we care; I know we want to show that we care; I think the members of both parties will do so this week.

I ask that the article to which I have referred be placed in the RECORD at this point.

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

SOMEBODY ON THE HILL STILL CARES

(By Marjorie Hunter)

WASHINGTON.—A few weeks ago, as Senate debate on civil rights droned on, a Democratic liberal observed gloomily: "The trouble is no one really cares any more."

And until last week, there were strong indications that civil rights was no longer the fiery political issue it had been just a few years ago.

White House demands for civil rights legislation seemed little more than perfunctory. Senate debate was far from inspired. The galleries were virtually empty.

Then, to the surprise of nearly everybody—Senate leaders and Administration officials included—a determined coalition of Democrats and Republicans proved to all doubters last week that a great many people do care: Namely, well over half of the 100-member Senate.

The first test came Tuesday, on a motion to invoke closure—that is, shut off the more than month-long debate over Federal protection for civil rights workers and Negroes, plus a controversial open housing amendment.

The closure move failed, 55 to 37, seven votes short of the two-thirds approval needed to choke off debate. However, the coalition viewed the vote as clear evidence that more than half the Senate favors civil rights legislation.

The second test came Wednesday when the Senate, ignoring the advice of both the Democratic and Republican leaders, refused to kill the open housing amendment. That vote was 58 to 34—an even stronger show of strength by the civil rights coalition.

A third, and even more crucial, test will come tomorrow with a second attempt at closure. If this fails, civil rights may become a dead issue for the rest of the year.

The surprising show of muscle by the civil rights coalition cannot be attributed to White House pressure for action. True, President Johnson has urged Congress for nearly three years to enact worker protection and open housing. But he hade no open effort to bolster the civil rights bloc until the eve of the first closure vote.

BASIC BILL

Neither can the strong showing be laid to public pressure, for the average American today is voicing far more concern over crime in the streets than over civil rights.

The basic bill is patterned after one section of a broad Administration measure that cleared the House in 1966 but became blocked by a Senate filibuster.

Also at stake is an open-housing amendment, sponsored by Senator Walter F. Mondale, Democrat of Minnesota, and Senator Edward F. Brooke, Republican of Massachusetts, the only Negro in the Senate. Their amendment would ban discrimination in the sale and rental of most housing, excluding only owner-occupied dwellings of up to four units.

Seeking to attract more votes, the coalition has agreed to scale down the housing proposal. The exact terms of this modification have not been disclosed, but are expected to include limitation of single-family dwellings from the ban, somewhat along the lines of the House-passed bill that became stalled in the Senate in 1966.

What has happened is the result of painstaking work by Senate liberals, Democrats and Republicans, carried on so quietly that even their party leaders—Democrat Mike Mansfield and Republican Everett McKinley Dirksen of Illinois—apparently failed to detect immediately the shift in strength.

The coalition has concentrated on making inroads in Republican ranks, for the Democratic voting pattern of pro-civil rights Northerners and Westerners and anti-civil rights Southerners is virtually unshakable.

Some measure of their success became apparent in last week's votes. Among the Republicans who switched from opposition to a civil rights bill two years ago to support this year were two Kentuckians, Thruston Morton and John Sherman Cooper; Winston Prouty of Vermont, and James B. Pearson of Kansas.

While public pressure for new civil rights legislation is noticeably slight, the coalition's success so far in attracting new votes is attributable, at least in part, to gnawing fears over civil unrest in the cities this summer. Many Senators are said to feel that failure to enact civil rights legislation this year will play right into the hands of the more militant element of the civil rights movement, while at the same time undercutting more moderate rights leaders such as Roy Wilkins of the National Association for the Advancement of Colored People.

This view was perhaps best expressed in debate last week by Senator Hart, who described the frustration of Negro families denied the right to purchase houses of their choice. "I don't know what effect it will have on their children," he said, "but if it turns them into barn-burners don't blame Stokely Carmichael."

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, is the Senate now in the morning hour?

The VICE PRESIDENT. Under the previous order, the Senate is now conducting morning business.

ORDER FOR RECOGNITION OF SENATOR MOSS VACATED

Mr. MANSFIELD. Mr. President, on Thursday last, I asked unanimous consent that the distinguished Senator from Utah [Mr. Moss] be recognized for 1 hour on tomorrow.

Since that time, circumstances make it necessary for me, at this time, to ask that that unanimous request be vacated.

The VICE PRESIDENT. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair, pursuant to Public Law 80–816, appoints the following Senators to the Board of Visitors to the U.S. Naval Academy: PASTORE, YARBOROUGH, BREWSTER, and BAKER.

The Chair, pursuant to Public Law 84–1028, appoints the following Senators to the Board of Visitors to the U.S. Military Academy: STENNIS, BYRD of Virginia, HOLLINGS, and JAVITS.

The Chair, pursuant to Public Law 84–1028, appoints the following Senators to the Board of Visitors to the Air Force Academy: BIBLE, SPONG, DOMINICK, and ALLOTT.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

ELIMINATION OF BARRIERS WHICH INHIBIT FOREIGN VISITORS AND BUSINESSMEN FROM TRAVELING TO THE UNITED STATES

A communication from the President of the United States asking the Congress to

eliminate unnecessary and cumbersome barriers which inhibit foreign visitors and businessmen from traveling to the United States; to the Committee on the Judiciary.

REPORT OF THE FEDERAL CROP INSURANCE CORPORATION

A letter from the Under Secretary, Department of Agriculture, transmitting, pursuant to law, the annual report of the Federal Crop Insurance Corporation, covering the 1967 crop year (with an accompanying report); to the Committee on Agriculture and Forestry.

PROPOSED CONSTRUCTION AT MILITARY INSTALLATIONS

A letter from the Secretary, Department of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations and for other purposes (with an accompanying paper); to the Committee on Armed Services.

PROPOSED NATIONAL INSURANCE DEVELOPMENT CORPORATION ACT OF 1968

A letter from the Secretary, Department of Housing and Urban Development, transmitting a draft of proposed legislation to amend the National Housing Act to provide for a national program to improve the availability of necessary insurance protection for residential and business properties against fire, crime, and other perils, through the cooperative efforts of the Federal and State governments and the private property insurance industry; to authorize Federal reinsurance with appropriate loss-sharing by the States against insurance losses resulting from riots and other civil commotion; and for other purposes (with accompanying papers); to the Committee on Banking and Currency.

PROPOSED HOUSING AND URBAN DEVELOPMENT ACT OF 1968

A letter from the Secretary, Housing and Urban Development, transmitting a draft of proposed legislation to assist in the provision of housing for low and moderate income families, and to extend and amend laws relating to housing and urban development (with accompanying papers); to the Committee on Banking and Currency.

REPORT OF SECRETARY OF THE SENATE

A letter from the Secretary of the Senate, transmitting, pursuant to law, his report of receipts and expenditures, for the period July 1, 1967, through December 31, 1967 (with an accompanying report); ordered to lie on the table and to be printed.

PROPOSED EXTENSION OF RENEGOTIATION ACT OF 1951

A letter from the Chairman of the Renegotiation Board, transmitting a draft of proposed legislation to extend the Renegotiation Act of 1951, and for other purposes (with an accompanying paper); to the Committee on Finance.

LOAN APPLICATION BY THE SALMON RIVER CANAL CO., LTD.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, an application by the Salmon River Canal Co., Ltd., of Hollister, Idaho, for a loan under the Small Reclamation Projects Act, as amended (with an accompanying document); to the Committee on Interior and Insular Affairs.

LAWS ENACTED BY LEGISLATURE OF THE VIRGIN ISLANDS

A letter from the Assistant Secretary, Department of the Interior, transmitting, pursuant to law, copies of all laws enacted by the Legislature of the Virgin Islands in its 1967 regular and special session (with accompanying papers); to the Committee on Interior and Insular Affairs.

AUTHORIZATION FOR APPROPRIATION FOR CONTINUING WORK IN THE MISSOURI RIVER BASIN

A letter from the Assistant Secretary, Department of the Interior, transmitting a draft of proposed legislation to increase the authorization for appropriation for continuing work in the Missouri River Basin by the Secretary of the Interior (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT OF SELECT COMMISSION ON WESTERN HEMISPHERE IMMIGRATION

A letter from the Chairman, Select Commission on Western Hemisphere Immigration, transmitting, pursuant to law, a report of the Commission dated January 15, 1968 (with an accompanying report and research supplement to the report); to the Committee on the Judiciary.

PROPOSED LEGISLATION RELATING TO COUNTERFEITING OF POSTAGE METER STAMPS OR OTHER IMPORTER USES OF METERED MAIL SYSTEM

A letter from the Postmaster General, Post Office Department, transmitting a draft of proposed legislation to amend sections 501 and 504 of title 18, United States Code, so as to strengthen the law relating to the counterfeiting of postage meter stamps or other improper uses of the metered mail system (with an accompanying paper); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest and requesting action looking to their disposition (with accompanying papers) to a Joint Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. MONRONEY and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Alaska; to the Committee on Interior and Insular Affairs:

"H.J. RES. 58

"Joint resolution relating to native land claims legislation

"Be it resolved by the Legislature of the State of Alaska:

"Whereas, although the United States Congress in 1884 reserved the right to make the determination of the extent and nature of the property rights of the Native people of Alaska, the Congress has not yet made such a determination; and

"Whereas the early settlement of the claims presented by the Alaska Native people is of utmost importance to all Alaskans; and

"Whereas passage of legislation is now pending in the United States Congress to establish procedures for the settlement of these claims and to authorize grants of lands to Alaskan Native villages to permit them to preserve their homes and way of life; and

"Whereas The Honorable Henry Jackson, United States Senator from the State of Washington, Chairman of the Interior and Insular Affairs Committee has scheduled hearings in Anchorage, Alaska, on February 8, 9, and 10 to permit Alaskans to testify on this important legislation;

"Be it resolved that the Legislature of the State of Alaska expresses the gratitude of all Alaskans to The Honorable Henry Jackson and the members of the Senate Interior and Insular Affairs Committee for affording Alaskans this opportunity to express their views on legislation required to effectuate an early and a just settlement of the Alaskan Native claims and we do earnestly urge this committee to take affirmative action to bring about the speedy enactment of this legislation.

"Copies of this Resolution shall be sent to The Honorable Lyndon B. Johnson, President of the United States; The Honorable Hubert H. Humphrey, Vice President of the United States; The Honorable Stewart L. Udall, Secretary of the Interior; The Honorable Robert L. Bennett, Commissioner of Indian Affairs; The Honorable Owen D. Morken, Area Director, Bureau of Indian Affairs; to all members of the Senate and House Interior and Insular Affairs Committee; and to The Honorable E. L. Bartlett and The Honorable Ernest Gruening, U.S. Senators, and The Area Director, Bureau of Indian Affairs; to Honorable Howard W. Pollock, U.S. Representative, members of the Alaska delegation in Congress.

"Copies especially directed to Senator Henry M. Jackson, Chairman of the Senate and Insular Affairs Committee in Anchorage.

"Passed by the House February 2, 1968

"WILLIAM K. BOARDMAN,
"Speaker of the House.

"Attest:

"PATRICIA R. SYMONDS,
"Chief Clerk of the House.

"Passed by the Senate February 13, 1968

"JOHN BUTROVICH,
"President of the Senate.

"Attest:

"EMYLOU LLOYD,
"Secretary of the Senate.

"WALTER J. HICKEL,
"Governor of Alaska."

A resolution adopted by the State Corporation Commission, of Topeka, Kans., praying for the enactment of legislation to declare a moratorium on all train discontinuances; to the Committee on Commerce.

A resolution of the city council of the city of Carpinteria, Calif., praying for the enactment of legislation permitting State and local governments to share in Federal revenues from mineral leases in certain submerged offshore Federal lands; to the Committee on Finance.

A resolution adopted by the Lithuanian American Council, Inc., of Rochester, N.Y., praying that the U.S. Government present the question of the Baltic States before the United Nations; to the Committee on Foreign Relations.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, without amendment:

S. 2531. A bill to designate the San Gabriel Wilderness, Angeles National Forest, in the State of California (Rept. No. 1008).

PRINTING OF REPORT ON BEAVER BROOK DAM AND RESERVOIR, KEENE, NEW HAMPSHIRE. (S. DOC. NO. 68)

Mr. BYRD of West Virginia. Mr. President, on behalf of the senior Senator from West Virginia [Mr. RANDOLPH], I present a letter from the Secretary of the Army, transmitting a report dated August 28, 1967, from the Chief of Engi-

neers, Department of the Army, together with accompanying papers and illustrations, on an interim survey of Beaver Brook Dam and Reservoir, Keene, N.H., requested by a resolution of the Committee on Public Works of the U.S. Senate, adopted October 3, 1960.

I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS INTRODUCED

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

By Mr. FONG:

S. 3021. A bill for the relief of Melicio Ulep; to the Committee on the Judiciary.

By Mr. BYRD of West Virginia:

S. 3022. A bill for the relief of Cong Tsz Ying; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. 3023. A bill for the relief of Col. Richard E. Tiede, U.S. Air Force; to the Committee on the Judiciary.

By Mr. SYMINGTON:

S. 3024. A bill for the relief of Richard Smith (Noboru Kawano); to the Committee on the Judiciary.

By Mr. BAKER:

S. 3025. A bill to provide for orderly trade in glycine; to the Committee on Finance.

By Mr. AIKEN:

S. 3026. A bill for the relief of the town of Jericho, Vt.; to the Committee on the Judiciary.

By Mr. DODD:

S. 3027. A bill for the relief of Aldo Russo; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 3028. A bill to amend the National Housing Act to provide for a national program to improve the availability of necessary insurance protection for residential and business properties against fire, crime, and other perils, through the cooperative efforts of the Federal and State governments and the private property insurance industry; to authorize Federal reinsurance with appropriate loss-sharing by the States against insurance losses resulting from riots and other civil commotion; and for other purposes; and

S. 3029. A bill to assist in the provision of housing for low- and moderate-income families, and to extend and amend laws relating to housing and urban development; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bills, which appear under separate headings.)

By Mr. MAGNUSON (for himself and Mr. BARTLETT) (by request):

S. 3030. A bill to amend section 3 of the Act of November 2, 1966, relating to the development by the Secretary of the Interior of fish protein concentrate; to the Committee on Commerce.

By Mr. NELSON:

S. 3031. A bill to provide for the formulation of a national policy for environmental quality, and for other purposes; to the Committee on Public Works.

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

S. 3028—INTRODUCTION OF BILL RELATING TO AMENDMENT TO THE NATIONAL HOUSING ACT—NATIONAL INSURANCE DEVELOPMENT CORPORATION

Mr. SPARKMAN. Mr. President, I introduce a bill to implement the recommendations of the report by the President's National Advisory Panel on Insurance in Riot-Affected Areas, entitled "Meeting the Insurance Crisis of Our Cities." The bill would add a new title XII to the National Housing Act entitled "National Insurance Development Corporation."

Last year, the Subcommittee on Small Business of the Banking and Currency Committee approved a bill, S. 1484, to provide a program of crime protection insurance for small business. The bill is now pending before the full committee. It is the result of hearings before the Select Committee on Small Business led by the distinguished Senator from Florida [Mr. SMATHERS] and the legislative hearings before the Subcommittee on Small Business led by the distinguished Senator from New Hampshire [Mr. MCINTYRE].

The administration's bill is designed to meet serious and urgent problems concerning owners of residential properties as well as business properties in urban areas. With the work that has already been done by the Subcommittee on Small Business, I am hopeful that the Banking and Currency Committee can move ahead quickly to consider the administration proposal and endeavor to work out an effective program. Representatives of the private insurance industry have already expressed their interest in the administration's proposal and their support of its purpose. I share that purpose.

Mr. President, I ask unanimous consent that the bill, along with the section-by-section summary of it and a general explanation of the proposal, be printed along with my remarks at this point in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill, section by section summary, and general explanation will be printed in the RECORD, as requested by the Senator from Alabama.

The bill (S. 3028) to amend the National Housing Act to provide for a national program to improve the availability of necessary insurance protection for residential and business properties against fire, crime, and other perils, through the cooperative efforts of the Federal and State Governments and the private property insurance industry; to authorize Federal reinsurance with appropriate loss sharing by the States against insurance losses resulting from riots and other civil commotion; and for other purposes, introduced by Mr. SPARKMAN, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S. 3028

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE

SECTION 1. This Act may be cited as the "National Insurance Development Corporation Act of 1968".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that (1) the vitality of many American cities is being threatened by the deterioration of their inner city areas; responsible owners of well-maintained residential, business, and other properties in many of these areas are unable to obtain adequate property insurance coverage against fire, crime, and other perils; the lack of such insurance coverage accelerates the deterioration of these areas by discouraging private investment and restricting the availability of credit to repair and improve property; and this deterioration poses a serious threat to the national economy; (2) recent riots and other civil commotion in many American cities have brought about abnormally high losses to the property insurance industry for which adequate reinsurance cannot be obtained at reasonable cost, and the risk of such losses will make most lines of property insurance even more difficult to obtain; (3) the capacity of the property insurance industry to provide adequate insurance is threatened, and the continuity of such property insurance protection is essential to the extension of credit in these areas; and (4) the national interest demands urgent action by the Congress to assure that essential lines of property insurance including protection against riot and civil commotion damage will be available to property owners at reasonable cost.

(b) It is therefore the purpose of this Act to (1) encourage and assist the various State insurance authorities and the property insurance industry to develop and carry out statewide programs which will make necessary property insurance coverage against the fire, crime, and other perils more readily available for residential, business, and other properties meeting reasonable underwriting standards; and (2) provide a Federal program of reinsurance against abnormal high property insurance losses resulting from riots and other civil commotion and placing appropriate financial responsibility upon the States to share in such losses.

AMENDMENT OF THE NATIONAL HOUSING ACT

SEC. 3. The National Housing Act is amended by adding at the end thereof the following new title:

"TITLE XII—NATIONAL INSURANCE DEVELOPMENT CORPORATION

"CREATION AND DISSOLUTION OF NATIONAL INSURANCE DEVELOPMENT CORPORATION

"SEC. 1201. (a) There is created within the Department of Housing and Urban Development, under the authority of the Secretary, a body corporate to be known as the National Insurance Development Corporation (hereinafter referred to as the 'Corporation').

"(b)(1) The powers of the Corporation under this title shall terminate on April 30, 1973, except to the extent necessary—

"(A) to continue reinsurance in accordance with the provisions of section 1223(b) until April 30, 1976;

"(B) to process, verify, and pay claims for reinsured losses and perform other necessary functions in connection therewith; and

"(C) to complete the liquidation and termination of the Corporation.

"(2) On April 30, 1976, or as soon thereafter as possible, the Secretary shall submit to the Congress for approval, a plan for the liquidation and termination of the Corporation.

"EXECUTIVE DIRECTOR

"SEC. 1202. (a) Subject to the provisions of section 1201 (a), the management of the Corporation shall be vested in an Executive Director who shall be appointed by the President, by and with the advice and consent of the Senate.

"(b) The Executive Director shall not be an officer, director, or employee of any private insurance company nor shall he hold any stock in any such company.

"ADVISORY BOARD, MEETINGS, DUTIES, COMPENSATION AND EXPENSES

"SEC. 1203. (a)(1) There is established an Advisory Board consisting of nineteen mem-

bers (no more than six of whom shall be regular full time employees of the Federal Government) appointed by the President.

"(2) The President shall designate a Chairman and a Vice-Chairman of the Advisory Board.

"(3) Each member shall serve for a term of two years or until his successor has been appointed, except that no person who is appointed while a full time employee of the Federal Government shall serve in such position after he ceases to be so employed, unless he is reappointed.

"(4) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of that term.

"(b) The Board shall meet at the call of the Chairman, not less than twice yearly, shall review the general policies of the Corporation, and shall advise the Secretary and the Corporation with respect thereto.

"(c) The members of the Board shall not, by reason of such membership, be deemed to be employees of the United States, and such members, except those who are regular full time employees of the Government, shall receive for their services, as members, the per diem equivalent to the rate for GS–18 when engaged in the performance of their duties, and each member of the Board shall be allowed travel expenses including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"DEFINITIONS

"SEC. 1204. (a) When used in this title, unless the context otherwise requires, the term—

"(1) 'environmental hazard' means any hazardous condition that might give rise to loss under an insurance contract, but which is beyond the control of the property owner;

"(2) 'essential property insurance' means fire and extended coverage insurance; vandalism and malicious mischief insurance; and such burglary and theft coverage for such types, classes and locations of property as may be designated by the Corporation; but shall not include insurance on automobile and manufacturing risks;

"(3) 'inspection facility' means the rating bureau or other person designated by the State insurance authority to perform inspections under Fair Access to Insurance Requirements Plans under part A;

"(4) 'insurer' includes any insurance company or group of companies under common ownership which is authorized to engage in the insurance business under the laws of any State, and any pool or association of insurance companies in any State which is formed, associated, or otherwise created for the purpose of making property insurance more readily available;

"(5) 'losses resulting from riot or civil disorders' means direct losses resulting from damage to or the destruction of property occurring during and at the immediate place of a riot or other civil disorder, and direct loss from pillage and looting occurring during and at the immediate place of a riot or other civil disorder, as determined under regulations of the Corporation;

"(6) 'property owner' means any person having an insurable interest in real, personal, or mixed real and personal property;

"(7) person includes any individual or group of individuals, corporations, partnership, association, or any other organized group of persons;

"(8) 'reinsured losses' means losses on reinsurance claims and all direct expenses incurred in connection therewith including, but not limited to, expenses for processing, verifying, and paying such losses;

"(9) 'standard line of property insurance' includes—

"(A) fire and extended coverage;

"(B) vandalism and malicious mischief;

"(C) other allied lines of fire insurance;

"(D) the property damage portion of homeowners multiple peril;

"(E) the property damage portion of commercial multiple peril;

"(F) burglary and theft; and

"(G) such other lines generally offered to the public which include protection against damage from riot or civil commotion as the Corporation by regulation may designate;

"(10) 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, and the Trust Territory of the Pacific;

"(11) 'urban area' includes any municipality or other political subdivision of a State, subject to population or other limitations defined in rules and regulations of the Corporation; and

"(12) 'year' means a calendar year, fiscal year of a company, or such other period of twelve months as designated by the Corporation.

"(b) The Corporation is authorized to define, by rules and regulations, any technical or trade term, insofar as such definition is not inconsistent with the provisions of this title.

"PART A—STATEWIDE PLANS TO ASSURE FAIR ACCESS TO INSURANCE REQUIREMENTS

"FAIR PLANS

"SEC. 1211. (a) Each insurer reinsured under this title by the Corporation shall cooperate with the State insurance authority in each State in which it is to acquire such reinsurance in establishing and carrying out statewide plans to assure fair access to insurance requirements (FAIR Plans).

"(b) Such plans shall be designed to make essential property insurance more readily available in urban areas, and shall include appropriate criteria, as prescribed by the Corporation, applicable to participating insurers, agents, brokers, or other producers, including, but not limited, to, provision that—

"(1) no risk shall be written at a rate in excess of the standard premium rate, or be denied insurance coverage for essential property insurance, by an insurer, agent, broker or other producer authorized to write the insurance being sought, unless there has first been an inspection of the risk, without cost to the owner, by the inspection facility and a determination made by the insurer participating in the plan, based on information in the inspection report and other sources, that the risk, in its present condition, does not meet reasonable underwriting standards at the applicable premium rate;

"(2) inspections under the plan may be requested by the property owner, or his representative, an insurer, an insurance agent, broker or other producer, and such requests need not be made in writing;

"(3) the absence of a building owner or his representative during an inspection shall not preclude a tenant seeking insurance from obtaining an inspection under the plan;

"(4) following the inspection, a copy of the inspection report shall be promptly sent by the inspection facility to the insurer or insurers, or to an All-Industry Placement Facility, referred to under section 1212, as may be designated by the person requesting the inspection;

"(5) after the inspection report is received by an insurer, it shall promptly determine if the risk meets reasonable underwriting standards at the applicable premium rate, and shall promptly return to the inspection facility the inspection report and provide an action report setting forth:

"(A) The amount of coverage it agrees to write; and if the insurer agrees to write the coverage with a surcharge (if such a surcharge is authorized by the State insurance authority), the improvements necessary before it will provide coverage at the standard premium rate;

"(B) the amount of coverage it agrees to write if certain improvements specified in the action report are made; or

"(C) the specific reasons it declines to write coverage;

"(6) if the insurer declines the risk, or agrees to write it on condition that the property will be improved, it shall also promptly send a copy of both the inspection and action reports to the property owner and the State insurance authority, and at the time the insurer sends such reports to the property owner, it shall also explain his right, under applicable State laws, to appeal the decision of the insurer to the State insurance authority, setting forth the procedures to be followed for such appeal;

"(7) all policies written pursuant to the plan shall be promptly written after inspection or reinspection and shall be separately coded so that appropriate records may be compiled for purposes of performing loss prevention and other studies of the operation of the plan;

"(8) the inspection facility shall submit to the State insurance authority, to each local governing body in which property has been inspected under the plan during the period covered by the report, and to the Corporation, periodic reports setting forth information, by individual insurers, including the number of risks inspected under the plan, the number of risks accepted, the number of risks conditionally accepted and reinspections made, the number of risks declined, and such other information as the State insurance authority may request;

"(9) notice will be given to any policyholder a reasonable time prior to the cancellation or nonrenewal of any risk eligible under the plan (except in case of nonpayment of premium or evidence of incendiarism), to allow ample time for an application for new coverage to be made and a new policy to be written under the plan, and the insurer shall, in writing, explain to the policyholder the procedures for obtaining an inspection under the plan in the notice of cancellation or nonrenewal; and

"(10) a continuing public education program will be undertaken by the participating insurers, agents and brokers to assure that the plan receives adequate public attention.

"ALL-INDUSTRY PLACEMENT FACILITY

"SEC. 1212. Any plan under this part shall include an All-Industry Placement Facility authorized to do business with every insurer participating in the plan in the State, and shall provide that this facility shall perform certain functions including, but not limited to, the following:

"(1) upon request by, or on behalf of, any property owner requesting an inspection under the plan, seek to distribute risks equitably among the insurers with which it is authorized to do business;

"(2) seek to place insurance up to the full insurable value of the risk to be insured with one or more insurers with which it is authorized to do business, except to the extent that deductibles, percentage participation clauses, and other underwriting devices are employed to meet special problems of insurability; and

"(3) pay commissions to the agent or broker submitting an application for insurance placed by the facility in accordance with requirements developed for this purpose by the State insurance authority.

"INDUSTRY COOPERATION

"SEC. 1213. (a) Every insurer seeking reinsurance from the Corporation shall file a statement with the State insurance authority in each State in which it is participating in such plan, pledging its full participation and cooperation in carrying out the plan, and shall file a copy of such statement with the Corporation.

"(b) No insurer acquiring reinsurance from the Corporation shall direct any agent or

broker or other producer not to solicit business through such a plan, nor shall any agent, broker, or other producer be penalized by such insurer in any way for submitting applications for insurance to an insurer under the plan.

"PLAN EVALUATION

"SEC. 1214. (a) In accordance with such rules and regulations as the Corporation may prescribe, the State insurance authority shall—

"(1) transmit to the Corporation any proposed or adopted plan, or amendments thereto; and

"(2) advise the Corporation, from time to time, concerning the operation of the plan, its effectiveness in providing essential property insurance, and the need to form a pool of insurers or adopt other programs to make essential property insurance more readily available in urban areas of the State.

"(b) The Corporation may, by rules and regulations, modify the plan criteria set forth under this part, if it finds, on the basis of experience, that such action is necessary or desirable to carry out the purposes of this title.

"PART B—REINSURANCE COVERAGE

"REINSURANCE OF LOSSES FROM RIOTS OR CIVIL DISORDERS

"SEC. 1221. (a)(1) The Corporation is authorized to offer to any insurer, subject to the conditions set forth in section 1223, reinsurance against property losses resulting from riots or civil disorders in any one or more States.

"(2) Reinsurance shall be offered to any such insurer only on all standard lines of property insurance enumerated under subparagraphs (A) through (F) of section 1204 (a)(9) together, and any insurer purchasing such reinsurance shall also be eligible to purchase reinsurance on any one or more standard lines of property insurance which may be designated by regulation pursuant to subparagraph (G) of section 1204(a)(9).

"(b) Reinsurance coverage under this section may be provided by the Corporation immediately following the enactment of this title to any insurer in any State on a temporary basis, and on such terms and conditions as may be agreed upon, and coverage under such terms and conditions may be bound with respect to any such insurer by means of a written binder which shall remain in force not more than ninety days and shall expire at the earlier of either—

"(1) the termination of such ninety-day period, or

"(2) the effective date of any governing contract, agreement, treaty, or other arrangement entered into between the insurer and the Corporation under section 1222 for the purpose of providing reinsurance coverage against losses resulting from riots or civil disorders.

"(c) No reinsurance will be offered to any insurer in a State after the expiration of the written binder entered into under subsection (b), unless there is in effect in such State a plan as set forth under part A, and the insurer is participating in such plan.

"REINSURANCE AGREEMENTS AND PREMIUMS

"SEC. 1222. (a) During the first year following enactment of this title, the Corporation is authorized to enter into any contract, agreement, treaty, or other arrangement with any insurer for reinsurance coverage, in consideration of payment of such premiums, fees, or other charges by insurers which the Corporation deems to be adequate to obtain aggregate reinsurance premiums for deposit in the National Insurance Development Fund in excess of the estimated amount of insured riot losses during the calendar year 1967, on the assumption that a substantial proportion of the property insurance written will be reinsured under this title, and thereafter the Corporation may increase or decrease such premiums for reinsurance if it is found that such action is necessary or appropriate to carry out the purposes of this title.

"(b) Reinsurance offered by the Corporation shall reimburse an insurer for its total proved and approved claims for losses resulting from riots or civil disorders during the term of the reinsurance contract, agreement, treaty, or other arrangement, in excess of the amount of the insurer's aggregate retention of such losses as provided in such reinsurance contract, agreement, treaty, or other arrangement entered into under this section.

"(c) Such contracts, agreements, treaties, or other arrangements may include any terms and conditions which the Corporation deems necessary to carry out the purposes of this title.

"(d) Any contract, agreement, treaty or other arrangement for reinsurance under this section shall be for a term expiring on April 30, 1969, and on April 30 each year thereafter, and shall be entered into within ninety days after the effective date of this title or within ninety days prior to April 30 each year thereafter, or within ninety days after an insurer is authorized to write insurance eligible for reinsurance in a State which it was not authorized to write in the preceding year.

"CONDITIONS OF REINSURANCE

"SEC. 1223. (a) Subject to the provisions of subsection (b) reinsurance shall not be offered by the Corporation in a State or be applicable to insurance policies written in that State by an insurer—

"(1) after one year following the effective date of this title, or, if the appropriate State legislative body has not met in regular session during that year, by the close of its next regular session, in any State which has not adopted appropriate legislation, retroactive to the effective date of this title, providing for the State, or its political subdivisions, to reimburse the Corporation, in an amount up to at least 5 percent of the aggregate property insurance premiums earned in that State during the preceding calendar year, for reinsured losses, incurred by the Corporation in a calendar year in excess of the total amount of premiums received by the Corporation for reinsurance in that State, less any reinsured losses incurred by the Corporation in that State during preceding calendar years.

"(2) after thirty days following notification to the insurer that the Corporation finds that there has not been adopted by the State, or the property insurance industry in that State, a suitable program or programs, in addition to plans under part A, to make essential property insurance available without regard to environmental hazards, and that such action is necessary to carry out the purposes of this title, except that this paragraph shall not become effective until two years after the effective date of this title, or at such earlier date as the Corporation, after consultation with the State insurance authority, may determine.

"(3) after thirty days following notification to any insurer that the Corporation, upon notification from the State insurance authority, finds that such insurer is not fully participating

"(A) in the plan in the State; and

"(B) where it exists, in a pool of insurers or in any other program found by the Corporation to aid in making essential property insurance more readily available in the State.

"(4) following a merger, acquisition, consolidation or reorganization involving one or more insurers having lines of property insurance in the State reinsured by the Corporation and one or more insurers with or without such reinsurance, unless the surviving company

"(A) meets the criteria of eligibility for reinsurance, other than as provided under section 1222(d);

"(B) within ten days pays any reinsurance premiums due, and the Corporation finds that it is desirable to provide reinsurance to the surviving company in the State, in light of the purposes of this title; and

"(5) upon receipt of notice from the insurer that it desires to cancel its reinsurance agreement with the Corporation in the State.

"(b) Notwithstanding the foregoing provisions of this section, reinsurance may be continued for the term of the policies written prior to the date of termination or nonrenewal of reinsurance under this section, for as long as the insurer pays reinsurance premiums annually in such amounts as determined under section 1222, based on the annual premiums earned on such reinsured policies, and for the purpose of this subsection, the renewal, extension, modification or other change in a policy, for which any additional premium is charged, shall be deemed to be a policy written on the date such change was made.

"RECOVERY OF PREMIUMS: STATUTE OF LIMITATIONS

"SEC. 1224. (a) The Corporation, in a suit brought in a United States district court, shall be entitled to recover from any insurer the amount of any unpaid premiums lawfully payable by such insurer to the Corporation.

"(b) No action or proceeding shall be brought for the recovery of any premium due to the Corporation for reinsurance, or for the recovery of any premium paid to the Corporation in excess of the amount due to it, unless such action or proceeding shall have been brought within five years after the right accrued for which the claim is made, except that, where the insurer has made or filed with the Corporation a false or fraudulent annual statement, or other document with the intent to evade, in whole or in part, the payment of premiums, the claim shall not be deemed to have accrued until the discovery by the Corporation.

"PART C—PROVISIONS OF GENERAL APPLICABILITY

"CLAIMS AND JUDICIAL REVIEW

"SEC. 1231. (a) All reinsurance claims for losses under this title shall be submitted by insurers in accordance with terms and conditions as may be established by the Corporation.

"(b)(1) Upon disallowance of any claim against the Corporation under color of reinsurance made available under this title, or upon refusal of the claimant to accept the amount allowed upon any such claim, the claimant may institute an action against the Corporation on such claim in the United States district court for the district in which a major portion (in terms of value) of the claim arose.

"(2) Any such action must be begun within one year after the date upon which the claimant received from the Corporation written notice of disallowance or partial disallowance of the claim, and exclusive jurisdiction is hereby conferred upon United States district courts to hear and determine such actions without regard to the amount in controversy.

"FISCAL INTERMEDIARIES AND SERVICING AGENTS

"SEC. 1232. (a) In order to provide for maximum efficiency in the administration of the reinsurance program under this title, and in order to facilitate the expeditious payment of any funds under such program, the Corporation may enter into contracts with any insurer or other person for the purpose of providing for the performance of any or all of the following functions:

"(1) estimating or determining any amounts of payments for reinsurance claims;

"(2) receiving from the Corporation and disbursing and accounting for funds in making payments for reinsurance claims;

"(3) auditing the records of any insurer or other person to the extent necessary to assure that proper payments are made;

"(4) establishing the basis of liability for reinsurance payments, including the total amount of proved and approved claims which may be payable to any insurer, and the total amount of premiums earned by any insurer

in the respective States for reinsured lines of property insurance; and

"(5) otherwise assisting in any manner provided in the contract to further the purposes of this title.

"(b)(1) Any such contract may require the insurer or other person, or any of its officers or employees certifying payments or disbursing funds pursuant to the contract, or otherwise participating in carrying out the contract, to give surety bond to the Corporation in such amounts as it may deem appropriate.

"(2) In the absence of gross negligence or intent to defraud the Corporation—

"(A) no individual designated pursuant to a contract under this section to certify payments shall be liable with respect to any payment certified by him under this section; and

"(B) no officer of the United States disbursing funds shall be liable with respect to any otherwise proper payment by him if it was based on a voucher signed by an individual designated pursuant to a contract under this section to certify payments.

"NATIONAL INSURANCE DEVELOPMENT FUND

"SEC. 1233. (a) To carry out the programs authorized under this title, the Secretary is authorized to establish a National Insurance Development Fund (hereinafter called the fund) which shall be available, without fiscal year limitation—

"(1) to make such payments as may, from time to time, be required of the Corporation under reinsurance contracts under this title;

"(2) to pay such administrative expenses of the Corporation as may be necessary or appropriate to carry out the purposes of this title; and

"(3) to repay to the Secretary of the Treasury such sums including interest thereon as may be borrowed from him under section 520(b).

"(b) The fund shall be credited with—

"(1) reinsurance premiums, fees, or other charges which may be paid or collected in connection with reinsurance provided under part B;

"(2) interest which may be earned on investments of the fund;

"(3) such amounts as may be advanced to the fund from appropriations in order to maintain the fund in an operative condition adequate to meet its liabilities;

"(4) receipts from any other source which may, from time to time, be credited to the fund; and

"(5) funds borrowed by the Secretary under section 520(b) and deposited in the fund.

"(c) If, after any amounts which may have been advanced to the fund from appropriations have been credited to the appropriation from which advanced (including interest thereon at the rate prescribed under section 520(b), the Secretary determines that the moneys of the fund are in excess of current needs, he may request the investment of such amounts as he deems advisable by the Secretary of the Treasury in obligations issued or guaranteed by the United States.

"RECORDS, ANNUAL STATEMENT, AND AUDITS

"SEC. 1234. (a)(1) Any insurer acquiring reinsurance from the Corporation, and any inspection facility, shall keep such records as the Corporation shall, by rules and regulations, prescribe, including records which disclose the amount of each line of property insurance written at more than standard rates, the type of conditions leading to a greater premium charge, the reasons for actual loss, and such other records as will facilitate a study of property insurance and an effective audit of liability for reinsurance payments by the Corporation.

"(2) Such insurer shall furnish the Corporation with such summaries and analyses of information in their records in such form as the Corporation shall, by rules and regulations, prescribe.

"(b) Any insurer acquiring reinsurance from the Corporation shall file with the Corporation a true and correct copy of any annual statement, or amendment thereof, filed with the State insurance authority of its domiciliary State, at the time it files such statement or amendment with such State insurance authority.

"(c) Any insurer executing any contract, agreement or other appropriate arrangement with the Corporation under section 1232, shall keep reasonable records which fully disclose the total costs of the programs undertaken or the services being rendered, and such other records as will facilitate an effective audit.

"(d) The Corporation and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of investigation, audit and examination to any books, documents, papers, and records of any insurer or other person that are pertinent to the costs of any program undertaken for, or services rendered to, the Corporation.

"STUDY OF REINSURANCE AND OTHER PROGRAMS

"SEC. 1235. (a) The Corporation is authorized and directed to conduct a study of reinsurance and other means to help assure—

"(1) an adequate market for burglary and theft and other property insurance in urban areas; and

"(2) adequate availability of surety bonds for construction contractors in urban areas.

"(b) The Corporation shall submit the results of this study, together with appropriate recommendations to the Secretary for transmittal to the President and the Congress no later than one year following the effective date of this title.

"OTHER STUDIES

"SEC. 1236. (a) The Corporation is authorized to undertake such studies as may be necessary to carry out the purposes of this title, including, but not limited to, inquiries concerning—

"(1) the operation of plans under part A;

"(2) the extent to which essential property insurance is unavailable in urban areas;

"(3) the market for private reinsurance, and

"(4) loss prevention methods and procedures, insurance marketing methods, and underwriting techniques.

"GENERAL POWERS OF CORPORATION

"SEC. 1237. (a) For the purpose of carrying out its functions under this title, the Corporation shall have powers:

"(1) to have a corporate seal which may be altered at pleasure and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced;

"(2) to sue and be sued;

"(3) to enter into and perform contracts, leases, cooperative agreements, or other transactions, on such terms as the Corporation may deem appropriate, and consent to modification thereof, without regard to sections 3648 and 3709 of the Revised Statutes, as amended (31 U.S.C. 529 and 41 U.S.C. 5), and section 322 of the Act of June 30, 1932, as amended (40 U.S.C. 278a)).

"(4) to appoint and fix the compensation of such personnel as may be necessary for the conduct of its business in accordance with the provisions of title 5, United States Code, governing appointment in the competitive service, and chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, and to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates for individuals not to exceed the per diem equivalent for GS-18.

"(5) except as may be otherwise provided in this title, in the Government Corporation Control Act, or in any other laws specifically applicable to Government corporations, to determine the necessity for and the character and amount of its obligations and expenditures and the manner in which they shall be incurred, allowed, paid and accounted for, except that necessary expenses in connection with the payment of reinsured losses, including any audits or other inquiries, shall be considered nonadministrative expenses;

"(6) to issue such rules and regulations deemed necessary or appropriate to carry out the purposes of this title; and

"(7) to exercise all powers specifically granted by the provisions of this title and such incidental powers as are necessary to carry out the purposes of this title.

"(b) All suits of a civil nature at common law or in equity to which the Corporation shall be a party shall be deemed to arise under the laws of the United States, except that no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property.

"SERVICES AND FACILITIES OF OTHER AGENCIES—UTILIZATION OF PERSONNEL, SERVICES, FACILITIES AND INFORMATION

"SEC. 1238. The Corporation may, with the consent of the agency concerned, accept and utilize on a reimbursable basis, the officers, employees, services, facilities, and information of any agency of the Federal Government, except that any such agency having custody of any data relating to any of the matters within the jurisdiction of the Corporation shall, to the extent permitted by law, upon request of the Corporation, make such data available to the Corporation without reimbursement.

"FINALITY OF CERTAIN FINANCIAL TRANSACTIONS

"SEC. 1239. Notwithstanding the provisions of any other law to the contrary, any financial transaction relating to reinsurance under this title shall be final and conclusive upon all officers of the United States.

"TAXATION

"SEC. 1240. The Corporation, including its reserves, surplus, and income shall be exempt from all taxation now or hereafter imposed by the United States, or by any State, or any subdivision thereof, except any real property acquired by the Corporation as a result of reinsurance shall be subject to taxation by any State or political subdivision thereof, to the same extent, according to its value as other real property is taxed.

"ANNUAL REPORT

"SEC. 1241. The Secretary shall include in his annual report a report of operations of the Corporation and its activities.

"APPROPRIATIONS

"SEC. 1242. There are hereby authorized to be appropriated such sums as may be necessary to carry out this title."

FINANCING

SEC. 4. Section 520(b) of the National Housing Act is amended by inserting after the word "necessary", in the first sentence "(1)" and by striking out the period at the end of such sentence and inserting in lieu thereof ", and (2) to make payments for reinsured losses under title XII of this Act.".

GOVERNMENT CORPORATION CONTROL ACT

SEC. 5. Section 101 of the Government Corporation Control Act is hereby amended by inserting after "Federal Housing Administration," "National Insurance Development Corporation,".

COMPENSATION OF EXECUTIVE DIRECTOR

SEC. 6. Section 5315 of title 5, United States Code, is amended by inserting the following new paragraph at the end thereof:

"(90) Executive Director, National Insurance Development Corporation.".

The section-by-section summary, and general explanation of the bill, presented by Mr. SPARKMAN, are as follows:

SECTION-BY-SECTION SUMMARY OF NATIONAL INSURANCE DEVELOPMENT CORPORATION ACT OF 1968

Section 1. Short title

This section of the bill provides that the Act may be cited as the "National Insurance Development Corporation Act of 1968".

Section 2. Findings and declaration of purpose

Subsection (a) sets forth Congressional findings that the inadequacy of the supply of private investment and credit in inner city areas resulting from an unavailability of property insurance is accelerating the deterioration of such areas and is threatening the economic well-being of cities; recent riots have caused abnormally high losses for the property insurance industry, and the unavailability of riot loss reinsurance resulting from the unpredictability of riot losses makes adequate fire, crime and other insurance coverage even more difficult to obtain; and the national interest demands urgent action to assure continued availability of property insurance.

Subsection (b) states that it is the purpose of the bill to assist State insurance authorities and the private insurance industry in the development of statewide programs to increase the availability of necessary property insurance coverage against fire, crime, and other perils for property meeting reasonable underwriting standards, and to provide Federal reinsurance for extraordinary property insurance losses resulting from riots, with appropriate State sharing.

Section 3. Amendment of the National Housing Act

This section amends the National Housing Act by adding a new title XII, to authorize the establishment of the National Insurance Development Corporation. The new title would provide as follows:

Section 1201. Creation and dissolution of National Insurance Development Corporation

Subsection (a) creates within the Department of Housing and Urban Development, under the authority of the Secretary, the National Insurance Development Corporation.

Subsection (b) provides that the powers of the Corporation under this title would terminate on April 30, 1973, except to the extent necessary to continue reinsurance until April 30, 1976, and to complete the liquidation and termination of the Corporation in accordance with a plan submitted to Congress for approval on or about April 30, 1976.

Section 1202. Executive Director

Subsection (a) provides that, subject to the provisions of section 1201(a), the Corporation would be managed by an Executive Director to be appointed by the President by and with the advice and consent of the Senate.

Subsection (b) prohibits the Executive Director from serving as an officer or director of an insurance company or holding stock in any insurance company while he is Executive Director.

Section 1203. Advisory Board, meetings, duties, compensation and expenses

Subsection (a) would establish a nineteen member Advisory Board appointed by the President, who would also designate a Chairman and a Vice-Chairman. No more than six members of the Board would be from the Federal Government. (For example, the Department of Commerce and the Small Business Administration would be represented on the Board). The remaining members would be chosen from State governments, the insurance industry and other members of the public concerned with the problems of the Nation's urban areas. Members would be appointed by the President for a term of two years.

Subsection (b) provides for the Board to meet at the call of the Chairman at least twice yearly, to review the general policies of the Corporation and advise the Secretary and Corporation with respect thereto.

Subsection (c) provides that non-Federal board members would be compensated at a rate fixed by the Corporation, and would also receive travel expenses incurred in performing their duties.

Section 1204. Definitions

Subsection (a) defines (1) "environmental hazard" to mean insurance hazards beyond the control of the property owner; (2) "essential property insurance" to mean fire and extended coverage, vandalism and malicious mischief and such burglary and theft coverage for such types, classes, and locations of property as specified by the Corporation, excluding automobiles and manufacturing risks; (3) "inspection facility" as the person designated by the State insurance authority to perform inspections under the plans set forth in part A; (4) "insuror" to include insurance companies and any poor or association of companies formed to make property insurance more readily available; (5) "losses resulting from riots or civil disorders" to mean direct property losses from riots or civil disorders occurring during and at the immediate place of a riot or other civil disorder, including pillage and looting, as determined under regulations of the Corporation; (6) "property owner" to mean any person having an insurable interest in real or personal, or mixed real and personal, property; (7) "person" to include any individual or group of individuals, corporation, partnership, association, or any other organized group of persons; (8) "reinsured losses" to mean losses on reinsurance claims and expenses incurred in connection therewith; (9) "standard line of property insurance" to include fire and extended coverage, vandalism and malicious mischief, other allied lines of fire insurance, the property damage portion of homeowners multiple peril and commercial multiple peril, burglary and theft, and such other lines as the Corporation may designate; (10) "State" as the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, and the Trust Territory of the Pacific; (11) "urban area" to include any municipality or political subdivisions of a State subject to population or other limits; and (12) "year" as a calendar year, fiscal year, or other period of twelve months as designated by the Corporation.

Subsection (b) authorizes the Corporation to define any technical or trade term.

PART A—STATEWIDE PLANS TO ASSURE FAIR ACCESS TO INSURANCE REQUIREMENTS

Section 1211. FAIR Plans

Subsection (a) requires every insurer reinsured by the Corporation to cooperate with the State insurance authority in each State in which it acquires reinsurance, in establishing and carrying out statewide plans to assure fair access to insurance requirements ("FAIR" Plans).

Subsection (b) provides that these plans are to be designed to make essential property insurance more readily available in urban areas, and authorizes the Corporation to prescribe the basic criteria for the plans, including provision that:

(1) no insurance risk will be written at a rate exceeding the standard rate, or be denied "essential property insurance" (defined to include fire and extended coverage, vandalism and malicious mischief, and such burglary and theft coverage as would be determined by regulation) by insurers, agents, brokers, or other producers, unless there is first an inspection of the property by an inspection facility (defined as the rating bureau or other facility designated by the State insurance authority), without cost to the owner of the property, and a determination made that the risk is not insurable at the applicable premium rate;

(2) inspections under the plan may be requested (in writing or otherwise) by a property owner (any one with an insurable interest), his representatives, or by an insurer, agent, broker, or other producer;

(3) the property owner may be requested to be present during an inspection but the owner of the particular building need not be present for a tenant seeking insurance;

(4) a copy of the inspection report will be promptly sent to an insurer after an inspection;

(5) the insurer will promptly process the application for insurance after the inspection report is received and will promptly return to the person performing the inspection a copy of the inspection report and a copy of an action report setting forth the amount of coverage the insurer agrees to write. If the insurer agrees to write the coverage with a surcharge, if any is authorized, it must also state the improvements that must be made to the property before it will provide coverage at the standard rate; if the insurer agrees to provide coverage on condition that certain improvements are made, it must state what improvements are required, as well as the amount of coverage it agrees to write, and if the insurer declines the risk it must clearly state its specific reasons;

(6) an insurer declining a risk, or agreeing to provide coverage only if the property is improved, will promptly send a copy of the inspection and action reports to the applicant and the State insurance authority. At the time the insurer sends these reports to the applicant for insurance, it must also explain clearly his right to appeal the decision of the insurer to the State insurance authority;

(7) all policies under the plan will be written promptly and will be separately coded;

(8) the inspection facility will submit periodic reports on the operation of the plan to the State insurance authority and to each city in which property has been inspected under the plan and to the Corporation. This report would set forth by individual insurer the number of risks inspected under the plan, the number of risks accepted, the number of risks conditionally accepted and reinspections made, the number of risks declined, and other information;

(9) each insurer participating in the plan will give a policyholder sufficient notice prior to cancellation or nonrenewal to allow the policyholder to seek a new policy under the plan and will explain to the policyholder the procedures for obtaining insurance through the plan; and

(10) a cooperative and continuing public education program will be undertaken by the participating insurers and agents and brokers to assure that the plan receives adequate public attention.

Section 1212. All-industry placement facility

This section would require all plans to include an All-Industry Placement Facility, authorized to do business with every insurer in the State participating in the plan. This facility would help agents and brokers place insurance up to the full insurable value of a property, except to the extent that deductibles, percentage participation clauses, and other underwriting devices might be employed to meet special problems of insurability. The facility would seek to place this business equitably among the companies with which it is authorized to do business, and would pay commissions to the agent or broker on the business it places, in accordance with requirements developed by the State insurance authority.

Section 1213. Industry cooperation

Subsection (a) would require every insurer participating in a plan to file a statement pledging its full participation and cooperation in carrying out the plan with the State insurance authority and with the Corporation.

Subsection (b) would prohibit an insurance company from discouraging in any way its agents and brokers from submitting applications for insurance through a plan. For example, losses on property insured under the plan should not reduce the agent's or broker's contingent commission income from premiums written on other property; and such losses should not be included in calculating losses on business submitted by the agent or broker.

Section 1214. Plan evaluation

Subsection (a) provides for the State insurance authority to transmit copies of a plan, and any amendments, to the Corporation and to advise it concerning the operation of the plan, and the need to adopt other programs to make essential property insurance more readily available.

Subsection (b) authorizes the Corporation to modify the criteria for plans if it finds, on the basis of experience, such action is necessary or desirable to carry out the purposes of the title.

PART B—REINSURANCE COVERAGE

Section 1221. Reinsurance of losses from riots or civil disorders

Paragraph (1) of subsection (a) authorizes the Corporation to offer to any insurer, subject to the conditions set forth in section 1223, reinsurance against property losses resulting from riots or civil disorders.

Paragraph (2) of subsection (a) provides that reinsurance will be offered on fire and extended coverage; vandalism and malicious mischief, other allied lines of fire insurance, the property damage portion of homeowners multiple peril and commercial multiple peril, and burglary and theft, combined. Reinsurance would be offered on all of these lines, taken together. Companies acquiring reinsurance on all such lines would be eligible to purchase reinsurance on any other individual standard line of property insurance.

Subsection (b) provides that reinsurance coverage may be provided immediately following enactment of the title by means of a written binder which is to expire at the end of a 90-day period or upon the effective date of the reinsurance contract between an insurer and the Corporation, whichever is earlier.

Subsection (c) provides that no reinsurance will be offered to an insurer in a State after the expiration of the binder referred to in subsection (b) unless the insurer is participating in that State's plan as described in part A.

Section 1222. Reinsurance agreements and premiums

Subsection (a) authorizes the Corporation to enter into reinsurance contracts in consideration of payment of such premium or other charge which the Corporation deems adequate to obtain an aggregate fund in excess of the estimated amount of insured riot losses during 1967, assuming a substantial proportion of property insurance written will be reinsured. Based on the $50 to $75 million of insured riot losses estimated by the President's National Advisory Panel on Insurance in Riot-Affected Areas, this would probably require a reinsurance premium of not less than 2 percent of the annual earned premiums on reinsured lines.

Subsection (b) authorizes the Corporation to establish the amount of losses from riots or civil disorders each insurer must retain before the Corporation will reimburse the insurer for its losses. It is expected that the retention of loss will not be less than 3 percent of the insurer's annual premiums or reinsured lines in the State, plus an additional 10 percent of losses above the 3 percent. Further, an insurer will be assessed an additional premium of up to the stop-loss percentage (here 3 percent), less any riot losses actually paid in that State by the insurer.

Subsection (c) authorizes the Corporation to include such terms and conditions in reinsurance contracts as are necessary to carry out the purposes of the title.

Subsection (d) provides that reinsurance contracts will be for a term expiring on April 30, 1969, and on April 30 each year thereafter and shall be entered into within ninety days of the effective date of this title or within ninety days prior to April 30 each year thereafter, or within ninety days after an insurer is authorized to write insurance in a State in which it was not so authorized to write in the preceding year.

Section 1223. Conditions of reinsurance

Subsection (a) sets forth various conditions under which the Corporation will terminate existing reinsurance, and will not offer new coverage on policies written after the termination date.

Paragraph (1) provides that the Corporation will not offer reinsurance in any State if the State itself, or through its political subdivisions, does not assume a portion of the responsibility for assisting the Corporation to reinsure against losses resulting from riots or civil disorders within one year after the effective date of the Act, or, if the appropriate state legislative body has not met in regular session during that year, by the close of its next regular session. The State, however, would not be called on to reimburse the Corporation until the Corporation had incurred reinsured losses in excess of the total premiums it had received in that State for reinsurance of losses resulting from riots or civil disorders. After the Corporation incurs such losses and expenses in excess of the reinsurance premiums received in the State, the State, after the adoption of appropriate legislation, would reimburse the Corporation for its reinsured losses in that State in an amount up to at least 5 percent of the property insurance premiums earned in that State during the preceding calendar year. If the State, during the preceding calendar year, did not adopt legislation assuming this portion of the responsibility for providing reinsurance in the State, the insurance industry in that State would be ineligible for future reinsurance coverage on new policies until the State's adoption of such legislation.

Paragraph (2) provides that reinsurance will cease to be available on new policies written in a State after thirty days following the Corporation's notification to the insurer that the Corporation finds that a suitable program, in addition to the plan set forth in part A, is required to make essential property insurance more readily available in the State without regard to environmental hazards, and that such program has not been adopted. This paragraph, however, would not become effective until two years after the effective date of this Act, or at such earlier date as the Corporation, after consultation with the State insurance authority, may determine.

Paragraph (3) provides that reinsurance will cease to be available on policies written in a State after thirty days following notification to the insurer that the Corporation, upon notification from the State insurance authority, finds that the insurer is not fully participating as required in a plan as set forth in part A in that State and in any pool of insurers or other program found by the Corporation to aid in making essential property insurance more readily available in that State.

Paragraph (4) provides that reinsurance will be unavailable on new policies written by an insurer following a merger, acquisition, consolidation or reorganization involving an insurer with reinsurance on one or more lines of insurance and an insurer with or without such reinsurance unless the surviving company meets the criteria of eligibility for reinsurance other than as provided in section 1222(d); promptly pays any reinsurance premiums due; and the Corporation finds that it is desirable to provide reinsurance in light of the purposes of the title.

Paragraph (5) provides that reinsurance will terminate upon cancellation by the insurer. To protect the integrity of the National Insurance Development Fund, for which premiums are calculated on an annual basis, it is contemplated that upon cancellation by an insurer the Corporation would provide in the reinsurance agreement that refunds, if any, would not be on a pro rata basis.

Subsection (b) provides that if reinsurance is terminated or cancelled under this section coverage may continue for policies written during the time reinsurance was in force upon payment of an appropriate premium or other charge. As some property insurance policies are written for periods longer than one year, the purpose of this provision is to provide reinsurance protection for such policies.

Section 1224. Recovery of premiums: Statute of limitations

Subsection (a) authorizes the Corporation to recover any unpaid premiums for reinsurance.

Subsection (b) imposes a five-year statute of limitations on the recovery by an insurer of excess premiums paid to the Corporation or the recovery by the Corporation for reinsurance premiums due to it; and provides that if an insurer has filed false documents with the Corporation with the intent to evade payment of the appropriate premium the five-year period will not begin until the Corporation discovers the deception.

PART C—PROVISIONS OF GENERAL APPLICABILITY

Section 1231. Claims and judicial review

This section authorizes the Corporation to adjust and pay claims for proved and approved losses covered by reinsurance and authorizes any claimant, upon disallowance of a claim, to institute an action, within 1 year after the receipt of the notice of disallowance in the United States District Court for the district in which the insured property was situated. Jurisdiction would be conferred on the district court without regard to the amount in controversy.

Section 1232. Fiscal intermediaries and servicing agents

Subsection (a) authorizes the Corporation to enter into contracts with any insurer or private organization for performance of any or all of the following functions: (1) estimating or determining reinsurance claim payment amounts; (2) receiving funds from the Corporation and disbursing and accounting for them in making reinsurance claim payments; (3) auditing the records of any insurer to assure proper payments; (4) establishing the basis of liability for reinsurance; and (5) otherwise furthering the purposes of the Act as provided in the contract.

Subsection (b) provides that surety bonds may be required from the insurer or organization or any of its officers or employees participating in carrying out the contract in amounts deemed appropriate by the Corporation. No individual designated to certify payments and no officer of the Federal government disbursing funds in accordance with a proper certification of payments would be liable with respect to such payments in the absence of gross negligence or intent to defraud the United States.

Section 1233. National Insurance Development Fund

Subsection (a) authorizes a National Insurance Development Fund to be used by the Corporation to carry out the programs authorized under the new title. The fund will

be available without fiscal year limitation to (1) pay reinsurance claims under the reinsurance coverages provided in part B; (2) pay the administrative expenses of the Corporation; and (3) repay with interest, sums which may be borrowed from the Secretary of the Treasury under section 520(b) of the National Housing Act.

Subsection (b) provides that the fund is to be credited with (1) reinsurance premiums paid by insurers in connection with the reinsurance coverages provided under part B; (2) amounts advanced to the fund from appropriations to maintain the fund in a condition adequate to meet its liabilities; (3) interest on investments of the fund; (4) receipts from other sources which may be deposited in the fund; and (5) funds which may be borrowed under section 520(b) and deposited in the fund.

Subsection (c) authorizes the Secretary, after determination that fund monies exceed current needs, to invest such amounts as he deems advisable through the Secretary of the Treasury, in obligations insured or guaranteed by the United States.

Section 1234. Records, annual statements and audits

Subsection (a) of this section authorizes the Corporation to adopt rules and regulations specifying the records which must be kept by any person acquiring reinsurance, or performing inspections under the Plans set forth in part A, which will facilitate a study by the Corporation of property insurance, the reasons for insured losses, and an effective audit of liability for reinsurance payments by the Corporation. These persons would also be required to furnish the Corporation with summaries and analyses of information in their records as the Corporation may prescribe by rules and regulations.

Subsection (b) of the section requires every insurer acquiring reinsurance from the Corporation to file with the Corporation a copy of the annual statement, or any amendment thereto, that it files with the State insurance authority of its domiciliary state, at the time it files the statement or amendment with the insurance authority.

Subsection (c) requires persons executing contracts with the Corporation under section 1232 to keep such reasonable records as will facilitate an audit.

Subsection (d) authorizes the Corporation and the Comptroller General of the United States, or their designees, to have access to the books and records of an insurer or other person for the purpose of conducting an audit pertinent to the costs of any program undertaken for, or services rendered to, the Corporation.

Section 1235. Study of reinsurance and other programs

Subsection (a) authorizes and directs the Corporation to conduct a study of reinsurance and other means to help assure an adequate supply of burglary and theft and other property insurance in urban areas and to help assure the adequate availability of surety bonds for construction contractors in urban areas. It is anticipated that this study will cover, among other things, the possibility of providing Federal reinsurance to pools of insurers providing burglary and theft and other property insurance.

Subsection (b) requires the Corporation to submit the results of its study together with appropriate recommendations to the Secretary for transmittal to the President and the Congress no later than one year after the effective date of the title.

Section 1236. Other studies

This section authorizes the Corporation to undertake studies of (1) the operation of the Plans under part A; (2) the extent to which essential property insurance is unavailable in urban areas; (3) the market for private reinsurance; and (4) loss prevention methods and procedures, insurance marketing methods, and underwriting techniques.

Section 1237. General powers of corporation

This section sets forth the general corporate powers of the Corporation; including the power to have a corporate seal; to sue and be sued (and that all suits of a civil nature in which the Corporation is a party shall be deemed to arise under the laws of the United States); to enter into and perform contracts, leases and other agreements without competitive bidding; to employ a staff; to issue such rules and regulations as the Corporation deems necessary or appropriate to carry out the title; and to exercise all powers specifically granted by this title and such incidental powers as are necessary to carry out the title.

Section 1238. Services and facilities of other agencies—Utilization of personnel, services, facilities and information

This section authorizes the Corporation, with the consent of the agency concerned, to utilize the personnel and information of any agency of the Federal Government on a reimbursable basis and to obtain data relating to matters within the jurisdiction of the Corporation from any agency having custody of such data without reimbursement, to the extent permitted by law.

Section 1239. Finality of certain transactions

This section provides that any financial transaction of the Corporation relating to reinsurance under the title shall be final and conclusive on all officers of the United States.

Section 1240. Taxation

This section exempts the Corporation from taxation by any local or State government and the Federal Government, except on real property acquired as a result of reinsurance. Real property may be taxed by a State or political subdivision thereof, to the same extent, according to the value of the property, as other real property in the State is taxed.

Section 1241. Annual report

This section requires the Secretary to include in his annual report a report on the operation of the Corporation.

Section 1242. Appropriations

This section authorizes such appropriations as may be necessary to carry out the title.

Section 4. Financing

This section of the bill amends section 520(b) of the National Housing Act to authorize payments by the Secretary for property losses reinsured under title XII of the Act.

Section 5. Government Corporation Control Act

This section defines the National Insurance Development Corporation as a wholly-owned government corporation under the Government Corporation Control Act.

Section 6. Compensation of Executive Director

This section provides for compensation of the Executive Director of the National Insurance Development Corporation at the rate prescribed for Level IV of the Federal Executive Salary Schedule.

GENERAL EXPLANATION OF THE NATIONAL INSURANCE DEVELOPMENT CORPORATION ACT OF 1968

The bill would implement the recommendations of the Report by the President's National Advisory Panel on Insurance in Riot-Affected Areas, entitled *Meeting the Insurance Crisis of our Cities*. It would add a new title XII to the National Housing Act, "National Insurance Development Corporation".

The bill would create a National Insurance Development Corporation (NIDC) in the Department of Housing and Urban Development. The Corporation would be managed under the supervision of the Secretary by an Executive Director appointed by the President, by and with the advice and consent of the Senate. A nineteen-member Advisory Board, appointed by the President, would meet periodically to advise on the general policies of the Corporation. The members of the Advisory Board could include members of the public, insurance industry representatives, and State and Federal officials. Operation of the Corporation would be limited to five years.

The bill is designed to meet two serious and urgent problems confronting owners of residential and business properties in urban areas of the Nation by authorizing new programs to improve the availability of property insurance. A major problem, of critically growing proportions, is the limited availability of fire and extended coverage, and insurance against vandalism and malicious mischief and burglary and theft in the core areas of our Nation's cities. In many cases, private insurance companies have considered it uneconomic to provide these lines of insurance in certain areas, regardless of the condition of the individual risk. The bill would authorize the National Insurance Development Corporation to encourage the private property insurance industry to cooperate with State insurance authorities, in developing statewide plans to assure all property owners fair access to property insurance.

A second, and related, insurance problem requiring urgent attention has been precipitated by recent riots and civil disorders in urban areas across the Nation. The amount of losses which the property insurance industry has paid on riot and civil commotion coverage raises the serious question as to whether the industry will continue to provide this coverage, or indeed any insurance coverage, in certain areas of the Nation's cities. To meet this problem, the bill would authorize the NIDC to offer reinsurance in order to provide continuity of private insurance coverage, and thus prevent a credit crisis of serious national proportions which would arise if insurance coverage were withdrawn in urban areas.

Riot losses would be shared first by the private insurance companies and then by the separate States in which riot losses may occur. The Federal Government, through the NIDC, would reinsure the balance of insured losses from riots and civil disorders.

STATEWIDE PROPERTY INSURANCE PLANS

Part A of the new title XII provides for statewide plans to assure Fair Access to Insurance Requirements (FAIR Plans).

Owners of homes and businesses in sections of center cities frequently find it impossible to purchase important insurance protection. Without insurance coverage against major perils, banks and other lending organizations will not extend credit for the purchase and improvement of real property, and the financing of business inventories. Consequently, property cannot be maintained and business cannot be conducted; the result is that property deteriorates and business, particularly small business, stagnates.

Owners of well-maintained properties and businesses have complained that individual insurance risks have not been considered on their respective merits, but instead have been denied insurance merely because of the location of the property in a particular neighborhood or section of a community. Without insurance responsible owners lose incentive to maintain their property. Families and businesses move out and a blighted area develops and grows.

The bill would meet the lack of fire and extended coverage, and coverage against vandalism and malicious mischief and burglary and theft by encouraging State insurance

commissioners and the property insurance industry to cooperate in developing statewide property insurance plans to improve access to these coverages. Similar plans of limited range—principally for making fire and extended coverage available on residential properties in specified areas—have been introduced by the private property insurance industry in a dozen or so communities.

The new plans would require measures for inspecting risks for fire and extended coverage not only on residential, but also on commercial and other properties in urban areas. In addition, the plans would provide inspections to obtain vandalism and malicious mischief and burglary and theft insurance on these properties. The plans also call for a cooperative all-industry facility which would place insurance in the regular market.

Including vandalism and crime insurance in the statewide plans will offer property owners an opportunity to purchase these important coverages. Although the urban core poses special problems for the crime insurance underwriter, the plans should encourage the industry to focus more attention on loss prevention and policy design, and should make this coverage more economical.

The criteria for "FAIR" plans are specified in the bill. The State insurance authorities would have the responsibility to review the operation of the plans and report periodically to the Coroporation on their effectiveness in improving the market for property insurance coverage.

Under such plans, property owners could not be charged more than the standard rate or be denied essential insurance coverages unless there has first been a physical inspection of the property. If an inspection discloses that the risk is not insurable because of physical hazards on the premises or other deficiencies, the owner would be advised by the company or its representative of the specific measures which must be taken to meet reasonable underwriting standards. If such measures are taken, the property would be eligible for insurance and, if necessary, the statewide placement facility would try to place such insurance with a private company or companies.

In some cases the owner of an otherwise insurable property cannot now obtain insurance because of environmental hazards not under his control—for example, a neighboring "fire trap." The statewide placement facility should be able to distribute equitably these risks throughout the industry. Where a substantial number of these properties make this approach impractical, however, it is expected that within two years after enactment of the bill insurers will form pools to accept these risks.

The incentive to insurance companies to cooperate with State insurance authorities and the Corporation in developing and carrying out these plans is the program of reinsurance to be offered on a State-by-State basis.

REINSURANCE COVERAGE

Part B of the new title contains authority for the new reinsurance program.

Much of the property damage to residences and businesses from recent riots in cities across the Nation was protected by insurance against loss from riot and other civil commotion. Insurance companies which offer various lines of property insurance customarily reinsure against abnormally high losses from various perils, including riot and other civil commotion, with organizations specializing in reinsurance. Insurance claims for losses in riot-struck cities have been paid by primary property insurers, in part, from such reinsurance.

So long as the insurance industry believes that the threat—however remote—of the catastrophic riot and civil commotion losses continues, reinsurers cannot reasonably be expected to offer such protection except at prohibitive cost which the insurance-buying public would be expected to bear. If losses continue, reinsurers might even withdraw from the market altogether.

The consequences of either market development would be critical to the national economy. Without reinsurance, primary insurers cannot continue to provide riot and civil commotion protection in the various lines of insurance, and may seek to cancel policies currently in force or, since most policies are short-term, refuse to renew them when they expire. Without property insurance coverage, banking and other lending organizations would refuse to extend credit.

The bill would meet this threat to the economy by authorizing a reinsurance program through the National Insurance Development Corporation, with appropriate loss-sharing by insurers, the States, and the Federal Government. Reinsurance would be offered to insurance companies in each State for the riot and civil commotion peril in all lines of property coverage. Agreements would be entered into between the Corporation and the insurance company, prescribing the terms and conditions for the reinsurance.

Companies would pay premiums to the Corporation for such reinsurance. Premium rates would be negotiated, from time to time, between the Corporation and the private property insurance industry. Under the bill the first year premiums should provide sufficient income to cover a level of riot losses greater than those in 1967.

Reinsurance losses would be shared among the companies, the States, and the Corporation. In the event losses in a State exceed the amount of losses which the companies would assume under reinsurance agreements, and the amount of losses assumed by the State, then the Corporation would reimburse the Companies for the balance.

The retention of losses by the companies might be as follows: Assume that in State X, the total insured claims for losses from riot and civil disorders by companies doing business in the State in a given calendar year amounted to $45 million. Assume that policy premiums earned by all companies in a State X on *all lines* of property insurance amounted to $150 million, and further, that premiums earned by all companies on *reinsured lines* in such State in that year amounted to $100 million.

The bill authorizes the specific terms of reinsurance arrangements (including company retentions of loss and percentage sharing) to be negotiated from time to time between the Corporation and private companies. However, the typical arrangement might involve two features: (1) an initial retention of losses, equal to a percentage of premiums earned in a State on lines reinsured, plus (2) the assumption of an additional percentage of *total* losses, above and beyond the initial retention.

For illustrative purposes, the first percentage might be assumed to be 3 percent. Applied against premiums earned, this would amount to $3 million ($100 million x 3%). If the second percentage is assumed to be 10 percent, this would amount to $4.2 million ($42 million x 10%; $42 million equals $45 million, less $3 million). The private insurance companies' retention of riot losses would be the sum of $3 million (initial retention) plus $4.2 million (override), or $7.2 million, to be paid from their own resources.

The State's share of the reinsurance losses might be illustrated by an extension of the foregoing example. Under the bill, the "ceiling" for any State's share would be 5 percent of total premiums earned by the insurance companies on all property lines in that State. Such sharing, however, would not be required unless reinsured losses in a State exceeded the sum of (1) the premiums paid by the insurance industry for reinsurance in that State, and (2) the companies' retained losses.

Assuming that premiums for reinsurance paid by companies in the State in a calendar year would be 2 percent of earned premiums on all reinsured lines in the State, this would amount to $2 million ($100 million x 2%). To arrive at the State "sharing" point, the losses retained by the companies would be added to this amount. The sum of these two amounts is $9.2 million ($2 million plus $7.2 million). Since total riot losses exceed this amount, in the example (i.e. $45 million), the State's share would be $7.5 million (premiums earned by all companies in the State on all lines of property insurance, or $150 million x 5%).

There would remain yet to be paid $30.3 million, the amount to be paid by the Corporation, from premiums received from companies for reinsurance in other States.

FINANCING

Under the bill, it is intended that the reinsurance program would be self supporting, drawing on reinsurance premiums for any losses that might be incurred.

If, however, riot losses throughout the Nation resulted in reinsurance claims in excess of the aggregate amount of premiums received by the Corporation from reinsurance, the excess would be paid with funds borrowed from the Treasury. These funds would, in turn, be repaid from future reinsurance premiums.

STUDY AND REPORT TO CONGRESS

Part C of the new title, in addition to containing general provisions, directs the Corporation to conduct a study and to make a report for transmission by the Secretary to the President and the Congress within one year on reinsurance and other means to assure an adequate market for property insurance in urban areas. In this study, the Corporation would consider the feasibility of offering reinsurance against such perils as exposure hazards from neighboring properties, the risk of crime losses, and default on contractors' surety bonds—in addition to riots and civil disorders.

S. 3029—INTRODUCTION OF HOUSING AND URBAN DEVELOPMENT ACT OF 1968

Mr. SPARKMAN. Mr. President, I introduce the administration's proposed Housing and Urban Development Act of 1968, to implement the recommendations made by the President in his message on cities. I have just received this bill and, consequently, I have not had the opportunity to study it in depth. As usual, I am sure it contains proposals that are good, and which I can support, and some which I may not be able to support.

Nevertheless, I said last week that the President's message was a timely one. The problems of our towns and cities are national problems affecting all of us whether we live in the city or in the country. The administration's recommendations are designed to deal with this national problem.

Last year, the Subcommittee on Housing and Urban Affairs, and the Committee on Banking and Currency, worked tirelessly and long in an effort to develop a program that would help make it possible for more low-income families to own their homes. A program was developed and approved. The committee bill, S. 2700, is now on the Senate Calendar and includes many of the provisions recommended by the President. In view of what has already been done, I am hopeful that the committee may be able to dispose of

that part of the administration's bill covered by S. 2700 quickly.

Mr. President, I ask unanimous consent that a section-by-section summary of the administration's Housing and Urban Development Act of 1968 be included in the RECORD at this point in my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the section-by-section summary will be printed in the RECORD.

The bill (S. 3029) to assist in the provision of housing for low- and moderate-income families, and to extend and amend laws relating to housing and urban development, introduced by Mr. SPARKMAN, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The section-by-section summary, presented by Mr. SPARKMAN, is as follows:

SECTION-BY-SECTION SUMMARY OF HOUSING AND URBAN DEVELOPMENT ACT OF 1968

TITLE I—LOW AND MODERATE INCOME HOUSING

Homeownership for low and moderate income families

Section 101. Subsection (a) would add a new section 235 to the National Housing Act to establish a homeownership assistance program for low and moderate income families. The assistance would be provided in the form of periodic payments to the mortgagee which would serve to reduce interest costs on a market rate home mortgage or a cooperator's share of a cooperative association's mortgage. In addition, the provisions of the present section 221(h) of the National Housing Act would be incorporated into the new section and the nonprofit organization sponsoring the project, as well as the individual lower income purchasers, would be eligible to receive the benefits of assistance payments.

The homeowner would be required to pay 20 percent of his monthly income toward the monthly payment due under the mortgage for principal, interest, taxes, insurance, and mortgage insurance premium. The difference between this amount and the total monthly payment required under the mortgage would be made up by the assistance payments. However, in no event could the amount of the assistance payment exceed the difference between the required monthly payment under the mortgage for principal, interest, and mortgage insurance premium and that amount which would be required for principal and interest if the mortgage bore interest at a rate of 1 percent. In addition, the Secretary could reimburse the mortgagee for its expenses in handling the mortgage.

To qualify for assistance payments, a family would have to be of low or moderate income whose income could not exceed limits prescribed by the Secretary. Family incomes of homeowners would be recertified at least every 2 years for the purpose of adjusting assistance payments. In calculating family income, a deduction of $200 would be made for each minor child in the household, and earnings of minor children would not be included in family income.

Mortgages under this section would generally meet the requirements of either section 221(d)(2) sales housing for low and moderate income housing, section 234 condominium housing, section 213 cooperative housing, or the provisions of section 221(h) incorporated into this section. In addition, families eligible for insurance under the above sections (except section 213), but who must obtain insurance under section 237 (proposed by section 102 of the bill) because of their credit or income ratings, would also be eligible for assistance payments under this section.

Assistance payments would generally be made only with respect to newly constructed or substantially rehabilitated units. However, a mortgage involving existing single family or condominium housing could be insured under this section, where it involved (1) a tenant occupying a unit in a rental project covered by a mortgage insured under section 236 (proposed by section 201 of the bill) or occupying a unit in a rent supplement project and wishing to purchase his unit; (2) displacees; (3) families occupying low-rent public housing; and (4) families with five or more minor children.

The amount of the mortgage would be limited to $15,000 ($17,500 in high-cost areas), except that in the case of families with five or more persons the limits would be $17,500 and $20,000, respectively. In order to prevent the price of a dwelling being unnecessarily increased because of the availability of assistance payments, the Secretary would be required to prescribe regulations to assure that the consideration paid for homes under this program is not increased above their appraised value. These mortgages would be insured under the new Special Risk Insurance Fund proposed by section 104 of the bill.

Contracts for assistance payments would be authorized, subject to approval in appropriation acts, in the amount of $75 million annually prior to July 1, 1969, which amount may be increased by $100 million on July 1, 1969, by $125 million on July 1, 1970, by $150 million on July 1, 1971, and by $150 million on July 1, 1972.

Assistance under this new section 235 would be available in both urban and rural areas. However, insofar as the administration of this section in rural areas is concerned, the Secretary will assign to the Secretary of Agriculture necessary authority, along with appropriate transfer of funds, for the implementation thereof as agreed upon by the two Secretaries. Section 513 of the Housing Act of 1949 would be amended by section 1003 of the bill to authorize appropriations to pay for Agriculture's administrative expenses in connection with any such assignment.

Subsection (b) would increase the mortgage limits on single family dwellings under section 221(d)(2) of the National Housing Act to correspond to the limits provided in section 235. This subsection would also permit a mortgagor under section 221(d)(2) (and, therefore, also one under section 235) to contribute the value of his labor to the acquisition cost of his dwelling.

Subsection (c) would prohibit the insurance of any blanket mortgage under section 221(h) of the National Housing Act after the effective date of this section, except pursuant to a commitment issued prior to that date. It would also permit mortgages on the individual units sold by a nonprofit organization holding a blanket mortgage under section 221(h) to be insured under section 235 with assistance payments.

Subsection (d) would amend section 212 of the National Housing Act to make the labor standards of that section applicable to blanket mortgages held by nonprofit organizations insured under section 235 to the same extent as now applicable to such mortgages insured under section 221(h) of such Act.

Subsection (e) would authorize the Secretary to provide, either directly or by contract, budget, debt management, and related counseling to homeowners with mortgages insured under section 235.

Credit assistance

Section 102. Would add a new section 237 to title II of the National Housing Act to authorize mortgage insurance for families of low and moderate income who cannot qualify for mortgage insurance under regular FHA programs because of their credit histories or irregular income patterns, but who the Secretary finds are "reasonably satisfactory" credit risks and capable of homeownership with the assistance of budget, debt management, and related counseling provided by the Secretary. Mortgage insurance under this program would have to meet the requirements (other than credit and income requirements) under certain regular FHA single family sales programs, except that the principal obligation of the mortgage could not exceed $15,000 ($17,500 in high-cost areas) and the mortgagor could not undertake a mortgage which, in combination with local real estate taxes, required monthly payments which exceeded 25 percent of the mortgagor's income. These mortgages would be insured under the new Special Risk Insurance Fund (proposed by section 104 of the bill). The Secretary would be authorized to provide, either directly or by contract, budget, debt management and related counseling services to these mortgagors. A conforming amendment would be made to section 226 of the National Housing Act to require that the home purchaser be furnished a copy of the FHA appraisal of the property, prior to the sale of the property, for homes insured under both this section and the new section 235 (proposed by section 101 of the bill).

Relaxation of mortgage insurance requirements in certain urban neighborhoods

Section 103. Would amend section 223 of the National Housing Act by adding a new subsection (e) to give FHA a more flexible authority in providing financing for the repair, rehabilitation, construction, or purchase of properties located in older, declining urban areas by authorizing FHA to accept for insurance mortgages on properties which may not, because of the areas in which they are located, be able to meet all the normal eligibility requirements for insurance. Such mortgages could be accepted for insurance where FHA is able to establish that the areas are reasonably viable, giving consideration to the need for providing adequate housing for families of low and moderate income in such areas and that the properties are an acceptable risk in view of such consideration. This section replaces an older provision (section 203(1)) which is limited to sales housing in riot-prone areas and which is repealed.

Special risk insurance fund

Section 104. Would add a new section 238 to title II of the National Housing Act to establish a "Special Risk Insurance Fund", which fund is not intended to be actuarially sound and out of which claims would be paid on mortgages insured under the new sections 235—homeownership assistance (proposed by section 101 of the bill); 236—assistance for rental and cooperative housing (proposed by section 201 of the bill); and 237—credit assistance (proposed by section 102 of the bill); as well as those mortgages insured pursuant to the authority contained in the amendment to section 223 (properties in older, declining urban areas) proposed by section 103 of the bill. Payments on claims would be made in cash or debentures and could be in an amount equal to the unpaid principal balance of the loan plus any accrued interest and any advances made by the mortgagee with the approval of the Secretary and under the provisions of the mortgage. Income such as insurance premiums and service charges in connection with these programs would be deposited in the new fund. To establish the fund, the Secretary would be authorized to advance to the fund $5 million from the General Insurance Fund. This advance would be repayable at such times and at such interest rates as the Secretary deemed appropriate. Appropriations to the fund would be authorized to cover any losses sustained by the fund in carrying out the mortgage insurance obligations of these sections.

Condominium and cooperative ownership for low and moderate income families

Section 105. Would amend section 221 of the National Housing Act by adding new subsections (i) and (j) to permit section 221(d)(3) below-market interest rate rental projects to be converted to condominium or cooperative ownership.

Under the new subsection (i), a low or moderate income purchaser could purchase an individual family unit and an undivided interest in the common areas and facilities of the project at a price not in excess of the appraised value of the property. The purchase could be financed with a mortgage which bears an interest rate no less than the below-market interest rate in effect with respect to 221(d)(3) projects at the time the commitment to insure the mortgage is issued. The mortgage would contain a provision permitting the Secretary to increase the interest rate, up to the maximum permissible under section 221 at the time the mortgage commitment was issued, upon determination that the mortgagor's annual income had increased to an amount permitting payment of a greater rate of interest. If the original mortgagor ceases to occupy the property, the rate would also increase to the highest rate permissible at the time of commitment, unless the property is sold to a nonprofit purchaser approved by the Secretary or to a low or moderate income purchaser whose income is within the limits established for occupancy in a below-market interest rate project insured under section 221(d)(3).

Under the new subsection (j), a cooperative, with membership open only to low and moderate income families meeting income limits prescribed for section 221(d)(3) below-market interest rate projects, could purchase the project for an amount not exceeding the appraised value of the property for continued use as a cooperative at the below-market interest rate in effect at the time the commitment to insure the mortgage is issued.

Assistance to nonprofit sponsors of low and moderate income housing

Section 106. Subsection (a) would authorize the Secretary of HUD to undertake a program of assistance to nonprofit sponsors of low and moderate income housing. Activities could include the provision of information and technical assistance with respect to the construction, rehabilitation, and operation of low and moderate income housing.

Subsection (b) would provide financial assistance, in the form of 80 percent interest-free loans, to cover certain preconstruction costs of such nonprofit sponsors in connection with their low or moderate income housing undertakings under federally assisted programs. The loans could cover such items as market surveys, architectural and engineering fees, land options, and application and commitment fees. There would be established a $7.5 million revolving fund to be used by the Secretary to make these loans. These loans would normally be repaid when the project is permanently financed, but the Secretary would be authorized to cancel any part of a loan which could not be recovered from the proceeds of the permanent loan.

TITLE II—RENTAL HOUSING FOR LOW AND MODERATE INCOME FAMILIES

Part A—Private housing

Rental and Cooperative Housing for Low and Moderate Income Families

Section 201. Subsection (a) would add a new section 236 to the National Housing Act to establish an assistance program for rental and cooperative housing for low and moderate income families. The assistance would be provided in the form of periodic payments to the mortgagee on behalf of the mortgagor which would serve to reduce interest costs on a market rate project market. In addition, the Secretary could reimburse the mortgagee for its expenses in handling the mortgage.

The interest reduction payments would reduce payments on the project mortgage from what would be required on a market rate mortgage to what would be required on a mortgage bearing an interest rate of 1 percent.

The interest reduction payments would reduce rentals to a basic charge, and a tenant or cooperative member would either pay the basic charge or such greater amount as represented 25 percent of his income, but not in excess of the charges which would be necessary without any interest reduction payments. Income of tenants would be reexamined at least every two years for the purpose of adjusting rentals. Rental charges collected by the project owner in excess of the basic charges would be returned to the Secretary for deposit in a revolving fund for the purpose of making other interest reduction payments.

To qualify for mortgage insurance under this section, a mortgagor would have to be a nonprofit organization, a cooperative, or a limited dividend entity of the types permitting under section 221(d)(3) of the National Housing Act. In addition the mortgage limitations with respect to maximum mortgage amount and the amount of the mortgage attributable to each dwelling unit would be the same as those mortgages insured under section 221(d)(3). The project could include such nondwelling facilities as the Secretary deemed adequate and appropriate to serve the occupants of the project and the surrounding neighborhood, as long as the project was predominantly residential and any nondwelling facilities contributed to the economic feasibility of the project, with due consideration being given to the possible effect of the project on other business enterprises in the community. Where a project was designed primarily for occupancy by elderly or handicapped families (as defined in section 202 of the Housing Act of 1959), it could include related facilities for use of such families, such as dining, work, recreation, and health facilities. The mortgages would be insured under the new Special Risk Insurance fund established by section 104 of the bill.

To be eligible for occupancy in a project, a family would have to be of low or moderate income under standards prescribed by the Secretary. Individuals of low or moderate income under 62 years of age would be eligible for occupancy in a project, as long as no more than 10 percent of the dwelling units in the project were so occupied. With approval of the Secretary, a mortgagor could sell the individual dwelling units to low and moderate income purchasers, including elderly or handicapped, and these purchasers would be eligible for individual assistance payments under the provisions of the new section 235 (proposed by section 101 of the bill).

A provision is included to enable a cooperative or private nonprofit corporation or association to purchase a project from a limited dividend mortgagor and to finance the purchase with a mortgage insured under this section. In such case, the Secretary is authorized to insure the purchaser's mortgage in an amount not exceeding the appraised value of the property at the time of purchase, thereby making it possible for the cooperative or nonprofit organization to borrow, under a single mortgage, the funds needed to obtain ownership, while enabling the limited dividend seller to realize a net amount out of the sales proceeds sufficient to recover its cash investment and to retire the outstanding mortgage.

Contracts for assistance payments would be authorized, subject to approval in appropriation acts, in the amount of $75 million annually prior to July 1, 1969, which amount may be increased by $100 million on July 1, 1969, by $125 million on July 1, 1970, by $150 million on July 1, 1971, and by $150 million on July 1, 1972.

As under the new section 235 (proposed by section 101 of the bill), assistance under this new section 236 would be available in both urban and rural areas. However, insofar as the administration of the section in rural areas is concerned, the Secretary will assign to the Secretary of Agriculture necessary authority, along with appropriate transfer of funds, for the implementation thereof as agreed upon by the two Secretaries. Appropriations would also be authorized, pursuant to section 1003 of the bill, to pay for Agriculture's administrative expenses in connection with any such assignment.

Subsection (b) would amend section 212 of the National Housing Act to make the labor standards of that section applicable to section 236 projects and would amend section 227 of such Act to make cost certification requirements applicable to section 236 projects.

Subsection (c) would authorize the insurance on mortgages covering projects for low and moderate income families under section 221(d)(3) of the National Housing Act which have been approved for a below-market interest rate to be transferred, prior to final endorsement, to section 236.

Subsection (d) would authorize projects for the elderly or handicapped approved for loans under section 202 of the Housing Act of 1959 to be refinanced under section 236 at any time up to, or a reasonable time thereafter, project completion.

Subsection (e) would amend section 101 of the Housing and Urban Development Act of 1965 to authorize rent supplement benefits for tenants in a section 236 project, but limited to no more than 20 percent of the units in any one project.

Increased Authorization for the Rent Supplement Program

Section 202. Makes available an additional $40,000,000 in contract authority for rent supplement payments in fiscal year 1970, plus an additional $100,000,000 in contract authority in each of the fiscal years 1971, 1972, and 1973.

Part B—Low-rent public housing

Increased Low-Rent Public Housing Authorization

Section 203. Would amend section 10(e) of the United States Housing Act of 1937 to increase the authorization for annual contributions contracts for the low-rent public housing program by $100 million on the date of enactment and by $150 million on July 1 in each of the years 1969 and 1970, and by $200 million on July 1 in each of the years 1971 and 1972.

Would also amend section 20 of such Act to modify the method of computing HUD's use of borrowing authority under the program.

Upgrading Management and Services in Public Housing Projects

Section 204. Would add a new paragraph to section 15 of the United States Housing Act of 1937 to authorize the Secretary of HUD to enter into grant contracts with local housing authorities to assist them, where necessary, in upgrading their management activities and providing tenant services to families living in low-rent housing projects, and would authorize appropriations in an amount not to exceed $20,000,000 in fiscal year 1969 and such amounts in subsequent fiscal years as may be necessary for this purpose.

Purchase of Units by Tenants

Section 205. Would amend section 15(9) of the United States Housing Act of 1937 to broaden existing law to permit local housing authorities to sell any low-rent housing unit to a tenant if such unit is suitable for individual ownership. Existing law permits tenants to purchase only detached or semi-detached units.

Public Housing in Indian Areas

Section 206. Would amend section 1 of the United States Housing Act of 1937 to permit public housing assistance for Indian families without regard to the present limitation that such a family may not live on property located on or adjacent to their farm land.

TITLE III—FHA INSURANCE OPERATIONS

Mortgage insurance premiums for servicemen and their widows

Section 301. Would amend section 222 of the National Housing Act to permit payment of FHA mortgage insurance premiums by the Secretary of Defense or the Secretary of Transportation in cases where a serviceman assumes a home mortgage previously insured under any other provision of the National Housing Act. Under present law, a serviceman may receive this benefit only when he purchases a home and places a new mortgage on it under the provisions of section 222.

Would also direct the Secretary of Defense or the Secretary of Transportation to continue making the premium payments on behalf of the widow of a serviceman who dies in the service for 2 years after his death or until she sells the house, whichever occurs sooner. The Secretaries would be directed to promptly notify the widow of the increased cost she would have to bear upon the termination of the payment of the insurance premium at the end of the 2-year period.

Flexible interest rates for mortgage insurance programs

Section 302. Would authorize the Secretary of HUD to establish the interest rates on all FHA mortgage insurance programs, except for the land development program (which has no statutory ceiling) and the below-market interest rate programs provided for under sections 221(d)(3) and (h), without regard to any present limitations set out in the National Housing Act. The Secretary would be authorized to set these rates at such levels as he finds necessary to meet the mortgage market.

Modifications in terms of insured mortgages covering multifamily projects

Section 303. Would add a new section 239 to the National Housing Act to require the Secretary of HUD to approve a request for the extension of time for curing a default on any FHA multifamily mortgage or for a modification of the terms of such a mortgage only pursuant to regulations prescribed by him. Under such regulations, the mortgagor would have to agree to place in trust any income or funds derived from the project in excess of what is required to meet actual and necessary operating expenses. The Secretary could provide for granting such consent in any case or class of cases, without regard to the requirements of the regulations, where he determined such action would not jeopardize the interests of the United States. Any knowing and willful misdistribution of the rents or other income received during the period of extension or modification would subject the party to criminal penalty ($5,000 or 3-year imprisonment, or both).

Condominiums

Section 304. Would amend section 234(c) and (f) of the National Housing Act to (1) authorize FHA insurance for the individual units in a condominium project with 2 to 11 dwelling units without requiring that the project be first covered by an FHA insured project mortgage, (2) provide the same downpayment and maximum mortgage limitations for the FHA condominium program as are provided for the regular single-family FHA section 203(b) program, and (3) permit blanket mortgages to cover four or more units instead of the present limitation of five or more units.

Insurance of loans for purchase of fee simple title from lessors

Section 305. Would add a new section 240 to the National Housing Act to permit FHA to insure loans to homeowners to finance the purchase of fee simple title to property on which their homes are located where the homeowner has only a leasehold interest in the land. Would also amend section 5(c) of the Home Owners' Loan Act of 1933 to permit savings and loan associations to invest in the loans described above.

Extend section 221(d)(2) sales housing program for two, three, and four family residences to all low and moderate income families

Section 306. Would authorize FHA mortgage insurance under section 221(d)(2) for mortgages secured by two, three, and four family properties for all low and moderate income families, when one of the units will be occupied by the mortgagor. Under present law, insurance of a mortgage under section 221(d)(2) for two, three, and four family properties is only authorized where the mortgagor is a displaced family intending to occupy the property.

Remove dividend restriction for nondwelling facilities in section 221 projects

Section 307. Would amend section 221(f) of the National Housing Act to remove the requirement that a mortgagor of a 221 multifamily project in an urban renewal area (other than a mortgagor whose mortgage bears interest at a below-market rate) must waive dividends on its equity investment in nondwelling facilities in a project where these facilities are designed to serve the needs of others than residents of the project.

Supplemental loan program for projects financed with FHA insured mortgages

Section 308. Would add a new subsection (f) to section 223 of the National Housing Act to authorize insurance of supplementary loans to finance improvements and additions to multifamily projects (including nursing homes) and group practice facilities financed with an FHA-insured mortgage. The supplementary loan could also include equipment for a nursing home or group practice facility. Supplementary loans would be limited to 90 percent of the Secretary's estimate of the value of the required improvements, additions, and equipment and to an amount which, when added to the outstanding balance of the existing mortgage, does not exceed the basic mortgage limitations of the program under which the project is financed.

Title I—Home improvement loans—Increase in maximum maturity, finance charge, and loan amount

Section 309. Would amend section 2 of title I of the National Housing Act, which authorizes insurance of property improvement loans, to increase the maximum loan limitation of $3,500 to $5,000 and the maximum maturity from 5 years and 32 days to 7 years and 32 days. Would also increase the maximum permissible financing charge on the first $2500 of a loan from a discount of $5. to $5.50 per $100. of the original face amount of the loan, and on that portion of the loan in excess of $2500 the maximum finance charge would be increased from a $4. to a $4.50 discount.

Experimental housing program

Section 310. Would amend section 233 of the National Housing Act, the FHA experimental housing program, to make the program available for use in connection with all FHA programs. At present, section 233 is available only with respect to properties and projects meeting the requirements of one of the other sections of title II of the National Housing Act. The experimental housing program would now be authorized to be used in connection with land development projects or group practice facilities where the mortgages are insured under titles X and XI, respectively.

Term of FHA insured mortgages for land development

Section 311. Would amend section 1002(d)(1) of the National Housing Act to permit the Secretary of HUD to prescribe a maturity longer than seven years for land development project mortgages, as is presently permitted for insured mortgages covering privately owned water and sewer systems and new communities under Title X.

Rehabilitated multifamily projects in urban renewal areas

Section 312. Would amend sections 220(d)(3)(B)(ii) and 221(d)(3)(iii) of the National Housing Act to permit FHA mortgage insurance under those sections for the purchase of multifamily properties in urban renewal areas which have been rehabilitated by a local public agency pursuant to the authority provided by the amendment to title I of the Housing Act of 1949 proposed by section 504 of the bill. Mortgages on these properties could also be insured under the new section 236 of the National Housing Act (proposed by section 201 of the bill). Under present law, FHA mortgage insurance for multifamily properties is only available in connection with projects which are either newly constructed or substantially rehabilitated subsequent to the issuance of a commitment for mortgage insurance by FHA.

Miscellaneous housing insurance

Section 313. Would make 5 technical amendments to section 223 of the National Housing Act to permit refinancing of an FHA mortgage insured under any section or title of the National Housing Act as well as insurance of an FHA mortgage assigned to the Secretary or executed in connection with a sale of an acquired property under any section or title of the Act. Under present law this authority is limited to specific sections enumerated in section 223 and must be amended each time a new section is added to the National Housing Act. It would also permit payment in cash of an insurance claim, instead of just debentures, in connection with a mortgage assigned to the Secretary or a mortgage executed in connection with the sale of an acquired property.

Supplementary loans for cooperative housing purchased from the Federal Government

Section 314. Would amend section 213(j) of the National Housing Act to authorize mortgage insurance for supplementary loans to housing cooperatives which purchased wartime housing, covered by an uninsured mortgage for part of the purchase price, from the Federal Government. The loan would be subject to the same maximum amount limitations presently applicable under section 213(j) to supplementary loans to cooperatives with FHA insured mortgages. Where the mortgage on the property is dated more than 20 years prior to the date of the commitment to insure and the loan is for major rehabilitation or modernization, as determined by the Secretary, the loan may have a maturity date not more than 10 years in excess of the remaining term on the uninsured mortgage.

Equipment in nursing homes

Section 315. Would amend section 232 of the National Housing Act to permit the cost of major items of equipment used in the operation of a nursing home to be included in the insured mortgage. Similar authority is presently provided for group practice facilities under title XI.

TITLE IV—GUARANTEES FOR FINANCING NEW COMMUNITY LAND DEVELOPMENT

Short title

Section 401. This title would be referred to as the "New Communities Act of 1968."

Purpose

Section 402. States that the purpose of the title would be to encourage, through enlist-

ment of private capital, the development of new communities that (1) contribute to better living conditions through improved overall community design; (2) contribute to the sound and economic growth of the areas in which they are located; (3) provide needed additions to the general housing supply; (4) provide opportunities for innovation in technology and land use planning; (5) enlarge housing, employment and investment opportunities; and (6) encourage a diversified local homebuilding industry.

Guarantee

Section 403. Would authorize the Secretary of Housing and Urban Development to guarantee the bonds, debentures, notes and other obligations issued by new community developers to help finance new community development projects. In making such guarantees the Secretary would take into account (1) the large initial capital investment required, (2) the extended period before initial returns can be expected, (3) the irregular pattern of cash returns characteristic of such investment, and (4) the financial interests of the United States.

Eligible new community development

Section 404. Would make a new community development project eligible for assistance only if the Secretary determines that (1) the proposed new community will be economically feasible and will contribute to the orderly development of the area of which it is a part; (2) there is a practical plan (and time schedule) for financing the land acquisition and development costs and for the improvement and marketing of the land which, giving consideration to the purposes of this Act and the special problems involved, represents an acceptable financial risk to the United States; (3) there is a sound and comprehensive internal plan for the new community that meets State and local requirements, provides for a proper balance of housing for families of low and moderate income, and provides satisfactory supporting facilities for its future residents, and (4) the internal plan is consistent with comprehensive planning for the area in which the new community is situated.

Eligible obligations

Section 405. Would require any obligation guaranteed under this Act to (1) be issued by a new community developer, other than a public body, approved by the Secretary on the basis of financial, technical and administrative ability, (2) be issued to investors approved by the Secretary or, if there is an offering to the public, be underwritten upon terms approved by the Secretary, (3) be issued to finance a program of land development (including land acquisition or use) approved by the Secretary, (4) involve a principal obligation not to exceed the lesser of (1) 80 percent of the Secretary's estimate of the value of the property upon completion of the land development or (2) the sum of 75 percent of the Secretary's estimate of the value of the land before development and 90 percent of his estimate of the actual cost of the land development, (5) bear interest at a rate satisfactory to the Secretary, (6) provide for repayment and maturity satisfactory to the Secretary, and (7) contain such provisions with respect to protection of the security interests of the United States as the Secretary may prescribe.

With respect to a single new community development project the outstanding principal obligations guaranteed could not exceed $50,000,000.

Fees and charges

Section 406. Would authorize the Secretary to establish guarantee fees and to make such other charges as he considers reasonable. The Secretary would be required to make a report to Congress on or before January 1, 1970, giving an estimate of the charges and fees which would be required for a self-supporting program.

Guarantee fund

Section 407. Would authorize the Secretary to establish a revolving fund to consist of (1) all guarantee fees and other charges, (2) all recoveries and other receipts obtained in connection with guarantees, and (3) such appropriations, which are here authorized, as may be required for program operations and non-administrative expenses and to make all payments under these guarantees. The credit of the United States would be pledged to the payment of all guarantees. The Secretary could pursue to final collection or compromise any security, subrogation or other rights obtained under this Act; and expenses incurred in acquiring and disposing of property thus obtained may be paid out of the guarantee fund. The aggregate of outstanding principal obligations guaranteed under the title would at no time exceed $500 million.

Incontestability

Section 408. Would make any guarantee by the Secretary conclusive evidence of the eligibility of the obligations for such guarantee. The validity of any guarantee would be incontestable in the hands of a qualified holder of the guaranteed obligation except for fraud or material misrepresentation on the part of such holder.

Encouragement of small builders

Section 409. Would require the Secretary to adopt requirements that will encourage the maintenance of a diversified local homebuilding industry, and broad participation by builders, particularly small builders.

Labor

Section 410. Would require payment of prevailing wage rates (as determined by the Secretary of Labor in accordance with the Davis-Bacon Act) to laborers and mechanics employed in land development assisted under section 403. The Secretary of Housing and Urban Development would be required to obtain adequate assurance, before extending such assistance, that the prevailing wage requirements will be met. It also specifies that the powers given the Secretary of Labor under Reorganization Plan No. 14 to coordinate the enforcement of prevailing wage provisions and the powers given him under the Davis-Bacon Act (40 U.S.C. 276c) to issue regulations will apply.

Real property taxation

Section 411. Would make any real property acquired by the Secretary by lien or subrogation rights subject to real property taxation to the same extent, according to its value, as other real property is taxed.

Supplementary grants

Section 412. Would authorize the Secretary to make supplementary grants to States and local public bodies carrying out "new community assistance projects" if the Secretary determines such grants are necessary or desirable for carrying out an approved new community development project.

"New community assistance projects" would be projects assisted by grants under the basic water and sewer program and the open space land program of the Department of Housing and Urban Development and under the water and waste disposal facilities program of the Farmers' Home Administration. Supplementary grants would be limited to 20 percent of the cost of such projects and, in determining such cost, the Secretary would accept certifications from the Department of Agriculture as to the cost of the projects assisted by the Farmers' Home Administration. In no event could the total Federal grants for a project exceed 80 percent of its cost.

Appropriations would be authorized for these supplementary grants, to be available until expended.

General provisions and rules and regulations

Section 413. Would vest in the Secretary (1) the authority to issue rules and regulations and (2) other powers and duties set forth in section 402 (except subsection (c) (2) and (f) which are not relevant and (d) which is duplicatory) of the Housing Act of 1950. These are administrative powers and duties customarily provided for in connection with Federal programs. A corporate budget would be provided for under this section except that supplementary grants under section 412 would be accounted for separately.

Definitions

Section 414. Would define the term "land development", to mean the process of grading land, making, installing, or constructing water lines and water supply installations, sewer lines and sewage disposal installations, steam, gas and electric lines and installations, roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and other installations or work, whether on or off the site, which the Secretary deems necessary or desirable to prepare land for residential, commercial, industrial or other uses, or to provide facilities for public or common use. The term would not include any building unless it is (1) a building which is needed in connection with a water supply or sewage disposal installation or a steam, gas, or electric line or installation, or (2) a building, other than a school, which is to be owned and maintained jointly by the residents of the new community or is to be transferred to public ownership after completion.

The term "actual costs" would be defined to mean the costs (exclusive of rebates or discounts) incurred by a new community developer in carrying out the land development assisted under this Act. These costs may include amounts paid for labor, materials, construction contracts, land planning, engineers' and architects' fees, surveys, taxes and interest during development, organizational and legal expenses, such allocation of general overhead expenses as are acceptable to the Secretary, and other items of expense incidental to development which may be approved by the Secretary. If the Secretary determines that there is an identity of interest between the new community developer and the contractor, there may be included an allowance for the contractor's profit in an amount deemed reasonable by the Secretary.

The term "new community assistance projects" would be defined to mean projects assisted under section 702 of the Housing and Urban Development Act of 1965 (basic water and sewer grant program), under section 306(a)(2) of the Consolidated Farmers' Home Administration Act (water and waste disposal facilities grant program), or title VII of the Housing Act of 1961 (open space land program).

Conforming amendments

Section 415. These changes in existing law would—

(1) amend section 202(b)(4) of the Housing Amendments of 1955 so that the population limit (50,000) applicable to the political jurisdiction eligible to receive public facility loans under the 1955 law would be waived in the case of public facilities serving new communities (aided under this title) within jurisdictions (such as counties) whose total population would otherwise make them ineligible to receive such loans.

(2) amend section 24 of the Federal Reserve Act so as to authorize national banks to invest in obligations guaranteed under title III.

(3) amend section 5(c) of the Home Owners Loan Act of 1933 to authorize Federal savings and loan associations to invest in obligations guaranteed under title III.

TITLE V—URBAN RENEWAL

Neighborhood development programs

Section 501. Would add a new Part B to title I of the Housing Act of 1949. This Part would authorize the Secretary of HUD to provide financial assistance to local public

agencies to assist them in carrying out neighborhood development programs. A neighborhood development program would consist of urban renewal project undertakings and activities in one or more urban renewal areas that are planned and carried out on the basis of annual increments. The requirements governing these undertakings and activities would be similar to those governing the provision of Federal financial assistance for regular urban renewal projects now provided for under Title I.

The major differences would be that the contract for loan or capital grant for the annual increment of a program could cover activities in several contiguous or noncontiguous urban renewal areas, and the funding would be based on the amount of loan and grant funds needed to carry out the activities planned during a 12-month period in each of the urban renewal areas contained in a community's program. There would be no obligation on the part of HUD to fund beyond the immediate 12-month period for which it has entered into a contract, but, if funds were available and a community's program was acceptable to the Secretary, it is anticipated that a community would receive financial assistance based on its needs for subsequent annual increments of its program. Although there would be a computation of project cost at the end of each 12-month period, financial settlement at the end of the period may not be possible because of the inability in that period to dispose of all the land acquired during the year or to complete or place under contract all public improvements planned for that year. In such cases, any loans outstanding would be continued until all monies due to be received under the contract for that year were received, or, in the alternative, the carried over financial items may be merged with the financing for a subsequent increment.

If in any annual period proceeds from land sold by the local public agency and land retained by it for use in accord with the urban renewal plan exceed the total project cost for that period, the local public agency would be required to pay to the Secretary ⅔'s of the excess or ¾'s (in the case of a program on a ¾ grant basis) and the Secretary would be empowered to use this amount to make grant payments under title I.

Local grants-in-aid would generally be calculated as they are under the present urban renewal program. However, the determination of their eligibility would be based on whether their construction started no more than 3 years (under section 110(d)) prior to the authorization by the Secretary of the first contract for financial assistance under a community's program which includes the urban renewal area which is benefited by the public improvement or facility for which credit is claimed; or seven years (under section 112(b)) prior to the date of authorization by the Secretary of the first contract for financial assistance under the program which includes the urban renewal area which is benefited by the expenditures for which credit is claimed. A noncash grant-in-aid would only be eligible for inclusion in computing the gross project cost of a program for any 12 month period, if its construction had commenced and only to the extent of the amount actually expended or obligated by contract.

In addition, there would be a provision to prevent pooling of excess noncash grant-in-aid credits from a neighborhood development program with other urban renewal projects being carried out by a community. However, any excess grant-in-aid credit from regular urban renewal projects could be pooled for the benefit of a neighborhood development program. Also noncash credits which are in excess of what is needed for any annual increment would be available to be applied toward the local share of the cost of subsequent annual increments.

As under regular urban renewal projects, a workable program would have to be in existence (at the date of authorization of any annual increment), relocation requirements would apply to each annual increment, and the local approval and public hearing requirements would have to be met. Since planning and project execution activities in most cases would be taking place simultaneously, especially in the early years of a program, the Secretary would be authorized to permit the urban renewal plan to cover one or more of the urban renewal areas embraced by a program and to allow the plan to meet such requirements as to scope and content as he deems appropriate, taking into consideration the degree of detail needed in the plan to properly and expeditiously carry out the activities and undertakings proposed in any annual increment.

Increased authorization

Section 502. Would amend section 103(b) of the Housing Act of 1949 to increase the amount of funds available for urban renewal and other activities under title I of that Act by $1,400,000,000 on July 1, 1969. Would also amend this section to increase the amount of funds available for urban renewal projects in model cities areas by $350 million.

Rehabilitation grants

Section 503. Would amend section 115(b) of the Housing Act of 1949 to increase the rehabilitation grant that can be made to low-income homeowners from $1,500 to $2,500. It also makes a technical amendment to section 115(a) to authorize the payment of funds to otherwise qualified recipients for rehabilitation work on their "real property" used for dwelling purposes. At present, assistance is limited solely to their dwelling structures, not including unsafe walks, or driveways, or fences or other related structures.

Rehabilitation in urban renewal areas

Section 504. Would amend section 110(c)(8) of the Housing Act of 1949 to remove the present limitation on the acquisition and rehabilitation of residential properties by a local urban renewal agency. (Present law permits the local agency to acquire and rehabilitate for demonstration purposes no more than 100 units or 5 percent of the total residential units in the urban renewal area, whichever is lesser).

Disposition of property for low and moderate income housing

Section 505. Would amend section 107(a) of the Housing Act of 1949 to permit land to be disposed of for both low and moderate income housing purposes and to permit this disposition to be done by lease as well as by sale. Would also permit housing to be sold to a mortgagor qualified under the new FHA 236 program (proposed to be added by section 201 of the bill) and to nonprofit organizations under the new FHA 235(j)(1) program (proposed to be added by section 101 of the bill) which will rehabilitate the property and sell it to low or moderate income persons.

Capital grants for low and moderate income housing open land projects

Section 506. Would amend section 103(a)(1) of the Housing Act of 1949 to permit capital grants to be made with respect to urban renewal open land projects (which now only qualify for loans) in an amount not to exceed two-thirds of the difference between the proceeds from any land disposed at its value for low or moderate income housing (under section 107 of such Act) and the proceeds which would have been realized if the land had been disposed of at its fair value without regard to the special provisions of section 107.

Urban renewal loan contracts

Section 507. Would amend section 102(c) of the Housing Act of 1949 to permit a local public agency to borrow funds to finance project undertakings on the private market at an interest rate in excess of the Federal lending rate set out in its loan contract with the Government. The full difference between the interest cost on the private market and the interest cost at which the local public agency could have borrowed from the Federal Government under its loan contract would be made up by a supplemental grant from the Government. A local public agency following this procedure, and thereby amending its loan contract for this purpose, would not be governed by the provisions of section 110(g) of such Act which require all loan contracts (originally executed prior to September 2, 1964) on their first amendment after that date to have incorporated in them a provision for periodic revision of the Federal lending rate.

Project close-out with small parcels of land remaining

Section 508. Would amend section 106 of the Housing Act of 1949 to add a new subsection (i) which would permit the Secretary of HUD to allow an urban renewal project to be closed out where (1) not more than 5 percent of the total acquired land remains to be disposed of, (2) the local public agency does not expect to be able, due to circumstances beyond its control, to dispose of that land in the near future, (3) all other project activities are completed, and (4) the local public agency has agreed to dispose of or retain such land in the future for uses in accordance with the urban renewal plan. Would also amend section 110(f) of that Act to include in the amount of land proceeds, for the purposes of computing net project cost, an amount equal to the value of this land not yet disposed of.

Rehabilitation loans

Section 509. Would amend section 312 of the Housing Act of 1964 to provide such appropriations in each fiscal year as may be necessary to make rehabilitation loans (presently limited to $100 million a year) and to extend the program from its present expiration date of October 1, 1969 to June 30, 1973.

TITLE VI—URBAN PLANNING AND FACILITIES

Comprehensive planning

Section 601. Would rewrite section 701 of the Housing Act of 1954 (urban planning assistance). The principal change would authorize the Secretary of HUD to make planning grants to State planning agencies for assistance to district planning agencies for rural and other nonmetropolitan areas. A grant authorization of $20 million would be provided for such planning grants in fiscal year 1969, and the Secretary of Agriculture would be given certain functions with respect to planning grants for districts, including a requirement that he be consulted before any such grant is made.

For fiscal year 1969 there would be a further increase of $15,000,000 in the amount of funds that could be appropriated. For fiscal year 1970 and each subsequent fiscal year there would be authorized to be appropriated such amounts as are necessary with $10,000,000 a year available solely for district planning. The section would also authorize the use of an additional $10,000,000 from available grant funds for study, research, and demonstration projects covering such matters as the planning for entire systems of public facilities and services within metropolitan areas and other multijurisdictional regions.

Other changes would authorize the Secretary to make planning grants directly to tribal planning councils or other bodies for planning on Indian reservations and would

require that metropolitan, regional, and district planning agencies, to the greatest extent practical, be composed of or responsible to elected officials of local governments. The rewritten section would also authorize grants under section 701(g) for regional and district councils of government, as well as those organized on a metropolitan basis, and would broaden the definition of comprehensive planning to include planning for the provision of governmental services and for the development and utilization of human and natural resources. However, comprehensive district planning could not include planning aimed at encouraging businesses to relocate from another area into the district.

Additional changes would authorize planning grants to official governmental planning agencies for areas where rapid urbanization is expected to result on land developed or to be developed as a new community approved under the provisions of title IV of the bill, and would permit three-quarters grants for economic development districts designated under the Public Works and Economic Development Act of 1965

Planned areawide development

Section 602. Would amend title II of the Demonstration Cities and Metropolitan Development Act of 1966 by changing the heading of the title to "Planned Areawide Development" and, in keeping with this change in title, would amend the sections and subsections thereto to permit supplementary incentive grants authorized for certain federally assisted projects in metropolitan areas to be made for such projects being carried out in any multijurisdictional area, such as the rural planning districts that are recognized by the amendments in section 601 of the bill. Section 206(b) of the 1966 act is also amended to make available for appropriations for grants for areawide development any of the funds authorized for fiscal years 1967 and 1968, which have not been appropriated, through fiscal year 1970.

Advance acquisition of land

Section 603. Would rewrite section 704 of the Housing and Urban Development Act of 1965 to:

(1) change the definition of eligible land from "land planned to be utilized in connection with the future construction of public works or facilities" to "land planned to be utilized in the future for public purposes";

(2) replace the requirement that the proposed use be undertaken within five years with a requirement that it be undertaken within a reasonable time;

(3) clarify the status of the land in the interim between acquisition and utilization for the approved purpose;

(4) permit the Secretary to approve the diversion of the land to another public purpose which is in accord with the then applicable comprehensive plan and give him discretion to require repayment of the grant or the substitution of land of equivalent value when the land is diverted to a nonpublic purpose;

(5) provide that assistance under this section will not render a project ineligible for other Federal assistance programs and that the cost of land acquired with this assistance will not be an ineligible project cost in such other programs;

(6) provide for grant assistance for imputed interest charges when an applicant uses other than borrowed funds to finance the acquisition of the land; and

(7) clarify the authority of States to participate in the program.

Extension of interim planning requirements in water and sewer facilities program

Section 604. Would extend the expiration date of the interim planning requirements provision in the basic water and sewer facilities program from July 1, 1968 to October 1, 1969.

Authorizations for the water and sewer facilities, neighborhood facilities, and advanced acquisition of land programs

Section 605. Would amend section 708(b) of the Housing and Urban Development Act of 1965 to provide that any of the funds authorized for these programs, that have not been appropriated, will remain available for appropriation through fiscal year 1970.

Open-space land program

Section 606. Would amend section 702(b) of the Housing Act of 1961 to convert the funding provision for grants under the Open-Space Land Program from the present authority to enter into contracts not in excess of $310,000,000 to a regular authorization for appropriations not in excess of $310,000,000 prior to July 1, 1969. For fiscal year 1970 and subsequent fiscal years there would be authorized to be appropriated such amounts as are necessary. With these changes the sublimitations on grants for beautification and the acquisition of developed land in built-up portions of urban areas would be removed. Also section 708(b) of such Act would be amended to increase from $50,000 to $125,000 the amount of grant funds that may be used during any fiscal year for studies and the publishing of information.

Authorize the making of feasibility studies in the public works planning advances program

Section 607. Would clarify the authority of the Secretary under section 702 of the Housing Act of 1954 to make advances for the conduct of feasibility studies respecting specific public works, the planning of which may be assisted under section 702.

TITLE VII—URBAN MASS TRANSPORTATION

Grant authorization

Section 701. Would amend section 4(b) of the Urban Mass Transportation Act of 1964 to increase the amount of funds authorized to be appropriated for the various activities under that Act by $190,000,000 for fiscal year 1970. The amount of funds which may be used for research, development and demonstration projects, under section 6 of that Act, commencing July 1, 1968, would be increased by $6,000,000. On or after July 1, 1969, the Secretary would be authorized to use such sums for this purpose, out of the funds available under the program, as he deems appropriate.

Definition of mass transportation

Section 702. Would broaden the statutory definition of "mass transportation" in section 12(c)(5) of the Urban Mass Transportation Act of 1964 to allow greater flexibility, scope, and opportunity for innovation, development, and application of new concepts and systems. The existing definition of "mass transportation" requires that such transportation serve the "general public" and operate "over prescribed routes." Both of these requirements would be eliminated. There would be substituted a requirement that the transportation provide to the public general or special service (excluding school buses or sightseeing or charter service) on a regular and continuing basis.

Extension of emergency program under the Urban Mass Transportation Act

Section 703. Would amend section 5 of the Urban Mass Transportation Act of 1964 to extend from November 1, 1968, to October 1, 1969, the emergency capital grant program.

TITLE VIII—SECONDARY MORTGAGE MARKET

This title would make changes in the statutes affecting the Federal National Mortgage Association and its functions in the secondary mortgage market. The principal change would be the fulfillment of the purpose of Congress fourteen years ago, as stated in section 303(g) of the Federal National Mortgage Association Charter Act, "to transfer to the owners of the outstanding common stock of the Association the assets and liabilities of the Association in connection with, and the control and management of, the secondary market operations of the Association under section 304 of this title in order that such operations may thereafter be carried out by a privately financed corporation." Other amendments, principally, would give the privately-owned corporation needed new methods of financing its existing portfolio of mortgages and its future operations.

Purposes

Section 801. States as the purposes of the title the partition of FNMA as heretofore existing into two separate corporations, one of which will be a Government-sponsored private corporation to operate the secondary market operations, and the other of which will remain in the Government and continue to operate the special assistance functions and management and liquidating functions.

Amendments to the FNMA Charter Act

Section 802. Would make a number of amendments to the FNMA Charter Act to achieve the purpose stated in section 801. The changes to be made by each subsection are set out below. References to section numbers, unless expressly stated otherwise, are to sections of the FNMA Charter Act (title III of the National Housing Act).

Subsection (a). Would amend the heading to title III of the National Housing Act to make it descriptive of that title as it would be amended by this bill.

Subsection (b). Would amend section 301 to bring up to date the statements in that section describing the purposes of the FNMA Charter Act.

Subsection (c). Would provide that, on an effective date to be established as provided in section 807 of the bill, the existing Federal National Mortgage Association is partitioned into two separate corporations. The corporation to remain in the Government and operate the special assistance functions and management and liquidating functions would be known as Government National Mortgage Association (GNMA). The corporation which will become entirely privately owned and which will operate the secondary market operations, will be known as Federal National Mortgage Association (FNMA).

Subsection (d). Would amend section 302(b) so that the powers stated therein would be applicable to both corporations. The present restrictions against buying mortgages at a price in excess of par and against buying mortgages offered by, or covering property held by, State and local instrumentalities would be applicable only to GNMA. The purchase authority of FNMA would be extended to include securities guaranteed by GNMA under section 306(g).

Subsection (e). Technical.

Subsection (f). Technical.

Subsection (g). Technical.

Subsection (h). Would amend the heading of section 303 to emphasize the fact that the capitalization provisions therein would be applicable only to FNMA.

Subsection (i). Would:

(1) change the common stock from nonvoting to voting and from $100 par value to no par value;

(2) clarify the free transferability of the common stock;

(3) repeal the provision for retirement of the common stock at par;

(4) delete the restriction that payments to retire the preferred stock must come entirely out of capital surplus and general surplus accounts; and

(5) provide that the preferred stock shall be retired as rapidly as possible after the effective date of these amendments.

Subsection (j). Would provide that fees and charges imposed by FNMA in the secondary market operations could be regarded as elements of pricing, so that they would not necessarily be considered fees for services.

Subsection (k). Would allow FNMA to issue common stock in addition to that now required to be issued in connection with FNMA's purchasing and lending activities. It would also require each servicer of mortgages for FNMA to own at all times a minimum amount of FNMA common stock. This minimum amount, measured by the stock's stated value, would be not less than 2 percent nor more than 4 percent of the outstanding principal balances of all mortgages owned by FNMA and serviced by the servicer, but this requirement would not apply to mortgages purchased by FNMA before the effective date of these amendments. It would also strike out the provision limiting the return on the common stock to 5 percent of its par value and insert a provision providing that cash dividends shall not exceed a rate determined by the Secretary of Housing and Urban Development to be a fair rate of return.

Subsection (l). Would prohibit issuance of any preferred stock after the effective date of these amendments.

Subsection (m). Technical.

Subsection (n). Would change the heading of section 304 to emphasize the fact that the secondary market operations provisions therein would apply only to FNMA.

Subsection (o). Would strike out an obsolete restriction which prohibits FNMA from purchasing any mortgage insured or guaranteed prior to August 2, 1954.

Subsection (p). Would amend the provision limiting the amount of secondary market operations obligations outstanding at any one time to 15 times the sum of its capital, surplus, and reserves, by inserting a provision which would allow the Secretary of HUD to fix FNMA's debt-to-capital ratio at a higher figure.

Subsection (q). Would strike out the provision in section 304(c) which would prohibit FNMA's borrowing from the Treasury after retirement of the preferred stock.

Subsection (r). Technical.

Subsection (s). Would amend the heading to section 305 to emphasize the fact that the special assistance functions provisions therein would apply only to GNMA.

Subsection (t). Would amend the heading to section 306 to emphasize the fact that the management and liquidating functions provisions therein would apply only to GNMA.

Subsection (u). Technical.

Subsection (v). Technical.

Subsection (w). Technical.

Subsection (x). Would eliminate the present board of directors and vest all the powers and duties of GNMA in the Secretary of HUD, and would make provisions for a board of directors for FNMA. Subject to the temporary provisions of section 809(b) of the bill, the FNMA board would consist of from nine to fifteen members, one-third of whom would be appointed by the Secretary and the remainder of whom would be elected by the stockholders. The appointments and elections would be for one-year terms only. The Secretary would be required to appoint, as members of the board, one person from the home building industry and one person from the real estate industry.

Subsection (y). Would make the existing general corporate powers set forth in section 309(a) applicable to both corporations.

Subsection (z). Would amend section 309 (c) so that GNMA would retain its tax exemptions. It would strike out the present provision requiring the payment of a Federal income tax "equivalent" under the secondary market operations and would make FNMA subject to all Federal taxes. FNMA would be exempt from other taxes, except for real property taxes.

Subsection (aa). Would give the board of directors of FNMA the power to appoint and employ officers and employees without regard to civil service laws, but each person who is employed during the transitional period and is subject to the civil service retirement law immediately prior to his employment would continue to be subject to that law for so long as his employment by FNMA continues without a break in continuity of service. FNMA would pay into the Civil Service Retirement and Disability Fund the amount determined by the Civil Service Commission to be the amount required, in addition to employee deductions, to cover the total costs of the retirement system attributable to its employees. In addition, FNMA would pay to the Fund each year the amount estimated by the Civil Service Commission to be the cost of administration of the Fund attributable to its employees. The maximum amount of basic pay of any individual counted for retirement purposes would be the amount specified for Level I of the Executive Schedule (now $35,000).

Subsection (bb). Would amend section 309(e) so that its prohibition against use by others of FNMA's name would apply as well to GNMA. In addition it would repeal the criminal sanctions for violations and substitute in lieu thereof civil penalties.

Subsection (cc). Would amend section 309(g) so that the authority to use the Federal Reserve banks as depositaries, custodians, and fiscal agents would apply to both corporations. It would also reword the provision to remove any question concerning the authority of Federal Reserve banks to serve these corporations while they are acting in a fiduciary capacity. It would also confirm the authority of both corporations to receive deposit payments and act as a depositary for others.

Subsection (dd). Would provide regulatory authority over FNMA to the Secretary of HUD, to make rules and regulations to insure that the purposes of the FNMA Charter Act are accomplished and to require that a reasonable portion of FNMA's mortgage purchases be related to housing for low and moderate income families (but with reasonable economic return to the corporation). No stock or obligations could be issued without the Secretary's approval, and the Secretary could examine and audit FNMA's books and financial transactions and require reports on its activities.

Subsection (ee). Would amend section 311 so that the provisions therein making the obligations of the Association lawful investments would apply to the obligations of both corporations. It would also exempt all stocks, obligations, securities, and other instruments issued by both corporations from regulation by the Securities and Exchange Commission, but would require that such issuances be made only with the approval of the Secretary of HUD.

Participations

Section 803. Would permit GNMA, as a trustee under trusts created for sales of participation certificates, to issue such certificates for refinancing purposes without regard to the requirement of appropriation Act authority, thereby permitting increased flexibility in management of the trusts. Under the amendment, any appropriation for insufficiencies accompanying the original authorization would apply as well to any rollover sale as to the original sale.

Mortgage-backed securities

Section 804. Would amend section 304 of the FNMA Charter Act to allow FNMA to issue and sell securities backed by a set-aside portion of its portfolio of mortgages. It would also amend section 306 of the FNMA Charter Act to allow GNMA to guarantee the payment of principal and interest on any such securities issued by FNMA. GNMA could also guarantee similar securities issued by other private issuers approved by it for this purpose, so long as the securities are backed by mortgages or loans guaranteed or insured by FHA or the Veterans' Administration, or by the Farmers' Home Administration under title V of the Housing Act of 1949, and set aside or subjected to a trust in a manner similar to that established by FNMA under section 304. GNMA would be authorized to collect a reasonable guaranty fee and other charges. In the event of the necessity of any payment under the guaranty, GNMA would become subrogated to the rights satisfied by the payment.

Subordinated and convertible obligations

Section 805. Would amend section 304 of the FNMA Charter Act to allow FNMA to issue obligations which are subordinated in any manner set forth therein and could also be convertible into common stock as set forth therein. The total amount of such subordinated obligations outstanding at any one time could not exceed twice the capital and surplus of FNMA, and the amount outstanding at any one time could be considered to be a part of the capital of the corporation for determining the total amount of secondary market operations general obligations which could be outstanding at any one time.

Amendments to other laws

Section 806. Would make numerous changes in other laws necessitated by the separation of functions as set forth in section 802 of the bill.

Effective date

Section 807. Would make the amendments in this title effective from and after a date to be determined by the Secretary of HUD, but within 120 days after enactment of the bill.

Savings provisions

Section 808. Would preserve causes of action and legal proceedings existing or instituted by or against FNMA prior to the effective date of these amendments so that they will not abate.

Transitional provisions

Section 809. Would make certain transitional provisions regarding the capital stock of FNMA and would provide for the board of directors during a transitional period, which would end at such time as one-third of the common stock is owned by persons or institutions in the mortgage lending, home building, real estate or related businesses, but not sooner than May 1, 1970, nor later than May 1, 1973. During this period, the board would consist of 9 members. The Secretary of HUD would appoint all members for the first year. For the second year, he would appoint 7 members, and the stockholders would elect 2. For the remainder of the period, he would appoint 5 members, and the stockholders would elect 4. It would also provide that FNMA would be considered to be a wholly owned corporation for the purposes of the Government Corporation Control Act until the last share of preferred stock is retired. It would also provide that the officers and employees of the present FNMA immediately prior to the effective date shall become officers and employees of GNMA on that date, that FNMA and GNMA shall provide for the conditions and methods whereby FNMA could hire GNMA's employees, that the two corporations may provide by contract for the operation by either of such corporations of any of the functions of the other, and that the Secretary of HUD shall make every reasonable effort to place those GNMA employees who are neither employed by FNMA nor retained by GNMA.

TITLE IX—NATIONAL HOUSING PARTNERSHIPS

Statement of purpose

Section 901. Would state that the volume of housing being produced for families of low or moderate income must be increased, and that there should be created one or more private organizations to encourage maximum participation by private investors in programs and projects to provide low and moderate income housing.

Creation of corporations

Section 902. Would authorize the creation of private corporations for profit, which will not be government agencies, organized under this title and the District of Columbia Business Corporation Act. One such corporation is to be created initially (called the "Corporation"), with the President authorized to cause the creation of additional corporations (and additional partnerships described under section 907) when he determines it to be in the national interest. This section makes it clear that others may create organizations for the purposes set forth in this title for national partnerships.

Process of organization

Section 903. Would authorize the President to appoint incorporators, by and with the advice and consent of the Senate, who shall take any actions necessary to establish the Corporation. The incorporators would serve as the initial board of directors and would arrange for the initial offering of shares of stock in the Corporation and of interests in the national partnership to be formed pursuant to this title.

Directors

Section 904. Would provide that the Corporation shall have a fifteen member Board of Directors, twelve to be elected by the stockholders, and three to be appointed for three-year terms by the President by and with the advice and consent of the Senate. Of the first three directors appointed by the President, one would be appointed to serve a term of one year, the second to serve a term of two years, and the third a full three-year term.

Financing the Corporation

Section 905. Would authorize the Corporation to issue the number of shares specified in its articles of incorporation, which may be divided into one or more classes, have par value or be without par value, and have the preferences, voting powers, rights and limitations specified in the articles of incorporation.

Purposes and powers of the Corporation

Section 906. Would authorize the Corporation to engage in activities appropriate to the provision of housing and related facilities primarily for families and individuals of low or moderate income, with or without the use of Federal programs. These would include the building, rehabilitation, purchase, leasing, ownership, and management of housing and related facilities, and the provision of funds in connection with such undertakings by the Corporation. The Corporation would also be authorized to enter into all forms of partnerships and associations, act as general partner in such partnerships and associations, conduct research and study projects in the housing field, provide technical assistance to other organizations with respect to the provision of low and moderate income housing, and provide financial assistance to other organizations in connection with the Corporation's low and moderate income housing activities.

National housing partnership

Section 907. Would authorize the Corporation to form, as a separate organization, a limited partnership (called the "Partnership") under the District of Columbia Uniform Limited Partnership Act, in which the Corporation would be the general partner and each of the stockholders of the Corporation and others would be permitted to become limited partners. The capital of the Partnership and the contributions of the partners would be specified in the Partnership Agreement. The Partnership would be authorized to engage in the same activities as those authorized for the Corporation, and would enter into partnerships, limited partnerships, and joint ventures organized under State or local law for the purpose of engaging in low and moderate income housing undertakings in particular localities. Its participation in such undertakings would be designed to encourage participation by local interests, and the Partnership's investment could not exceed 25 percent of the aggregate initial equity investment for the project, except where the balance required is not readily obtainable from investors in the local community.

This section states that the Partnership shall be deemed to have the legal status of a limited partnership, notwithstanding any inconsistency between the provisions of this title and the provisions of the District of Columbia Uniform Limited Partnership Act and the District of Columbia Uniform Partnership Act, or of any other law. It also provides that a corporation which is one of the limited partners of the Partnership shall not become liable as a general partner by reason of the fact that it holds the Corporation's voting shares, not over 5 percent, or that an officer or director of such corporation is a director of the Corporation. Nor will the interests of a limited partner in the Partnership be treated as a stock interest in the Corporation, even though such interest may be proportionate to his stock interest in the Corporation.

Report to Congress and records

Section 908. Would require the Corporation to submit annual reports to the President for transmittal to the Congress and to have its accounts audited annually.

Antitrust laws

Section 909. Would make it clear that the activities of the Corporation, the Partnership, and of the persons participating in partnerships and ventures with them shall be subject to the Federal antitrust laws.

Right to repeal, alter or amend

Section 910. Would reserve the right to repeal, alter, or amend this title.

Amendment to banking laws

Section 911. Would amend section 24 of the National Bank Act so as to permit national banks to invest in the Corporation and in a partnership, limited partnership, or joint venture formed pursuant to this title.

TITLE X—RURAL HOUSING

Housing for low and moderate income persons and families

Section 1001. Would amend Title V of the Housing Act of 1949 by adding a new section 521 authorizing direct and insured loans in rural areas (places not exceeding 5,500 population) to low and moderate income persons and families and to provide rental or cooperative housing for such persons and families, where assistance is not available under sections 235 and 236 of the National Housing Act (added by sections 101 and 201 of the bill). Interest will be at a rate which will be set by the Secretary of Agriculture after considering the cost of money to the Treasury and the payment ability of the applicants. The interest rate may not in any event be less than 1 percent per annum. An interest supplement necessary to market the insured loans will be paid from, and reimbursed by annual appropriations to, the Rural Housing Insurance Fund. Eligibility for these loans will be broadened to include persons not previously residing in rural areas. This provision regarding nonrural residents will be administered so as to restrict it to persons of low or moderate income who are employed in rural areas.

Housing for rural trainees

Section 1002. Would authorize financial and technical assistance to provide, in rural areas, housing and related facilities for rural trainees (and their families) enrolled in federally assisted training courses to improve their employment capability. The Secretary of Agriculture could use this authority only after he determined that such housing and facilities could not be reasonably provided in any other way. The Secretary would be required to first consult with the Secretaries of Labor, HEW, and HUD and the Director of the Office of Economic Opportunity before providing this assistance. Training and housing sites would be selected only after consideration of a labor area survey and full coordination among all Federal, State, and local government agencies administering related programs. Related facilities would include, in addition to other service facilities, rooms and buildings for training purposes. Advances for land purchase would be repayable within periods not longer than 33 years and will bear interest. Other advances would be nonrepayable, or repayable with or without interest, depending on the applicant's payment ability, from project net income and any other available sources. Any interest charged on advances will be at a rate prescribed by the Secretary of Agriculture after considering the cost of money to the Treasury and the payment ability of the applicants. In no event would the rate be less than 1 percent per annum.

Appropriations

Section 1003. Since necessary authority under sections 235 and 236 of the National Housing Act (added by sections 101 and 201 of the bill) will be assigned to the Secretary of Agriculture as he and the Secretary of HUD agree, this section would authorize appropriations to the Secretary of Agriculture for the cost of such administration.

Purchase of land for building sites

Section 1004. Would broaden the eligible purposes of domestic farm labor housing loans to include the purchase of necessary land for building sites.

TITLE XI—MISCELLANEOUS

Model cities

Section 1101. Would amend section 111(b) of the Demonstration Cities and Metropolitan Development Act of 1966 to increase the funds authorized to be appropriated for supplemental grants and for other purposes by $1,000,000,000 for each of the fiscal years 1970 and 1971. Would also provide that any amounts authorized in any fiscal year but not appropriated may be appropriated for any succeeding fiscal year commencing prior to July 1, 1971.

Urban renewal demonstration grant program

Section 1102. Would amend section 314 of the Housing Act of 1954 to permit grants for developing, testing, and reporting methods and techniques, and carrying out demonstrations and other activities, for the prevention and the elimination of slums and urban blight to be made to anyone, not just to public bodies. The amount of the grant could cover up to the full cost of the undertaking, instead of the present limitation to two-thirds of the cost of the demonstration plus the full cost of writing and publishing the report. The amount of funds available to the program would be increased from $10 million to $20 million.

Authorization for urban information and technical assistance services program

Section 1103. Would amend section 906 of the Demonstration Cities and Metropolitan Development Act of 1966 to authorize appropriation of such funds as are necessary to carry out the purposes of title IX of the 1966 Act. Would also provide that once funds are appropriated they shall remain available until expended.

Advances in technology in housing and urban development

Section 1104. Would amend section 1010 of the Demonstration Cities and Metropolitan Development Act of 1966 to authorize the appropriation of such amounts as may be necessary commencing with fiscal year 1969, and would also permit research contracts to be entered into for periods of up to four

years, instead of the present authorized two-year period.

Interest rate on college housing loans

Section 1105. Would amend sections 401(c) and 401(e) of the Housing Act of 1950 to (1) establish a new lending rate for college housing loans based on the current average market yield for obligations of the United States with remaining periods to maturity comparable to the average maturities of college housing loans, less such a rate, not to exceed 1 per cent per annum, as the Secretary of HUD may determine, and (2) establish a new rate of interest on the funds for the program borrowed from the Treasury based on the same determination as the lending rate without any optional decrease.

Federal-State training programs

Section 1106. Would amend sections 801 and 802 of title VIII of the Housing Act of 1964 to expand the program to permit grants to States for the training of subprofessional (as well as professional persons) who will be employed by nonprofit organizations (as well as public organizations) in the field of housing and community development.

Section 805 of such Act would also be amended to make Guam, American Samoa, and the Trust Territory of the Pacific Islands eligible for grants under the program.

Additional Assistant Secretary of HUD

Section 1107. Would amend the first sentence of section 4(a) of the Department of Housing and Urban Development Act and paragraph (87) of section 5315 of title 5, United States Code, to increase the number of Assistant Secretaries for the Department from four to five.

International housing

Section 1108. Would rewrite section 604 of the Housing Act of 1957 to clarify authority of HUD to (1) exchange data on housing and urban development with foreign countries; (2) employ private citizens to participate in intergovernmental and international meetings sponsored or attended by HUD; and (3) accept funds and other donations from international organizations, foreign countries, and private foundations in connection with activities carried on jointly under international housing programs, thereby permitting a sharing of costs.

Low-rent public housing—Corporate status

Section 1109. Repeals obsolete provisions of the United States Housing Act of 1937 to permit the retirement of the $1,000,000 capital stock of the U.S. Housing Authority and the return of the $1,000,000 to the Treasury. Also would amend section 101 of the Government Corporation Control Act to delete reference to the Federal Public Housing Authority.

Eligibility for rent supplement payments

Section 1110. Would extend eligibility to participate in the rent supplement program under section 101 of the Housing and Urban Development Act of 1965, to two projects in New York City which were approved for mortgage insurance shortly prior to August 10, 1965 (and therefore presently ineligible for rent supplement assistance), but, in connection with which, on an experimental basis, rent supplement assistance was provided for a temporary period through a joint effort of the Office of Economic Opportunity, the New York City Rent and Rehabilitation Administration, and HUD.

Consolidation of low-rent public housing projects in the District of Columbia

Section 1111. Would allow the National Capital Housing Authority in Washington, D.C. to consolidate, pursuant to section 15(6) of the United States Housing Act of 1937, into its annual contributions contract for its 8,423 units of low-rent housing under title II of the District of Columbia Alley Dwelling Act the operating income and operating expense accounts for its 72 units of low-rent housing under title I of such Act. Title I governs housing provided prior to enactment of the United States Housing Act of 1937, whereas title II governs housing originally provided with aid under the 1937 Act.

Earthquake study

Section 1112. Would amend section 5 of the Southeast Hurricane Disaster Relief Act of 1965 by extending the date the Secretary of HUD is required to report his findings and recommendations on earthquake insurance from October 31, 1968 to June 30, 1969.

Technical amendments

Section 1113. Subsection (a) would amend section 110(c) of the Housing Act of 1949 to make it clear that urban renewal project funds can be used for "the restoration of acquired properties of historical or architectural value."

Subsection (b) would amend section 110 (d) of the Housing Act of 1949 to make it clear that grant-in-aid credit can be given for expenditures by a public body for the construction of foundations and platforms on air rights sites in urban renewal projects to the same extent that such work could now be done with project funds.

Subsection (c) would amend section 110(e) of the Housing Act of 1949 to make it clear that the restoration of historic properties can be carried out as an urban renewal project cost for those projects approved for three-fourths Federal grant assistance on a limited project cost basis.

Subsection (d) would amend section 1101 (c)(3) of the National Housing Act to permit amortization of the mortgage term under the medical group practice facilities program to commence after completion of construction of the facility rather than at the time the mortgage is executed.

Subsection (e) would amend section 213(a) of the National Housing Act to clarify the authority of the Secretary to invest all moneys, not currently needed for the operation of the cooperative management housing insurance fund, in Government bonds or obligations, or in the purchase on the open market of debentures which are the obligation of the fund.

Subsection (f) would amend section 810(e) of the National Housing Act to permit an individual, who is approved by the Secretary, to be a mortgagor under the FHA section 810 housing program for military personnel or employees or personnel of NASA or AEC research or development installations.

RENT SUPPLEMENTS

Mr. MONDALE. Mr. President, for more than three decades the Nation has worked to solve the problem of building decent housing for low-income families. In all this time, we have sought the maximum participation of private industry in meeting these objectives. But the economics of housing production put the low-income market out of the reach of private enterprise.

The U.S. Housing Act of 1937 gave us the public housing program, and it has done a very creditable job over the years. Thousands of low-income families have a sound housing and a decent environment in which to raise their children because of the low-rent program.

In spite of substantial progress under this program, many knowledgeable persons felt that we could do more to house poor families if we could bring the resources and talents of the private sector more to bear on the problem. In 1965, we cleared the way for greater private involvement in the low-income market with enactment of the rent supplement program.

Private sponsors develop the housing. Private builders construct the housing, and private owners select the tenants and manage the housing.

The families served are truly of low income—those who meet local public housing requirements. They pay one-fourth of monthly income toward the economic rent and the difference is made up by the rent supplement payment from the Federal Housing Administration directly to the private owner.

If family income increases, the supplement decreases and it is possible for a family to improve its income so that it pays all the rent and the supplement ceases. But the family does not have to move out of a decent home as it would if it were over income for public housing.

In the first year that the program was funded, all $32 million in contract authority was exhausted. The current $10 million in funds has virtually been expended. Many additional project proposals have already been received in FHA.

Altogether, some 42,000 units of rent supplement housing are in various stages of planning, construction, or management.

President Johnson has asked for $65 million in contract authority for this program for fiscal 1969. This will produce some 72,500 additional units.

This program is desperately needed. I urge my colleagues to join me in supporting full funding of the rent supplement program.

S. 3031: INTRODUCTION OF BILL ENTITLED "THE ENVIRONMENTAL QUALITY PRESERVATION ACT OF 1968"

Mr. NELSON. Mr. President, increasingly of late, more and more people have been sounding the alarm about the grave threats to our environment posed by a vast tide of air and water pollution, by our urban sprawl and by the products and byproducts of our rapidly burgeoning technology.

There is no question that the quality of our environment is deteriorating rapidly and that the health and welfare of our citizens is imminently threatened. The degradation of our air and water has reached alarming proportions. The air in many of our major cities is not safe to breathe and the water in many of our lakes and streams is not safe even for partial body contact.

Our Government has a vital stake in restoring the quality of our environment. In order that it may better meet its responsibilities, I am introducing today a bill—the Environmental Quality Preservation Act of 1968—which will serve to coordinate and expand the State, local, and Federal governments' role in meeting the environmental crisis.

Title I of the bill would create a Council on Environmental Quality in the Executive Office of the President to oversee the programs of the Federal, State, and local governments to determine to what extent these activities are contributing to the achievement of environmental quality and to gather, analyze, and interpret conditions and trends in environmental quality.

The principal task of the Council will be to develop within a 5-year period comprehensive national policies and programs to improve and maintain the quality of our environment. This is a job of enormous import not only to us today but also to many generations to come.

Under title II of the bill, the Secretary of the Interior is authorized to conduct studies of natural environmental systems in the United States to document and define changes in these systems, and to develop and maintain an inventory of natural resource development projects and other related projects which may make significant modifications in the natural environment.

Further, the Secretary of the Interior is directed to establish a clearinghouse for information on ecological problems and studies and to disseminate information about progress in the field and to establish a program in which representative natural environments on Federal lands can be set aside for scientific study and for preservation. Also, the Secretary of the Interior will assist and encourage the establishment of similar natural preserves on State and private lands.

Title III of the bill would establish, under the Secretary of Health, Education, and Welfare, a comprehensive waste management research program, coordinating all such research now being done under a number of different Federal programs. The Secretary of Health, Education, and Welfare is also directed to compile a national inventory of waste management needs and problems and of waste management technology.

In addition, the bill would establish a clearinghouse for information on all aspects of air, water, and soil pollution and waste disposal. This information would be made available to business, industry, municipalities, and the general public.

This measure will serve effectively to coordinate and channel the efforts of State, local, and Federal governments in our struggle to restore the quality of our environment.

We have been warned repeatedly by our scientists about the dangers involved in disrupting the delicate balance of nature. We have seen many times the disastrous results of manmade ecological disruptions.

We find in this country today a rapidly diminishing natural resource base. The continued destruction of our once abundant resources is accelerated by our technology and our urban sprawl. We have arrived at a critical point in time, at a very important crossroad. If we do not move boldly and decisively now, before long we will have seriously eroded our resource base and dangerously degraded our whole environment.

The effort that we must make has to be thorough and comprehensive. We cannot afford to make any mistakes. And we need the support of every citizen and of every public official at all levels of government, from city and county government right on up to the White House.

There can be little doubt that we have pushed nature far beyond its capacity to regenerate that which we have taken away and to dilute all the polluting wastes that we pour in mountainous quantities into the air and water and onto the land.

We must halt the senseless pollution of our air and water; we must shepherd our remaining last resources with great care; we must evaluate very carefully any new project or development which threatens to disrupt or disturb our environment in any way.

Now is the time. This may well be our last chance. We all have an obligation to consider exactly what is at stake. We must decide what kind of a world we want this to be both for us and for our children and our grandchildren. Now is the time for decision.

I ask unanimous consent that the text of this bill—the Environmental Quality Preservation Act of 1968—be printed in the RECORD at this point in my remarks.

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

The bill (S. 3031) to provide for the formulation of a national policy for environmental quality, and for other purposes, introduced by Mr. NELSON, was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

S. 3031

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Environmental Quality Preservation Act of 1968".

SEC. 2. The Congress finds and declares—

(a) that the quality of the environment of the Nation—its air, water, and soil—has substantially deteriorated and is continuing to do so at an increasing rate;

(b) that this decline in environmental quality is threatening the health and survival of plant and animal life, and indeed of man himself; is depriving man of esthetic and recreational values increasingly important to his physical and mental health; and is obstructing, and indeed may eventually prevent, the economic, social, and material development necessary to meet the grave problems of an expanding population, and continuing urbanization and industrialization;

(c) that present pollution control programs, directed as they are to specific problems of pollution of water, air or soil, do not together constitute a comprehensive environmental quality program and cannot maintain overall environmental quality at a level sufficient for the emerging needs of the Nation; and

(d) that the purposes of this Act therefore are to provide for the formulation and recommendation to the Congress of a comprehensive national environmental quality program; to foster interest in and attention to the problems of environmental quality by the Congress and throughout the Executive branch; and to reorganize and redirect existing research programs, and establish new programs, in order to expand rapidly knowledge of all kinds in the areas of environmental quality, pollution control, and waste management.

TITLE I—COUNCIL ON ENVIRONMENTAL QUALITY

SEC. 101. The President shall transmit to the Congress annually beginning not later than June 30, 1969, an Environmental Quality Report (hereinafter referred to as the "Report") which shall set forth (1) the status and condition of the major natural, man-made, or altered environmental systems of the Nation, including, but not limited to the air, the aquatic, including marine, estuarine, and fresh water, and the terrestrial environment, including, but not limited to, the forest, dryland, wetland, range, urban, suburban, and rural environment; and (2) current and foreseeable trends in management and utilization of such environments and the effects of those trends on the social, economic, and other requirements of the Nation.

SEC. 102. (a) There is hereby created in the Executive Office of the President a Council on Environmental Quality (hereinafter referred to as the "Council"). The Council shall be composed of five members who shall be appointed by the President, by and with the advice and consent of the Senate, each of whom shall be a person who, as a result of his training, experience, and attainments, is exceptionally qualified to analyze and interpret environmental information of all kinds, to appraise the environmental quality programs of Federal, State and local governments, and to formulate and recommend national policy to promote the improvement of the quality of the environment.

(b) The Council may employ such officers and employees as may be necessary to carry out its functions under this title. In addition, the Council may employ and fix the compensation of such experts and consultants as may be necessary for the carrying out of its functions under this title, in accordance with section 3109 of title 5, United States Code (but without regard to the last sentence thereof).

(c) It shall be the principal duty of the Council to develop comprehensive national policies and programs to improve and maintain the quality of the environment needed to meet the emerging social, economic, material, and other requirements of the Nation. The recommendations of the Council shall be transmitted by the President to the Congress by January 1, 1973.

(d) In addition to those in subsection (c), it shall be the duty and function of the Council—

(1) to assist and advise the President in the preparation of the Environmental Quality Report;

(2) to gather timely and authoritative information concerning the conditions and trends in environmental qualities both current and prospective, to analyze and interpret such information and to compile and submit to the President studies relating to such conditions and trends;

(3) to appraise the various programs and activities of Federal, State, and local government for the purpose of determining the extent to which such programs and activities are contributing to the achievement of environmental quality, and to make recommendations to the President with respect thereto;

(4) to make and furnish such studies, reports, and recommendations, with respect to matters of policy and legislation as the President may request; and

(5) to foster study and research in the social, technical, administrative, economic, political, and other aspects of environmental quality at institutions of higher learning throughout the Nation.

(e) In exercising its powers, functions, and duties under this title—

(1) the Council shall consult with such representatives of science, industry, agriculture, labor, conservation, State and local governments, and other organizations and groups, as its deems advisable; and

(2) the Council shall, to the fullest extent possible, utilize the services, facilities, and information (including statistical information) of public and private agencies, organizations, and individuals, in order that duplication of effort and expense may be avoided.

TITLE II—ECOLOGICAL RESEARCH

SEC. 201. The Secretary of the Interior (hereinafter referred to as the "Secretary"), in order to carry out the purposes of this title, is authorized—

(1) to conduct investigations, studies, surveys, research, and analyses;

(2) to document and define changes in the natural environment, including the plant and animal systems, and to accumulate necessary data and other information for a continuing analysis of these changes or trends and an interpretation of their underlying causes;

(3) to develop and maintain an inventory of natural resource development projects, engineering works, and other major projects such as, but not limited to, eradication projects contemplated or planned by public or private agencies or organizations which may make significant modifications in the natural environment;

(4) to establish a system of collecting and receiving information and data on ecological research and evaluations which are in progress or are planned by other public or private agencies or organizations, or individuals;

(5) to evaluate and disseminate information of an ecological nature to public and private agencies or organizations, or individuals in the form of reports, publications, atlases, and maps;

(6) to initiate and utilize ecological information and in the planning and development of resource-oriented projects;

(7) to encourage other public or private agencies planning development projects to consult with the Secretary on the impact of the proposed projects on the natural environment;

(8) to encourage and assist public (non-Federal) or private agencies or organizations, including educational institutions, museums, and botanical and zoological gardens, and other scientific or conservation organizations, or individuals, to acquire, designate, and maintain representative samples of important natural environmental systems, including natural areas for observation and for manipulation, and to encourage such agencies, organizations, and individuals to utilize existing areas under their control or jurisdiction for such purposes;

(9) to establish through interagency coordination, on federally owned lands, a Federal system of natural areas for scientific purposes and develop the means and methods for withdrawal of such areas from nonconforming uses, and provide for their management and protection to serve the natural research needs for all agencies, both public and private; except that in developing standards governing any such withdrawals, the Secretary shall give due consideration to future alternative uses of such areas subject to withdrawal; and

(10) to assist and advise the Council on Environmental Quality established under title I of this Act.

SEC. 202. The Secretary is further authorized for the purposes of this title (1) to make grants and enter into contracts or cooperative agreements with public or private agencies or organizations, or individuals, (2) to accept and use donations of funds, property, personal services, or facilities, (3) to acquire selected areas of lands or interests in lands by donation, acquisition with donated funds, devise, or exchange for acquired lands or public lands under his jurisdiction which he finds suitable for disposition, (4) to administer such lands or interests for experimental purposes, including the observation and manipulation of natural areas, and (5) to issue such regulations as he deems necessary with respect to the administration of such lands.

SEC. 203. Activities authorized under this title may be carried out on lands under the jurisdiction or control of other departments or agencies of the Government only with the approval of the head of the department or agency concerned.

SEC. 204. The Secretary shall consult with and provide technical assistance to departments and agencies of the Government, and he is authorized to obtain from such departments and agencies such information, data, reports, advice, and assistance as he deems necessary or appropriate, and which can reasonably be furnished by such departments and agencies in carrying out the purposes of this title. Any Federal agency furnishing advice or assistance hereunder may expend its own funds for such purposes, with or without reimbursement by the Secretary.

SEC. 205. Nothing in this title is intended to give, or shall be construed as giving, the Secretary any authority over any of the authorized programs of any other department or agency of the Government, or as repealing, modifying, restricting, or amending existing authorities or responsibilities that any department or agency may have with respect to the natural environment. The Secretary shall consult with the heads of such departments and agencies for the purpose of identifying and eliminating duplication of effort.

SEC. 206. (a) The Secretary is authorized to establish such advisory committees as he deems desirable for the purpose of rendering advice and submitting recommendations to him relating to the carrying out of the purposes of this title. Such advisory committees shall render advice and submit recommendations to the Secretary upon his request and may submit recommendations to the Secretary at any time on their own initiative. The Secretary may designate employees of the Department of the Interior to serve as secretaries to the committee.

(b) Members of advisory committees appointed by the Secretary may receive not to exceed $100 per day when engaged in the actual performance of their duties, in addition to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

SEC. 207. The Secretary is authorized to participate in environmental research in surrounding oceans and in other countries in cooperation with appropriate departments or agencies of such countries or with coordinating international organizations if he determines that such activities will contribute to the objectives and purposes of this Act.

TITLE III—WASTE MANAGEMENT RESEARCH

SEC. 301. (a)(1) The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") shall organize the research and related activities authorized by the Clean Air Act, as amended, and the Solid Waste Disposal Act, as amended, into a comprehensive program for research in waste management. The Secretary shall insure that the program is organized, planned, and conducted with singleness of purpose and maximum effectiveness, and for this purpose the most advanced management and research methods and techniques, including systems analysis and systems engineering, shall be employed.

(2) The Secretary is authorized to consult with the Secretary of the Interior for the purpose of including research and related activities authorized by the Federal Water Pollution Control Act, as amended, in the program authorized in this title, and the Secretary of the Interior is authorized to cooperate to the extent practicable with the Secretary for such purpose.

(b) As a foundation for the work of the waste management research program established by subsection (a) of this section, the Secretary shall have compiled a national inventory of waste management needs and problems, and of present waste management methods, including the costs of these methods.

(c) The Secretary shall also establish within the Department of Health, Education, and Welfare (hereinafter referred to as the "Department") an office to collect from appropriate sources and to disseminate actively to the general public, to agricultural, industrial, and commercial groups and their representatives, and to Federal, State, and local government agencies and their representatives, such information as is available regarding all aspects of air, water, and soil pollution, including in particular the extent and dangers of such pollution, and the financial and technical assistance available from the Federal Government for research on, and prevention and abatement of, such pollution.

(d) The Secretary shall assist and advise the Council on Environmental Quality established under title I of this Act.

SEC. 302. (a) The Secretary shall encourage and arrange for full and complete cooperation between the waste management research programs established under section 301(a), and those programs of other departments and agencies of the Federal government engaged in research and development work on any aspect of waste management.

(b) The Secretary is hereby authorized to request, and the departments and agencies of the Government are directed to grant, the use of the waste disposal installations and facilities of any such department or agency for the purpose of testing and evaluating new methods, procedures, and equipment for waste management: *Provided*, That in the judgment of the department or agency concerned such test and evaluation work will not disrupt, disorganize, or in any way interfere with the normal activity, operations, and functioning of such agency or department: *Provided further*, That any expense incurred in such test and evaluation work above and beyond the normal and usual expense of operating the waste disposal installations and facilities of the agency or department concerned shall be borne by the department.

SEC. 303. When used in this title—

(a) the term "waste" means the unwanted solid, liquid, and gaseous materials from agricultural, industrial, commercial, domestic, and community production and consumption activities, discarded or discharged into or onto the atmosphere, water courses, or the ground;

(b) the term "waste management" means the planned, organized, and efficient collection, treatment, reclamation, and disposal of waste to minimize or prevent air, water, and soil pollution; and

(c) the term "research" means (1) studies, investigations, and experiments for the development of basic and applied knowledge bearing on waste management in the physical, biological, social, and earth sciences; and (2) the design, development, and testing of equipment, methods, and processes for waste management.

TITLE IV—APPROPRIATIONS

SEC. 401. There are hereby authorized to be appropriated for the fiscal year beginning July 1, 1968, and for each of five succeeding fiscal years, such amounts as may be necessary for the purposes of this Act.

ADDITIONAL COSPONSORS OF BILLS

Mr. MONTOYA. Mr. President, I ask unanimous consent that, at its next printing, the names of the Senator from New Mexico [Mr. ANDERSON], the Senator from West Virginia [Mr. BYRD], the Senator from Wyoming [Mr. MCGEE], and the Senator from Texas [Mr. YARBOROUGH] be added as cosponsors of the bill (S. 2932) to clarify and otherwise amend the Poultry Products Inspection Act, to provide for cooperation with appropriate State agencies with respect to

State poultry products inspection programs, and for other purposes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, I also ask unanimous consent that, at its next printing, the names of the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. HILL], the Senator from Utah [Mr. MOSS], and the Senator from Connecticut [Mr. RIBICOFF], be added as cosponsors of the bill (S. 2936) to amend title XVIII of the Social Security Act so as to include, among the health insurance benefits covered under part B thereof, coverage of certain drugs.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, I further ask unanimous consent that, at its next printing, the names of the Senator from Michigan [Mr. HART], the Senator from West Virginia [Mr. RANDOLPH], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Texas [Mr. YARBOROUGH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. BYRD], the Senator from Hawaii [Mr. INOUYE], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. MCGEE], the Senator from Alaska [Mr. GRUENING], the Senator from Pennsylvania [Mr. SCOTT], the Senator from Missouri [Mr. LONG], the Senator from Montana [Mr. METCALF], the Senator from Maryland [Mr. BREWSTER], the Senator from New Jersey [Mr. CASE], the Senator from Connecticut [Mr. DODD], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Maryland [Mr. TYDINGS], the Senator from Wisconsin [Mr. NELSON], and the Senator from Connecticut [Mr. RIBICOFF], be added as cosponsors of the bill (S. 2871) to amend the National School Lunch Act to provide for a 3-year pilot special food service program for children, and to continue the authority for the school breakfast program.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, because of the widespread support which this measure has generated, I ask unanimous consent that the following explanation of the bill be printed at this point in the RECORD for the information of other Senators who may wish to join in this effort.

The VICE PRESIDENT. Without objection, it is so ordered.

The explanation referred to follows:

S. 2871: SPECIAL FOOD SERVICE PROGRAM FOR CHILDREN

The proposed amendment to the National School Lunch Act has two major features:

1. Using the approaches and experience developed in twenty-one years of the National School Lunch Program and three years with the School Breakfast Program, S. 2871 would broaden the base of efforts to improve child nutrition by authorizing a three-year pilot program to reach children with a food service in a wide variety of non-school situations—

a. In public or private non-profit day-care centers, settlement and neighborhood houses and private non-profit pre-school activities on a year-round basis with a full range of Federal food assistance.

b. During the summer months in recreational programs such as day camps and youth centers—a very important step forward, particularly for children of low-income families who face the summer nutrition gap when the school lunch program is not available.

At the present time, assistance under the National School Lunch and Child Nutrition Act programs is limited to children enrolled in school activities—with the exception of the special milk program.

Great concern has been expressed about the effects of poor nutrition in very young children. Similar concern has been expressed that children who have a lunch program available throughout the school year have no access to such a program during the summer months—except in those rare instances where they are enrolled in summer school and the cafeteria remains open.

This amendment is designed to close the one final gap in the legislative framework we have developed over the years to improve child nutrition.

The program will be administered by the U.S. Department of Agriculture working through the State educational agencies—just as in the National School Lunch and Child Nutrition Acts.

Meal-type standards that make a positive contribution to good nutrition will be met as a condition for receiving assistance—just as in the school lunch and breakfast programs.

In circumstances of severe need, up to 80 percent of the operating cost of the food service may be covered—just as in the breakfast program.

Authority for the conduct and supervision of Federal Programs to assist eligible institutions in providing food service for children is assigned to the Secretary of Agriculture—as is now the case in school food service programs.

State educational agencies may receive limited financial assistance for program administration—as in the case of the breakfast program and the special assistance phase of the National School Lunch Program.

2. The second major feature of the proposed amendment would provide continuing authority for the School Breakfast Program. This has been a highly successful pilot operation for three years. Some 100,000 children are now participating nation-wide and it is expected that there will be 160,000 participating by the end of this fiscal year when authority for the pilot program express. Teachers and principals and children want and need this program on a continuing basis. It has made a remarkable difference in the attitude and capacity of thousands of children who weren't dull or troublemakers—just hungry.

Mr. BYRD of West Virginia. Mr. President, on behalf of the senior Senator from Ohio [Mr. LAUSCHE] I ask unanimous consent that, at its next printing the name of the junior Senator from Iowa [Mr. MILLER] be added as a cosponsor of the bill (S. 2916) to amend the Federal Food, Drug, and Cosmetic Act to prescribe penalties for possession of LSD and other hallucinogenic drugs by unauthorized persons.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Wisconsin [Mr. NELSON], I ask unanimous consent that, at its next printing the name of the Senator from Missouri [Mr. LONG] be added as a cosponsor of S. 2040, a bill to provide for Federal assistance in the planning and installation of works and measures for the control and prevention of damages resulting from erosion of the roadbeds and rights-of-way of existing State, county, and other rural roads and highways, from erosion of the banks of rivers and streams, and from erosion of unrestored or unrehabilitated surface or strip mined non-Federal lands, and for other purposes.

The VICE PRESIDENT. Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 59—SUBMISSION OF CONCURRENT RESOLUTION RECOGNIZING THE 25TH ANNIVERSARY OF THE WARSAW GHETTO UPRISING

Mr. JAVITS. Mr. President, I submit, for appropriate reference, for myself and Senator KENNEDY of New York, a concurrent resolution expressing the sense of the Senate in recognizing the significance to the world of the uprising in the Warsaw ghetto 25 years ago. At the same time that we are submitting this concurrent resolution in the Senate, Representative EMANUEL CELLER, of New York, dean of the New York delegation and chairman of the House Judiciary Committee, is submitting it in the House of Representatives.

It was 25 years ago in April that the world was electrified by the news of the heroic resistance against the mighty Nazi war machine by the outnumbered and beleaguered Jews of the Warsaw ghetto.

We who live in security and freedom must long remember and be inspired by those who, under such hopeless circumstances, died for freedom and dignity. Their resistance will remain forever a monument of light in a dark era of man's history.

Mr. President, I ask unanimous consent that the concurrent resolution be printed at this point in the RECORD.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred; and, without objection, the concurrent resolution will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 59) was referred to the Committee on the Judiciary, as follows:

S. CON. RES. 59

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress to recognize and acknowledge the world significance of the Warsaw Ghetto uprising as a reaffirmation of the ineradicable determination to fight for freedom from oppression and that Congress joins in commemorating on April 25th the 25th anniversary of the Warsaw Ghetto Uprising against the Nazi occupation forces by the beleaguered and outnumbered Jews of the Warsaw Ghetto.

PRINTING OF CORRECTED COPY OF SENATE CONCURRENT RESOLUTION 47—ADDITIONAL COSPONSORS

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Pennsylvania [Mr. CLARK] I ask unanimous consent that a corrected version of the concurrent resolution (S. Con. Res. 47) relative to the establishment of a United Nations peacekeeping force be printed.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Pennsylvania [Mr. CLARK] I also ask that the names of the following Senators be added as cosponsors of the concurrent resolution, at its next printing:

Senators PELL, HARRIS, MANSFIELD, PROXMIRE, WILLIAMS of New Jersey, CHURCH, INOUYE, LONG of Missouri, NELSON, and TYDINGS.

The VICE PRESIDENT. Without objection, it is so ordered.

RESOLUTION TO PRINT AS A SENATE DOCUMENT "AIR POLLUTION BY FEDERAL FACILITIES"

Mr. RANDOLPH submitted the following resolution S. Res. 261); which was referred to the Committee on Rules and Administration:

S. RES. 261

Resolved, That there be printed as a Senate document the report of the Secretary of Health, Education, and Welfare, entitled "Air Pollution by Federal Facilities", in compliance with the provisions of title I, section 111(b) of the Clean Air Act, Public Law 90-148, as amended; and that there be printed two thousand five hundred additional copies of such document for the use of the Committee on Public Works.

PENALTIES FOR CERTAIN ACTS OF VIOLENCE OR INTIMIDATION—AMENDMENTS

AMENDMENTS NOS. 532 THROUGH 534

Mr. MILLER submitted three amendments, intended to be proposed by him, to the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENTS NOS. 535 AND 536

Mr. MILLER submitted two amendments, intended to be proposed by him, to amendment No. 524, proposed by Mr. MONDALE (for himself and other Senators) to House bill 2516, supra, which were ordered to lie on the table and to be printed.

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

AMENDMENTS NOS. 539 THROUGH 544

Mr. ALLOTT submitted six amendments, intended to be proposed by him, to House bill 2516, supra, which were ordered to lie on the table and to be printed.

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

AMENDMENTS NOS. 545 THROUGH 548

Mr. COOPER submitted four amendments, intended to be proposed by him, to House bill 2516, supra, which were ordered to lie on the table and to be printed.

AMENDMENTS TO WHOLESOME POULTRY PRODUCTS ACT

AMENDMENTS NOS. 537 AND 538

Mr. MONTOYA. Mr. President, last year I proposed in the Senate, and the Congress enacted into law, the Wholesome Meat Act. The Congress thus took a giant stride in protecting the Nation's consumers by assuring them that the meat they eat has been processed under conditions which meet minimum standards for wholesomeness whether inspected under a Federal or State system.

American consumers deserve this same assurance in the area of poultry inspection. With this objective in mind, Senator ELLENDER, Chairman of the Senate Committee on Agriculture and Forestry, and I introduced S. 2932, the proposed Wholesome Poultry Products Act. This bill is patterned after—and is almost identical in every respect—with the Wholesome Meat Act signed into law last year.

In reviewing S. 2932, I have endeavored to pinpoint possible shortcomings or omissions in the legislation with a view toward proposing remedial amendments if found necessary. I am convinced that S. 2932 represents the right approach in providing for Federal-State cooperation while at the same time not compromising the interests of the consumer.

I submit today for proper reference and printing two amendments which will further insure the American consumer that the poultry products he or she eats is wholesome. These amendments are in keeping with the approach taken in the Wholesome Meat Act. I believe that the need for these amendments should be obvious and their merits unquestioned.

Amendment No. 537 insures that the Secretary of Agriculture shall report at least annually to the appropriate committees of Congress with respect to the effectiveness of the poultry inspection and enforcement programs within all the States whether such programs are Federal and/or State programs. The Congress shall thus be apprised at all times on any failings in the protection which is or should be provided to the consumer.

Amendment No. 538 merely insures that the "ante-" and "post-mortem" inspection laws which a State must provide to be eligible for Federal financial and technical assistance must call for "mandatory" "ante-" and "post-mortem" inspection. The purpose of a lot-by-lot mandatory ante-mortem inspection is to alert inspection personnel and plant management to the general health condition of a given lot of poultry to be processed. Also, in the event of certain infectious diseases such as "Ornithosis" being detected, plant employees as well as inspectors would be protected because the flock would be quarantined. A bird-by-bird mandatory post-mortem examination must be required since this is the only positive means of assuring that each and every carcass and its parts are wholesome and not adulterated.

Mr. President, I shall continue to review this proposed legislation as well as make every attempt to discuss it with interested and affected individuals and organizations in an effort to provide for the best possible protection for our consumers in the shortest possible time.

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

The VICE PRESIDENT. The amendments will be received, printed, and appropriately referred; and, without objection, the amendments will be printed in the RECORD.

The amendments (Nos. 537 and 538) were referred to the Committee on Agriculture and Forestry, as follows:

AMENDMENT 537

On page 19, beginning with line 16, strike out all down through line 22, and insert in lieu thereof the following:

"(4) The Secretary shall promptly upon enactment of the Wholesome Poultry Products Act, and periodically thereafter, but at least annually, review the requirements, including the enforcement thereof, of the several States not designated under this paragraph (c), with respect to the slaughter of poultry, and the processing, storage, handling, and distribution of poultry products, and inspection of such operations, and annually report thereon to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."

AMENDMENT 538

On page 14, line 8, insert "mandatory" immediately before "ante-".

NOTICE OF HEARINGS ON HOUSING AND URBAN DEVELOPMENT LEGISLATION

Mr. SPARKMAN. Mr. President, I should like to announce that the Subcommittee on Housing and Urban Affairs of the Banking and Currency Committee will begin hearings on March 5, 1968, on the President's 1968 housing proposals and other bills pending before the subcommittee. The hearings, expected to last 2 weeks, from March 5 through March 15, will be held in room 5302, New Senate Office Building and will commence at 10 a.m. each day.

Persons wishing to testify on pending bills should contact Miss Doris I. Thomas, Housing and Urban Affairs Subcommittee, room 5226, New Senate Office Building, telephone 225-6348.

A list of the bills presently pending is as follows: S. 2228, S. 2229, S. 2343, S. 2376, S. 2466, S. 2498, S. 2508, S. 2625, S. 2631, S. 2680, S. 2681, S. 2800, S. 2801, and S. 2802.

NOTICE OF HEARINGS BY SUBCOMMITTEE ON SEPARATION OF POWERS ON ADMINISTRATIVE AGENCIES

Mr. ERVIN. Mr. President, the Subcommittee on Separation of Powers of the Committee on the Judiciary will conduct hearings on March 26, 27, and 28, and April 1, 2, 8, and 9, on the relationship of the administrative agencies to Congress. Additional days may be scheduled later in the session. Hearings will be in room 2228, New Senate Office Building, and will begin at 10 a.m., unless otherwise announced.

These hearings begin the second stage of the subcommittee's inquiry into the division of powers between the legislative, judicial, and executive branches of government. We shall focus on the administrative agency's role in the governmental structure because, whether we like it or not, the administrative agency

has come to be a primary instrument of government in our country. The most dramatic periods of growth of this institution occurred during the second and fourth decades of the 20th century, when most of the seven major independent administrative agencies were created. But the creation of new, if less celebrated, administrative agencies has continued undiminished since that period, and there are now perhaps hundreds of administrative boards of every type and description within the executive branch. The exercise of their power directly or indirectly affects every citizen, and the work product of these administrative agencies constitutes the largest source of "law" in our country, far exceeding the decisions of the courts and the legislation of the Congress. The Founding Fathers did not anticipate the creation of an institution such as the administrative agency—an institution different from each of the traditional branches of government and one exercising a combination of legislative, executive, and judicial powers. For a time, this new institution had difficulty in gaining acceptance, but we have now grown accustomed to the fact that executive, legislative, and judicial powers are exercised by a body which is neither a legislature nor a court, and yet still independent of the executive branch.

Although the Nation now accepts the administrative agency as a normal and constitutional part of government, there still remains the problem of assuring that the independent administrative agencies faithfully execute the laws entrusted to them by Congress.

This is more than a theoretical question of concern only to lawyers. It is important to every citizen, and especially to those whose lives and livelihood are subject to the jurisdiction of an administrative agency. The will of the people operates through the policy decisions of Congress. If our representational form of government is to have any meaning, then we must insure that the laws which are executed by these agencies are the laws which Congress enacted. Constitutional law and representative government cannot exist if officials of the executive branch, commissioners and board members of the agencies, or the judges on the courts, have the power to modify, repeal, or ignore the will of Congress as expressed in statutes.

The hearings will be devoted to analyzing the performance of the agencies against this constitutional standard. We will seek also to devise the means by which Congress can insure more faithful administration of the laws in the future.

The National Labor Relations Board has been selected as the agency the subcommittee will first examine. The Board has been chosen for two reasons. First and perhaps most important, the NLRB is primarily responsible for a segment of public affairs which affects every employer and every workingman. How well the Board administers the Nation's labor policy as expressed in the Taft-Hartley Act and other labor laws is the concern of every citizen.

Second, of all the major administrative agencies, the Board has been the subject of the most persistent criticism. Some of this is inevitable—the Board deals in an area of controversial and complex problems, and it can be expected that those who are disappointed with its decisions will object. But this explanation does not account for all the criticism leveled at the Board. Ever since its creation, the Board has been taken to task by friends as well as foes—by the courts, the Congress, by labor and management, and by its own members. The accusation that the Board has usurped congressional functions, that it applies its own view of what is desirable labor policy instead of Congress, comes so often, from so many directions, and in so many contexts, that it is the subcommittee's responsibility to determine the validity of these charges and to discover, if we can, how Congress and the courts, and the Board itself, can better review and control its operations.

In the area of labor law, and as respects the Board's role in it, every man may be a partisan. But I hope that these hearings will be received in the same impartial spirit in which they will be conducted. This is an opportunity to criticize honestly where criticism is warranted, and to praise where praise is deserved. Our objective is to do what we can to improve the operations of the NLRB, administrative agencies in general, and the Government as a whole. We shall rely upon witnesses not only to analyze the role of the Board in terms of the policies established by Congress, but also to suggest practical methods by which congressional and judicial oversight of this administrative agency and the others can be improved.

The subcommittee has invited a number of scholars and other experts in administrative law and labor relations to testify at the hearings. In addition, we shall hear from representatives of management, labor, and the Board itself. Among those who are presently scheduled to testify or present statements are Profs. Derek Bok and Louis Jaffe of the Harvard Law School, Prof. Archibald Cox of the Harvard Law School and formerly Solicitor General of the United States, Prof. Howard Lesnick of the University of Pennsylvania, Prof. Harry H. Wellington of Yale Law School, and Prof. Cornelius J. Peck of the University of Washington, Seattle.

Because of the widespread interest in these hearings it may not be possible to hear every person who wishes to testify. However, the subcommittee will make every effort to accommodate those who wish to submit statements for the record. All persons desiring to present testimony or submit written statements should contact the subcommittee office, room 1403, New Senate Office Building.

NOTICE OF HEARING ON PROPOSED INTERNAL SECURITY ACT OF 1968

Mr. EASTLAND. Mr. President, I want to give notice that open public hearings on the proposed new Internal Security Act of 1968—S. 2988—will begin at 10:30 a.m. on February 27, and will continue through a period of several weeks thereafter. Any person wishing to testify on this bill should communicate with the clerk on the Committee on the Judiciary, Mr. John Holloman, or the chief counsel of the Internal Security Subcommittee, Mr. Jay Sourwine. Anyone wishing to present a prepared statement should submit a copy of the statement to the subcommittee at least 24 hours before the date scheduled for his appearance. Written statements for inclusion in the record, but not intended to be presented orally, may be submitted at any time during the course of the hearings, and will be admitted to the hearing record if found pertinent and not excessive in length.

The hearing on Tuesday, February 27, will be held in room 3304 in the New Senate Office Building.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, February 26, 1968, he presented to the President of the United States the enrolled bill (S. 269) to authorize an exchange of lands at Acadia National Park, Maine.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, if no one wishes to speak at this moment, I should like to speak for about 5 minutes if I may.

The VICE PRESIDENT. The Senator from Montana is recognized, although the Chair has a request from the Senator from Alaska.

Mr. LONG of Louisiana. Mr. President, may we have order in the Chamber?

The VICE PRESIDENT. Will the Senator from Montana withhold for just one moment. The Chair must insist that the Chamber be in order and that the galleries be quiet. The Senator from Montana seeks recognition.

The Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask for several additional minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

VIETNAM

Mr. MANSFIELD. Mr. President, last week, U Thant, the Secretary General of the United Nations, met for an hour with President Johnson at the White House. It is safe to assume that the subject matter discussed was the possibility of negotiations covering a cessation of hostilities or an ending of the war in Vietnam. What came out of that meeting in the way of concensus or agreement, I do not know but, again, I think it is safe to assume that both men expressed a desire for peace and covered, in their discussion, various ways, means, and possibilities for achieving it.

Mr. BYRD of West Virginia. Mr. President, the Senate still is not in order.

The VICE PRESIDENT. The Senator's position is well taken. The Senator from Montana will suspend. The Chair must ask the doorkeepers to see that order is maintained in the galleries when the Senate is in session.

The Senate will please be in order.

The Senator from Montana may proceed.

Mr. MANSFIELD. Mr. President, over the weekend, U Thant held a press conference in which he stated what seems to me to be the reasonable belief that talks could begin shortly after the United States calls off the bombing of North Vietnam.

Over the weekend also, there have been, more and more, speculative stories coming out of Saigon, Bangkok, and Washington to the effect that the President would soon ask for an increase of anywhere up to 100,000 men in Vietnam. It is anticipated—again, according to speculation—that when Gen. Earl Wheeler, Chairman of the Joint Chiefs of Staff, returns to Washington this week, he will make a recommendation that our forces be increased in Vietnam beyond the present ceiling of 525,000 men by July 1.

Therefore, it appears to me that this country may be facing, on the one hand, a pressure to increase its commitment of military personnel in Vietnam again and perhaps again, and again; and, on the other, the need to make further and more intensive efforts to reach the negotiating table on the basis of views such as those advanced by U Thant. It is my hope that more attention would be given to what U Thant has proposed than seems to have been the case up to this time. His views are entitled to the most deliberate consideration not so much because of the immediate situation in Vietnam, but because of the difficulties and dilemmas which have been present since the very beginning of the conflict.

Even though it appears to present military questions, I believe that U Thant's proposal to halt the bombing of North Vietnam can be given consideration for a number of reasons: First, there are very few significant targets left in North Vietnam; second, the bombing has not halted the infiltration of men and supplies in South Vietnam; and third, the bombing has failed to bring Hanoi to the conference table.

A halt to the bombing of the North would not, and should not weaken the air support of the U.S. forces along the 17th parallel and most particularly at Khe Sanh. These ground forces, without question, must continue to have all possible air support not only along the 17th parallel in Vietnam itself but across the infiltration routes which extend through Laos. Wherever else it is needed in conjunction with ground-force operations, air support must be forthcoming.

It is my belief, however, that U Thant's suggestion makes sense because a way around the impasse which confronts us in Vietnam will not be found by military means but will have to be brought about through negotiations. If on the one hand the Soviet Union and China are to continue ad infinitum to supply North Vietnam with the most sophisticated weapons and other forms of assistance, and if we are to continue the same policy in relation to South Vietnam, then I think there lies ahead, not only for this country but also for the rest of the world, far more troublous days than has been the case to date.

Therefore, I would hope, Mr. President, that, instead of an obsessive pursuit of a solution by a continual escalation of manpower commitments, we would think about escalating our peace efforts in an effort to find an honorable settlement—irrespective of considerations of face.

No one can say that to halt the bombing of the North, as U Thant has proposed, will bring about fruitful negotiations, but it is a proposal worth trying as a step toward peace. Indeed, it may well have more merit than going another rung of military escalation in the hope that it will end the bloodshed, especially since every previous step-up has produced, not peace, but simply a more open ended, more destructive, and more devastating war.

I refer once again, too, to the proposal made by our distinguished colleague, the Senator from Kentucky [Mr. COOPER] that we confine the bombing to the 17th parallel and to the Ho Chi Minh trails in Laos and that we concentrate and consolidate our effort and forces within South Vietnam. Finally, I would refer, once again, to the unanimous resolution of the Senate which calls for an open initiative in the United Nations Security Council in an effort to delineate a path toward peace—an initiative which has yet to be taken. These suggestions interrelate with the suggestion of U Thant which, I repeat, is deserving of our most careful and immediate consideration.

In one way or another, it seems to me, that it is preferable to make a try for negotiations than to continue to heed the insatiable calls for more and more men as the war spreads and intensifies. To make this try, to me, is preferable to going back to the past to find out how we got into this barbarous war. To me, it is preferable to concentrate on today and to plan for tomorrow in an effort to find an honorable conclusion to the war in Vietnam before it gets completely out of hand.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of U Thant's statement, published in the New York Times on yesterday.

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

TEXT OF THANT'S STATEMENT ON TALKS ABOUT VIETNAM

UNITED NATIONS, N.Y., February 24.—Various questions have been raised, and different interpretations have been given, following my recent talks in certain capitals. Indeed, it is for me a great advantage in the discharge of my responsibilities as Secretary General of the United Nations to be able to meet at intervals with leaders of governments and to exchange views with them.

Obviously, in the present circumstances, the war in Vietnam has taken precedence over all other subjects in the discussions, simply as a result of the increasing concern that this war causes the world over.

Although it is for the parties directly involved, ultimately—and, I hope, soon—to take the steps and establish the contacts necessary for negotiations, which they know must take place if this war is ever to be brought to an end. The Vietnam conflict has repercussions which extend far beyond the parties themselves. That is why I feel it would be useful to present this account of what happened during these recent meetings.

TRAVEL DETAILS GIVEN

Some of the details of my travel have already been made public on a day-to-day basis by the United Nations headquarters. Nevertheless, as I feel it relevant to what I wish to state today, I will record them again in the order in which they took place.

As is known, I took the opportunity during a brief visit to New Delhi in connection with the second session of the United Nations Conference on Trade and Development to meet the Consul General of the Democratic Republic of Vietnam [North Vietnam], Mr. Nguyen Hoa, on Feb. 8, and to discuss with him the question of Vietnam.

The consul general affirmed that his government "would hold talks with Washington on all relevant matters at an appropriate time after the unconditional cessation of bombing and of all other acts of war against the Democratic Republic of Vietnam."

He drew my attention to the statement that had been made on this subject the day before [Feb. 7] by the Foreign Minister of the Democratic Republic of Vietnam in an interview with a press agency, which said, in particular, that talks will begin as soon as the United States has proved that it has really unconditionally stopped the bombing. I then put to him some questions which he promised to transmit to his Government, assuring me that it would reply to these questions as soon as possible.

FLEW ON TO MOSCOW

While in New Delhi, I called on the President of India, Dr. Zakir Husain, and had several meetings with the Prime Minister of India, Mrs. Indira Gandhi.

From there I flew to Moscow where I was received by the secretary general of the Communist party, Mr. Leonid Brezhnev; the chairman of the council of ministers, Premier Aleksei Kosygin, President Nikolai V. Podgorny and Foreign Minister Andrei A. Gromyko.

In London, I was received by Prime Minister Harold Wilson and had discussions with him, Foreign Secretary George Brown, Commonwealth Secretary George Thomson; the Minister of State, Lord Chalfont, and the leader of the Opposition, Mr. Edward Heath.

While in London, on Feb. 13, I was informed that the delegate general of the Democratic Republic of Vietnam in France, Mr. Mai Van Bo, had just received a message from his Government for transmittal to me. This was the reply to the questions I had submitted in New Delhi. I left for Paris on the 14th and saw Mr. Mai Van Bo, who conveyed to me the reply from his Government, dated Feb. 13, to my questions.

In this message, there was a further clarification of Hanoi's position concerning discussions with Washington. I was told that the Democratic Republic of Vietnam would hold talks with the United States at the appropriate time, that is, as soon as the unconditional cessation of bombing and of all other acts of war against the Democratic Republic of Vietnam became effective.

ANY TOPIC ADMISSIBLE

I was further informed that, at the talks, the United States could bring up any matters for discussion in the same way as the Democratic Republic of Vietnam could bring up any other. In reply to my query, Mr. Mai Van Bo stated that the question of the reduction in the fighting in South Vietnam, the question of the reconvening of the Geneva Conference and any other question could be brought up at the talks.

On the same day, I was received by President Charles de Gaulle and Foreign Minister Maurice Couve de Murville. Upon my return to New York Feb. 15, I informed Ambassador Arthur Goldberg of the substance of my discussions on Vietnam during my visit to various countries. On Feb. 16, I conferred with the permanent observer of the Republic of Vietnam [South Vietnam], Mr. Nguyen Huu Chi.

On Feb. 21, I was received by President Lyndon B. Johnson and Secretary of State

Dean Rusk in Washington. The President reaffirmed his continued desire to achieve a peaceful settlement and the continued validity of the San Antonio formula. Both the President and the Secretary of State stressed the no-military-advantage provision of that formula.

CONVICTION REINFORCED

My talks in various capitals have reinforced my conviction, which I have repeatedly expressed in my public statements on the issue of Vietnam for the past three years, namely, that the question is essentially a political problem which cannot be solved through the application of military force.

In the light of my talks, I reaffirm all that I have said in the past concerning my assessment of the Vietnam problem and my approach to it. If the Vietnam question is seen as a contest of unyielding will, there can be no solution.

In the broader context it appears, indeed, that both the United States and the Soviet Union are firmly determined to prevent the defeat of the side which each supports. If such a trend continues, the conclusion is inescapable that there will be continued intensification and escalation of the conflict, resulting in unforeseeable developments with dire consequences.

EARLY TALKS EXPECTED

On the other hand, my recent contacts have confirmed my view that, if essential steps are taken, they will lead to a chain of events which, in the end, can bring about a just solution to the problem, and which will save both South Vietnam and North Vietnam from devastation and virtual destruction and will offer a chance for the people of Vietnam to regain a sense of national identity and to reconstruct their war-torn country.

Everywhere I found a genuine desire to bring this tragic conflict to an end. The increased intensity of the hostilities during the past few weeks should not lead to the conclusion that the door is closed for negotiations.

In my view, the indispensable first step of ending all bombing and other acts of war against the Democratic Republic of Vietnam should be taken and could be taken without too great a military risk. If such a step were to be taken, I am more than ever convinced that meaningful talks will take place much earlier than is generally supposed, even perhaps within a matter of a few days.

As for the questions concerning the conduct of the fighting after the unconditional cessation of the bombing, particularly in the demilitarized zone and across the frontiers, it can reasonably be assumed that these will be dealt with in good faith. The parties themselves should solve this problem in order to allow for the larger negotiations to take place, with the participation of all parties concerned, including the Government of the Republic of Vietnam and the National Liberation Front of South Vietnam.

ATMOSPHERE POISONED

The Vietnam war has already poisoned the atmosphere and strained international relations. This strain is keenly felt in The United Nations, whose effective functioning has been impaired as a result. We are witnessing more and more the unfortunate and undesirable repercussions of this war in other parts of the world.

Inasmuch as the United Nations remains humanity's main hope for peace it is my duty, regardless of all criticisms, to try to reflect the consensus of international public opinion and the deep concern which has expressed itself through the forum of the General Assembly.

Indeed, the world is anguished and sickened by the continued intensity and savagery of the war. It is heart-rending to witness the agony of the innocent civilians who cannot possibly know what it is all about. Also the military casualties steadily mount. The ugliness of the war is matched only by its futility. There can be no victory, no defeat, only more suffering, more death and more destruction. The very survival of Vietnam is at stake. It is time to call a halt.

Mr. AIKEN. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. AIKEN. I am glad that the Senator from Montana, the majority leader, has spoken out as he has. I do not know, and neither does anyone else here know for sure, whether to stop the bombing of North Vietnam would bring the war to a conclusion in that area.

But we should know that the addition of 100,000 men to our fighting forces in Southeast Asia will not go very far toward bringing any war to a successful military conclusion.

I believe it was in the late summer of 1963 that we were told that adding 6,000 or 7,000 men to the forces that were then in South Vietnam, bringing that total to 17,000, would be adequate to restore stability to that country at an early date. In fact, it was about that time that the Secretary of Defense predicted that we would be bringing our forces home by Christmas.

Next thing we knew, we had 35,000 men there. Then the increase went on from there.

Two years ago we had 160,000 or 170,000 men in Vietnam, and we were told if the number were doubled—I think at that time General Westmoreland asked to have the number doubled, making 340,000—that would be adequate. Then we were told it would take 500,000. Then it went up to 525,000. Now it is up to probably 625,000.

In my opinion, the addition of 100,000 men is only a drop in the bucket if it is the determination of the President and the administration to bring about a military victory in Southeast Asia. One just has to read the news items to see how the perimeter of the war is expanding. The news this morning states that three cities in Laos have been taken by the North Vietnamese or the Vietcong—I do not know which it is—but this is only a start in that direction. We owe something to the defense of Laos if we do to other countries in Southeast Asia, because Laos, in fact, has been on our team to the fullest extent—that is, Souvanna Phouma has, anyway, even though he controls only about half of that country. So we may just as well be prepared.

As I said on the floor a couple of years ago, if we are going to fight an all-out war in Asia, we must adopt those rules and regulations that go with all-out war. That means universal conscription. It means a big increase in taxes. It means wage and price controls.

The President is inadvertently responsible for the escalation in prices and wages, because every time he asks labor not to ask for more money, and every time he tells industry not to raise its prices, implying we will have wage and price controls if they do, it is an open invitation to raising wages and raising prices in order to get them as high as possible before the freeze sets in.

So I hope nobody is going to be fooled by the request for 100,000 more men in Asia if we have the idea of a complete military victory in our minds. I would suggest that, instead of 100,000, perhaps another cipher be added to that figure—and not before the "1."

Mr. JAVITS. Mr. President, will the majority leader yield, on my own time? I have 3 minutes.

I would like to ask one question. First, I certainly concur in what my colleagues have said. Second, not only is the perimeter of the war expanding, but also its Americanization. This deeply concerns the American people. It is more and more our war.

I would like to ask the Senator, with respect to the cessation of bombings as a basis for beginning negotiations, I think we "missed the boat" in January 1967, when the Pope, joined by U Thant, and many others, asked that the bombing be stopped.

I would like to ask the Senator, who is very knowledgeable in this field, in addition to being majority leader, if he does not believe it would be a challenge to American diplomacy, on which this Government ought to concentrate, to recreate the diplomatic conditions of February 1967. In the postwar world, we have seen that it takes the two super powers working together to get anything done of this nature. If the Soviet Union joined the call for a bombing cessation as a basis for beginning negotiations, along the lines of our San Antonio formula, that would represent a situation in which the Soviet Union's prestige is on the line just as much as ours.

It seems to me that this is a key challenge facing the administration; this is the basic idea on which I would like to get the opinion of the majority leader.

Mr. MANSFIELD. Mr. President, may I say that Mr. Kosygin on a number of occasions has indicated that the step that could bring about negotiations would be a cessation of the bombing of the North.

Frankly, I would not care what countries were involved if we could find our way to the negotiating table, and so I would not be at all averse to encompassing all directly and indirectly involved, including the NLF, China, and the Soviet Union. After all, two of those are signatories to the Geneva accords of 1954 and 1962.

I can understand the reticence of the administration, but we have had suggestions from the Soviet Union, Poland, and the Pope. U Thant has just made a trip, at which time he discussed with various countries the possibility of peace—in New Delhi, in Paris, where he talked with Mai Van Bo, Mr. de Gaulle, Mr. Couve de Murville. He has come here and talked to the President and has indicated—he could very well have been too optimistic—that it would bring about negotiations within several days.

I cannot see what is to be lost when we may have a choice between having negotiations or the sending of additional tens of thousands of our troops to Vietnam.

Now, it is all speculation so far. Nobody knows if additional troops are going to be sent, but all indications are that that is being considered, as a result of a series of recent events triggered by North Vietnam, as a result of incidents that have taken place in 36 provincial

capitals and in other cities and hamlets as well.

We have marines entrenched in Khe Sanh. Both sides are ready to jump into battle. I do not know whether a battle is going to occur in Khe Sanh or not, even though all the evidence points to it. I would not obviate the possibility, nevertheless, that Giap, or whoever is responsible for the situation in the northwest corner of South Vietnam, may be pinning down large numbers of our troops in that area for the purpose of carrying on activities up and down the peninsula and up and down the 38th parallel.

We have difficulties. We do not know how we got into the box of Vietnam. But that is a moot question. It is too late to decide how we got into it. The important question is, how do we get out and how do we get out under honorable circumstances?

Mr. AIKEN. If the Senator will yield for another moment, I want to reiterate that I do not know, and I do not know of anyone else who knows, whether a cessation of the bombing of North Vietnam would result in peace efforts within a reasonable time or not; but we should know that if the bombing ceases, in view of what other countries have said, and there is no honest move toward peace on the part of Russia, China, or Vietnam, then we could really expect a change in world opinion, which up to now has largely held the United States responsible for the wartime conditions which have existed in that part of the world.

It would at least prove whether the Vietcong, the North Vietnamese, and their prime supporters, Russia and China, really want peace in that area or not. We tried, with a resolution, to get Russia to stand up and be counted at the United Nations, but the administration has not seen fit to push the issue.

Mr. MANSFIELD. I think that the sense of the Senate resolution should be used, embarrassment or not, win, lose, or draw, because, after all, it did pass this body unanimously, and it did express the sense of the Senate. The President, I know, has attempted to lay the groundwork for it, but other events have intervened, and up to now, no specific action has been taken. But I certainly hope, as does the Senator from Vermont and every other member of this body, regardless of how he is classified, that the members of the United Nations will try to do as a body what its Secretary General, U Thant, has tried to do on his own. I hope that those nations which talk peace will try to do something to bring it about.

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

The VICE PRESIDENT. The Senator from Montana has 3 minutes.

Mr. MANSFIELD. I yield 3 minutes to the Senator from Arkansas.

Mr. FULBRIGHT. In view, particularly, of the statement of the Senator from Vermont about the necessity of radical changes in the way we do our business if the administration is going to put another 100,000 or perhaps 500,000 men in Vietnam, I ask whether the majority leader knows or can find out for the Senate whether or not the administration intends to consult Congress and allow it at least to discuss the matter, in view of the very dubious basis for the so-called Gulf of Tonkin resolution.

I wonder whether the administration is contemplating a declaration of war, upon which would be based the kind of regulations which the Senator from Vermont just mentioned. It seems to me, if the administration is going now to undertake a vast new escalation, Congress should at least be consulted and have an opportunity to express itself.

Mr. MANSFIELD. Mr. President, may I say that what I have said is based only on speculation and rumors; stories which have appeared in the press; a trip last week by the chairman of the Joint Chiefs of Staff, General Wheeler, to Saigon; a statement issued from Bangkok yesterday that it was thought more men would be needed; a statement given in an interview by General Westmoreland to one of the press associations to the effect that it was thought he would need more men.

I would feel that as far as the President is concerned, he will discuss matters of this sort. I know he is very anxious to meet with members of the Committee on Foreign Relations, for example, to discuss matters of mutual interest.

Mr. FULBRIGHT. Do I understand that the majority leader is saying that the President has not discussed with him such matters as sending another 100,000 men to Vietnam, nor has he discussed with him his plans in this connection?

Mr. MANSFIELD. No, nor do I think he is in a position where, at this time, he can discuss them, because I assume he is waiting for information, and on the basis of the information and the recommendations which will be made, then he will be face to face with a decision.

Mr. FULBRIGHT. If he has not discussed it with the majority leader, I take it he has discussed it with no Member of this body. Certainly we have no information in the Committee on Foreign Relations about these plans.

It would seem, in view of the disastrous situation in which we find ourselves, that the Committee on Foreign Relations and the Senate should be informed about the President's plans before a decision is made.

Mr. MANSFIELD. I am sure a decision will be made, and if and when it is made, I am sure the Senate will be informed at that time. I have no doubt that it will.

FALSEHOOD, FAILURE, AND FUTILITY—THE COLLAPSE OF U.S. POLICY IN VIETNAM

Mr. GRUENING. Mr. President, the events of the past few weeks have demonstrated beyond a shadow of a doubt the utter collapse of U.S. policy in Southeast Asia.

Facts now coming to light concerning the Tonkin Gulf episodes of August 2 and 4, 1964, further widen the so-called credibility gap. The able and distinguished chairman of the Senate Foreign Relations Committee [Mr. FULBRIGHT] has stated that Secretary McNamara's statement before that committee, as released by Secretary McNamara, is "a classic example of selective declassification of security material."

He said further:

> Everything related to the Tonkin incidents is "secret" except that which the Pentagon deems should be made public. This deceives the American public.

I agree.

I have read the so-called top secret carefully compiled report of the staff of the Senate Foreign Relations Committee and the transcript of the hearing held before that committee on February 20. A review of both these documents makes it clear that Secretary McNamara did not tell the whole truth, either, when he testified before the Foreign Relations Committee in August 1964 or when he testified before it on February of this year.

Nothing in the staff report could be remotely considered as endangering the security of the United States, especially 3½ years after the events. Surely the North Vietnamese know by now what happened—even if it has been withheld from the American people.

The American people, who are paying the cost in lives, blood, and money, have a right to know.

Secretary McNamara should immediately declassify all of the material in the staff report and in the Tonkin Gulf hearing on August 6, 1964. Failing such action on the part of the Secretary, the Senate Foreign Relations Committee should come before the Senate to declassify the staff report.

Meanwhile, events in South Vietnam attest to the utter futility of U.S. policies there.

As the Wall Street Journal stated in its leading editorial on February 23, 1968:

> We think the American people should be getting ready to accept, if they haven't already, the prospect that the whole Vietnam effort may be doomed; it may be falling apart beneath our feet.

Casualty figures published last week show that more American fighting men were killed in action during the preceding week—543—than in any other week of the war. In the 41 days that had elapsed during 1968 when the report was made, 2,242 American fighting men have been killed in Vietnam. This is at a rate of over 20,000 deaths a year.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The Senator's time has expired.

Mr. GRUENING. I ask unanimous consent that I may proceed for 10 additional minutes.

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

Mr. GRUENING. The events of the last 2 weeks have shown conclusively that the repeatedly optimistic reports of General Westmoreland and other high administration officials are, as they have been for the past 4 years, entirely baseless.

Militarily the United States has lost the initiative.

Those opposed to the Saigon regime have shown conclusively that there can be no safety in the streets of any South Vietnamese street, including those of the nation's Capital—Saigon.

Meantime, we have permitted 5,000 marines to become beseiged in the North

in an area becoming increasingly indefensible.

And now the call has come from General Westmoreland in Saigon for more American troops.

To what end?

The time has come—

The New York Times stated in its leading editorial on February 25, 1968—

for Americans and their leaders to recognize that the policy itself is illogical; that it entraps the United States in a war without visible limits, despite all official optimism; that it will continue to make insatiable demands on American manpower, resources and energy far beyond the worth of any conceivable gains. The only sound policy is to move from the battlefield to the negotiating table with fullest speed.

The much vaunted pacification program to "win the hearts and minds" of the rural population has collapsed as the pacification teams have been drawn in to defend the very cities on which their own security depended.

In September, with a loud fanfare, the administration, based on rigged elections and the adoption of a high sounding constitution, announced that democracy had come to South Vietnam.

That so-called democracy there has been rapidly deteriorating the last few days.

The constitution has been suspended.

The corrupt military junta is jailing the leading opponents in the last election—"protective custody" is what it is called, a term highly reminiscent of the same term used in Fascist and Communist countries. It is not surprising that such term is used in a country, one of the dominant figures of whom is General Ky, whose greatest hero is Adolph Hitler.

In a moving advertisement in the New York Times on February 25, 1968, headed "In the Name of God, Let's Stop It Now," inserted by the International Committee of Conscience on Vietnam of the Fellowship of Reconciliation pointed out that—

First. The Venerable Thich Tri Quang, "widely revered South Vietnamese Buddhist monk" has been placed in "protective custody";

Second. The peace candidates in the September elections, Au Truong Thanh and Truong Dinh Dzue, have been placed in "protective custody";

Third. Many of the 65 Saigon University professors who signed an appeal for a cease-fire and negotiations have been arrested and the others threatened with arrest;

Fourth. Seventeen leaders of South Vietnamese student organizations have been arrested for appealing for a cease-fire and negotiations;

Fifth. The Roman Catholic Bishops of South Vietnam have appealed to both sides for a cease-fire and the end of hostilities and negotiations.

Strict censorship of the press has been imposed in South Vietnam.

As Flora Lewis, writing from Saigon in the Washington Post states:

The newspapers here are censored to a point that sometimes leaves more white space than black. Discouraging remarks are not printed.

Thus the American efforts to bring democracy to South Vietnam are recorded in falsehood, failure, and futility.

ONE POSSIBLE SOLUTION TO THE VIETNAM DILEMMA

Recommendations for extrication of the United States from its Vietnamese folly are not the responsibility of those who for years have dissented from United States policy in Vietnam. It is the responsibility of those who got us into the Southeast Asia mess.

However, if President Johnson really wants to get the United States out of the morass in Vietnam, and save us from ever-mounting and ever-deepening disaster and the increasing slaughter of the flower of our youth and of thousands of Vietnamese noncombatants, his opportunity is here and now.

He could go on nationwide radio and television and, in effect, say to the American people:

"My fellow citizens, I have tried for 4 years and my predecessors have tried for a decade previously to bring a semblance of self-government and democracy to the people of South Vietnam. It has become clear beyond peradventure that it is not their desire, and that the United States, despite its prodigious efforts in manpower and money, and the sacrifice of thousands of American lives, cannot achieve these desired results for them.

"I have today ordered the unconditional cessation of all bombing of North Vietnam and of all offensive operations in South Vietnam. In addition, I have directed there be an immediate in-place cease-fire in South Vietnam on the part of United States and have requested the Souht Vietnamese Armed Forces to do likewise, with only defensive action authorized. I have called upon the forces of the National Liberation Front and of North Vietnam in South Vietnam to do the same. It is my purpose, which I now declare, to initiate a phased military withdrawal which should be completed within a year. In the meantime, behind the shield of American military forces with the leverage afforded by U.S. military and economic aid, U.S. representatives in South Vietnam will insist that the Thieu-Ky government broaden the base of its Government to include their non-Communist opponents, represented in large measure by those whom they have now jailed and put in protective custody, and that this broadened South Vietnamese Government begin immediate negotiations with the National Liberation Front so that all these Vietnamese components can work out their own destinies.

"In addition, I have directed our Ambassador to the United Nations to work with other nations there to find places of refuge in other lands for those who would not want to live in South Vietnam under the new regime which will be formed and I will ask the Congress for such additional authority as may be needed to admit such refugees to the United States and to assist in their resettlement elsewhere.

"Further, I have instructed our Ambassadors to Great Britain, the Soviet Union, Canada, India, and Poland to propose a greatly strengthened International Control Commission to supervise any elections to be held in South Vietnam to obtain an expression of the peoples' will.

"The United States will assist in the reconstruction and rehabilitation of the burned villages, destroyed buildings and defoliated fields, and give suitable fiscal assistance to economic development. But our military efforts will cease. We will make every effort to assist the people of both North and South Vietnam to establish whatever form of government they can develop."

Here lies a solution which both Americans and Vietnamese, I am confident, will welcome.

I ask unanimous consent that there be printed in the RECORD at the conclusion of my remarks the editorial entitled "Escalation—To What End" from the New York Times of February 25, 1968, the advertisement entitled "In the Name of God, Let's Stop It Now," signed by the International Committee of Conscience of the Fellowship of Reconciliation, and the communique issued by the Catholic Bishops of Vietnam.

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

[From the New York Times, Feb. 25, 1968]

ESCALATION: TO WHAT END?

Three years ago the first American combat units were dispatched to Vietnam, with the announced purpose of defending United States bases. Their arrival boosted the number of American military personnel in Vietnam to 27,000.

By the end of that year—1965—the United States had 185,000 troops in Vietnam, and they had taken over the brunt of the fighting from the South Vietnamese.

Nearly two years and 300,000 additional American fighting men later, Gen. William C. Westmoreland came home from Saigon last fall to report that the enemy was on the run and that he expected the United States to begin to "phase out" its operation in Vietnam within two years. He expressed himself as content with the ceiling of 525,000 troops President Johnson promised him by next June.

This weekend the chairman of the Joint Chief of Staff, Gen. Earle G. Wheeler, is in Vietnam to review the most critical situation the United States has faced in that ravaged land. He is being pressed for more troops, well beyond the 525,000 limit, to shore up thinly spread allied forces. In anticipation of that call, the Joint Chiefs are reported drawing up plans for partial mobilization of National Guard and Reserve ground forces.

Given the precarious predicament of the American forces now in Southeast Asia and the dangerous deterioration of the strategic ready reserve at home, both the dispatch of more troops to Vietnam and the mobilization of reserves are inescapable. Such is the grim compulsion of a policy that has mired this country ever deeper in a land war in Asia against long-standing expert military advice.

The time has come for Americans and their leaders to recognize that the policy itself is illogical; that it entraps the United States in a war without visible limits, despite all official optimism; that it will continue to make insatiable demands on American manpower, resources and energy far beyond the worth of any conceivable gains. The only sound policy is to move from the battlefield to the negotiating table with fullest speed.

The search for a road to a negotiated settlement must start with a bombing halt. The risks in such a pause are obviously far less than those in the boundless escalation on which Washington is embarked, especially since United Nations Secretary General Thant reported yesterday his belief that meaningful negotiations would begin "per-

haps within a few days" if American planes stopped bombing North Vietnam.

[From the New York Times, Feb. 25, 1968]

IN THE NAME OF GOD, LET'S STOP IT NOW

The rapid political deterioration of the Saigon regime is marked by acts of suppression and terror so naked that religious conscience is forced to condemn. We are moved to speak as well out of our personal commitment to our religious and intellectual counterparts in Saigon who are now in prison for the crime of calling for an immediate cease-fire and negotiations to end the war.

Four days ago the Venerable Thich Tri Quang, widely revered South Vietnamese Buddhist monk, was arrested in Saigon and put in prison in "protective custody" by the Thieu-Ky government.

The same day, Messrs. Au Truong Thanh and Truong Dinh Dzu, were similarly imprisoned. Both were "peace candidates" in the recent South Vietnamese elections. (Thanh, a minister in three cabinets, was excluded from the ballot; Dzu, a lawyer, placed second with a strong peace platform. Both have been under house arrest at various times since the election.) Literally thousands of non-Communist "political prisoners," including hundreds of Buddhist monks, are believed to be in South Vietnamese prisons.

Sixty-five Saigon University professors who in January signed an appeal for a cease-fire and negotiations were immediately threatened with arrest and, according to private reports received from Saigon, many have been arrested.

This is the January 16 Statement for which 65 University Professors were threatened with arrest. Many have been arrested since:

"Considering the critical situation that may be decisive for the future of the country, we, a number of university teachers, feel we have the responsibility to make public the following statement:

"1. The present conflict is seriously endangering the very existence of the Vietnamese people from both material and moral standpoints. Therefore every Vietnamese has the duty to contribute to the finding of a suitable way out for his fatherland. As educators we are all the more convinced of this obligation because there is nothing more harmful to education than violence, destruction, killing, deprivation and corruption bred by war.

"2. In view of the horror of an ever-expanding war as well as the nascent hope for an ever-elusive peace we cannot but appeal to all Vietnamese who have the responsibilities of this land not to forfeit this precious opportunity, because opportunity is quite rare in history, to sit together, to recognize one another as Vietnamese in order to find a formula for peace based on the supreme interest of the nation.

"3. The complex differences between the official positions require subtle solutions that can only be reached after long deliberations and drawn-out negotiations.

"In order to create a suitable atmosphere for such an open-hearted discussion between the belligerent parties and above all to save thousands of people from death and suffering while a peaceful settlement is being sought, we appeal to all the belligerent parties to extend indefinitely the tet cease fire and to negotiate immediately a peaceful settlement."

"SAIGON, *January 16, 1968.*"

Seventeen leaders of student organizations of South Vietnamese universities were arrested after appealing late last year for a cease-fire and forming the Inter-University Student Committee struggling for Democracy. Two contracted tuberculosis in prison; the others were forced into the armed forces after they had gone on a hunger strike.

This plea came from 17 student leaders who have been arrested.

"We appeal to you from the Lam Son draft center, in Nha Trang, where we have been fasting since our arrest more than a week ago. We are seventeen student leaders of South Vietnam's universities, who were arrested and ordered to be drafted into the South Vietnamese army because of our activities in demonstrating against the undemocratic and unrepresentative elections of September and October.

"We know how much some of you have struggled to ease the sufferings of our country, and we thank you for your efforts. Yet the disaster continues and can only be ended when we of South Vietnam are free to choose a government that will genuinely represent our aspirations. To deny us the right to such a government, as the present Saigon government has done with the help of the United States, is to deny democracy.

"We appeal to you for your support in our efforts, for your intervention on our behalf and for your continued solidarity with our efforts for the well-being of our tormented country.

"HO HUU NHUT,
"Chairman, Student Council,
Saigon University
for the Committee."

The Roman Catholic bishops of South Vietnam have appealed to both sides for a cease-fire and the end of hostilities and negotiations.

Buddhists, Catholics and other Vietnamese have cried, as have we, "In the name of God, stop this slaughter." Yet our government continues to support a regime in Saigon which makes of this plea of religious conscience a criminal offense.

Let us stop this horror that we are inflicting on helpless people; let us stop sending our own young men to kill and be killed; let us stop laying on their consciences the memory that their country commanded them to murder civilians and destroy their homes.

THE INTERNATIONAL COMMITTEE OF CONSCIENCE ON VIETNAM OF THE FELLOWSHIP OF RECONCILIATION,
ROBERT W. MOON,
National Chairman.
ALFRED HASSLER,
Executive Secretary.

NYACK, N.Y.

OFFICIAL ENGLISH TRANSLATION OF THE COMMUNIQUE OF THE CONFERENCE OF BISHOPS OF VIETNAM ISSUED ON JANUARY 8, 1968

In order to respond in all sincerity and respectful gratitude to the efforts of our Holy Father Pope Paul VI, who has worked untiringly in the search for an equitable peace in Viet-Nam, ravaged by war for more than twenty years, we, the bishops, devoutly wish to communicate the following to all the Catholic faithful of Viet-Nam:

Peace indeed has always been the object of mankind's deepest longing, but in these times the people of Viet-Nam long for it more than anyone else.

Yet, in our country's present situation, does the opportunity to build peace truly exist? For as Pope Paul VI has said, "The firm foundations of peace are honesty, justice, and love in relations between states, within each nation, between citizens themselves and with governments: and the freedom of individuals and peoples . . . otherwise it is not peace that will result" (Day of Peace Message).

Therefore, building peace means first restoring order among persons and thereby within society. The building of peace is the duty of each and every one of us.

We Catholics, members of a community which is both earthly and spiritual, must at all times and in all things respect the truth. Never may anyone falsify it or deceive in one's self interest, or the interest of a party, one's country, or religion itself.

At all cost, we must show respect for justice. Any attack on the material goods or moral welfare of another, whosoever he may be, is a sin which cries out for reparation.

With all our soul, we must safeguard the freedom of our fellow man, as much as our own: Freedom of conscience, complete freedom of speech, and let "no one fear to give his life in the service of his country or his brethren when they are engaged in the defense of justice and freedom" (Day of Peace Message).

Above all, let us live a life of active charity, loving our neighbor as ourselves, because in our neighbor is the image of God: We love God by loving Him in man, and especially in the person of those who suffer, who are hungry, forsaken, sick, exiled, imprisoned, and oppressed.

How shall we have peace if those in whom responsibility at any level is vested content themselves with "a false rhetoric of words" (day of peace message), if their actions betray sloth, untruth, covetousness, peculation, and theft?

How shall we have peace if citizens no longer believe in their just cause and do not trust one another?

There is no one at this time who is not aware of our country's extremely grave condition.

That is why, dearly beloved, we must, in order to cooperate in the common task of our country's future, build unity amongst all, and thus, live intensely, as true Christians, in truth, justice, and charity—the sole foundations of peace.

Would to God that every Christian would agree to live in austerity, putting aside all excess and luxury on the occasion of the coming Tet (for example, the use of firecrackers, feasting, excessive spending . . .), and be willing to set aside his savings to succor those who are in need.

To that end, we urge all priests who have the cure of souls to: organize a campaign of prayer and sacrifice for peace, because none but God can vouchsafe us peace and none but he can change hearts so that peace may enter therein.

Organize lectures or talks in every parish for all groups of the faithful, in accordance with the message of Pope Paul VI on the day of peace and with this communique, so that each may see his duty, present and future, towards church and homeland.

Frequently consider whether what has been taught in this communique has been put into practice, and to persevere in prayer until peace is restored.

"Peace is part of the essence of the Christian religion, because a Christian, in proclaiming peace, proclaims Jesus Christ: He is our peace" (Eph. 2:14).

His gospel is the "gospel of peace" (Eph. 6:15). Through his sacrifice on the cross, He has brought about universal reconciliation and we, his disciples, are called to be "peacemakers" (Mat. 5:9) (Day of Peace message).

We hereby venture on appeal in friendship to all our brother compatriots who are members of other faiths to join their efforts to ours in the search for peace for our country, a genuine peace in truth, justice, liberty, and charity.

Lastly, with all our might, we appeal to the good will of the governments of both South and North Viet-Nam to build peace together. "In the name of the Lord, we cry out: Stop! You must meet, you must come to the conference table and negotiate in all honesty. The time to settle the conflicts is now, even if it is with some drawbacks and some disadvantages, because later they must be settled, with perhaps widespread injury and disaster the horror of which no one for the moment can imagine" (Enc. Matri Christi).

We conclude by repeating the words of his Holiness Pope Paul VI in his message of May 2, 1967: "Therefore, the bombings of the territory of the north must cease and the in-

filtrations of arms and war materiel into the south must cease at the same time . . ."

THE CRITICAL COPPER SITUATION

Mr. FANNIN. Mr. President, the Nation can no longer suffer the injurious situation that continues to prevail in the nationwide copper strike now in its eighth month. I would like to call the attention of the Senate to several new developments in this mammoth labor dispute so that we may all evaluate the seriousness of the situation facing us and properly insist on action by the White House.

First, I think it necessary to call the attention of the Nation to the fact that by his inaction and refusal to initiate emergency legal provisions that could at least put the mines back in operation for 80 days, the President is playing into the hands of international Communist interests.

That, of course, is a serious charge to make, but there can be no other conclusion. There is only so much copper production available in the world. With the American producers shut down, we have had to turn to other sources. One of these sources has been the London Metal Exchange.

Last Tuesday, I placed in the RECORD, on pages 3455–3456, a detailed letter from Mr. B. H. Gerwin, assistant to the director, State of Arizona Department of Mineral Resources. Mr. Gerwin goes into great detail as to the origination of these copper replacements to the London Metal Exchange. He points out that while we are technically correct in not trading with Iron Curtain countries, still the effect is the same. I read from an Associated Press dispatch datelined London, carried in the Arizona Republic on February 7, page 25, which says:

> British and Continental Europe operations have been buying substantial tonnages of copper from East Germany and the Soviet Union to replace supplies they have shipped to the United States to take advantage of high copper prices there during its 7-month copper strike—

And that—

> United States consumers are prohibited from buying metal directly from East European countries.

Mr. President, while this part of our copper imports is relatively small in comparison with the amounts purchased from South American and other sources, still I ask: How can the President seek the Nation's full support of the war effort in Vietnam without taking remedial steps that would clear up this strike and stop this aid to our international opponents? By his continued refusal to invoke emergency provisions of existing labor law, we have a situation where we are actually aiding Communist nations in their efforts to overtake us. Certainly it is inconsistent for the President to be fighting communism in Vietnam and assisting it in Europe.

Anyone wishing further substantiation of this information can refer to the material I inserted in the RECORD last Tuesday, and I have some additional technical tables in my office.

This most serious situation, in addition to being questionable and detrimental psychologically, has the very serious practical effect of continuing to "leave the spigot running," as my distinguished friend from Delaware [Mr. WILLIAMS] expressed it here on the Senate floor the other day. It makes our balance-of-payments situation worse and worse as the strike continues. Even if the strike were settled today there will be a considerable timelag before these shipments already ordered and in the pipeline can be shut off. And it will take some time, of course, for the domestic producers to get production rolling again.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator may have an additional 10 minutes.

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

Mr. FANNIN. On top of all these problems the International Longshoreman's Association announced last Thursday, February 22, that they will boycott the handling of copper imports. Mr. President, this is preposterous.

Besides flying in the face of labor's announced support of the Nation's war effort, it is blatantly illegal.

Section 8(b)(4) of the Taft-Hartley Act specifically forbids this kind of secondary boycott. Not only would this action by the ILA be in violation of the law, but also, it would have an immediate effect upon the preparation of shell casings and other strategic war materials supporting our fighting men, like the marines at Khe Sanh.

I have a telegram from the president of the Triangle Conduit & Cable Co., in New Brunswick, N.J. I will place the entire telegram in the RECORD at the end of my remarks, but may I just quote briefly from his wire:

> With the intended call to active duty of some 50,000 reservists there arises an important question: what are these men going to use to fire their weapons if all copper is cut off? Surely if there ever was a moment of crisis for Presidential action that moment is now—

A former resident of Arizona, now living in Louisiana, has written to the President about his continued inaction and says, "Our country cannot tolerate this condition any longer."

The Washington Post this morning carried an editorial strongly critical of the inaction besetting the White House, and concluded:

> With the ILA disposed to throw its weight around in reckless disregard of the national interest, Taft-Hartley may well be the only feasible answer.

Mr. President, all these statements merely echo what some of my fellow Senators and I have been stating in this room for months and months. The time is long past for the President to take action in the national interest.

General Cable Corp. had scheduled cuts in production in more than 40 plants across the country.

On Saturday, the Commerce Department ordered refiners to accept only defense orders and to withhold delivery on orders to all other users. That order still stands. Westinghouse and Western Electric have had to curtail plant activity.

What other evidence does the President need to convince him that a national emergency exists?

I know that the ILA stated Saturday that it had imposed the boycott by a clerical error and was suspending it "temporarily." I suspect their legal department told them they were conducting a "schoolboy case" in the illegal use of secondary boycotts.

But be that as it may, the threat to national security still exists. The sword hangs over the Nation's head by the slenderest of threads. This abuse of union power points to the need for new laws to deal with a new degree of irresponsibility on the part of union leaders.

I say the President must take action today.

This is not the only instance that has prevailed so far. Other Government agencies charged with settling labor problems have been dragging their feet. The evidence is strong that they have been dragging their feet with at least tacit support from the White House.

One of the major producers of copper, Kennecott, which has substantial production in my State, filed a charge with the National Labor Relations Board on October 18, 1967. Case No. 27–CB–453 filed in Salt Lake City, Utah. In this particular case the company charged the unions with two specific unfair labor practices under section 8(b)(3) of Taft-Hartley which makes it an unfair labor practice for unions to refuse to bargain.

First, they said the unions are seeking to unilaterally change the bargaining unit. For example, management may not simply say, "I will no longer bargain with all the workers in my machine shop, I will just bargain with the lathe operators." Doing something like that could constitute an unfair labor practice for an employer where the union has been certified by the Board.

Second, the company said the union's insistence upon companywide bargaining, even though it was a nonmandatory condition, constituted a refusal to bargain. If it is a refusal to bargain, then the union is guilty of an unfair labor practice.

Normally, the investigation of such a complaint takes about 60 days. During this time the NLRB as General Counsel either dismisses the case or files a complaint before the Board. Four months have elapsed, and the General Counsel's office is still "studying" the case.

Mr. President, I submit that such an exhaustive "study" would not be required if this were a complaint against a company, or if the President did not have a personal interest in the case on the side of the unions.

Why do I say he has such a personal interest? Listen to these words uttered by AFL–CIO President George Meany last week in Bal Harbour, Fla.:

> The President's record is, and I quote, "equal to or better than the first four years of the Roosevelt Administration." Frankly, I consider it even better for us.

It is clear to even the most unsophisticated observer that the President has done everything in his power to bail out the big unions—and he is still following that course even to the detriment of the Nation. Mr. Meany's effusive praise of the

President indicates that our Chief Executive is locked in with big labor, at least until after the elections.

If the NLRB had handled this case within its normal pattern, we well might have had a settlement by this time. I think the President should take his restraining hand off the NLRB and at least let us have a decision. Perhaps some progress can then be made.

Mr. President, the temper of the Nation is rising. An outpouring of public indignation is about to come to pass, in connection with this labor stoppage, that has heretofore been unparalleled. And the public has every reason to be mad.

When will the administration wake up to this naked abuse of union power that threatens to undermine the very foundation of liberty?

Mr. President, I ask unanimous consent that the following letters, telegrams, articles, and editorials to which I have referred be printed at this point in the RECORD.

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

ILA CALLS BOYCOTT OF COPPER IMPORTS

MIAMI BEACH, FLA., February 22.—A longshoremen's boycott against multimillion dollar imports of foreign copper was announced today in a mounting AFL–CIO campaign to aid 60,000 U.S. copper strikers.

At the same time, AFL–CIO president George Meany announced a major financial campaign among all 63,000 affiliated locals to "adopt a copper striker." It is the first such effort to enlist virtually the entire labor movement in a strike in some 40 years, Meany said.

The pledge to boycott all copper shipments was made in a telegram to copper strike leader Joseph P. Molony.

"The International Longshoremen have decided in the interest of helping their fellow trade unionists on strike against the copper companies to refuse to handle all imports and exports of copper in the United States and Canada," said president Thomas W. Gleason of the International Longshoremen's Association.

Secretary of Labor W. Willard Wirtz, here to talk with AFL–CIO leaders, said earlier that copper imports amount to $2 million to $3 million a day since the seven-month-old strike halted most U.S. production.

[The strike, now shaping up as the biggest labor-management confrontation of the decade, has brought domestic copper production to a standstill. Substantial supplies have been imported, including some from foreign subsidiaries of American firms, but it costs twice as much. The inclusion of Canada in the ILA restriction apparently was designed to prevent U.S. importers from bringing copper in from Canada.]

Gleason, in a boycott against shipment of U.S. wheat to Russia several years ago, showed the power of his union to halt the loading or unloading of any cargo at East and Gulf coast ports.

Most copper imports have been coming into U.S. ports from South America.

Wirtz earlier said the Federal Government planned no further intervention in the bitter copper strike, but a boycott that shut off foreign supplies might force the Johnson Administration's hand.

[From the Washington Post, Feb. 26, 1968]

COPPER EMERGENCY?

The Government cannot stand by and allow the International Longshoremen's Association to embargo shipments of copper in order to aid the strikers who have kept the domestic copper industry idle for seven months. It is true that 40,000 tons of refined copper are being imported monthly to relieve the sharp draw-down of the American stockpile. But this seems to be essential to avoid a dangerous shortage in time of war. It is not the prerogative of the ILA or any other labor union to tell the Government that it may not import necessities in times of emergency. Indeed, it is not the right of organized labor to set Government trade policies in the best of times.

If the situation is not yet critical, it is not far from being so. The national objective is a copper supply of 775,000 tons on hand and in the stockpile. At present the stockpile is down to 284,000 tons, and some of this must be released to the mints. Because of the shortage the price of copper has skyrocketed from 38 cents about the time the strike began to 70 cents or more today, and the higher prices will certainly be reflected in the cost of military supplies.

The outlook is the more gloomy because the unions in the copper industry have turned down a reasonable bargaining proposal from the President's panel which investigated the dispute. The panel and two Cabinet members asked that bargaining begin immediately within three separate units: (1) Copper mining, smelting and refining; (2) Units producing other non-ferrous metals; and (3) Copper wire and cable and brass fabrication. Certainly this was a substantial concession to the union demand for company-wide bargaining, and it is most unfortunate that it was not made a basis for serious bargaining.

In the circumstances, the President may soon have no alternative to invocation of the Taft-Hartley Act. Inadequate though it is, that law can terminate a walkout for 80 days when the national health or safety is imperiled. With the ILA disposed to throw its weight around in reckless disregard of the national interest, Taft-Hartley may well be the only feasible answer.

MEANY HEIGHTENS JOHNSON PRAISE—TERMS RECORD BETTER THAN ROOSEVELT'S IN 1932–36

(By David R. Jones)

BAL HARBOUR, FLA., February 21.—George Meany said today that the first four years of the Johnson Administration had been better for organized labor than Franklin D. Roosevelt's initial term.

The president of the American Federation of Labor and Congress of Industrial Organizations made the remark as he continued to raise ever higher his praise for President Johnson in advance of what the labor movement believes will be a crucial election.

Mr. Meany, saying that the election this year would be "quite clearly a choice between liberalism and conservatism," called the President's record "equal to or better than the first four years of the Roosevelt Administration."

"Frankly, I consider it even better for us," he said.

He made the remarks in a closed meeting of the administrative committee of the Committee on Political Education, the political arm of the A.F.L.–C.I.O.

NEW DEAL RECALLED

Mr. Meany in the past has compared Mr. Johnson's record favorably with the Roosevelt years of 1932 through 1936. But federation spokesman who briefed reporters on Mr. Meany's remarks said that he had never gone quite so far as he did today.

The first four years of the Roosevelt Administration included New Deal social legislation and the passage of the Wagner Act in 1935. That law gave labor unions their basic rights to organize and bargain collectively with employers.

Organized labor in the last couple of years has not done notably well getting its special interest labor bills through Congress, except for an increase in the minimum wage.

Mr. Meany's praise was directed mainly at Mr. Johnson's broader social programs in such fields as education, poverty, civil rights, urban affairs and health.

Alexander E. Barkan, the COPE director, said at the meeting at the Americana Hotel that he saw "solid evidence" of much more political interest among union officials in the first two of 14 regional COPE meetings than in prior years.

The committee leaders were shown a 30-minute color film in which President Johnson and Mr. Meany discussed major election issues and expressed mutual admiration. The film was made last month at the White House, and prints will be sold to interested local unions for $40, or $49 below cost.

NEW ORLEANS, LA.,
February 22, 1968.

LYNDON B. JOHNSON,
The President,
The White House,
Washington, D.C.

MR. PRESIDENT: The time is past due to take the obvious corrective steps in the Copper Strike. I don't know how much longer it will take before you and our other political leaders will drop the coddling and diplomatic waltzing with Union bosses. The situation, which is so strongly evidenced in this disgraceful strike, and blatant refusal to consider your investigating committee's recommendations to negotiate contracts on a broad area basis, is glaring proof of the sad state our nation has reached with abject tolerance of labor unions.

The action needed is clear. *I strongly recommend that you invoke measures to force an immediate return to work in the copper industry.* The time is at least four months overdue. Our country cannot tolerate this condition any longer. Furthermore, with this concrete example of complete disregard of personal and governmental needs in a semi-war state, you should immediately examine all laws pertinent to the excessive and monopolistic growth of Unionism to a degree wherein individual liberties and rights have been so compltely eroded. You should examine the devastating pro-labor National Labor Relation Board and implement measures to correct many of their rulings which have created this despotic monster:

1.) A monster that virtually controls price by closing one segment of a national industry down.

2.) Stops national rail or truck movement to a degree wherein segments of the population could virtually starve, or be deprived of essential fuels, etc.

3.) Virtually control the election of state or federal representatives.

4.) Control an industry, a business, etc. insofar as its ability to survive in a competitive society.

Please stop the ridiculous debates about monopolies in industry. You've got a bigger monopoly in Unions. Unions can influence a greater segment of our American way of life than a price of a product or commodity.

I sincerely urge that you take strong hold of the reins entrusted in your hands and redirect this cancerous condition—disguised as a "Union of Labor". When such power is entrusted in any individual or group—it borders on demagogy. This nation was founded on the abolition of such injustices.

I am submitting a copy of this letter to the Senators and Representatives of Arizona and Louisiana—with my specific request that they bend their full effort and support in correcting the ills of Unionism. This matter is even far more urgent than your desegregation and/or Great Society issues.

Respectfully yours,

A. T. SHUKAS.

NEW BRUNSWICK, N.J.,
February 23, 1968.

Hon. PAUL J. FANNIN,
U.S. Senator from Arizona, Senate Office Building, Washington, D.C.:

In the last twenty-four hours, two major developments have occurred to make the copper strike an even more critical threat to the welfare of the Nation. In view of these developments, I urge you to prevail upon the President to take all necessary action to bring this dispute to an immediate settlement. The announcement this morning that additional efforts by labor to prohibit shipments of copper from abroad to enter this country means that all copper supplies will virtually be cut off, since foreign copper has been the chief source of supply during this critical period.

With the intended call to active duty of some 50,000 reservists, there arises an important question: What are these men going to use to fire their weapons if all copper is cut off? Surely if there ever was a moment of crisis for presidential action, that moment is now.

I need not emphasize the devastating effects the copper strike has had on this Nation. The balance of payment situation suffering at the rate of $2,000,000 to $3,000,000 a day; unemployment, with thousands of Americans affected in the Raritan Valley area of New Jersey alone; a staggering effect of the strike in the five western copper producing States.

The President must take action. The strike impact on the economic well being on life of the entire Nation has been allowed to continue too long.

CARL S. MENGER,
Chairman of the Board and President, Triangle Conduit & Cable Co.

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

Mr. FANNIN. I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I have listened to the distinguished Senator from Arizona with great interest and great respect. There are some questions I would like to raise, however, and some comments which I would like to make.

As far as the NLRB is concerned in the Kennecott case, it is my impression that the President is not holding up that decision but that it is the NLRB itself which is doing so.

As far as the President playing into the hands of international Communist interests and the Associated Press dispatch which stated:

British and continental Europe operations have been buying substantial tonnages of copper from East Germany and the Soviet Union to replace supplies they have shipped to the United States to take advantage of high copper prices there during its 7-month copper strike.

I should point out that East Germany produces practically nothing in the way of copper.

I have no figures as to what the Soviet Union has. I do not think it is too substantial. However, as the Senator indicates himself in the first paragraph on page 2, the larger part of the imports have come from places like Chile, Zambia, Australia, and Canada, as well.

The Senator also raises the question with respect to Taft-Hartley and it is a question which he has been consistently raising since the start of the strike. The information which the administration has given me, and this bears out what the Senator has said, is that there are only certain conditions under which Taft-Hartley can be invoked, and they have to do with a national emergency.

I understand the Government at the present time is getting all the copper it needs by paying a very high price for it, far above the 38 cents that was the price before the strike. Furthermore, the Government has 259,000 tons of copper—I do not know whether they are long or short tons—in the strategic stockpile.

As far as the Taft-Hartley Act is concerned, if it had been invoked in the beginning I think it would have been more effective then than now, but that is a decision which the President would make. I make that statement because of the fact that the companies will have to dewater the sumps in the shaft mines, retimber, take care of falling rock, and do other work to get the shaft mines in operation. That would take some time. Less time would be required in open pits in States such as Utah, Nevada, and Montana. We might well face a situation, however, at the end of 80 days where no settlement had been reached and where the strike would again resume.

I do not think the President should be accused of inaction because he has been guided largely by his Secretary of Labor and Secretary of Commerce and he has depended on them for advice and counsel.

I must admit I have been to see the President, I have written to the President, and I have telegraphed the President to see if he would not do something to bring about an end to this terrible strike which has lasted so long now, and is going into the eighth month, and there is no end in sight.

I wish to read a telegram which I sent to the President a week ago Sunday:

FEBRUARY 17, 1968.

Hon. LYNDON B. JOHNSON,
The President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am sorely disappointed and disturbed that the White House mediation panel seems to have failed in its efforts to settle the seven months old copper strike. It appears that both sides the union and companies have arrived at an impasse and are still operating on an arms length basis and as it is my understanding that there is no possibility of other direct Government intervention, that the issue must now be carried a step further. I would most respectfully request that if the panel in fact has failed to make progress towards a settlement, that you give serious and personal consideration to calling the two sides together, lock them up in a room and keep them there until a settlement is achieved. I make this request because of the hunger, distress and hardship facing over ten thousand miners and smeltermen and their families in Montana alone as well as others in the Rocky Mountain States. Seven months is too long for any kind of strike. This matter must be met head on. The companies and unions must be brought together and they both must get down to bedrock and engage in serious free collective bargaining.

Sincerely and respectfully yours,
MIKE MANSFIELD,
Majority Leader, U.S. Senate.

I omitted one thing. If he will get them in a room he should not only lock the door on them until they arrive at a settlement, but he should throw away the key, as well. The time for action is now.

I commend the distinguished Senator from Arizona for his unfailing and unflagging interest in this strike which cannot continue and which must be faced up to now before it is too late.

Mr. FANNIN. I have great admiration for the distinguished majority leader. I commend him for the excellent effort he made to bring the strike to the attention of Congress.

As far as the NLRB is concerned, I believe the record speaks for itself. This is my opinion, and I feel I am justified in making that evaluation.

As far as copper coming from sources through East Germany, this is different than coming from sources in East Germany. I feel that the copper was possibly produced in other areas—maybe the Soviet Union itself—but it did come through East Germany.

As far as the invocation of Taft-Hartley is concerned, I would say that all the 28 times it has been invoked, there were less compelling circumstances affecting this Nation than are now involved in the copper strike today.

If we evaluate what has taken place as a result of this copper strike under a war condition, without the tremendous impact on the balance of payments, it is still tremendously important that we have the strike settled.

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

Mr. FANNIN. I yield.

Mr. MURPHY. Is it not mandatory under certain conditions that the provisions of the Taft-Hartley Act be imposed?

Mr. FANNIN. I would say to the distinguished Senator from California that it is the decision of the President. I feel in this instance that the problems that have been invoked by not having the Taft-Hartley provisions come about have been extremely serious. If I had a decision to make, it would be different than the one that has been made.

Mr. MURPHY. I understand this decision is in the discretion of the President

Mr. FANNIN. The Senator is correct.

Mr. MURPHY. Has not this copper strike had a bad effect on our balance-of-payments situation?

Mr. FANNIN. It has. On the basis of the information furnished to me, I would say the effect is somewhere in the neighborhood of $750,000 to $1 billion a year on our balance of payments.

Mr. MURPHY. Would it not be consistent to invoke Taft-Hartley and try to use that machinery to get this strike over as quickly as possible?

Mr. FANNIN. The Senator is correct. I have entreated the President to invoke Taft-Hartley.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator may continue for 2 additional minutes.

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

Mr. FANNIN. I thank the majority leader.

If you take the number of pounds of copper available in our inventory and being mined, and the number of pounds needed, you might come up with a figure and say, "Here is enough copper." That

would be like saying there is enough candy to feed all the people of the country, but nothing else for them to eat. In other words, it is not the amount copper but the types of copper which are significant. There are certain types of which we are very short. From information furnished, which I have placed in the RECORD, there is a great shortage of certain types of copper which affects the national defense effort.

Mr. MANSFIELD. Mr. President, will the Senator from Arizona yield?

Mr. FANNIN. I yield.

Mr. MANSFIELD. Is it not true that because of this strike, more and more industries are turning to substitute markets—markets that ordinarily would belong to the copper industry and, historically, have long belonged to the industry and are now in danger of being lost, and lost permanently?

Mr. FANNIN. The Senator is correct. Not only that but also the long-term detrimental effect must be considered. Many foreign countries are now developing increased resources and an ability to mine copper and place their copper in competition with ours. Moreover, processing plants in many other countries are being developed to the point that they will be a greater competitive factor, which will also be detrimental to copper mining in the United States.

Mr. MANSFIELD. And they are doing it at very high prices; is that not correct?

Mr. FANNIN. The Senator is correct. The price which I have quoted is around 70 cents a pound, whereas when the strike began it was in the neighborhood of 38 cents a pound.

Mr. GRIFFIN. Mr. President, will the Senator from Arizona yield?

Mr. FANNIN. I yield.

Mr. GRIFFIN. I join in commending the distinguished Senator from Arizona for the forthright and courageous leadership he has been providing in the discussions on this all-important issue.

I should like to place in the RECORD a letter on this matter, dated November 22, 1967, which I addressed to the President of the United States. The letter points out that the 80-day injunction provision of the Taft-Hartley Act was available to him at that time in connection with the copper strike, and the letter urged him to invoke it.

In reply, I received a letter dated December 8, 1967, not from the President, not from the Secretary of Labor, but from an Assistant Secretary of Labor, Thomas R. Donahue. Mr. Donahue responded in part:

> You may be certain that if the present dispute should continue so as to create a crisis of the dimensions contemplated by Congress in the Taft-Hartley Act, the President will take appropriate action.

Mr. Donahue's reply was dated quite some time ago. Today, we are faced with legislation to remove the gold cover. We see our balance-of-payments deficit becoming more and more of a serious problem. The copper strike is going on and on and on. We are importing copper to meet our wartime needs. The war in Vietnam goes on and on and grows more serious. Mr. President, if all these things do not point to a national emergency, then I cannot imagine what would constitute a national emergency.

Even though I can report that a part of the copper strike which was taking place in my State has been settled, I continued to be concerned about the effect of this strike on the Nation as a whole. I certainly hope, as a result of the leadership which the Senator from Arizona is providing, that the President will take a new look and will move forward to use the emergency powers available under Taft-Hartley.

Mr. FANNIN. I certainly thank the distinguished Senator from Michigan, who we all know is a capable and knowledgeable man in labor affairs, one of the leaders in this body and formerly leader in the other body.

Mr. GRIFFIN. Mr. President, I ask unanimous consent to have the two letters to which I have just referred printed in the RECORD.

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

NOVEMBER 22, 1967.

President LYNDON B. JOHNSON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As you are aware, the nationwide copper strike will enter its sixth month on December 15, 1967. This strike has shut down ninety percent of the copper industry and has idled 40,000 to 50,000 workers.

Many copper consumers have been forced to suspend operations, and many others are seeking—and finding—alternative sources of supply or satisfactory substitutes for the metal. Thus, the strike is severely disrupting production in key industries, including industries essential to the national defense effort. Also, it may be causing irreparable injury to our domestic copper industry.

Helpless individual workers and their families are suffering intolerable hardships.

These conditions threaten to imperil the national health and safety. They must be abated.

I therefore urge that you exercise the authority vested in you by section 206 of the Labor Management Relations Act, 1947 (Taft-Hartley) to appoint a board of inquiry and, if the board's report so indicates, to direct the Attorney General to seek a statutory injunction of the strike.

I further urge that you call upon the parties involved in the dispute to work earnestly towards a fair settlement of the issues, to assure that upon dissolution of the injunction we will not witness a resumption of the extreme conditions which made it necessary.

I believe that such action on your part has become a matter of prime national concern and must not be delayed.

With best wishes and my kind regards, I am,

Sincerely yours,
ROBERT P. GRIFFIN,
U.S. Senator.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE ASSISTANT SECRETARY,
Washington.

Hon. ROBERT P. GRIFFIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRIFFIN: President Johnson has asked me to reply to your letter of November 22, 1967, concerning the nationwide copper strikes. You ask the President to invoke the national emergency provisions of the Taft-Hartley Act and to urge the parties to work toward a timely and equitable settlement of the dispute.

As you know, the administration is deeply concerned over the hardships experienced by industry as well as employees and their families as a result of this dispute. We are attempting in various ways to bring about a settlement which would lead to a resumption of operations. The Federal Mediation and Conciliation Service has been working with the parties since the beginning of the dispute in a continuing effort to encourage a resolution of the issues involved. In addition, a special panel of federal mediators has made continuing attempts to assist the parties in reaching agreement. Similar efforts were made by the governors of several of the affected states, as well as by high-level administration officials.

You may be certain that if the present dispute should continue so as to create a crisis of the dimensions contemplated by Congress in the Taft-Hartley Act, the President will take appropriate action.

Sincerely,
THOMAS R. DONAHUE,
Assistant Secretary of Labor.

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

TESTIMONY OF EDWARD W. COOK, OF MEMPHIS, BEFORE JOINT ECONOMIC COMMITTEE

Mr. BAKER. Mr. President, the Joint Economic Committee, under the able leadership of the distinguished Senator from Wisconsin [Mr. PROXMIRE] and Representative CURTIS, of Missouri, has just concluded its annual hearings on the President's economic report and the report of the Council of Economic Advisers. The record that has been carefully and imaginatively built up will be of particular importance to us in a year that could hold severe economic disruptions.

Among the dozen or so witnesses that have been heard by the committee is Edward W. Cook of Memphis. Mr. Cook, a prominent figure in local government and widely respected in the business community, warned on Monday of last week against hasty or unwise actions that might well worsen the already grave position in which this country finds itself among the trading nations of the world.

Mr. Cook is frank in stating what he believes to be the failure of the United States during the Kennedy round to achieve any meaningful advances in agricultural provisions. In fact, Mr. Cook alleges that the International Grain Agreement, which grew out of the Kennedy round and which is now pending before the Senate, represents a grievous step backward from the goal of ever-freer trade that has been so loudly and so often embraced by this Nation. He sees the IGA as raising wheat prices to a level that greatly exceeds the level they would reach if gradually permitted to do so within a relatively free market system. As the American Farm Bureau Federation put it week before last in testimony before the same committee, the IGA "tends to legitimize trade restrictions."

Mr. Cook also takes a look at the possibility of using export tax rebates, a questionable tool to be employed at a time when there is much national concern over Government subsidies abroad. If the tax laws must be used to encourage trade in a world market priced too low for American goods, Mr. Cook sug-

gests that we take a close look at some sort of "tax forgiveness" on export earnings.

Mr. President, Mr. Cook's testimony is brief and clear. It treats matters that are of immediate strategic significance to Congress and the Nation. I commend it to the Senate and ask unanimous consent that it be printed in the RECORD.

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

STATEMENT BEFORE THE JOINT ECONOMIC COMMITTEE OF THE U.S. CONGRESS, FEBRUARY 19, 1968

Mr. Chairman and members of the Committee, I am Edward W. Cook, President of Cook and Co. of Memphis, Tennessee. Our company is specialized in the export of U.S. agricultural commodities, primarily wheat, cotton, feed grains and soybeans.

Elliot Janeway in his recent book, *The Economics of Crisis*, wrote, "The double base on which the American economy stands, combining world leadership in farm production with world leadership in industrial production, has from the beginning given it a distinctive advantage in world competition."

Without going into great detail let me further dramatize the importance to U.S. agriculture of world trade by quoting from a synopsis of "Agricultural Trade and Trade Policy," by Oscar Zaglitz, published by the National Advisory Commission on Food and Fiber in August 1967:

"(1) U.S. agriculture is one of the Nation's largest export industries. The degree to which it can use its resources depends on the extent to which it can supplement its domestic sales by sales in foreign markets.

"(2) Its dependence on exports has increased since World War II because, stimulated by technological progress and structural improvements, its productive capacity has grown faster than domestic demand for its products.

"(3) A major expansion of U.S. agricultural exports was achieved after World War II and particularly during the last dozen of years. Food aid has been an important foreign outlet for U.S. agriculture in the postwar period. But the great expansion in its exports had its basis in the growth of foreign countries' commercial import of agricultural products.

"(4) Full use of the resources of U.S. agriculture will require further expansion of its exports. This will also be in the interest of our Nation; and it will be helpful in improving the U.S. balance of payments.

"(5) The future prospects for the agricultural exports depend largely on our foreign trade policy. In view of the frequent calls from some sectors of the U.S. economy, and also from some agricultural sectors, for more protection, American agriculture must not forget that the spiraling protectionism in the period after World War I, which culminated in the "beggar my neighbor" policies of the Depression, played a decisive role in the decline of the agricultural exports during the late Twenties and early Thirties and in the collapse of agricultural prices which resulted, and which brought distress to many thousands of farmers in all parts of the United States. Government price supports and other governmental measures, under such conditions, could not do more than mitigate the distress."

These observations by Dr. Zaglitz have greater relevance today than when they were written—only a few months ago. Our international balance of payments has worsened. Protectionism in the form of higher tariffs and import quotas is once again being vociferously sought by many segments of the American economy, and there are signs that such policies could rapidly spread to many countries that are important markets for American goods, particularly agricultural commodities.

The Kennedy Round of GATT negotiations failed to make any new significant progress toward freer world trade for agriculture. Indeed, in one respect, the results of those negotiations are, in fact, a step backwards in trade liberalization for one of the largest U.S. farm commodities—wheat. I make specific reference to the proposed International Grains Arrangement, which would be an internally self-balanced commodity treaty.

For some 17 years world trade in wheat was in part influenced by the now expired International Wheat Agreement. That agreement sought quite rationally, at least during its early years, to stabilize short-run international wheat prices around the long-run world wheat price equilibrium. Its fault was that, of among the more than 50 member countries, the entire burden of carrying world wheat stocks was left to North America. This inordinate burden of world wheat price stabilization, falling heavily upon the United States, was the one principal reason why the International Wheat Agreement fell from favor.

Now we have proposed a new wheat agreement called the International Grains Arrangement, which sharply departs from the price stabilization objectives of the old International Wheat Agreement. The proposed IGA would raise the minimum world trading price for wheat by 23 cents a bushel from the previous IWA level. Many professional agricultural economists calculate the long-run world wheat price equilibrium as not rising at all, but rather slowly falling, based upon rapid increases achieved in farm productivity in the form of higher yields in response to fertilizers and new hybrid dwarfed wheat varieties. Clearly, the proposed IGA seeks to raise and hold world wheat prices above their long-run levels based upon the dynamics of world supply and demand. Secretary of Agriculture Orville L. Freeman himself, in his remarks before this Committee on February 14, observed, "World trade is still an absolute necessity to a healthy U.S. agricultural plant, and world trade and world prices cannot be established by fiat."

Indeed, "The Annual Report of the Council of Economic Advisers," which is an important part of the *Economic Report of the President*, being studied by this Committee, states on page 193, "Primary producers sometimes attempt through commodity agreements to raise prices above the long-term equilibrium level. They rarely succeed. Maintenance of a price above long-run cost requires restrictions on supply; the necessary export quotas are extremely hard to negotiate and to enforce."

So we have before us an almost unbelievable anomaly. This government, in struggling with a very serious balance of payments problem, is considering a tax rebate incentive program on exports; while at the same time proposing an international wheat treaty that would require us to raise our export wheat prices, perhaps, if necessary, by the use of an export tax on wheat. We can only lose our export markets by this type of inconsistency.

It is my personal judgment that any consideration, much less enactment, of export tax rebates and import border taxes is ill-advised. The proposed IGA is even more ill-advised.

Consideration might be given to some type of income tax forgiveness on exports. An export tax rebate merely reduces prices, by and large, but provides little real incentive to export. We have advantages which are not being fully utilized to reach our goal of more exports. Income tax forgiveness on export earnings might work this way: Assume an enterprise had total sales of $100, $25 being export sales and $75 being domestic sales. The enterprise's profits would be taxed at the normal applicable tax rate on 75% and 5 percentage points less on the 25% of profits attributable to exports. Exports need incentive more than anything else, and given appropriate incentives business will do an adequate job.

Thank you.

GREAT FALLS TRIBUNE PROGRESS EDITION

Mr. MANSFIELD. Mr. President, the Great Falls, Mont., Tribune of February 18, 1968, was the annual expanded edition devoted to progress within the Treasure State. In its usual fashion, the edition was of the highest quality and highlighted developments in all aspects of Montana's economic, cultural, and educational progress.

Many fine feature stories outlined developments in the last year, but one of the best was the lead feature by Diane Ehlers, staff writer. The story concerns itself with people—the State's best resource. The story also is a capsule analysis of what happened in Montana during 1967. Despite several setbacks, the economy of our State is on the move, and considerable progress is being made in many areas.

Mr. President, I ask unanimous consent that the Ehler feature be printed in the RECORD.

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

[From the Great Falls (Mont.) Tribune, Feb. 18, 1968]

PEOPLE: STATE'S BEST RESOURCE

(By Diane Ehlers)

Progress in Montana, as in any other place, cannot be judged solely in figures and lines on charts.

Montana's greatest resources, the mind and muscle of its people, are contributing immeasurably to the growth of the state.

Despite allegations that Montana is losing its brainpower to more populous states, many persons are returning to the state or moving here for the first time because, as one professor, a native Montanan, put it, "Montana is the most wonderful place in the world to live. I've been around the world and never found a better place."

Throughout this issue are featured several outstanding Montanans who are using their minds to mold the State's future. These people, mostly professionals in their fields, for various reasons have made Montana their home.

Some have won national acclaim for their achievements, and some have just spent their lives doing a good job in their fields of endeavor. Some of them are well known in the state and nation, while others are virtually unknown outside of their communities.

What all these men and women have in common is that they are making the state a better place by their achievements, both large and small.

There is Mrs. Alice Hemphill, Montana's teacher of the year from Havre. She will be considered for the title of national teacher of the year.

Charles M. Brinckerhoff, chairman of the board of the Anaconda Co., will receive the metal mining industry's highest honor this month with the presentation of the 1968 William Lawrence Saunders gold medal by the American Institute of Mining, Metallurgical and Petroleum Engineers.

Viewers all over the United States watched a television special recently featuring the work of Dr. John Craighead, University of

Montana professor, and his brother, Frank, in tracking and studying the grizzly bear in Yellowstone National Park.

Another outstanding Montanan, although he has received no national awards, is Edward M. Boyes, who has spent the past 58 years working for the Great Northern Railway and serving his community and the state in elective and appointive positions.

A long-time employe of the Office of the State Forester, Maurice Cusick, has been dedicated to working with boys who have had the "rough end" of life. His new job will be at the recently established Swan River Youth Forest Camp, where he will work with boys on forestry jobs.

Although only a very few of Montana's outstanding citizens could be featured in this Progress Edition, they represent the thousands of men and women whose talents are contributing to the progress of the state.

Montana is not lacking in muscle, either.

Gov. Tim Babcock reported being told by oil people in New Orleans, La., that Montana has the greatest potential of any oil-producing state in the field of new discoveries.

The Bell Creek oil field in southeastern Montana looks like a bonanza for Powder River County and the State of Montana. Landowners in the area may realize $31 million in royalties from the $250 million projected total production of the field. Discovery of the field may lead to a new generation of large oil companies, it has been predicted.

Major news in the mining industry has been the Anaconda Co.'s exploration program in the Heddleston mining district, 35 miles northwest of Helena. A low-grade copper-molybdenum deposit which can be mined by open pit promises to become an important addition to Anaconda's Montana mining properties.

Industrial construction in the state continues at a good pace, as railroads and airlines serving Montana carry out ambitious expansion programs.

Boeing fanjets have been ordered by Frontier and Western Airlines and have already been placed in service by Northwest Airlines. New routes to Bozeman and Missoula and direct service between Great Falls and St. Louis were introduced by Frontier in 1967.

A merger was approved last year by the Interstate Commerce Commission of five railroads: Great Northern Railway; Northern Pacific; Chicago, Burlington & Quincy; Pacific Coast Railroad Co., and the Spokane, Portland and Seattle Railway Co.

Dam construction in the state was marked by completion of two dams destroyed by the flood of 1964. Swift Dam near Valier and Lower Two Medicine Dam near Browing were completed during 1967, as was a new diversion dam to replace the Paradise Valley Irrigation District's structure near Chinook that was destroyed by the Milk River in 1965.

Work continues on the huge Libby Dam project in northwestern Montana. U.S. Army Corps of Engineers crews have diverted the stream of the Kootenai River out of the dam construction area. Relocation has begun on Great Northern tracks in the area, and for a time, trains will operate on a detour track through a temporary hole in the dam.

A half-million dollar visitor center has been built at the new Yellowtail Dam and is scheduled to open this spring.

Innovative programs in teaching, designed to provide child-tailored education, have been springing up all over the state. A new elementary school in Whitefish was designed to stress openness and flexibility in teaching and has been met with enthusiasm from teachers, parents and pupils.

Plans for providing specialists to work with children with various learning problems have received increased attention throughout the state. One such program involves a mobile evaluation staff and consultants serving 10 counties in northern Montana.

Enrollment in all of Montana's schools, colleges and universities continued to increase in 1967, bringing overcrowding in many areas. Construction in progress is expected to provide less than half the number of classrooms already needed. The department of public instruction reports 11,649 pupils in the state are now attending school for less than a regular school day. Split shifts and other "short-day" arrangements are affecting twice as many students as in 1966.

Building programs are in progress at several of the units in the Montana University System. Two new buildings are nearly completed at Northern Montana College in Havre and another has been authorized at a cost of more than $1 million.

At Montana State University in Bozeman, a new livestock complex now in use promises to give a real boost to that school's teaching and research program.

A building program is under way at Western Montana College, Dillon, which will amount to about $3,200,000 this biennium.

The biggest project is at the University of Montana, Missoula, where work is in progress on a $4.3 million University Center.

The third and newest community college in the state, Flathead Community College in Kalispell, opened last September as the largest of the three.

Progress in the arts was apparent, too. An interest by Montanans in preserving the state's past has resulted in a surge in popularity for the state's museums. New museums have opened in Hamilton and Stanford, and remodeling and expansion have taken place at several others.

A group of interested Montanans has formed the Museums Association of Montana to help and advise museum directors and to establish an interchange of ideas and exhibits among museums in the state. Another aim of the group, according to Peter Yegen, its president, is to promote tourism by increased publicity for museums.

The Montana Arts Council, less than two years old, had a busy year in 1967. The council assisted programs in several of the smaller towns in the state and provided grants for the Great Falls Symphony, the Trigg-Russell Gallery in Great Falls, the Yellowstone Art Center and the Montana Institute of the Arts.

Elsewhere in the state, progress was made in highway construction, improvements to Glacier and Yellowstone National Parks, and in many phases of business and industry. The State Planning Department reports 1967 was a record-breaking year for Montana in all areas except minerals production. Construction, personal income, bank resources and sales of agricultural commodities were all on the plus side when compared with the previous year.

S. 2658—STRENGTHENING THE NATION'S LIFELINE

Mr. KUCHEL. Mr. President, on Wednesday, February 21, 1968, I had the honor of appearing before the Committee on Public Works for the purpose of testifying on S. 2658, a proposal expanding maximum size and weight limitations for motor vehicles using the National System of Interstate and Defense Highways. I believe that this proposal is of vital economic importance to this Nation by permitting the most effective and efficient use of America's total transportation resources.

I ask unanimous consent that a partial text of my comments before the committee be printed in the RECORD.

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

S. 2658—STRENGTHENING THE NATION'S LIFELINE

(Statement by Senator THOMAS H. KUCHEL before the Senate Committee on Public Works, February 21, 1968)

Mr. Chairman, I am most pleased to have this opportunity to appear before you as a cosponsor of S. 2658, the proposal now being considered by your Committee. I believe this bill to be a most important step forward in strengthening and developing our nation's highway system—the very life-line of America.

Crisscrossing this country are thousands of different highways that weave in and around much of America's geography. Like a human circulatory system, these highways transport the vital needs of the people. And accompanying the transport of these essential goods is the growth and economic development that mean a stronger and more prosperous America. Nowhere is this more true than in the West.

The fantastic growth of population in what was formerly sparsely settled areas has made the full utilization of highway transportation extremely important. In my part of the country, population has grown over 40% during the last decade while the growth in the rest of the country was only at the rate of 15%. Commercial vehicle ownership in that region increased on an even greater basis—64%—and the Bureau of Public Roads' predictions are that the rate of increase will be more than double that by 1976.

This tremendous growth has caused a rapidly expanding demand for highway transportation for which no viable alternative is available. Our basic industries, our farms, mines, forests, factories and defense installations are dispersed throughout the region and they require highway transportation commensurate with the growth which has taken place in population and in economic scale.

In my own State of California, we have over 20 million highly mobile people concentrated in a few widely separate centers spread out over our 158,700 square miles. This dispersion requires a massive highway and transportation network. Growth in motor vehicle transportation and in the highway system during the last decade alone has been phenomenal. There are some 155,000 miles of roads in the State with some 12 million registered California vehicles. We are currently in the process of constructing a 12,000 mile network of improved freeways to be completed by 1980 at a cost of over $12 billion.

Our growth in the West is still booming. Population and industrial forecasts demonstrate this to be the case. We are far from reaching our full development and the great potential so generously endowed upon us by the nature of the West.

In order to meet the responsibilities of this growth, it is imperative that, while we encourage the optimum use of all available forms of transportation, we give attention to fostering the most efficient use of our highway systems. We have an obligation to enhance the opportunities for highway transportation and remove all unreasonable and unnecessary impediments and restrictions.

From the passage of the Federal Highway Act of 1916, the goal has been to utilize the roads and highways to the full extent of their ability, in order that the necessary movement of goods and people might progress unimpeded by artificial and untested regulations. Historically, the rapid development of the motor vehicle and the rate of Western economic development exceeded the ability of the highway facilities to keep pace. This was good and its effects were apparent in the tremendous economic growth of the past fifty years.

But what of tomorrow—the time when our economy will demand even greater utilization? Today, for the first time in our history, there are roads whose capacities are not fully

available because of outdated regulations and restrictions. And perhaps for the first time in our history, the rate of economic development in our Western States is being stagnated by unreasonable deterrents to a full and reasonable use of our highway investments.

At the present time, the nation's trucking industry is severely hampered by the presence, in Federal law, of motor vehicle size and weight limitations that are no longer in line with the design capabilities of today's modern highways. When Congress passed the Federal Aid Highway Act of 1956, it provided for certain maximum sizes and weights for motor vehicles using the National System of Interstate and Defense Highways. These 1956 limitations, however, were ten year-old standards at the time they were placed in the Federal law. They were taken from a set of size and weight standards adopted by the American Association of State Highway Officials in 1946. And these 1946 standards were based on the roads that existed twenty or more years ago.

Today, with the expanded highway program we have provided, and are continuing to provide, modern highways are capable of more efficient utilization. The time is long overdue for a change in the Federal law to permit the states, in turn, to adapt their size and weight laws to the capabilities of today's modern highways.

The desire for eventual improvement in the Federal standards was recognized by the Congress when it inserted the current limitations in the 1956 Act. The Committee report of that time clearly indicated that the 1956 limits were temporary pending investigation by the Bureau of Public Roads. In 1964, the Secretary of Commerce submitted his size and weight recommendations to the Congress; recommendations, I might add, which are largely embodied in the provisions of S. 2658.

These recommended changes are of vital economic importance to the transportation of our Western products. Agriculture, livestock, ore, lumber and petroleum must move upon our highways. Any factors influencing the cost of such highway transportation are of the utmost importance to the well-being of these basic industries. If these sizes and weights are increased, it becomes obvious that more freight can be carried at a lower unit cost. Equally important, any economies resulting from greater weights are certain to be reflected in better prices for both the consumer and the producer.

It is regrettable that action has been delayed for so long by the Congress in updating these restrictive regulations. During the last 12 years, numerous Western interests have expressed deep concern over the need for change and improvement. Indeed, the Western Conference of the Council of State Governments has adopted resolutions urging Congressional action in 1962, 1963, 1964 and 1965. These resolutions emphasized the overwhelming importance of highway transportation to the West and the continuing need for improved and more economical highway transportation consistent with the needs of the Western economy and the geometric and structural capacity of the highways being constructed today and being planned for the future.

Mr. Chairman, I am not an expert on what exact limitations should be enacted—this decision I leave to the expertise of your Committee. But one need not be an expert to know that there is something drastically wrong when a state cannot utilize a new highway to the fullest for the highest benefit of everyone because its use is restricted by outdated size and weight limitations.

America's highways are not just an investment of government, they are an investment of the people and all those dependent upon a full utilization of highway resources. That investment will be best served by standards permitting the most effective and efficient use of the nation's total transportation resources. I believe S. 2658 seeks to achieve that end. I am hopeful that the Committee will give it favorable consideration.

PULITZER-PRIZE-WINNING WEEKLY EDITOR PROMOTES UNITED STATES-CANADA RELATIONS

Mr. MANSFIELD. Mr. President, the historic friendship between Canada and the United States has been one of the stanchest sources of strength to this Nation. Too often this amicable relationship between the Canadian and United States citizen and their respective governments has been taken for granted, assumed, and set aside. The American public has too few opportunities to learn more about our friends to the north. The people of Montana are more cognizant than most. There is a great deal of rapport and communication between Montana and the provinces of British Columbia, Alberta and Saskatchewan.

One of the best instruments for developing a better understanding is an attentive and imaginative press. Montana has a weekly, the Hungry Horse News, published at Columbia Falls, which does a remarkable job. The nationally recognized editor, Mel Ruder, is a vigorous proponent of better Canadian-United States contact. He does a great deal through his news column and photographs, which are the best. This paper is published in the heart of some of the most spectacular natural beauty—Glacier National Park in Montana and, across the border, Waterton Lakes National Park in Canada.

I ask unanimous consent that a series of articles published in the Hungry Horse News be printed in the RECORD. Both Canada and the United States need more weeklies like the Hungry Horse News.

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

[From the Columbia Falls (Mont.) Hungry Horse News, Sept. 16, 1960]

NEWS EDITOR REPORTS HOW ALBERTA PROVIDES HOSPITAL PLAN

Except for Quebec, Canada provides all its citizens with a federal and provincial tax-supported hospital ward program.

On July 1, 1958, the plan became effective in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba and Newfoundland, and later in Ontario, Nova Scotia, New Brunswick and Prince Edward Island.

Sunday afternoon the Hungry Horse News editor talked with C. J. Wight, secretary-treasurer of the Cardston Municipal Hospital. Cardston has picture-window views of the peaks in Glacier and Waterton Lakes National Parks.

Care at the new modern Cardston hospital costs the individual $1.60 a day. The federal and provincial government pay $9.90 a day. $1.60 plus $9.90 adds up to $11.50 and that is considered the cost of operating the Cardston hospital per patient per day.

Maternity cases are free up to 12 days, and the province also provides free medical care and hospitalization at special cancer clinics.

We toured the T-shaped brick, fireproof Cardston Municipal Hospital with Mr. Wight. It has 40 beads in 22 rooms, and was built in 1958–59 at a cost of $500,000.

We were impressed with the quietness and cleanness of the structure, and have seen nothing better in the United States in this respect.

There is a lot more to a modern hospital than rooms with beds for patients. At Cardston we saw the rooms for major and minor surgery, maternity cases, X-ray and laboratory work, the kitchen, laundry, boilers, gas storage and future expansion.

We took pictures of Bert Wiley looking into "Babyland" with Nurse Linda Tolley holding his new born son, Lloyd Eric. Miss Tolley had met Harold Tolley, who was printer foreman at the Hungry Horse News for its first ten years.

We asked Mrs. Edna Bailey, a registered nurse, if she would be in our photo of the operating room, and next took a picture of Nurse Joyce Glines in the attractive Sunny Dell with patients and visitors.

This was a most cheerful hospital. We asked what it would cost us to be sick here. Mr. Wight replied that first a person could be admitted to the hospital only on order of a physician, and such an order was also necessary before release.

If we met this requirement, we would be charged $11.50 a day, the cost of hospital care, plus $5 a day to the capital fund. Incidental drugs would be furnished, and we found that a number from the Babb-St. Mary area come to the Cardston hospital.

However, if we were a resident of Alberta, we would pay only the $1.60 a day at the hospital.

Mr. Wight told us that presently all the patients were on one floor. Later we saw the uncompleted section on the lower floor that is to be finished this coming winter and spring for use by chronic patients. These are patients such as old folks who are not getting well.

Cardston with 2,487 residents is similar in size to Columbia Falls and Whitefish. The city, of course, is known for its attractive LDS Temple.

We saw the federal Blood Indian hospital erected in 1928 and served by the four Cardston physicians.

We heard about Cardston's first municipal hospital being a two-story former residence, and then of the community starting plans for a new hospital before the present federal hospital plan went into effect.

Cardston is in a 12 by 20-mile hospital district. On approval of the voters there were $350,000 worth of hospital bonds issued for 20 years, and the provincial and federal governments contributed the remaining $150,000 of the cost.

With the Alberta Hospital Act of 1958, the province paid the remaining $350,000 worth of bonds, and the Cardston hospital is debt free, even as it was being built.

Pincher Creek has a hospital district and so does Magrath. We saw the mammoth Lethbridge community hospital, and found that the federal government and province also supported the hospitals of the religious orders. A 3 mill levy on all property in the province is used to support the hospitals along with a portion of Alberta's oil income, and federal grants.

Of the American illnesses nothing seems to afflict more families with tremendous hospital and medical bills than does cancer. We don't think the American Cancer Society is the answer, though it helps.

Cancer patients are sent to the closest cancer clinic. In the case of Cardston, the clinic is at Lethbridge. Hospital and medical care is free, and this is also the case for old age pensioners.

Cardston's hospital has four private rooms. Patients at Cardston are placed in private rooms on basis of their condition. Larger hospitals like those at Lethbridge have private rooms which cost individuals more.

We asked Mr. Wight what problems he had in collecting the $1.60 a day charge made the individual. He replied that the patient makes a deposit on entering the hospital. A patient

is not refused hospitalization if directed by a physician. However, the Cardston Municipal Hospital last year only lost $185 through bad debts. This is in contrast to the experiences of American hopsitals. It costs between $11,000 and $12,000 a month to operate Cardston Municipal Hospital.

Staff at the hospital includes Mr. Wight, the business manager. He is a fine looking man, who had been a grain buyer for 28 years and shows he has had business experience. He is a long-time scout leader and Sunday school teacher. Our thought is that Cardston is fortunate in having him as business manager at their hospital. Incidentally his son, Deloy is a Montana School of Mines graduate.

Unfortunately we did not meet Mrs. Velma Broadhead, R.N., the hospital matron. The Hospital has 11 registered nurses, 9 nursing aides, 6 trainees, 3 cooks, 2 laundry ladies, 3 housekeepers, and 2 engineers who also take care of the grounds.

We asked:"How do you keep this place so clean?" Mr. Wight replied: "The three housekeepers."

There are several Hutterite colonies near Cardston. Mr. Wight commented that they patronize the hospital, and told of one particular afternoon. A Hutterite lady was in the hospital having a baby—they have large families. Her husband and three friends came to see her. Cardston hospital rule is that only two visitors are allowed to see a patient at one time.

Mr. Wight noticed that all the Hutterite men with their black garbs and beards were gone from the reception room. He went to the lady's room, but the Hutterities hadn't come in yet. He found all four looking at TV in the sun room. They don't have TV on the farm.

Something of a moral scandal in the United States is the delinquency in paying medical bills. There is the thought that physicians charge the well-to-do more, and hope to get paid by the rest of the citizens. We know of one Flathead physician who has $10,000 on the books in the past 12 months.

The thought of course is that Alberta has socialized medicine. Mr. Wight told us about the Doctor's Contract plan in Alberta in effect for perhaps 20 years, and having nothing to do with the government. A family contracts with its doctor for medical care for $50 a year. This takes care of all medical care.

We asked how a physician could afford to take care of a family with illness for $50 a year. Mr. Wight replied that 500 times $50 was $25,000. A drawback in this plan is that person shouldn't get sick away from home.

There is also the Medical Services Incorporated plan where the annual rate for one person is $51, for a family of two, $102 and for three or more persons, $126. This plan is sponsored by the College of Physicians and Surgeons of Alberta, and is not subsidized by the government. This insurance is similar to plans offered in the United States.

Alberta also has the familiar Blue Cross hospital plan which at Cardston would take care of the $1.60 a day charge to the individual and takes care of costs of a private room in Lethbridge, and hospital care any place.

Being at the Cardston hospital, we wanted to know more about 10-year-old Smith Parratt, who was mauled by a grizzly in Glacier July 18, and taken to Cardston. Hospital patients from the St. Mary-Many Glacier area of Glacier are generally taken to Cardston. It's closer. Smitty left Cardston for Los Angeles Children's Hospital Aug. 23.

Mr. and Mrs. Parratt and Smitty were much admired at Cardston. We were much interested to hear how Smitty finally improved to the point where he walked out to the reception room.

Mrs. Mary Stevenson, the receptionist, invited him to use her typewriter. Mr. Wight added how the ten year-old with his right arm useless at his side, and his head swathed in bandages, was able to peak from the corner of his one remaining eye. He picked out on the typewriter: I love my mother. My mother prays to God. I wonder what we are going to have for dinner.

There wasn't a single mistake, Mr. Wight commented: "Then I knew there wasn't any brain injury."

(EDITOR'S NOTE—The Alberta hospital plan is interesting. Applying such a plan to Montana is another question. Alberta pays for its hospital plan through a small mill levy—their property taxes are less—and oil income which Montana doesn't have. British Columbia pays for hospitals through its sales tax.

(It's one thing to look at governmental benefits, and another to find ways of paying for them. Montana doesn't have Alberta's oil revenues, for example.)

[From the Columbia Falls (Mont.) Hungry Horse News, Sept. 16, 1960]

IMPORTANT NEIGHBORS

Here in Montana we are constantly aware of Canada, but know surprisingly little about our neighbors to the north.

Relationship with Canada, of course, holds the future of Libby Dam, the completion of the road that would link Glacier and Waterton Lakes National Parks on the west, and Alberta ranks with California and Washington as the principal sources of Montana tourists. Lethbridge, the irrigation center of Canada, is watered by streams that rise in the United States.

As far as Canada is concerned, we doubt that a single high school in Montana gives more than a fleeting reference to our friends across the line. Americans often as not teach Spanish at the high school level with the idea of friendly relationship with neighboring Latin America. This has merit. On the other hand these northern states, especially, overlook the situation of Canada being neighbor.

Back at the University of North Dakota, also near the border, we followed a familiar pattern as a student and took a minor in European history. We do not recall a single course that emphasized Canada. We haven't heard that schools in Montana are any better in this respect.

In a brief check here in Columbia Falls, a typical high school student answer was: "We had something about Canada in fourth grade geography."

Canada is 40 airmiles from Columbia Falls. It is the world's second largest country—3,845,774 square miles compared to Russia's 8,598,701 square miles, China with outlying areas, 3,760,339 square miles the United States including Alaska and Hawaii, 3,615,210 square miles and Brazil with 3,288,050.

Canada's immediate neighbors are the United States to the south, and north across the pole, Russia.

Our neighbors to the north are doing a remarkable job increasing living standards. Population of the dominion is 17,442,000.

American ignorance of Canada was evident during the National Governors' Conference at Many Glacier last June. Principal speaker by invitation of Montana's Governor J. Hugo Aronson was Canada's colorful and distinguished prime minister, John G. Diefenbaker.

New York's Governor Nelson A. Rockefeller got the headlines and the one picture of the conference used by Time Magazine for example.

The Hungry Horse News is acutely aware of Glacier being a part of Waterton-Glacier International Peace Park and the proximity of Alberta and British Columbia to Montana. This newspaper presented a picture of Prime Minister Diefenbaker on top of page one, where it belonged.

Our intention here at the Hungry Horse News is to present more information about Canada, our important neighbor. How lucky Americans and Canadians are. We speak the same language, and have many of the same values as to home, church and democracy.

[From the Columbia Falls (Mont.) Hungry Horse News, Oct. 28, 1966]

SEE ELK NEAR ROADS IN CANADIAN PARKS

Recommended fall outing for residents of the Flathead who want to hunt elk with a camera is to the Canadian national parks.

From Columbia Falls to Kootenay National Park is 220 miles over good road. Route is by way of U.S. 93 through Whitefish and Eureka to Elko junction, thence on Canadian Highway 3 to the Highway 93 junction and north to Radium Hot Springs. Roads are better in British Columbia than in Montana.

Not advised is going through Kimberley, B.C., a longer route with poorer roads.

Motel rates in Radium and Banff are cheaper this time of the year, and one can expect to see elk and mountain sheep. It's an easy weekend for the family budget.

Clean, attractive Canadian National Parks pools at Radium are open for swimming. Water in the hot pool ranges from 100 to 113 degrees, and above 70 degrees in the other.

The Hungry Horse News editor prefers Canadian parks in the fall and spring. Admittance for a car to all Canadian parks for a year is $2.

Elk pictures in this series were taken in Yoho National Park on road to Emerald Lake earlier this month.

[From the Columbia Falls (Mont.) Hungry Horse News, Sept. 13, 1967]

ALONG TRANS-CANADA HIGHWAY—WHERE VISITOR TRAFFIC BOOMED

(By Mel Ruder)

The 1963 travel year saw a shift in travel from U.S. Highway 2 and Glacier National Park to Canada's wide, splendid Trans-Canada Highway through its national parks and across Rogers Pass.

The Hungry Horse News editor traveled the route last October, and drove it again this past weekend.

Even without the stimulus of the Seattle World's Fair there was a marked increase in travel in Banff this summer.

RECORD TRAVEL YEAR, 1962

Here in Glacier National Park, U.S.A., there was a tremendous 1962 visitor flow and a record 966,100 guests up 31 per cent from 739,982 in 1961. Traffic for 1963 generally has been running 17 to 18 per cent below last year. Motel owners of the Flathead are well aware of the drop.

In Banff Saturday there was an announcement by Supt. D. B. Coombs that August, 1963 saw a marked increase over traffic of August a year ago. Banff last month had 97,693 vehicles with 327,817 passengers enter its east gate up from 84,687 passenger vehicles with 288,406 riders in August, 1962. The Rogers Pass section of the Trans-Canada Highway that runs through Banff had its first through traffic July 30, 1962.

At an Esso station in Banff we chatted with Norm Stevenson. He said that gasoline sales were up 20 per cent this summer. Of course with better cars there are fewer lube jobs, and he said this phase of his business and repair jobs were down.

A $2 PARK FEE IN CANADA

Fred Doyle and Phillips Spaens, both of Field, B.C. were at the Yoho National Park gate. Incidentally it costs just $2 a year for a car to enter all Canadian national Parks in a year. Canadians have a difficult time understanding why Americans charge $2 for 15 days or $4 for the season in Glacier, and then $3 for 15 days or $6 for the season in Yellowstone.

Doyle had some interesting figures on American cars in Canada.

The jump in number of American cars entering Yoho was from 2,986 for July, 1962 (prior to Rogers Pass opening) to 8,206 in July, 1963. For August, 1963 there were 8,005 American cars.

Likewise there was an increase in numbers of Canadian cars from eastern provinces, especially Ontario.

Daily check of all cars (Canadians and Americans) through the Yoho entrance was 368 (per day) for July, 1962 jumping to 1,788 cars per day for July, 1963.

INCREASE FOR GLACIER

At the entrance to Glacier National Park (Canada) we chatted with Charles Raven of Revelstoke, whom we had seen last October on our trip over Rogers Pass. He said traffic was now averaging 700 cars a day (one way) had been averaging over 2,000, and peaked at 3,000.

We'd heard that Trans-Canada traffic last summer was often bumper to bumper. We found as much traffic on Trans-Canada last weekend as takes place on U.S. 10 in summer. Actually the road will not handle the traffic volume that a four-lane inter-state will in Montana.

Here we think of Canadians as relatively slow drivers. Up on the Trans-Canada Saturday and Sunday we were driving 55 to 60 miles an hour (speed limit 60) and were often passed.

In the Sept. 7 issue of "The Vancouver Sun" we noticed an interview with B. C. Highways Minister P. A. Gaglardi.

His conclusions were: "Traffic on the Rogers Pass (Trans-Canada) is reaching a point where tourists can't slow down and take the advantage of the scenery."

TOO CROWDED SCENIC ROAD

The British Columbia Highways Minister wants development of the Yellowhead Highway to provide an alternate route from Central Alberta to the coast "and take the strain off Rogers Pass."

Friday we drove to Radium Hot Springs on U.S. and Canadian 93 and then by way of St. Steele and Wasa to Highway 95 in four hours. A few years ago going by way of Kimberley, it would take 5½ hours. British Columbia this summer has had tremendous improvement of the road to Radium underway.

Winter rates are in effect at Radium Hot Springs, and we noted that Saturday evening a number of the motels were full. We stayed at the Columbia Motel, attracted first by the name similarity.

C. W. Neild, who is in charge of the fine Kootenay National Park Aquacourt, told us that through Sept. 6 there has been 228,350 paid swimmers and bathers up from 218,810 a year ago. July 1963 had fewer swimmers than July a year ago.

SLOWER SUMMER AT RADIUM

Radium motels had a poorer year than 1962. They also missed the World's Fair, realized the traffic increase from Banff through Golden and across the Trans-Canada, and also the considerable construction along Highway 95 north and south.

Of much interest to the Kootenay National Park area residents is completion of Highway 3 from Cranbrook through Creston and across British Columbia along the American border. The last link near Creston is just being completed.

We also saw the new Kootenay National Park Campground where the Canadian government has provided swings and teeter-totters for youngsters. Imagine Glacier National Park having playground equipment in its campgrounds?

A fundamental difference is that Canadians think of their national parks more as places to vacation and play as well as communing with nature.

At Rogers Pass, we parked next to a car with a Montana 7 license. It turned out to be Charles White, Kalispell attorney, with his brother, Father White of the Carroll College faculty, Helena. They'd returned from a trip to the coast, and incidentally caught their limit of salmon at Westport.

[From the Columbia Falls (Mont.) Hungry Horse News, Sept. 22, 1967]

RECOMMEND FALL OUTING TO VIEW CANADIAN PARKS

(By Mel Ruder)

Increasing numbers of north-western Montana residents drive to Kootenay and Banff National Parks in Canada.

Route is by way of U.S. 93, Canadian 3 then to 93 and 95 north to Radium Junction, gateway community to Kootenay National Park. Banff is 80 miles further.

Only poor highways for the outing are in Montana. Radium is 220 miles from Columbia Falls.

BUSY SEPTEMBER

Last weekend Radium seemed busier than West Glacier in August. There was a golf tournament. A few motels had "No Vacancy" signs. They were full.

However motel rates were at winter discounts. For example a $10 unit with bedroom, bath and kitchen now rents for $8.

To be kept in mind is that U.S. Customs and Canadian Customs hours at Roosville, north of Eureka, are now from 9 a.m. to 6 p.m.

J. D. Nutter at U.S. Customs and Immigration said that traffic this season was up 3 or 4 per cent. Incidentally the station's attractive beds of petunias had escaped frost.

At Kootenay National Park traffic this year is somewhat down from a year ago. Expo 67 has attracted prairie and eastern Canadians away from western parks.

July 1—Dominion Day—saw the Aquacourt at Radium have its record day with 4,900 in the pools. The place was still rather busy last weekend with 864 admittance Friday and even more Saturday.

Damages from the May 3, 1967 explosion of the tanker just above the pools is obvious.

GAS EXPLODES

It was during the noon hour at 12:45 p.m. when the driver lost control of his vehicle 200 feet above the pools. The truck went into Sinclair Creek and the 6,000 gallons of gasoline exploded.

Miraculously the eight bathers escaped, and the pool was reopened in seven days.

Damage shows with a great fire scar of burned trees on the mountain, and many missing windows from the Aquacourt Building covered with plastic. Insurance settlement is still pending.

The hot pool—water up to 113 degrees—is scheduled for enlargement this winter. Information is that hot water will then be sent into the cool pool, ordinarily about 70 degrees.

REBUILDING HIGHWAY

Also to be under contract this winter and completed by next July is reconstruction of Highway 93 through the pool area.

American visitors should keep in mind that Canadians will observe their Thanksgiving Monday, Oct. 9. Reservations are recommended for persons going to Canada that weekend. There is also a teachers' convention. Our recollection is mid-October.

The big Redstreak Campground with 241 units is open until Sept. 30. There were 53 overnight campers Friday.

Campgrounds in Canadian parks present displays of flowers, and this large Kootenay National Park campground had four-foot high Canna lilies, brilliant geraniums and petunias.

Last weekend saw an absence of animals along the highway in the Kootenay Valley. Ordinarily the best show comes in mid to late October.

[From the Columbia Falls (Mont.) Hungry Horse News, Oct. 20, 1967]

CONSTRUCTION UNDERWAY ON MAJOR HIGHWAY 93 CONTRACT

Construction started this week on a $2.2 million contract to rebuild Highway 93 in the vicinity of Radium Hot Springs, Kootenay National Park, Canada.

Contractor for this less than two mile contract is Burns and Dutton, Calgary.

Effective this week Highway 93 near the aquacourt (pools) is closed to through traffic from 8 a.m. to 3 p.m. Monday through Friday, and open Saturday and Sunday round-the-clock.

This is the route Flathead residents take when going to Banff in fall and winter months.

The contract provides for a parking area at the Radium pools somewhat below the present grade. Running overhead will be the new through highway. There will be large fills. Contract completion is June, 1969 with construction to be advanced so as to not hinder the 1968 travel season.

To coincide with highway construction is enlargement of the hot pool (113 degrees) at Radium. Contract award is slated for November. Design of the present hot pool will be changed considerably to include a shallow end near the aquacourt building.

While this construction is underway, the 113 degree naturally hot water will be piped into the present cool (80 degree) pool. Hours at the pool last weekend were 10 a.m. to 9:30 p.m. daily. There may be some change because of construction activity.

Superintendent of the 543 square mile Kootenay National Park is J. E. Rae, who last weekend was in Ottawa. Our thanks to Naturalist Ian D. Jack for helping obtain information.

Kootenay National Park is entirely within British Columbia. Immediately to the north is Yoho National Park, and to the northeast meeting at the Continental Divide, Banff National Park.

[From the Columbia Falls (Mont.) Hungry Horse News, Dec. 29, 1967]

ELK GREET VISITORS IN CANADA

Pleasant winter outing for residents of the Flathead is less than five hour drive up Highway 93 to Canada's Kootenay and Banff National Parks.

Convenient overnight accommodations are available at Radium Junction—entrance to Kootenay National Park—220 miles from Columbia Falls. Roads are better in Canada than between Whitefish and Eureka. Take route in Canada through Ft. Steele.

This winter sees the Sinclair Pass section between Radium Junction and the hot pools closed Monday through Friday from 8 a.m. to 3 p.m. except for holidays. Burns and Dutton, Calgary, has a $2.2 million contract for reconstruction of less than two miles of highway and a parking area. The road is open Saturday and Sunday. Banff is 85 miles from Radium.

Also under construction is the 113 degree outdoor hot pool at Radium which is being more than doubled in size. In use is the former cool pool with the piped natural hot water bringing temperature to about 90–95 degrees.

Swimmers these days can look above the pool to a decorated Christmas tree. It is also a pleasant experience to be comfortable swimming outdoors in warm water while snow is falling.

There have been fewer visitors at Radium this winter because of road and pool construction.

Obviously absent were older persons who take the hot water cure for aches and pains.

Snow depths are less than normal so far in Kootenay and Banff National Parks. Apparently the storms went south to Arizona.

[From the Columbia Falls (Mont.) Hungry Horse News, Feb. 9, 1968]

FERNIE TO BOOM WITH $650 MILLION AWARD

(By Mel Ruder)

A major industrial boom is starting 100 miles north of the Flathead Valley at Fernie, B.C.

Yet Montanans heard or read practically nothing of the Jan. 31 announcement. International boundary between Canada and the United States continues to be a tremendous news barrier.

Hungry Horse News editor went to Fernie, Natal and Michel Monday.

ENTERPRISING PAPER

First stop was at "The Fernie Free Press." Half the front page of the enterprising newspaper had a big headline: "$650 Million, It's Signed!" We don't own type as large as they used.

Page one stories told of a contract signed between Kaiser Coal, Ltd., subsidiary of Kaiser Steel Corporation, and Mitsubishi-Shoji Kaisha, representing seven major Japanese steel firms.

The contract calls for shipment of more than 45 million long tons of high-grade coking coal over a 15-year period starting in early 1970. The coal will come from new mining operations to be developed in the Crows Nest area of southeastern British Columbia.

This area is 100 air miles north of Columbia Falls.

Jack L. Ashby, president and chief executive officer of Kaiser Steel Corporation and Kaiser Coal Ltd., told Publisher Adrian Kennedy of the Fernie Free Press: "As a result of this sales contract, we are proceeding with acquisition and development of coal lands as provided for in our agreement with Crows Nest Industries."

MAJOR INVESTMENT

Ashby indicated Kaiser Steel's investment in Canada for new mining facilities will approximate $55 million and will increase production of Crows Nest coal from the present 800,000 tons a year to about four million tons per year for Japanese and other markets including North America (the United States).

Publisher Kennedy showed us a picture of Harmer Ridge where bituminous coal in a 65-foot thick seam has been exposed. The Balmer seam on this ridge runs for at least eight and a half miles and averages 50 feet thick. New operations will be here.

The Fernie publisher came to Canada from Ireland 30 years ago, and arrived in Fernie five years ago from the uranium boomtown of Elliot Lake, Ontario. We also met Gilbert Wood, mechanical superintendent, and Lloyd Phillips, news editor. Kennedy, Wood and Ron Powell, Cranbrook publisher, own the Fernie paper which is presently printed in Cranbrook.

Kennedy said that Fernie has 2,861 residents and has been static for years. Now prediction is for 10,000 by 1975.

Much of the business section contains brick buildings erected in 1909 following a disastrous fire. Noted was that only two new business buildings had been erected since 1909.

ONCE PROSPEROUS

Once Fernie was prosperous with the Great Northern owning much Crows Nest Industries stock, and a line bringing coal to Rexford.

Of considerable interest to Montanans is prospect of a rail line being built by the Kootenay & Elk Railway, Crows Nest Industries subsidiary, south to the Great Northern near Eureka.

The Canadian newsmen thought the Great Northern connection should be built. So did men sitting in the lobby at the King Edward Hotel, and the service station man who filled our tank, prefixed Canadian Pacific with a cuss word. The CPR badly needs public relations improvement in Fernie, and is credited with holding the community back.

To be noted is Saturday's "Lethbridge Herald" with the top story under this headline: "Government Will Insist on Canada Coal Route."

The story starts: "Vancouver—Transport Minister Paul Hellyer said Friday the federal government will insist that the $650,000,000 of B.C. coal destined for Japan under a Kaiser Steel contract be shipped from the mines to Tidewater by an all-Canadian route. * * *."

PRESIDENT'S PROGRAM FOR THE CITIES

Mr. RIBICOFF. Mr. President, President Johnson has proposed a comprehensive program to deal with the Nation's most urgent domestic problem—the city.

The program proposed in the President's message to the Congress and the American people blends the strongest forces of our society—government, business, and labor—in a cooperative and creative way to solve some of the problems that beset our urban centers.

By mobilizing decisive economic tools—the profit motive and tax incentives—we can make an excellent start in remedying the sickness that has our cities in its grasp.

The program draws upon the recommendations and proposals advanced by recognized leaders in the urban field. And we in the Senate can be proud of our contributions to the President's message.

Many of us have called for bold leadership in urban affairs. This message demonstrates that leadership and a grasp of the basic steps required if we are to fulfill our commitment to urban America.

The program is not a panacea for the problems of cities. The President, I am sure, did not intend it to be. The plan builds—very properly—on the initiative of the model cities and poverty programs. It forges the successes of the past into a tool with which we can deal with the problems of today and a plan to deal with problems of the future.

Under the President's plan, housing programs will no longer depend on those in Washington and in the cities alone. For the message calls upon the talents of the Nation's corporations, the strength of labor, the knowledge of the men in finance, the imagination of city planners and administrators and—equally important—the concept of self-help for the poor.

The President has spelled out the challenge in clear-cut terms. Now it is up to Congress, the Governors, State legislators, the mayors and city councils of America. Now is the time for all of our citizens to unite in recognition of the problems we face. President Johnson has pointed the way. Now we must—with all our determination—move against these problems.

THE ENVIRONMENTAL CRISIS

Mr. NELSON. Mr. President, there is today increasing concern about the continuing deterioration of environment. Our air, water, and soil are all threatened by the vast tide of pollution that is sweeping the country. Modern man has far exceeded nature's capacity to dilute and purify all his wastes and the wastes of his society.

In a speech recently before the Natural Resources Committees of the U.S. Chamber of Commerce, Secretary of Agriculture Orville Freeman outlined the enormity of the environmental crisis we face today and spoke specifically about some pollution problems which are related to agricultural practices.

The beneficial aspects of pesticides have never been questioned. There is, however, great concern—and it is justified—over the continued, widespread use of pesticides like DDT which do not break down in nature after application. Secretary Freeman, in his speech, points out the drastic reduction in DDT use by the Department of Agriculture in the last 10 years. Further, he defines the basic policy of the Department of Agriculture regarding DDT which is that persistent pesticides are used only when there is no effective alternative available. I fully endorse this position.

The Secretary, in his speech, describes some other specific problems which illustrate the need to develop broad soil and water conservation programs aimed at preserving all of our remaining land resources, both agricultural and nonagricultural. Controlling erosion and the resultant siltation are a significant part of our program to halt the pollution of our waters.

I commend Secretary Freeman's speech to my colleagues and ask unanimous consent that the full text of the speech be printed in the RECORD.

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

REMARKS BY SECRETARY OF AGRICULTURE ORVILLE L. FREEMAN TO THE AGRICULTURE AND NATURAL RESOURCES COMMITTEE OF THE U.S. CHAMBER OF COMMERCE, WASHINGTON, D.C., FRIDAY, FEBRUARY 2, 1968

A week or so ago, I saw these lines in George Stewart's new book, "Not So Rich as You Think":

"When some future historian sits down to summarize what the present generation of Americans has accomplished, his climactic sentence could read: 'Of the waters, they made a cesspool; of the air, a depository of poisons, and of the good earth itself, a dump . . .'"

Too harsh—perhaps so. But I am very much afraid that future generations will judge most harshly a race of men that had all the technical knowledge, all the resources they needed to provide a clean water, air and land, but lacked the will to do so.

If we let that happen, then they will so judge us.

It is no secret that we are facing an environmental crisis. It affects every one of the basic elements of the biosphere—air, earth and water, and every one of us.

I know that you in agriculture and agribusiness are concerned. I know that the public is concerned. Pollution is now ubiquitous. Its effects on the American people—70 percent of whom live in urban areas—could be aptly summed up like this: "The total effect of pollution is greater than the sum of its separate parts." It isn't *just* a matter of dirty water, or of *just* dirty air, or *just* noise pollution or suburban sprawl and clutter—which someone described as "land pollution." It's all these things coming together at once in a combined assault on the senses.

This has finally persuaded the average citizen that he has a crisis on his hands. I can assure you that the Secretary of Agriculture is vitally concerned with this crisis, and aims to do something about it.

Few Americans stop to realize that the USDA administers conservation programs covering nearly 81 percent of this country's land . . . all the crop land, the grassland pasture and range, and the National Forests.

We have "first," federal responsibility for the water than falls on this 81 percent of the land. We have extensive programs for controlling, conserving and developing this water where it falls. About half our total personnel—50,000 people—are involved in conservation work, either in research or action programs.

These 50,000 people are the shock troops of the war on pollution—and they're beleaguered. Now, everyone's against pollution, just as everyone's against sin. But, in a very real sense, we all want those things that are the proximate cause of pollution.

We like cars, which invariably are the leading pollutants of metropolitan airsheds. We like the manufactured bounty from factories that pollute the waters, and we like the thousand-and-one other products of the most highly-advanced technological society man has ever known.

We even like our back-yard barbecues, whose steaks contribute *their* bit toward murky skies.

With this general introduction, let me proceed to the subject you invited me to speak on, agriculture and pollution:

Agriculture is both sinner—and sinned against—in this matter. Last year, crop damage from air pollution alone was nearly half a billion dollars. And farmers—like everyone else—need clean water to drink, clean air to breathe and, of course, unpolluted air and water for their crops and livestock.

I suppose that we are "sinners" also, a subject I'll discuss in depth in a moment. For now, let me say that we're on top of this problem of agriculturally-caused pollution:

(1) we will ask Congress, in this session, for new authority to deal with the urgent problem of water pollution, as it pertains to agriculture and;

(2) Existing programs—that this Department has administered for many years—are receiving my personal attention, with an eye toward redirecting them to meet new needs.

Now, let me tell you about three major areas of my current concern:

The first is chemicals and pesticides. The Department has reduced its own spraying with persistent pesticides, such as DDT, by a factor of 50 to 1 over the past 10 years. We have established an effective and widespread monitoring system. More on this in a moment.

A second is animal wastes. Today, *two-thirds* of all beef produced comes from feed lots. The disposal facilities to cope with the staggering amount of animal wastes from highly concentrated feeding operations just don't exist. This is also giving us serious concern.

And finally, the old problem of silt. This is still the most widespread single source of water pollution. Our Soil Conservation Service has been dealing with it for a long time. But new conditions have created the necessity for new directions and new legislation.

So let's start with some simple facts on chemicals and pesticides. The world can't feed a population that may reach 7 billion or more in another three decades without them. We couldn't feed our own people at the lowest cost in the world—less than 18 percent of disposable income this year—without the help of them. This is primary.

Last year, Americans applied 32 million tons of fertilizers to their farms, lawns, gardens and pastures. Too much? Well, even though we've doubled the use of fertilizers every 10 years in the past half-century, the *average* use of chemical fertilizers per cropped acre here in the U.S., is only *one-tenth* the level used in the Netherlands, to cite one example.

These fertilizers are not without their problems. Nitrogen and phosphorus nurture the growth of "algal blooms" on ponds, lakes, and streams. It is true that some nitrogen moves in land runoff from fertilized fields. But most of our scientific evidence indicates this is a minor contributor to stream nitrogen right now.

I'm not unconcerned about this problem. But I do feel that the real answer to it is better land use practices to curb the run-off and sediment delivery that transports unwanted fertilizers into watersheds. This makes good sense, both from an economic point of view—keeping it on the land—and from a conservation viewpoint—keeping it out of river systems.

We're not stopping here, however. For 80 years now the Department has been studying behavior of phosphorus in soils, water and plants. In this, and in nitrogen research, we've developed—and distributed to farmers—information on proper fertilizer placement, timing applications, and optimal levels of application for every different soil in the U.S. This helps farmers gain the maximum economic use of fertilizer and minimizes losses to his environment. We aim to do more of this.

PESTICIDES

The same can be said of pesticides.

Already the Department has made great strides in meeting the environmental problems of pesticide use.

For instance:

Research in this field has been greatly expanded.

We recognize the great danger from *improper* pesticide use. We're working constantly on better licensing, better instruction, and better information in using them.

The Department's research divisions are also working on less persistent sprays, and better monitoring and surveillance of pesticide use.

And as you all know from screw-worm eradication and other programs, we've developed biological methods of pest control. Sterilization, use of predators and pathogenic—or harmful—organisms have eliminated the need for chemicals in controlling *some* pests.

We're finding more selective chemical pesticides. Major basic research is pressing forward to new solutions to pest control problems.

The Department reduced its own spraying with DDT from 4.9 million acres in 1957, down to and just over 100,000 acres in 1967—a reduction of 50 to 1. We now use persistent pesticides, such as DDT, only when there is no effective alternative.

And, as I mentioned earlier, we're expanding our rural areas monitoring of pesticide use. We now have 55 monitoring stations across the country.

ANIMAL WASTES

The second great problem I mentioned earlier is the safe disposal of *two billion* tons of animal waste a year.

About two-thirds of the U.S. beef output now comes from feedlots. Today, feedlots with 10,000 head of cattle; broiler operations with 100,000 birds, are not uncommon. This confinement of cattle, hogs and fowl to small, concentrated areas has created a serious and growing sewage disposal problem.

Nebraska and Iowa, for example, feed nearly *3 million head of cattle a year.* Their animal waste is equivalent to that produced by 49 million people, *or 11 times the human population of these two states.* Unfortunately, sewage disposal systems to handle this volume of waste are woefully inadequate.

One cow produces animal wastes equal to the sewage of sixteen people. One feedlot of 10,000 head of cattle has the waste of disposal needs of a city of 160,000 people.

Now, you know the statistics of the problem. I'm sure you've been exposed to them before. Back when most of us in this room last rode on a manure spreader, the problem was simple. We spread it on the fields. But now it's cheaper for farmers to get their nitrogen from a bag than from a barnyard—the price of nitrogen fertilizer in 1968 is cheaper than it was during the nineteen thirties.

The farmer and the feedlot operator are left with manure they usually can't sell, can't even give away, can't burn. And all too often it winds up in the streams, with predictable results.

This is a relatively new problem, and research is in its infancy. We all know—me most of all—that farmers are in a cost-price squeeze. We can't expect them to use economic fertilizers. What's needed, in my opinion, is a crash research program, both in the scientific aspects of this problem, *as well as the economic.* The problem *can* be met, and we're working on it now.

We're researching plans for a number of waste-disposal systems. They include lagoons, incinerators and waste-destroying bacteria. We're testing the principle of purifying polluted water by percolating it down through the soil. In some places waste runoff can be diverted into grassy areas with a high filtration capacity.

This problem can be met. There are solutions. But it will take cooperation, money and hard work to do it.

SALINE POLLUTION

Now a word about saline pollution—about half the 32 million acres of irrigated land in our 17 western states is subject to it. One of these Western states is heavily irrigated California, that grows 40% of the Nation's fresh fruits and vegetables.

Some irrigated lands in the Southwest have registered up to 25 tons of salt per acre foot of water used. But a more typical example is the land near Yuma, Arizona, where the Colorado river carries about a ton of dissolved salt in every acre foot of water. There, when a farmer applies 5 acre feet of water, he also so to say, "applies" roughly 5 tons of salt. Then, as the salts build up, they must be washed out with more water if the crops are not to suffer.

Our scientists are exploring new types of salt-resistant food crops. They've established the salt tolerance of over 60 plants. They're working on water quality measurements and leaching requirements.

This salinity research may eventually help us solve the world food problem. Immense acreage of agricultural lands in food-poor countries are now useless from salt buildup. If dependable methods can be found to reclaim salty soil and prevent future salt buildups, it will mean better food, and a better life, for literally millions of people.

SILT

That brings us to the oldest of *all* water pollutants—one that was around long before man came on the scene—silt and sediment. The cost of sediment in our reservoirs alone is $100 million a year. Sediment ruins recreational lakes, kills fish, costs millions in taxes for dredging and filtering, and carries other pollutants into the water. Total yearly silt pollution damage is in excess of $346 million.

Listen to this, from an article last month in the *Des Moines Register:*

"The Iowa Conservation Commission moved Wednesday to save the state's lakes from filling up with silt, but the action may have come too late for some lakes and streams.

"'At stake are all our natural lakes,'" said James R. Hamilton, a Storm Lake attorney.

"In a unanimous vote, the commission directed its staff to write a comprehensive plan for control and improvement of the watershed areas from the standpoint of siltation control.

"The plan, at the urging of Hamilton, will also embrace the matter of compelling offending landowners through appropriate le-

gal action to remedy the injurious effect of the siltation processes.

"The commission intends to seek approval from the next session of the Iowa Legislature to clamp down on farmers who, through poor soil conservation practices, flood Iowa's lakes and streams with silt and sand."

Sediment is a terrible example of a resource out of place. It hurts the land where it comes from and hurts the water where it goes.

And it isn't just a farm problem. In 1967 the Nation stripped one-and-a-half million acres bare for housing developments, new roads, and other construction. Sometimes it is years before we build on this land—and, in the meantime, it erodes.

You've seen this construction around Washington. It's the fastest growing large metropolitan area in the Nation. About 25% of the sediment that turns the lower estuary of the Potomac brown comes from these construction sites. In metro Maryland, studies show that land undergoing development produces from 2 to 200 times the amount of sediment as nearby farmland.

Suburbia isn't the only villain: In the intermountain West, 66 to 90 percent of the sediment produced by streams comes from streambank and streambed erosion. Elsewhere, two million acres of strip mined lands—all producing heavy sediment—need conservation treatment. A bill before Congress now would authorize USDA to assist more directly in sediment control in such areas.

This non-farm erosion will *increase,* unless steps are taken to control it. New building construction during the present decade will exceed all other building in this country since the Revolution to now.

This Administration is concerned.

The Department of Agriculture and the Department of Housing and Urban Development last year co-sponsored the first national conference on suburban soil and water problems. It was attended by contractors, conservationists and others. Future conferences are being planned all over the country to meet the problem.

A 20 TO 1 COST-BENEFIT RATIO

Soil is going to wind up somewhere. It's a solid part of our environment. That leads me to a rhetorical question: is it better, through erosion control measures, to pay a little bit to keep useful soil on the land—or is it better to pay a great deal more at the other end of the line, and dredge that soil out of some river or reservoir?

The comparative costs are 1 to 20. That is, it averages 20 times as much to dredge sediment *out* of water, as it would have cost to keep it as soil on the land, leaving aside the productive loss to the farmer from his lost topsoil.

This form of pollution *prevention*—rather than costly correction, is simple logic. Sediment pollution is not only our highest-volume pollutant, it's one of our most expensive. It carries other pollutants, such as chemicals, into streams, which arrive there along with sediment and runoff water.

Conservation keeps both—soil and runoff water—on the land.

We know from long experience that conservation measures such as contour strip cropping, terracing cover crops *do* markedly reduce sediment loads. We know these same principles of land use can be adapted to urban fringe lands as well.

Let me close by saying this: There aren't any easy answers to the problem I've discussed this noon. But they're not beyond our ability *to* solve. In this country—and I believe this as an article of faith—we can do anything we *want* to do.

Just look at what we've done so far.

The Department of Agriculture has helped landowners to contour 43 million acres of American soil. We've helped plant 110,000 lineal miles of hedgerows and windbreaks, and another 13 million acres of trees. We've helped build a million and a half acres of grassed waterways. By the nineteen fifties, when another potential dust bowl descended on Kansas, farmer-conservation measures reduced the days of blowing dust from 120 days a year, during 1936 and 1937—down to 40 days in 1956 and '57, when conditions were just as bad.

We can do it. The government can't do it alone. We need your help, and I ask for it now.

Thank you.

COMMENDATION FOR U.S. CONSUMER

Mr. HART. Mr. President, the U.S. consumer—as most of us are aware—needs all the help she can get in making wise selections from the multitudinous number of products clamoring for her dollar in today's marketplace.

Periodically in the past 3 or 4 years publications have cropped up which attempted to serve consumers by supplying information. Unfortunately, many of the new ones—perhaps because of hasty marketing or some unknown force in our system—have not survived.

This is why I was particularly happy to note recently that one of the very good consumer information services—U.S. Consumer, a biweekly Washington newsletter—is approaching its first anniversary. Published by a private Washington firm headed by Arthur E. Rowse, formerly executive director of the President's Committee on Consumer Interests, this newsletter performs a valuable service.

Mr. Rowse and his staff managed to sift the consumer news developed almost daily in the Capital and report the significant—often money-saving—information to subscribers.

A list of subjects included in recent issues is the best way to demonstrate the value. They include:

A portable color television set selling for less than $200.

Tar and nicotine content of cigarettes by brand.

Names of mail order firms that could save a buyer 50 percent on drugs.

A way to lengthen tire life by 25 percent to 50 percent for about 25 cents a tire.

A new device for auto engines that reduces air pollution to almost nothing, yet cuts fuel consumption by 30 percent and boosts power by 25 percent.

New Federal seal of purity and quality for instant dried milk.

Ailments which aspirin products will not cure despite ad claims.

Tests showing as much cancerous benzopyrene in a pound of chargrilled steak as there is in 3,000 cigarettes.

Secret FDA survey showing that recovery of potentially defective and dangerous drugs varies from only 3 percent to 90 percent.

A popular aerosol cookware cleaner that explodes near lighted stoves.

A handy chart with which to figure interest rates on installment loans.

A method for smokers to reduce tars by more than 90 percent.

Latest ratings and details on popular encyclopedias.

How GE plans to double light bulb life at virtually no increase in cost.

Test ratings of permanent anti-freeze products.

Imitation milk products the hottest "dairy" item on the market.

Product buying guide for nose decongestants.

Mr. President, as one of the many Members of Congress who are vitally interested in the information available to consumers, I congratulate U.S. Consumer on its progress thus far and wish it continued success.

BETTER FARM INCOME ESSENTIAL

Mr. SYMINGTON. Mr. President, at a time when the Nation's employment and income levels are at an all-time high—when the consumer is able to feed himself and his family at the lowest percentage of income in history—and our economy has enjoyed the longest period of sustained growth we have ever known, I am deeply concerned with the serious plight of America's family farmer.

Each year, more and more farm families are victims of severe economic pressure with which they are unable to cope. Forced to leave the land, they move to crowded cities, ill prepared to compete in a skilled labor market.

All economic indicators and studies by the score show that farmers are not sharing equitably in the fruits of their achievements. They are, in a very real sense, subsidizing the rest of the American economy.

Consumers are paying 20 percent more for food than they did two decades ago. At the same time, farmers are getting 6 percent less for producing that food and pay 30 percent more for the supplies with which to produce it.

With 1966 net income per farm 70 percent higher than it was in 1960, it is difficult for people of agriculture to understand why their income per capita still was less than two-thirds as much as for nonfarmers.

It is equally hard for them to understand why, after climbing to $16.4 billion in 1966, farm net income was down 10 percent last year.

The price-depressing surpluses of feed grains and wheat are gone. Commodity Credit Corporation commodity loans and inventories were reduced from $7 billion on June 30, 1961, to $3.4 billion on June 30, 1967.

Current estimates indicate that domestic use of feed grains in the 1967–68 marketing year will be up about 4 percent and exports up about 10 percent.

At the same time we expect a carryover next October 1 of 42 million tons of feed grain, 5 million more than last October, but far below the 1961–65 average of 69.1 million tons.

This year, we believe that farmers—with the leadership of Secretary of Agriculture Orville Freeman, and help from the Congress—will work together to adjust their 1968 production downward and to strengthen their bargaining position in the marketplace.

Earlier this month, on February 8, more than 400 farmers meeting in Kansas City at the invitation of Fred Hein-

kel, president of the Mid-Continent Farmers Association, reaffirmed their interest in—and unanimous support for—greater use of the 1968 voluntary feed grains, wheat, and cotton programs as the best means of influence on both supplies and prices in the coming marketing year.

Representing nearly every major farm organization from New York to California, and Minnesota to Texas, those farm leaders deserve our approval and support for their efforts to gain a fair share of the Nation's prosperity for America's family farms.

I ask unanimous consent, therefore, to have printed at this point in the RECORD the report of the resolutions committee which was unanimously approved by all of those who attended the farm leaders conference in Kansas City on February 8.

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

REPORT OF THE RESOLUTIONS COMMITTEE, FARM LEADERS CONFERENCE, KANSAS CITY, MO., FEBRUARY 8, 1968

Recognizing that the raising of the prices of farm products and the improvement of farm income are essential if we are to create a stable farm and national economy, and realizing that the purpose of this conference is to support whereby these goals can be attained, we do hereby resolve as follows:

1. It is our strong position that adequate prices of farm products cannot be obtained without reasonable management of the supplies of farm commodities, and we urge support of and participation by all farmers in the year 1968 in the wheat feed grains, cotton, rice and tobacco programs.

2. To safeguard the national interest and to provide for the availability of adequate supplies of food and fiber in the event of a national emergency, we urge the passage of an Act providing for a strategic reserve of agricultural commodities, utilizing the principles of extended loans, purchased stocks by Commodity Credit Corporation and farmer-contracted storage, and released only at 100% of parity less certificates and payments, but available to consumers in the event of a national emergency.

3. We support the extension of the Agricultural Act of 1965, by this session of the United States Congress, for not less than four years.

4. The continuation of the principle of non-recourse loans is vital to the success of farm programs and we will most strongly resist any and all efforts to change this concept.

5. We question the stand of any organization or individual in their effort to abolish all farm programs and suggest that their stated positions are not representative of the views of working farmers in America.

6. We urge the ratification by the United States Senate of the Trade Expansion Act including particularly the International Grains Arrangement.

7. We urge that for farm commodities used in international aid programs, farmers should receive therefor not less than 100% of parity prices adjusted by the amount of any certificates and payments.

8. Recognizing that the preservation of the family farm is essential to our American way of life, we point out that it is necessary that large, moneyed business corporations be restricted in their use of losses from farming operations to offset gains from other operations, and we urge the Congress and the Internal Revenue Service to institute an immediate study of the adverse effect of these practices upon the operations of bona fide farmers, and we likewise urge strict enforcement of the tax laws relating to "hobby" farming.

9. To supplement existing farm programs, we urge the adoption of legislation to insure the right of farmers to organize and bargain collectively.

Adopted unanimously this 8th day of February, 1968.

FRED LUDWIG,
Chairman.

Mr. SYMINGTON. Mr. President, we of Missouri were proud that this farm leaders conference was held in Kansas City. We are also proud of the high caliber of agricultural statesmanship furnished over the years by Mr. Fred Heinkel, of Columbia, Mo., who called the conference.

Mr. Heinkel is not satisfied with the progress made in this decade. No conscientious farm leader and no representative of farm people could be, but Fred Heinkel deserves much of the credit for the gains made and we were pleased to see the credit given him at the conference by Secretary of Agriculture Orville Freeman. I ask unanimous consent that the Secretary's remarks be printed at this point in the RECORD.

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

AGRICULTURE: 1968 AND BEYOND

The subject Fred Heinkel assigned me for this morning is "Agriculture—1968 and Beyond," which has to do with the future. But before I begin, I hope you'll forgive me a short reference to the past.

As all of you know, Fred Heinkel had a lot to do himself with our farm programs in general and feed grains in particular. So coming here for this purpose brings back many memories.

Six days after I was sworn in as President Kennedy's Secretary of Agriculture in 1961, I invited Fred to Washington as chairman of a special task force to explore solutions for the dire emergency in feed grains.

"Dire emergency" was one of the kinder phrases the papers used to describe the situation we faced in feed grains. Our biggest worry, back then, was what to do with half a billion bushels of grain that might rot on the ground because there was no place to store it. This was no idle fear. If 1960 production levels had continued, it was as certain as anything can be that grain surpluses would soon overflow all the elevators and bins we had.

Already in storage were 2 billion bushels of corn, enough grain sorghum to last a year and a half, plus a two-year supply of wheat.

All the signs were bright red with danger signals. Feed grain prices were dropping each year; the standing room only signs were hung out on grain bins all over the Nation, and more was on the way.

Unless we could find some answers, feed grain stocks would mount another 300 or 400 million bushels within the year, with disastrous results to farmers, the livestock industry, and rural America in general.

That was the situation in 1961 when Fred Heinkel, his fellow committee members, myself, the Congress, and some of you here in the room began to look for answers.

Most people, including the chairman of the committees in both Houses of Congress, said it was impossible to pass legislation in time for the 1961 crop. But we did it.

We came up with the Emergency Feed Grain Act in 1961, a voluntary program providing acreage reduction and price supports for corn and sorghum to those who complied.

It was the first major piece of legislation President Kennedy signed. I will never forget that day. On a rainy March 22, a Wednesday, Speaker of the House Sam Rayburn, "Mr. Sam," signed for his Chamber. The legislation was rushed over to Vice President Johnson's office, where he signed, and then to the White House where President Kennedy waited to sign it into law, short-cutting normal procedures by at least two days.

Less than an hour later, Ed Jaenke and I were on our way to Omaha to attend a meeting like this one, and a few days later, farmers were signing up all over the country.

I think you will all agree that Fred Heinkel and his colleagues did their work well. A similar program, with some modification and improvement, is the basis for our farm programs today.

And they're good programs—not perfect, but the best that we've ever had. We have direct payments now, and we have a system to move our farm products, in big amounts, for dollar sales overseas. We've gotten rid of the surpluses and we've raised farm income under these programs.

In 1966 we had the second highest net income in history. We slumped in 1967, as you all know, and now we're taking action to regain our momentum again. But the basic machinery is sound, and we can make it work even better.

A lot of time has passed since we began to shape these programs, and, as Shaw said, "We are made wise not by the recollections of our past, but by the responsibilities of our future." The responsibilities we face as farm leaders in this year of 1968 are both formidable and sobering.

A great many things are going to be decided this year, perhaps irrevocably. For instance—

1. Farmers, by the extent of their sign up in the wheat, cotton and feed grain programs, will give the Congress an indication of how they feel about the present farm programs, and thereby have a very real influence on extension or termination of these programs.

2. In feed grains especially, the extent of signup will sharply influence supplies and prices of feed grains in the coming marketing year, and subsequently the condition of the livestock industry.

3. Third, farmers and their organizations, by their support, opposition or neutrality, will have an important impact on the fate of various proposals for strategic reserves of grain and soybeans now before the Congress.

4. And finally, what amounts to a national referendum on farm programs will be held just 272 days from now. On that day, November 5, 1968, American voters will elect the President and the Congress that will either expand or kill the Food and Agriculture Act of 1965, if this Act is not extended by the present Congress.

Let's look at these decisions one at a time:

First, the signup:

The objective of the 1968 feed grain program is to strengthen prices and income by reducing total supplies. A big 1967 crop changed the previous supply and demand balance. We now have a 2 to 3 percent overproduction.

The 1968 program is designed to reverse this with an underproduction of 2 to 3 percent, which means diverting roughly 30 million acres out of production—about 10 million more than in 1967.

If 30 million acres are diverted, this should help remove the threat of future overproduction of livestock. But at the same time, production will be adequate to maintain exports and keep reserves at an adequate—but not excessive—level.

(As in 1967, all farms taking part in the program may divert as little as 20 percent of their total feed grain base and qualify for price supports and loans.)

But the program will succeed in these goals only if we get high participation from farmers. In 1967 we saw how a small excess of

feed grain production resulted in a substantial drop in the price of corn. Moreover, we are now seeing the results of weak program participation in some of the Midwestern states.

Even though a large volume of corn has been going under loan in the western part of the corn belt, its effect has been offset—to a considerable extent anyway—by grain that was not eligible for price support in the eastern corn belt, grain marketed without benefit of the loan program.

And so it is quite true that farmers have, in their own hands, the tools to boost corn prices in the coming year. One way to do this is with a good signup in the 1968 feed grain program, but that's not all we can do.

The Department acted last year to extend reseal to all grain, to expand it to commercial storage and to provide storage facilities around the Nation where they're in short supply. This is bargaining power, if farmers will continue to take advantage of it, together with the loan program.

In my opinion, the market over-reacted both to the shortage rumors of late 1966 and the present situation, when supplies are adequate, but not burdensome. What we're witnessing now is a waiting game played on a nationwide chessboard, between the trade and farmers. With a good signup, with passage of the strategic reserve legislation I'll discuss in a minute, and if farmers take advantage of all the tools at their command to hold grain until prices strengthen, I believe we can look for better feed grain prices later in the year.

Similarly in livestock: If farmers cut back livestock production modestly, prices should rally in 1968. But if they yield to the temptation of feeding cheap corn in great amounts, broiler, turkey, hog, and cattle prices will suffer.

In cotton, our problem is the reverse of grains and livestock. The reduction in stocks which took place as the result of the program, and also bad weather, makes it possible and desirable to *increase* production in 1968. The program is designed with this in mind.

We recognize that sharp declines in cotton production in 1966 and 1967 have created serious problems for ginners, warehousemen, cottonseed crushers and suppliers.

Increased production of cotton in 1968 should help this segment of the industry recover from the adjustments they made during the first two years of the program.

We want to produce adequate stocks of high-quality cotton in 1968; a volume corresponding roughly to the expected offtake.

We believe this can be done under the 1968 program.

The second point I'd like to discuss in detail is strategic reserves.

This isn't a new idea; the basic principle extends clear back to the ever-normal granary concept of the thirties. Its enactment is essential at this time.

In our present situation, farmers are bearing too much of the cost of building reserves back to a safe level, and this needs correcting.

Under present law, CCC has to dispose of its stocks as rapidly as possible, consistent with orderly marketing and the operation of the price support system. This obviously isn't compatible with the clear need, in today's uncertain world, of a reserve of key commodities.

Pending legislation, which this Administration supports and for which it has testified, would correct this.

What we're shooting for is a reserve in the hands of both farmers and government. In the farmer-held portion, which would be accomplished by modifications in the reseal program, our target is 200 million bushels of wheat, 15 million tons of feed grains, and 30 million bushels of soybeans at the end of a marketing year.

In the CCC portion, the target is 200 million bushels of wheat, 15 million tons of feed grains and 30 million bushels of soybeans. CCC stocks are now below this in all three commodities. If we had had the authority to build to this level last year, we could have provided some further support to prices.

I know you're interested in provisions to safeguard the reentry of reserves into the market. Let me quote the Under Secretary's Senate testimony of two weeks ago on this in detail, because a lot of mis-information, some of it deliberate, had been disseminated on this whole question:

"Establishment of reserve stocks in farmer and CCC ownership represents only one key element in the reserve. *Of equal importance are the terms under which the reserve could be used.*

"First, it should be clearly understood that in a grave national emergency, special powers of the President would take precedence over other provisions of law. The government-owned reserve could be used in that case as directed by the President, notwithstanding other statutes.

"S. 2743 (the bill on which he testified) would set the minimum sale price for Government-owned stocks of wheat at 100 percent of parity (less the current cost of the marketing certificate to processors) when total stocks at the end of the marketing year were expected to be 350 million bushels or less. This higher resale price would be the chief means of safeguarding the wheat in the Government-owned security reserve. I recommend that the level be raised to 400 million bushels at which this minimum sales price takes effect.

"For feed grains, the level would be raised from 25 to 30 million tons at which the minimum sale price of 100 percent of parity less the value of the effective price support takes effect. For soybeans, the level at which the minimum sale price of 100 percent of parity takes effect would be raised from 35 to 60 million bushels.

"Increasing these levels as indicated will place a larger quantity of grain under the protection of a relatively high resale price. It would reassure consumers that adequate stocks would be available in case of an emergency, *while guaranteeing farmers that the security reserve could not be used to hold down farm prices.*" End quote.

Here, as in so many previous battles over farm programs, a strategic reserve is supported by every general farm organization save one. It's the old game of odd-man-out.

We lost this fight in the last session when the Purcell bill failed of passage—and along with it we lost an estimated $300 to $400 million in extra income that strengthened prices would have brought to farmers. We dare not lose it again this time.

Which brings me to my final point, the "national referendum" on farm programs next November 5.

Without these farm programs we face the *one-third drop in net farm income* predicted by independent surveys of the Land Grant Colleges, Presidential Commissions and the Congress.

This wouldn't by any short-time shakeout, "separating the men from the boys," as some would have us believe. The *capacity* for overproduction in the grains is a long-term phenomenon.

I'm sure you're familiar with the study done by the Center for Agricultural and Economic Development at Iowa State University for the Food and Fiber Commission. But let's refresh our memories. This report says that even by 1980, in the absence of programs, wheat would sell for $1.27 a bushel, *with no offsetting certificates*, corn at 75 cents a bushel *with no diversion payments*; soybeans at $1.23 a bushel.

Gentlemen, there are more than 20 bills before the Congress today that would abolish all or parts of our wheat and feed grain programs. What would the end of his program mean, for example, to a farmer with a 100-acre corn base, with an 80-bushel yield.

At even 85 cents a bushel, 10 cents higher than the price predicted in the study I just mentioned, a farmer's return on that hundred acres would be $6,800 in the absence of supply-management program.

Under the present program, even in the low-price year of 1967, the average return was $1.26 a bushel on the entire production, a figure arrived at as follows: The average price was $1.07 a bushel, plus price support payments of 19 cents. Diverting 20 percent of his 100-acre base, the operator had a 1967 gross return of $8,048. He also saved about $650 in production costs on the 20 acres diverted to conserving uses.

Per bushel, the difference is 41 cents—in your billfold or out of it—take your choice.

The Food and Agriculture Act won't stay on the books if we don't fight for it. In 1965 it passed the House by only 49 votes. Today, 53 of the "yea" votes are no longer in the Congress.

Of 435 Representatives in the 90th Congress, *only 47 represent districts having 20 percent or more farm population.* Fewer than one House district in three has as much as 10 percent farm population.

What this means, is that without strong Presidential leadership, no meaningful commodity legislation can be expected to pass the Congress in the years ahead. *It just isn't in the cards.* In short, the Presidential election this year is more important to farmers than ever before in our history.

I know that you believe in farm programs. We both know they can be improved, and by working together we *can* improve them. We have a four year bill for the first time in history. We now have before the Congress the kind of strategic reserve bill we've all wanted, and fought for, over the years.

You have a right and an obligation to find out where the candidates for President and other offices stand on farm programs. Start with the feed grain program now on the books. Find out if it has the candidate's unequivocal support and, if not, how he would improve it.

Let me make one more request. When you return home, please join with the Department and your fellow farmers all over the Nation to assure a sign-up that will make the 1968 feed grain program the most successful of the eight we have launched at this historic series of meetings.

You owe it to yourself and your Nation.

Thank you. I'll now try to answer any questions you have.

THE 50TH ANNIVERSARY OF ESTONIAN INDEPENDENCE

Mr. PROXMIRE. Mr. President, it is a privilege for me to join Senators in recognizing the 50th anniversary of Estonia's proclamation of independence. This small but proud nation has established a homogenous culture in spite of foreign occupation for some 700 years. Indeed, the Estonians suffered over 250 years of Russian occupation prior to their achievement of independence on February 24, 1918.

Their freedom did not come easily. A 14-month war of independence was necessary to drive both the Germans and Russians off their soil. With the establishment of independence, Estonia prospered as never before with outstanding industrial and agricultural expansion, and a tremendous development of national skills and talents.

Unfortunately, this period of inde-

pendence lasted for only two decades. Estonia was again caught up in the vortex of history, for with the onslaught of World War II, Estonia was occupied by the Soviet Union. This was followed by German occupation from 1941 to 1944, and then again by Soviet occupation, which has lasted to this day.

Because Estonia is not independent on the 50th anniversary of her proclamation of independence, we cannot consider this to be a day for rejoicing. It is instead, a day of hope—a day in which we take cognizance of and salute an extremely proud, self-reliant people who have maintained a national identity in the face of the most terrible oppression. This then is the significance of February 24—the honoring of a people who maintain a constant, categorical, inner resistance to absorption by an alien culture. Attempts at Russification, attempts at deportation and decimation have been and continue to be of no avail—for the Estonian culture and faith in eventual freedom and independence lives on.

I join Senators in greeting Estonians the world over. May I say that their culture is highly respected by us; indeed through Estonian immigration to the United States we have benefited directly and richly. May I also say that their faith in eventual freedom is shared by us. Eventual freedom and independence will come to this valiant people, and at that time the anniversary of Estonia's proclamation of independence will truly be a day of happiness.

DETERMINATION OF MOUNTAIN WEST TO PREVENT URBAN DECAY

Mr. McGEE. Mr. President, my State does not boast enormous metropolitan areas. The cities in my State have been fortunate in not having experienced the violence and agony and confusion we have witnessed in Watts, Newark, and Detroit. But the people of my State are no less interested than those of the more populous States in President Johnson's recommendations on the cities.

All Americans, in 1968, know that our cities face almost overwhelming problems. Urban areas have grown so rapidly that our ability to insure that cities are livable has barely kept pace. In some cases, it has not kept pace. Overcrowded living conditions, school systems strained to the bursting point, persistent unemployment, poverty—these are the great problems that afflict our cities today. And these are the problems to which President Johnson has given his attention in the message now before the Congress.

Mr. President, those of us from the Mountain West are also determined to prevent urban decay. We know that our cities, as well as our timberland and scenic areas, are a precious national resource. We will have achieved very little in America if our cities become increasingly places of intolerable discomfort, poverty, and hopelessness. I commend President Johnson for the comprehensive package he has given us to consider. I urge the Senate to match his interest and concern with prompt action on his proposals.

INVITATION TO DISASTER

Mr. HANSEN. Mr. President, I think it is becoming quite obvious that the President's unfortunate statement of February 12 that summer riots are inevitable has given many thoughtful people, of all political persuasions, great alarm. For the statement was nothing less than an excuse in advance for failure to enforce the law and an invitation to more violence.

Prof. Daniel Moynihan made this point last week, and I placed a report of his remarks in the RECORD for Senators to read. I also felt compelled to speak out, asking that the President and all in executive authority make it clear that violence will not be tolerated.

Mr. President, the Wyoming State Tribune has put the case quite precisely in an editorial published February 20. The Tribune concludes:

> What both President Johnson and his attorney general should have said, but markedly did not, was: The laws will be enforced, in the streets, in the cities, in the countryside, in this nation. People who may consider breaches of the peace or of the laws of any kind can expect sure and swift retribution. Massive disorders will be put down to the fullest resources of power and the law available to the government. Riot at your risk!

This point is vital to any progress we make toward a just and better society. I hope all thoughtful men will emphasize the necessity of maintaining peace and order if we are to fulfill the promises of America.

Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD.

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

[From the Wyoming State Tribune, Feb. 20, 1968]

INVITATION TO DISASTER

A week ago yesterday, President Johnson in an informal talk to a group of college students in Washington said more urban riots this summer are inevitable. He said the best would be done with the resources available—apparently meaning federal money—but even at that, another bad summer could not be averted.

If the Administration can just get more money out of Congress, Mr. Johnson suggested, for education, health, model cities and antipoverty programs, perhaps things won't turn out so bad.

"If we can get these we will make a dent in some of the causes of unrest, and give hope to people to the point that they would be inspired and stimulated to hold on rather than throw up their hands and say there is no hope," Johnson said.

As for the months ahead, the President said: "We can't avert it. We will have a bad summer. We will have several bad summers before the deficiencies of centuries are erased."

In the same negative tone of hopelessness, Attorney General Ramsey Clark said Sunday that the Administration does not plan a "get tough" policy with riots. "We can cause riots by fear itself, by over-concern," said the nation's No. 1 law enforcement official.

But we also can cause riots by saying to troublemakers, dissidents, and those who believe in taking the law into their own hands, that their actions are viewed by the highest authorities in this nation as inevitable, and that nothing will be done about it.

That in essence is what both President Johnson and Attorney General Ramsey Clark have told the urban disturbers of the peace; they can now be expected to proceed as indicated.

The remarks of both of these officials—the chief magistrate of this country and one of his ranking subordinates—are nothing more nor less than an open invitation to civil disorder.

What both President Johnson and his attorney general should have said, but markedly did not, was: The laws will be enforced, in the streets, in the cities, in the countryside, in this nation. People who may consider breaches of the peace or of the laws of any kind can expect sure and swift retribution. Massive disorders will be put down to the fullest resources of power and the law available to the government. Riot at your risk!

PRESIDENT JOHNSON APPOINTS DISTINGUISHED AMERICANS TO COMMISSION FOR THE OBSERVANCE OF HUMAN RIGHTS YEAR

Mr. PROXMIRE. Mr. President, the Senate's inaction toward the ratification of the Human Rights Conventions on Forced Labor, Freedom of Association, Genocide, and Political Rights of Women continues.

However, President Johnson has once again gone on record in support of U.S. ratification of the human rights treaties. Last October the President urged ratification. Just last month in appointing the members of the President's Commission for the Observance of Human Rights Year he again emphasized his continuing support of the principles embodied in these Conventions and for this country's ratification of them.

The year 1968 is Human Rights Year. There could be no more fitting observance of this Human Rights Year than the Senate's ratification of these treaties. The Senate is the only roadblock. President Johnson supports ratification. Ambassador Goldberg has testified in favor of ratification. The State Department is on record in favor of ratification.

Now the President has appointed a distinguished group of Americans to serve on his Commission for Observance of Human Rights Year. These are the names of the Commission members:

Bruno V. Bitker, of Wisconsin.

Tom C. Clark, of Texas.

Anna Roosevelt Halsted, of Michigan, Vice Chairman.

Elinor L. Gordon, of New York.

W. Averell Harriman, of New York, Chairman.

J. Willis Hurst, of Georgia.

George Meany, of Maryland.

Robert B. Meyner, of New Jersey.

A. Philip Randolph, of New York.

HOMEOWNERSHIP

Mr. McINTYRE. Mr. President, I wish to express my complete agreement with the priority that President Johnson has placed on increasing the supply of low- and moderate-income housing. A Nation as wealthy and prosperous as the United States cannot continue to allow 6 million families to live in substandard and dilapidated housing.

We must not only increase the supply of decent housing, but we must also ex-

tend the opportunities of home ownership for low- and moderate-income families. In one of our most successful national efforts we have made it possible for millions of middle-income families to buy their own homes through VA and FHA insurance.

Now is the time to extend these benefits to families of lower incomes. For these people owning a home signifies not only a decent place to live with enough space to accommodate their families, but it can mean a new sense of dignity and independence. In a society where we are searching for ways to bring a fairly large group of alienated people back into the mainstream of American life, homeownership offers one answer.

Support for this idea of homeownership is already apparent. I would point out, for example, that 59 of the 63 cities selected for the model cities program proposed some type of homeownership plan for the low-income people living in their target areas. Those at the local level recognize the value of homeownership; the President's message responds to these expressed needs.

President Johnson has suggested proposals that would allow thousands to attain the American tradition of owning their own homes.

I hope Senators will join me in giving these proposals our immediate attention.

THE METRIC SYSTEM OF WEIGHTS AND MEASURES

Mr. PELL. Mr. President, every year the metric system of weights and measures spreads to new users in other parts of the world. Now that Great Britain has decided to make mandatory the use of the metric system by its citizenry, only the United States remains among great nations committed to the antiquated, complicated system we inherited from the British in the 18th century.

Whether to switch has become an increasingly contested question. Advocates suggest that a changeover to metric would increase efficiency in many walks of American life and would improve our export sales picture among nations already on the metric system. Critics of this idea complain that the changeover might cost billions and, in fact, would be so expensive that any advantages would be outweighed. The fact of the matter is that we simply do not know what the specific answers are. For several years I have been pressing for a metric study bill which would inquire into the feasibility of making a change. Only when such a study is undertaken, can this country know whether a change will make sense or not.

In the last Congress the metric study bill I introduce was passed by the Senate and the House Committee on Science and Astronautics, under the skillful guidance of its chairman, Congressman MILLER of California. In this Congress the able Senator GRIFFIN of Michigan has also introduced a bill to provide a feasibility study which is currently under consideration before the Senate Commerce Committee. In the House, Chairman MILLER has again guided a similar bill through the Science and Astronautics Committee, but to date this bill has not been accorded a rule.

It seems clear to me that this country should take the necessary steps in order to be able to make an intelligent decision on this question. Strong public statements by all interested and knowledgeable on this subject will doubtless help to bring the Congress to eventual legislative action. The Metric Association held a meeting last December to provide a forum for such pronouncements.

Mr. President, I think that the address by Assistant Secretary of Commerce for Science and Technology, John F. Kincaid, could be a bellweather expression which can lead us to move ahead. I ask unanimous consent that his excellent and eloquent address entitled "International Standards and the Metric System: A Time for Decision" be included in the RECORD.

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

INTERNATIONAL STANDARDS AND THE METRIC SYSTEM: A TIME FOR DECISION

(Address by Assistant Secretary of Commerce for Science and Technology John F. Kincaid, prepared for delivery to the American Association for the Advancement of Science, Americana Hotel, New York, N.Y., December 30, 1967)

"We used to talk of the world market in terms of billions of dollars—and more recently hundreds of billions. Now the economists tell us those measures no longer suffice.

"The size of the economy outside the United States today exceeds $1 trillion.

"American Business has only begun to fight for this market." (Lyndon B. Johnson, December 6, 1967.)

Wherever we look today we are confronted by problems which test our courage as well as our judgment; and by challenges and opportunities which test our imagination. On the one hand, for example, we are confronted by the problem of our balance of payments in the world economic community; on the other, we are challenged by a future world market of almost astronomical proportions.

To ease our balance of payments problems should we draw back from our political, military and humanitarian commitments abroad? The consensus is that the answer is "No." Our economic strength is so great—as measured by a GNP of $785 billion; and our productivity is so high—double that of the countries of North Western Europe and triple that of Italy—that our commitments are well within the limits of our strength.

To offset these foreign commitments, should we resort to protectionist tactics in the effort to increase our profit on world trade? The consensus is that the advantages would be illusory or short lived. We are committed to encouraging free trade, and it is to our benefit to do so. We are good traders, and we have made our place in the world market. From 1956 through 1966, we accumulated a favorable foreign trade balance of over $72 billion.

But this is no time to sit back and count our wealth. Our commitments abroad are increasing, rather than decreasing; the balance of payments problem is a critical one; and competition for the foreign trade dollar is certain to grow fiercer in the decade ahead. Consequently, as good managers, we must make the most of our advantages, and remove or reduce the factors which affect us adversely. That is why the spotlight today is on a factor which has been too long ignored as a major economic determinant: *international standards.*

INTERNATIONAL STANDARDS

In this great economic system of ours, based on the concept of free enterprise, most businessmen have a firm conviction that they can meet their competition in world markets without special favors, and more than hold their own confident of the quality of their products and services, and of the efficiency of their enterprises, they consider it to their advantage to operate under strict standards which enable a customer to know precisely what he is buying. Furthermore, as purchasers, they want the protection of those same strict standards covering the products and services they buy from producers overseas. Therefore, the average businessman interested in world trade is a firm believer in sound international standards.

International standards protect the businessman in a variety of ways, and that is why the Department of Commerce is increasing its emphasis on U.S. participation in international standardization. We are supporting a bill now before the Congress which would give the Secretary of Commerce the responsibility and the funds to support the American effort in international standards development. We consider this work to be extremely important to the long-range economic health of this country.

Standards are the language of production. They describe ways of making things, using things, or doing things.

Standards prevent undue complexity and confusion. For example, water pipes could be made in an infinite variety of sizes, but the result would be chaos in the pipe market. So by formal agreement only a certain number of nicely-spaced sizes of pipe are made. The manufacturer, the seller, and the buyer all benefit from this simplification.

Standards establish acceptable limits of performace over a wide range of variables such as purity, hardness, strength, power, speed, brightness, and flame resistance. They enable the purchaser to know if the product he is considering would be suitable for the end use he has in mind. Standards also help the producer understand the needs of the market, and make sure that his product meets those needs.

Standards help both producer and buyer to determine whether or not a product will be compatible with other products and systems he uses; for example, whether an electrical appliance will operate on the voltage available.

Thus standards act as a two-way communication channel between buyer and seller. Where there is no agreement on standards, commerce is seriously impeded, if not halted altogether. When international standards are incompatible, the lack of agreement can act as a formidable non-tariff barrier to trade. American television sets are excluded from many foreign markets, for example, because their national standards call for a total number of scanning lines on the screen which is somewhat different from ours. Similarly, U.S. refrigerators are excluded from 13 countries because their standards call for 220 volt, 50 cycle electric motors, instead of 115 volt, 60 cycle motors as required in the United States.

The list of these impediments to trade goes on and on; but the important fact is that *these situations need not have arisen, and many of them can be corrected.*

Before World War II, Germany adopted a standard for motion picture film and equipment which placed the sound strip on the opposite side of the film from that specified for the American standard. U.S. participation in the formulation of the international standard won the day for the American version. Subsequently, the Germans modified their national standard to conform to the international one.

A similar situation arose when the Swiss adopted a national standard for automobile

headlights which effectively excluded American sealed beams. Our representation in the International Standards Organization (ISO) prevented the Swiss standard from being adopted internationally—a step in the right direction.

Our economic strength today gives us great influence in international standards deliberations; but, unfortunately, we do not use it consistently or well. We do not have representation on 40 of the ISO's 114 technical committees, and we hold only 10 secretariats. By contrast, the Common Market holds 46 secretariats, 20 of which are held by France alone. We have been particularly backward in ISO technical committee activity on building construction, concrete, mining, fire tests, textile machinery, and rivets.

This lack of initiative and participation in world standards development must be corrected. If we do not share in this activity, or if we devote too little effort to it, we are bound to pay the price in lost markets. On the other hand, active and effective participation will assure more favorable treatment for American products everywhere.

Our participation will serve an altruistic purpose as well. As the world's most sophisticated industrial nation, we have a vast reservoir of well-established, technically sound, and well-tested standards. This reservoir can be extremely valuable to the world. Emerging nations need standards for their own use, and frequently adopt standards which have been developed and found satisfactory by another country.

But even here we will be serving our own long-range commercial interest. The standards adopted by an emerging nation will shape the nature of its industry and the pattern of its trade for years to come. Our chances for closer trade with such countries in the future will be greater if our standards are compatible.

The legislation now before the Congress proposes that the Secretary of Commerce take the lead, with the support and cooperation of other interested private and government agencies, in seeing to it that the United States is adequately represented in the international standards making process at every level. Funds would be made available to support the activities of private standardization groups through grants and contracts.

The legislation also would provide for the establishment of a standard information reference center to collect information on standards and make it available to all interested parties. In view of the rising volume of new information in the fields of science and technology, this facility would contribute importantly to the solution of the problem of standards development. Standards are worthless unless they are made available to the producer, seller or purchaser at the time they are needed. The reference centers would serve this function.

The United States is unique in its approach to standards making, both domestically and internationally. Nowhere else is the process so overwhelmingly voluntary. Other countries make this function mostly or completely a responsibility of the government.

The Department of Commerce recognizes the fact that the voluntary factor in our standards making process is the main source of its vitality and strength—and we intend to protect it. But like most other private activities in a complex economy such as ours, the standards making procedure can—and in some instances must—use the Federal Government's aid in getting the job done. Where the national interest and welfare are involved, it is proper that this support and cooperation be provided, *within the context of a primarily voluntary system*. The proposed legislation would establish an appropriate mechanism for placing the government at the service of the private sector in this area of work so vital to the national interest.

INTERNATIONAL SYSTEM OF MEASUREMENT

Strongly related to the need for international standards is the growing pressure on the United States to make fuller use of the metric system as a truly international system of *measurement*. The metric system has been legal in this country since 1866. The question now is, how far should we go in the practical adoption of that system for industry and commerce.

The Department of Commerce feels strongly that the first action should be a definitive study of the problem. Debate over the adoption of the metric system has mounted in volume over the past century and a half, but we still have no hard estimates of the cost of conversion, or the magnitude of the problems and benefits such a changeover would bring. We favor this depth study because we feel that consideration of our future course must be removed from the shaky footing of educated guesses and placed on a foundation of solid information.

We favor a study which will concentrate on the feasibility, costs, problems and benefits of converting to the language of the metric system, and the alternative thereto. The study should also help identify how we can best retain and promote world wide use of U.S. stock sizes and shapes in a predominantly metric environment.

We feel it is timely to explore the pros and cons of converting to the metric system not only because of its inherent advantages, which I will discuss in a moment, but also because approximately 90 percent of the earth's population is now committed to its use. Within the past 10 years, France and Venezuela made the metric system mandatory in their countries. India and Japan have begun full conversion to the metric system. And now the United Kingdom has initiated the conversion process, with the Commonwealth countries virtually certain to be next in line. This leaves us virtually isolated in our adherence to a non-metric system of measurement.

Can we exist and prosper under such circumstances, or will our language of inches and pounds be a serious handicap in a world trade community committed to millimeters and grams? Should we convert? If so, by what plan and by what timetable?

These are questions the study should seek to answer, as factually and realistically as possible. For if the logical move is to convert to metric language, we need to have a hard estimate of problems, costs and benefits; a realistic time table; and sound guidance in planning the conversion process itself. Similarly, if we do not convert, we need a sober evaluation of the effects of our isolation, and guidance in planning our moves to offset it.

The second question area the study should cover is this: Can we retain and promote world-wide use of our customary product sizes and shapes, with the hope that they will eventually become the base for a single set of international stock sizes?

There seems to be some evidence that this is not a vain dream. In industries where U.S. technology has dominated, as in automobile tires, oil drilling, and fasteners, metric countries have already moved far toward adopting U.S. sizes. Particularly significant has been the trend in screw fasteners, where the A B C screw thread system is generally acknowledged to be the most sophisticated ever developed. The use of this system for high precision fasteners, such as those employed in the aircraft industry, is accepted throughout the world, and its specifications are now being incorporated in ISO standards.

Is it a practical expectation that U.S. sizes will eventually be dominant? Would conversion to metric *language* help to promote U.S. standards and sizes?

On the other hand, would it be to our advantage to go all the way and convert to metric sizes as well as metric language? Or would the magnitude of the problems and the costs involved be too great? All these are questions the study should answer.

Some facts favoring conversion to metric *language* are already clear. One advantage is the logical and simple relationship among metric units. This permits scientific and engineering calculations to be made much more readily and with less chance of error than in a system where conversion factors must be employed. The advantage lies not only in the decimalization of the metric system—any system can be decimalized, at least in part; it lies in the fact that the metric system is based upon the recognition of certain physical laws, and the compatible relationship of the measurement units to those laws. For example, in the metric system the unit of power is the watt, no matter whether the power is mechanical, thermal, electric, or nuclear. In U.S. customary usage, there are several different units of power.

The metric system is decimal through and through, not merely in parts. That is, multiples and submultiples of a unit are related to the unit by power of ten. For this reason, calculations in the metric system can be made more rapidly and the chances for error are reduced.

This simplicity makes the metric system easy to learn. Educators have estimated a saving of about 25 percent in learning time for arithmetic because practice in the multiplication and addition of fractions might no longer be required. Also, think of the number of conversion factors a student must learn under our system; for example, acres to square miles, and feet to rods.

Our existing system is already partly metric. All electrical quantities, and the industries which derive from them, are in metric units. The pharmaceutical industry, much of the optical industry, and the medical as well as the scientific professions all work in terms of metric units.

This mixture of systems leads to much unwanted confusion. Thus scientific textbooks use metric units; engineering textbooks are based on customary units—yet engineers and scientists are supposed to be moving toward greater cooperation. It would be advantageous to remove this confusion.

On the negative side, although we do not have hard figures, conversion to metric language would be troublesome, and would involve considerable initial cost. First would be the software, such as real estate deeds, contracts, blueprints and textbooks. Second would be hardware, including dials, scales, measuring instruments and the like. Taking machine tools as an example, many machines could be converted to metric readings fairly simply. One recent invention permits a simple conversion of an inch-based lead screw for a lathe or related device to metric measure at comparatively low cost. For some machines, however, the cost would be high, and a few might have to be scrapped and replaced. Since our present investment in machine tools is in the order of $30 billion, precise answers are obviously necessary before we even seriously contemplate conversion.

If we choose to shift to metric *sizes*, the magnitude of the problem would become much greater. Much of our production equipment would have to be scrapped or heavily re-modelled. Dual stocks of parts and tools would have to be maintained until machines and products built to customary measurements were retired.

It is necessary to maintain an open mind about the outcome of the proposed study, but to the extent that experience bears upon the answer it would seem desirable to maintain many of our standards and stock sizes, and make an all-out effort to promote their wider use throughout the world. Similarly, experience and commonsense just as clearly indicate that it would be futile to expect the metric nations to change their historic

course, scrap the metric language, and come flocking back to our customary language of measurement.

But in making decisions of this seriousness and magnitude we cannot trust experience and commonsense. We need *facts*, and that is why the Department of Commerce is coming out so strongly for legislation permitting, for the first time, a study of the depth and breadth needed for definitive answers to these pressing questions.

It is important to understand, too, that—once the study is made—our choice may not prove to be the simple one of converting or not converting to the metric system of measurement, or promoting or not promoting our stock sizes and shapes along with our standards abroad. The study may reveal a number of alternatives ranging from no action at all to total conversion to metric units and to metric stock sizes. For example, we might move in the metric direction by means of voluntary adoption of metric language industry by industry; we might be urged to adopt regulated partial adoption, segment by segment, over an extended period of time; or some entirely different strategy may suggest itself once we have a clear picture of problems, costs and benefits.

One greatly encouraging factor is the increasing interest of industry in the overall problem of what our future course should be. Two decades ago I think it would be fair to say that the consensus of industry and of the trade associations was strongly against any move toward conversion. Today, I sense a strong shift of attitude. In 1966, H. L. Misch, Vice President for Engineering at Ford Motor Company, in a memorandum to Vice Presidents and Division General Managers said in part:

"The benefits of a single measuring system in a world-wide, interdependent economy are so great that we believe that the conversion to the metric system is inevitable. Although there may be short term costs and confusion during such a far reaching change, the long term gains appear to be overwhelming for any country that expects to be an active participant in world commerce and trade. The basically simple structure of the metric system also carries with it many substantial benefits, even for an isolated user.

"The magnitude of the conversion task in the automobile industry is such that any attempt at conversion on a crash basis would be chaotic, both physically and financially. On the other hand, a well-planned conversion can minimize both the cost and confusion, and permit the benefits of the system to be realized at the earliest possible date."

N. I. Hall, Vice President for Product Effectiveness at Hughes Aircraft, said recently:

"A continuous review of engineering methods is necessary to keep Hughes in the forefront of management as we are in the fields of scientific accomplishments.

"Our decision to develop dual capability—meaning the ability to produce products under both the English and metric systems of weights and measures—represents another significant step for us."

Statements such as these are indicative of a trend, and it is a trend which seems likely to accelerate now that Great Britain and the Commonwealth countries are shifting. This makes the proposed study timely to the point of urgency, and offers hope that the recommendations growing out of the study will receive careful consideration—not only in government circles, but in industry as well.

QUALITY IN WILDERNESS PRESERVATION

Mr. HANSEN. Mr. President, both before and after the passage of the Wilderness Preservation Act, debate about "saving the wilderness" has been cast in general and emotional terms. The fact is, of course, that we must save certain natural areas of our great Nation for our posterity—wilderness is a resource.

But so also are water, wildlife, timber, minerals, and outdoor recreation valuable resources. Too long in our history we failed to think about the proper management of all these resources. Now, however, we must carefully balance and maximize our conservation of resources.

This careful approach must be applied to any area proposed for wilderness status under the 1964 act. General assertions that any proposed area has got to be included in or excluded from the wilderness system give no guidance.

Many specific factors must be weighed in each case. Will setting aside a certain area as wilderness help wildlife and watershed management? Will the incursion of roads and buildings damage a large but delicate area? Is the area of such quality—a very important consideration, Mr. President—that it will be a valuable gift to future generations?

The Forest Service, in surveying each proposed wilderness area, must consider all of these matters. One member of the Service recently set out for publication, in a moving yet sensible way, the key considerations for making determinations in wilderness matters.

I ask unanimous consent that the article, written by Forester Kip Hinton, be printed in the RECORD.

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

(By Kip Hinton, U.S. Forest Service, Denver)

Conservationist Aldo Leopold wrote that "wilderness is the raw material out of which man has hammered the artifact called civilization." Author Kip Hinton explores the delicate balance in between and finds the two to be wholly compatible.

"This is wilderness—created by God, moulded by nature; the province of wild creatures, the far retreat of man." (Anon.)

Has a nice lofty lilt, doesn't it? Such prose emphasizes that "wilderness" is a state of mind, not just the legal status of massive chunks of public real estate. Therein lies the wilderness conflict. Which state of mind?

Take the elderly gentleman who appeared before a wilderness hearing in Riverton last winter. At stake was the 676,000-acre proposed Washakie Wilderness.

"You people," he said talking directly to the wilderness advocates in the room, "say you want to 'preserve this for posterity.' Look at me. I'm old enough to be a part of posterity, and have never seen it. What's more, I never will—unless you build a road through it."

If there is a middle ground, it is hard to find. Wilderness, as a conversational subject, rivals politics or religion as a builder of adrenalin.

You are either for wilderness—or against it.

Underlying this basic conflict is a seldom raised question. Do we, the people of the United States, have enough land to maintain some of it in its natural, raw, undeveloped state? No roads. No industry. No housing developments.

"That's right," snorts the non-wilderness proponent, "No nothing! Damndest waste of land I ever heard of."

Waste? Odd that we have long provided sanctuaries for birds and animals, but have suffered such difficulty establishing a sanctuary for the king of beasts—man. Why is it so utterly impossible to conceive a place on earth where both the wild creature, and man, can savor the delicate experience of being alone?

Only time will answer the question of sufficient land. Our record is poor, but improving. We have come a long way in learning to use the land wisely. Granted continued progress in wise use, there is plenty of land; enough land that we can keep some of it open and free.

Somewhat overwhelmed by the public land ownership pattern of Wyoming, a Cowboy Stater might well ask, "Does ALL the wilderness in the world have to be in this state!?"

Admittedly, Wyoming has a generous portion of Wilderness. In Wyoming, there are 9,145,777 acres of National Forest. Approximately 26 percent or 2,366,994 acres, are wilderness in nature and protectively managed by the U.S. Forest Service as such.

Wyoming has wilderness, but not all of it. There are 14 states with 14 million acres of National Forest Wilderness. Idaho, for example, has approximately 300,000 more wilderness acres than Wyoming. But the question is being avoided. How come so much in Wyoming?

It would be simple to answer, "Wyoming wilderness is mostly a pile of rock; land nobody wanted or could use." Too simple.

The wilderness concept for management of certain forest lands was conceived by the Forest Service in 1919, long before the public recognized the recreation potential of National Forests. Even then, foresters could see that in not too many years they wouldn't be able to see the forest for the people. Those individuals decided that some areas should be protected in wild, natural magnificence.

Now, let's not get all fluffed up with self-importance. Those old boys weren't thinking of our personal future enjoyment; it was the land they sought to protect. Wilderness is usually described as "rugged." Truth of the matter is, wilderness is fragile. Your lawn is a thousand times tougher than the vegetation covering the average sub-Alpine to Alpine wilderness slope. Most of Wyoming's wilderness is fragile, erodible land. Turn the multitudes loose with wheel and shovel and Wyoming wilderness is lost forever.

Wilderness, then, is not something new. Emphasis on wilderness as a protective management concept was forcibly brought to public awareness during the long Congressional struggle from which emerged the Wilderness Act of September 3, 1964. In the passage of the Wilderness Act, Congress ratified, or approved, protection of those lands already managed as wilderness.

That Act, in itself, demonstrates that wilderness is an emotional product. No tepid legal jargon in this Act! Read the Congressional and now legal description of wilderness:

"A wilderness, in contrast with those areas where man and his own works dominate the landscape, is hereby recognized as an area where the earth and its community of life are untrammeled by man, where man himself is a visitor who does not remain."

Whatever happened to the Forest Service management policy of multiple use? Taking a very broad interpretation of multiple use, wilderness opponents urge that this principle be carried out.

"Wilderness," they say, "is not multiple use, but non use."

Let's take a closer look.

The Multiple Use Act of June 12, 1960, defines multiple use, in part, as "The management of all the various renewable surface resources of the National Forests so that they are utilized in the combination that will best meet the needs of the American poeple; . . ."

The Act recognized the compatibility of wilderness by its statement, "The establishment and maintenance of areas of wilderness

are consistent with the purposes and provisions of this Act."

How can this be? Water, wildlife, and recreation are three of the renewable resources referred to in the MU Act. Forage, the food of livestock and wildlife, is another. And what do we find in the wilderness of today? Valuable watersheds in their natural condition from which flow Wyoming's most vital resource—water. You find wildlife, again in its natural state, and another economic pillar. Wyoming's outfitters and guides annually lead hundreds of nonresident hunters through the wilderness in a highly success search for big game. Forage, another important resource, is used by both wildlife and Wyoming's livestock industry.

Enter the recreationist. He climbs, rides his horse, photographs, hunts, fishes, admires, paints, and generally enjoys wilderness. There's a little pioneer in all of us. How do you measure the value of standing alone—you know there's no one within miles—listening to the sighing of alpine winds among craggy peaks? You cannot measure it in dollars and cents. And yet, money from the pocket of that loner in the wilderness (who actually represents wilderness travelers from 49 other states) somehow falls into the waiting cash registers of Wyoming merchants.

The one renewable resource left, timber, is not harvested in the wilderness. It never has been. Wilderness, today, has not robbed the timber operator of his livelihood. He did not log the wilderness before the Act became law. Mostly, he did not want wilderness timber. Generally inferior quality and impossible terrain makes wilderness timber too expensive to be worthwhile logging. But if you want to place the wilderness-grown tree in the Multiple Use picture, it is not difficult. Untouched stands of mature and overmature trees are an important part in the landscape of wilderness, to be enjoyed as an important factor in recreational and scenic enjoyment.

I think it reasonable to state that multiple use management can be, and is, practiced in the wilderness.

I have not deliberately overlooked minerals and mining. The Wilderness Act did not overlook this important economic factor. Protection for mining and prospecting was written into the Act. At this writing, extensive mineral activity is being carried out in several of the wilderness and primitive areas in Wyoming. Those primitive areas under study for inclusion in the national wilderness preservation system are also being studied by the U.S. Geological Survey to determine mineral potential, and this agency's report becomes part of the hearing record.

Passage of the Wilderness Act, other than giving protective management a badge of authority, did not solve previous problems. It only sharpens them with a more specific, double-edged challenge. The forester must keep in mind that the dominant theme of the Wilderness Act is to secure for present and future generations an enduring resource of wilderness.

Some challenge! How do you manage an unmanaged area in order to manage it, but maintain the appearance of an unmanaged area?

The Forest Service is charged with developing active and positive measures necessary to perpetuate or restore the wilderness characteristics or unique values of the National Forest Wilderness. The Act is quite explicit in this edict.

At the same time the Forest Service is perpetuating and restoring, its people are obliged to make these areas available to the public for use and with a minimum of restrictions. Yet the more a wilderness is used, the more the Forest Service will have to apply more intensive practices to manage and disperse people.

Quality is going to be the key factor in wilderness management. While there are those who want no wilderness at all, there are those who want more. The Forest Service, as the management agency, wants quality wilderness—not merely quantity.

You'll be hearing more of this quality vs. quantity in the future of Wyoming's wilderness. There are four wilderness areas and four primitive areas. Primitive areas are managed the same as wilderness, but when the Act was passed, it did not give blanket protection to primitive areas. Congress, through the Act, directed the Secretary of Agriculture to review, as to its suitability for preservation of wilderness, each area in the National Forests classified as "primitive."

Wyoming has four primitive areas subject to review. These are: Cloud Peak, 137,000 beautiful acres in Bighorn National Forest; Glacier, 177,000 acres; Popo Agie, 70,000 acres, and Stratified Primitive Area, all in the Shoshone National Forest. Stratified was the first to come up for re-classification under a new name—Washakie. The intent is to join Stratified Primitive Area with South Absorka Wilderness, calling the total wilderness package, "Washakie."

Review of existing primitive areas is the most pressing job facing the Forest Service. We were given 10 years to complete the task, and if this seems more than ample time, consider that a "field" season in Wyoming's high country is very short, each proposal must be thoroughly documented, and public hearings must be held.

Public interest ran high for the first such Wyoming hearing, held December 8, 1966, at Riverton. More than 100 interested persons, representing both proponents and opponents, braved a blizzard to attend the hearing on the Washakie Wilderness Proposal. Emotional temperatures were hot that cold December day. Both sides had opportunity to express viewpoints.

There are three other hearings to be held on the other primitive areas to be studied. No dates are set, as a complete study of the areas involved must be made. And no decision is made immediately following the hearings.

No one will ever be accused of "railroading" a primitive area into wilderness status. After thoroughly considering the testimony given at these hearings, and written statements of interested individuals or groups, a recommendation concerning the creation of a wilderness must be channeled through the Chief of the Forest Service, the Secretary of Agriculture, and the President of the United States to the Congress for legislative action.

It is obvious from the first hearing held in Wyoming that not everyone agrees with Forest Service proposals on what is, exactly, "quality" land.

"There is a basic question to be faced," says Regional Forester D. S. Nordwall, Denver. "What kind of land really qualifies as wilderness? We will be managing wilderness a long time after the job of classification is completed."

Nordwall believes the quality of wilderness the Forest Service insists on must be designed to shape the character and quality of the environment that can be maintained in future management of resources involved.

Quality vs. Quantity will emerge as a decisive issue in each primitive-to-wilderness hearing. After all hearings are held, and Congress makes the final decision, Wyoming may have more acres in wilderness than it does today. Or, there may be less.

The Forest Service believes some lands within present boundaries of primitive areas should be eliminated. Because of mining activity and resulting roads, some acreage may be better suited to extensive recreational development to better serve the public. The Service also believes some land not now in wilderness has its place there. In theory, and if the Act is to be obliged, forseeable conflicts within a proposed wilderness must be resolved to result in quality wilderness.

Some groups will argue that quality is not as important as quantity. At the Washakie hearing, for example, some wilderness advocates wanted 52,000 more acres in the wilderness than proposed by the Forest Service. There were others who argued that the Forest Service proposal was too large. As explained, all viewpoints were heard. A complete transcript of what was said and written has been sent on its long journey for final review by Congress.

Larger, or smaller, wilderness advocates can rest assured there will indeed be wilderness in Wyoming in the years to come. Those who do not favor wilderness may also take heart. Every effort will continue to be taken to protect Wyoming's economic well-being through proper management of the nine National Forests within the State.

The wood, water, wildlife, recreation and forage produced on these National Forests will continue to play their important role in the growth and future of Big Wyoming.

NATIONAL COUNCIL OF SENIOR CITIZENS SUPPORT MONTOYA PRESCRIPTION DRUG BILL

Mr. MONTOYA. Mr. President, on February 19, 1968, I invited the attention of Senators to the growing support which has been triggered for the passage of S. 2936, a bill in which I have been joined by 37 other Senators to provide for the much needed reimbursement of prescription drugs for the elderly.

Another national organization representing approximately 2 million men and women enrolled in more than 2,000 affiliated senior citizens' clubs from coast to coast has recently joined the growing rank of groups backing the Montoya medicare drug bill.

Mr. President, I ask unanimous consent that a letter to me dated February 20, 1968, from Mr. William R. Hutton, executive director and director of information of the National Council of Senior Citizens, Inc., expressing the support of the 2 million member NCSC for S. 2936; a resolution adopted by the NCSC Executive Board on February 15, 1968, in support of S. 2936; and a brief history of the NCSC prepared by the NCSC, be printed in the RECORD.

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

NATIONAL COUNCIL OF SENIOR CITIZENS, INC.,
Washington, D.C., February 20, 1968.

Hon. JOSEPH MONTOYA,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: At a meeting here in Washington Feb. 14–15, the 35-member Executive Board of the National Council of Senior Citizens voted unanimously to urge the National Council's affiliated clubs to support the 1968 Montoya Medicare drug bill.

Our Executive Board members consider the outrageously high prices asked for prescription drugs a cruel burden on older Americans. Four out of five elderly suffer from chronic ailments and most of them pay exorbitant prices for drugs they need to preserve life and promote health. This is, of course, a burden on all Americans, but it lays most heavily on the elderly.

As one of our Executive Board members put it: "The major drug manufacturers are raking in enormous profits at the expense of the infirm and the elderly. It is a national scandal".

The Executive Board members were especially pleased that your 1968 Medicare

drug bill calls for establishment of a Federal drug formulary. Our resolution on your Medicare drug bill urges Congress to provide from $5,000,000 to $10,000,000 so the Food and Drug Administration can start immediately preparing such a formulary. The resolution asks that the formulary be made available not only to doctors and medical institutions but to the public as well. There should be ready access to it at, for example, public libraries.

The National Council Executive Board speaks for approximately 2,000,000 men and women enrolled in more than 2,000 affiliated senior citizens' clubs from coast to coast.

Our organization, the largest U.S. organization of older Americans, was in the forefront of the long and difficult legislative campaign for Medicare and, since enactment of the Medicare law, we have constantly urged Medicare coverage of all drugs.

The present Medicare law, providing coverage of drugs administered in a hospital or other health institution, forces elderly outpatients to pay tremendously inflated drug prices so that in many cases they have a choice of getting enough to eat or buying drugs they must have to preserve life and promote health.

The National Council of Senior Citizens commends your outstanding efforts to protect the elderly from the unconscionable greed of the prescription drug manufacturers.

With every good wish, I am

Sincerely,

WILLIAM R. HUTTON,
Executive Director and Director of Information.

NCSC EXECUTIVE BOARD RESOLUTION ADOPTED FEBRUARY 15, 1968

The National Council of Senior Citizens' Executive Board urges affiliated clubs and senior citizens generally to support a bill by Senator Joseph Montoya of New Mexico to extend Medicare coverage of drugs not administered in a hospital or other health institution.

The Montoya bill directs the Government to set up a formulary giving reasonable prices for drugs listed. It authorizes full payment of the price in the formulary of 80 per cent of the actual price charged over and above $25 a year.

Prices charged for prescription drugs is a national scandal. Prescription drug manufacturers roll up enormous profits at the expense of the infirm and the elderly.

This gouging by these manufacturers hits all Americans but it hits the elderly hardest. Four out of five elderly have chronic ailments. They require drugs five times as often as the young.

The Montoya bill would protect the elderly against the unconscionable greed of the drug manufacturers.

Because of the importance of the formulary proposed under the Montoya bill, the National Council Executive Board recommends that Congress vote between $5,000,000 and $10,000,000 immediately so the Food and Drug Administration can commence its compilation and it can be completed as soon as possible.

The National Council Executive Board likewise urges Congress to make the formulary available not only to doctors and medical institutions but to the public as well.

NATIONAL COUNCIL OF SENIORS CITIZENS SEEKS A BETTER LIFE FOR ALL AMERICANS

The 2,000,000-member National Council of Senior Citizens, largest and best known organization of older Americans, was a major factor in the enactment of Medicare and constantly campaigns for other needed legislation in the interest of older Americans.

For example, the National Council seeks:

Medicare improvements, low-cost modern housing for the elderly poor.

A senior citizens' service corps to employ seniors who want to work at socially useful employment not normally available to them.

Property tax relief for elderly home owners with limited incomes.

Reduced fares for the elderly during nonrush periods on national and local transportation systems.

"We are a non-profit, non-partisan organization but we definitely are *not* non-political," says John W. Edelman, the National Council's 74-year-old president. He adds:

"Our 2,000 affiliated senior citizens' clubs encourage political discussions for the benefit of the elderly. However, the National Council of Senior Citizens is more than a special interest group for the elderly, having backed the test ban treaty, the Peace Corps, the war on poverty, clean air and clean water legislation, legal protection for the consumer and similar measures of general concern."

MEMBERSHIP BENEFITS

Gold Card members of the National Council have many individual membership benefits but these are secondary to the National Council's main purpose—to help create a better society for all Americans including the elderly.

Individual Gold Card membership benefits include:

Low-cost travel service.

Life insurance up to age 86 at reasonable cost and without physical examination.

Nonprofit drug service offering savings from 20 to 50 percent below regular drug prices.

Twelve issues of the National Council's newspaper, Senior Citizens News.

A Gold Card membership in the National Council of Senior Citizens costs $2.50 a year for members of affiliated clubs and $3.00 a year for other seniors. A club can affiliate with the National Council for $10.00 a year.

NCSC HISTORY

The National Council of Senior Citizens has grown to be a major spokesman for the nation's elderly in the short time since retired Congressman Aime J. Forand of Rhode Island organized it back in September 1961.

A pioneer advocate of health insurance for the elderly under social security, Forand was forced by ill health to retire from Congress in 1960 but he continued his work for this legislation, setting up the National Council of Senior Citizens in 1961 at the urging of men and women who had written him of their support for his program.

The National Council won the backing of many church, social welfare and community groups and the AFL–CIO.

President Johnson took Forand, Edelman (chosen Forand's successor in 1964 when health forced Forand into complete retirement) and others on the National Council staff for the 1965 signing of the Medicare law in the presence of former President Truman at Independence, Mo.

The National Council staff includes William R. Hutton, Executive Director; John Colao, Director of Organization; Lawrence A. Oxley, Director of Special Projects; Laurine A. Pemberton, Administrative Assistant; Ed W. Murphy, Information Assistant; and Jim Y. Kim, Accountant.

The National Council of Senior Citizens' Advisory Committee includes Arthur Larson, Assistant Secretary of Labor under President Eisenhower; former U.S. Senator Paul Douglas of Illinois; Charles E. Schottland, former Social Security Commissioner and presently dean of the Brandeis University graduate school; Rear Admiral Paul F. Dugan (Ret.); and Nelson H. Cruikshank, retired director of the AFL–CIO Social Security Department.

CONVENTIONS DRAW WIDE ATTENTION

National Council of Senior Citizens' conventions draw wide attention. More than 500 delegates to the 1966 National Council Convention heard President Johnson pledge, in an address to the delegates assembled in the White House rose garden, that he would ask Congress for a substantial social security increase.

Returning to their meeting room in Washington's Statler Hilton Hotel, they heard another address by Vice President Hubert Humphrey. He too spoke on the needs of seniors.

GENERAL ACTIVITIES

It must not be thought that the clubs which make up the National Council all across the country work exclusively on legislative and political issues. Clubs also engage in social and recreational activities and carry on mutual assistance projects—particularly in connection with day-to-day problems such as Medicare and hospitalization. Many clubs sponsor blood banks. Others engage in preparing bandages for hospitals, etc. Many clubs have volunteer song leaders or small dance bands. Some have developed arts and craft work and organize tours to museums or other cultural institutions.

PROBLEMS OF AIR TRANSPORTATION SYSTEM

Mr. PEARSON. Mr. President, the air transportation system of our Nation has been receiving more and more attention of late from both the aviation industry and the Federal Government. All are in agreement that there is a definite need for action now in order to meet demands of the immediate future.

Congress is now being looked to for answers and solutions to some of these problems. In an effort to find solutions for some of these problems, I recently took a fact-finding tour around the Nation in company with the Senator from Utah [Mr. Moss]. The information we obtained on this trip was most revealing and will be extremely helpful in our deliberations.

Flight magazine is one of the most respected publications in the aviation field and has for some time been urging legislative action to meet the needs of the industry and the traveling public. I was most pleased to note the favorable reaction to our tour by an editorial published in the January 1968 issue of the magazine.

I ask unanimous consent that the editorial, entitled "A Challenge—Not a Crisis," be printed in the RECORD.

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

A CHALLENGE—NOT A CRISIS

Two United States Senators, Frank E. Moss, D-Utah, and James B. Pearson, R-Kan., were to complete in early January a national tour of aviation "hot spots" to gather information on commercial aviation airport and airspace problems.

What the good Senators learn will no doubt have considerable influence on Federal aviation policy at the legislative level for many months to come. The broad spectrum of sound thinking and hard facts garnered out on the ground where the problems exist and where real, honest-to-goodness people live and work daily with the problems would seem to contain far more substance than run-of-the-mill hearings held by legislative committees along Foggy Bottom in Washington, where too often the same old faces and testimony we've been seeing and hearing for years rarely produce many solutions.

Both Senators Moss and Pearson are members of the powerful Senate Committee on Commerce. It is hoped they can convince their counterparts in the House of Repre-

sentatives that more field trips and fewer hearings in Washington might expedite the formulation of a Federal aviation policy that will take our current problems, which affect all Americans, and turn them into a challenge instead of what the public press and others in various departments of our national life would like to bill as a crisis.

As has been pointed out many times, the present high volume of all aviation activity is because our products and services are enjoying unprecedented demand. If an industry is to have problems, we can think of no better root cause. But that is poor solace for an industry that faces slow strangulation at certain major air traffic hub areas—some twenty according to the experts—where reliever airports must be built, and our air traffic system brought up to date through better equipment and more trained personnel.

As to airports, we're about five years late with a realistic Federal airport program. About the only immediate solution we see on the horizon is for Uncle Sam to adopt the proven practice of government guaranteed loans to municipalities and to private investors for airport facilities, plus ad valorem tax exemption for privately-owned, public-use airports.

A head tax on air passengers, a custom also in wide use throughout the world, could be a substantial part of the solution for large terminal and huge new regional airports. At the present time, the highly-respected National Business Aircraft Association is working on a suggested schedule of user charges for general aviation.

Elsewhere in this issue is our presentation of a "White Paper" which represents a consensus of the airframe and engine manufacturers in the utility airplane business. All of this points up the fact that civic and industry leadership, both inside the air transport business as well as the general aviation industry, are facing up to the real challenges of the moment. These challenges are principally in finding ways and means of providing ground and air facilities commensurate not only with present activity but in line with orderly growth patterns and requirements which are well documented for the next ten to twenty years.

The fact-finding national tour by Senators Moss and Pearson of the Senate Commerce Committee, linked with realistic proposals being made by responsible people in the industry, certainly points to an optimistic outlook for getting something done in 1968.

THE SOARING COST OF ILLNESS

Mr. KENNEDY of Massachusetts. Mr. President, the Boston Globe has recently run a series of editorials on the subject "The Soaring Cost of Illness." The editorials examine the factors lying behind the rising costs of health care in this country, and point out very well the complexity inherent in attempts to lower these costs.

The figures which illustrate the high costs should give us pause. Thirty million Americans—one out of every seven—will be admitted to hospitals this year. The average hospital bill is $566, excluding doctor's fees and other special services. Today's cost of a hospital room is about $65 a day; in 7 years, it will be $100 a day. So the costs will continue to rise, unless a major effort is made to keep them down.

I have for some months been working on comprehensive legislation to stimulate a reduction in the rapid growth of health care costs. The proposed legislation would encourage reorganization of health care services. It would call for the development of new national goals for the delivery of health care to all Americans, rich and poor, urban and rural. It would attempt to reduce the growing paperwork burden which clogs our hospitals and physicians' offices. In addition, it would deal with a wide range of other issues.

Mr. President, the editorials published by the Boston Globe are a distinct public service. They deserve wide circulation. I therefore ask unanimous consent that they be printed in the RECORD.

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

[From the Boston Globe, Feb. 8, 1968]

SOARING COST OF ILLNESS—I

Thirty million Americans will be admitted to hospitals this year. Their average hospital bill will be $566, not counting doctors' bills and fees for such extra services and special nursing as ran the total for one bill to $19,890.75 for 55 days in a Boston hospital last year—a case ending in the patient's death.

Today's costs are small compared to what appears to be inevitable in the years to come. Hospital rates have been rising steadily, always at a faster clip than price rises in other areas of the economy. They rose approximately 16 percent from June 1966 to June 1967 while the cost of living increased at a rate of 3.1 percent. Now they have "leveled off" at a steady rate of increase of 8 percent per year, more than double the ongoing rise in the cost of living.

Doctors fees rose 7.8 percent in the same June to June period and are still climbing.

Hospital room costs averaged $60.39 per day in Boston hospitals in 1965. Last year the figure shot up to $69.83. Costs and charges are not quite the same thing, as hospital accountants measure them, but the effect on the bill-paying patient is substantially the same. The prognostication for such charges in 1975 is in the neghborhood of $100 per day, and, for the turn of the century, an astronomical $500.

How can anyone but a maharaja pay such prices? Obviously, insurance and progressive government policies, both state and national, help. But the cost problem remains no matter who pays the bill.

Approximately one-third of hospital admissions this year will be Medicare patients, and no one will begrudge them the care they need and will get—getting it in some cases for the first time in their lives. About a fourth will qualify under Medicaid.

Seventy-seven percent will be covered by insurance of one kind or another, and 23 percent will not be covered at all.

These last are rapidly reaching the point where they cannot afford any illness much more serious than a simple headache. For them, hospitals are becoming forbidden territory.

But it is not only they who are threatened by rising costs. So too are the insured. Some rates for group comprehensive coverage went up 20 percent last year, and the outlook is for bigger boosts yet to come.

It takes little imagination, therefore, to envision the day on which premiums themselves could become prohibitive even when they are paid by the employer. It takes even less divination to see the whole laudable concept of both Medicare and Medicaid going down the drain in a great swirl of outraged cries that government units are being bankrupted.

In the circumstances, with consumers and wage earners already being bled almost white in both the market place and the tax collector's office, it is natural to start looking for the deep-dyed villains.

There are only a few. Just the same, the whole health cost situation has become lost in semantics and possibly unrealistic aspirations.

The hospital side will be explored Friday.

[From the Boston Globe, Feb. 9, 1968]

SOARING COST OF ILLNESS—II

Scratch almost anyone in a hospital comptroller's office, or in the United States Department of Health, Education and Welfare, for that matter, and you will find a human computer with built-in graphs, statistics, diagrams, and all of the other communications techniques to prove that hospital costs are no higher than are dictated by the facts of life.

This could be. But it makes the bills no easier to pay, no matter who pays them. Nor do hospital explanations gainsay those who quite properly insist that the increase in costs can be halted even if the level cannot be brought back to earth—and in ways on which there is not so much disagreement as might be anticipated.

The cost breakdown varies somewhat from hospital to hospital, but the figures of one of Boston's larger hospitals are more or less typical.

Out of every dollar paid in, 4.4 cents is charged to administrative and business office expense, with the average salaries paid to administrators ranging from $7500 to $25,000 per year as listed by the Labor Department's Bureau of Statistics. Salaries of Boston hospital administrators undoubtedly are higher. The rest is charged to maintenance and housekeeping (7.4 cents), nursing services (30.7 cents except for special nursing for which the patient pays $30 for an eight-hour day), food and its preparation (9 cents) and X-ray, laboratory, operating room, anesthesia, drugs and medicines and so on (48.5 cents).

Seventy percent of all hopsital costs go to hospital labor (say the hospitals, anyway) and by and large it has to be said that no group anywhere, but especially nurses and internes, is more deserving.

A registered nurse now starts at $6600 per year on an average, and, with a bachelor's degree after a fourth year of college, can go to $8820. Interns start at $6000, also on the average. Until a year ago their starting salary was a minuscule $3000. Residents range from $6600 in the first year to $9000 in the fourth, and chief residents get $10,000.

The total of personnel has grown rapidly for many reasons, including new mountains of paper work resulting from Medicare (20 additional clerks in one hospital), new techniques in prolonging life and new research units into disease and malfunctioning organs. In 1955, the number in one of the larger but otherwise typical Boston hospitals was 2531. In 1967, it was 4116 and this year it will be 4427.

The increase in average hourly wages in this particular hospital, from $1.27 to $2.42, generally although roughly describes what goes on in all. The minimum hourly wage is $2 compared to $1.625 on Oct. 1, 1967.

In the past 25 years, the profit and loss statement of one Boston hospital pretty much tells the story of all—all except the proprietary hospitals which operate at a profit largely because of the kinds of cases they treat. It has shown a profit twice, $29,000 in 1953 and $281,000 in 1961, in both of which years it had cut back on services to recover from whopping deficits in the preceding year. Its deficits have ranged from $14,000 in 1954 to $477,000 in 1960.

Hospitals, then, can make at least what appears to be a good case for today's costs.

But there are two sides to the coin, as will be seen Saturday.

[From the Boston Globe, Feb. 10, 1968]

SOARING COST OF ILLNESS—III

Critics of the soaring costs of illness assert that such costs are high because hospitals have no incentive to cut them; pay-

ments of costs is guaranteed by insurance groups and Medicare and Medicaid.

Many administrators quarrel with this. Dr. John H. Knowles, general director of Massachusetts General Hospital, acknowledges it in part:

"Medical staffs generally have resisted collective action to help reduce costs by close attention to admitting and discharge policies and by scrutinizing overzealous orders for multiple tests and so forth."

A small bone does not suffice to make a large kettle of soup, and isolated facts may prove little. But the hospitalization of patients who do not need such care is indeed a part of the overall cost picture. Hospitalization is a convenience to the doctor, for it helps to put his patients under one roof. But unnecessary hospitalization is a drain on both hospital facilities and personnel. Moreover, it has been reflected in insurance premiums ever since it became a widespread practice.

The reluctance to discharge patients is even costlier, and comes about notably in teaching hospitals when the patient is insured and on continuing salary. Internes and young residents, largely responsible for much of the testing, hesitate to give a patient a clean bill of health lest, after his discharge, he return to the hospital with an ailment which their superiors (and the patient!) will tell them they should have found in the first place. It is a matter of record that, in some hospitals, more than $100 worth of tests are administered immediately and automatically on anyone with abdominal pains.

Some hospital administrators are outraged by the suggestion that the costs of continuing the education of their interns and residents are prorated on patients' room charges. But they are engaging in semantics. Substitute "training" for "education" and what then comes out of it is the frank acknowledgment that the extra charge, in some cases, is more than $3 a day for internes and residents plus a lesser sum for student nurses. A question arises as to the legitimacy of a privately assessed tax against patients for a continuing education item which should be charged to the whole society.

The utilization of personnel is another cost item. A hospital is not a department store or an industrial plant, to be sure, and the productivity of its personnel cannot be measured in ergs. Just the same, the hasty recruiting of more help is not necessarily the best answer to increased paper shuffling, and the steady rise in the ratio of hospital personnel to patients is extraordinary even in the light of new demands. In 1941, there was an average of 1.4 employees per bed in Boston's larger hospitals. In 1962 there were 2.7 employees. In one typical Boston hospital the number last year was six.

What is involved in all of this is a commendable concern for the welfare of the individual patient. But doctors, hospitals and patients all are the prisoners as well as the beneficiaries of the remarkable and costly advances in medical science in the last 15 or 20 years.

To charge the cost of these advances to the current patient load is roughly tantamount to computing the cost of space exploration and charging it, as a fare, to the first men who go to the moon.

[From the Boston Globe, Feb. 12, 1968]

SOARING COSTS OF ILLNESS—IV

A very real although paradoxical risk in the public demand for a halt in the rise of medical costs is that the floodgates could be opened for a general assault on Medicare and Medicaid. This would be a tragedy, for these programs are the most impressive social innovations in American medicine—steps that were delayed too long in the taking.

Both are expensive. In its first nine months Medicare paid $1.6 billion in hospital bills for three million aged and $346 million in doctors' fees. For the fiscal year starting July 1, $4.84 billion has been budgeted including $1.473 billion for doctors' fees.

But the costs are all visible. The invisible costs of the pre-Medicare era were even greater, for they were measured not only in money but also in the anguish of unattended ills, the awareness of desertion in old age and the strain on families torn between financing either the medical needs of their children or the children's grandparents—but not both.

Medicaid, a joint venture of Federal and state governments, fits into the same category of philosophical excellence. Its purpose is to aid the "medically indigent," a category into which anyone could fall at any time inasmuch as the term applies to all who are suddenly confronted by such castratrophic hospital and doctor bills that their own and their families' lives would be ruined if they had to pay the bills themselves.

Massachusetts' half of its cost in the fiscal year starting July 1 will be $213,470,000, almost half of the total welfare budget of $395 million, and obviously more than it formerly paid for welfare patients. But the excessive costs stem from defects in the too-loosely written controlling legislation, and this can be remedied, as it ought to be.

Many of the savings that could be made in expenditures for both Medicare and Medicaid are the same as those which could be made in most other instances of illness as well.

A large saving would result from the construction of new nursing and convalescent homes and the upgrading of existing ones to conform to the legal requirement of round-the-clock skilled nursing with registered nurses in charge. Estimates of the number of patients for whom such care would be suitable, at a saving of half to two-thirds of hospital costs, range up to 75 percent of Medicare patients plus most of the hospitalized ambulatory convalescents of all kinds. Whatever the percentage, the question goes to the heart of the suggestion of Dr. John H. Knowles of Massachusetts General that hospitals review their admitting and discharge practices and the "overzealous" administering of multiple laboratory tests.

This touches another suggestion, also. It is for government and insurance company incentive payments to hospitals to encourage cost saving. A flaw is that such incentives to economy could result, in some cases, in the curtailment of essential services. Just the same, there appears to be no economy incentive at all in insurance contracts guaranteeing 100 percent of costs with Medicare guaranteeing an extra 2 percent over costs to take care of contingencies.

So-called satellite hospitals with teams of doctors of different skills organized in neighborhood clinics with their own nursing and technician staffs would cut costs considerably. Progressive care, as in the Josiah B. Thomas municipal hospital in Peabody, is a cost-saving device at least in small hospitals. In Peabody, deficits reportedly have been cut to zero from their former range of $50,000 to $100,000 yearly.

The sharing of laboratory and other facilities to avoid the needless duplication of high-cost services and equipment should be encouraged. It has been recommended also that high-cost maternity wards in large hospitals be replaced by comparatively low-cost regional maternity centers.

There are both promises and uncertainties in all of the suggested cost-cutting or price-holding suggestions. That they are under consideration may hold the largest promise of all in a situation which is now out of control.

PILOT SCHOOL BREAKFAST PROGRAM

Mr. MONTOYA. Mr. President, it is a pleasure to note that the pilot school breakfast program which has been in existence 2 years under provisions of the Child Nutrition Act has proved to be an outstanding project.

In remarks delivered at ceremonies officially launching a breakfast feeding program in Cleveland, Ohio, Secretary of Agriculture Orville L. Freeman termed the pilot program an "overwhelming success."

The Secretary noted that Operation Metropolitan, designed to bring 2.8 million schoolchildren in cities into the school lunch or breakfast programs for the first time, is now underway in 15 major cities. Included is Albuquerque, where the program will begin soon.

In his Cleveland address, Secretary Freeman outlined a number of projects which have been undertaken by the Department of Agriculture in cooperation with local officials to improve the level of nutrition among low-income families.

As a strong supporter of the Child Nutrition Act, I take particular pride in the accomplishments to which the Secretary refers and I want to commend the Secretary and his associates in the USDA.

I ask unanimous consent that a press release which sets forth Secretary Freeman's Cleveland remarks be printed in the RECORD.

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

[From the U.S. Department of Agriculture, Washington, Feb. 1, 1968]

SECRETARY FREEMAN DETAILS DOMESTIC FOOD AID PROGRESS

Secretary of Agriculture Orville L. Freeman said today in Cleveland, Ohio, that the pilot School Breakfast Program enacted two years ago as part of the Child Nutrition Act is an "overwhelming success."

He spoke at ceremonies officially inaugurating the program which will make free breakfasts available to 27,000 children in 29 high-poverty area schools in the Ohio city. He said the Johnson Administration would propose to extend the School Breakfast Program as a permanent child feeding program.

At the same time, the Secretary outlined a series of special programs and projects the Administration now has underway to expand the reach of food assistance programs and improve the level of nutrition among low-income families throughout the country. They are:

Project 331, aimed at starting a family food assistance program in the 331 counties—primarily rural—with the lowest per capita income where no food program is now available;

Operation Metropolitan, aimed at bringing 2.8 million school children in the major metropolitan areas into the School Lunch or School Breakfast programs for the first time;

Project Food Stamp, aimed at improving the rate of participation in the Food Stamp Program areas through program modifications.

Secretary Freeman said:

"The success of these special projects, and the overall effort to make the Nation's food abundance available to all who need it, depends on combined effort of local, State and Federal governments.

"Success will be the end product of a zeal and spirit of dedication which must be as strong and unflagging in the community and in the State House and as it is in the White House.

"In this respect, I want to commend the public officials in Cleveland from the Mayor

on down. They are among the leaders in the Nation in their efforts to make school breakfasts available to urban children. And I commend their goal to bring school food service to all the city's elementary school children.

"I further want to recognize the close coordination that exists between the city's welfare programs and the Food Stamp Program. Here, as in other major cities, the participation of the poorest of the poor is guaranteed because welfare agencies will, whenever necessary, supply the minimum investment of 50 cents per person per month."

The Secretary noted that Operation Metropolitan is now underway in 15 major cities. Five cities—Cleveland, Boston, New Haven, Providence and Wichita—are already providing lunches or breakfasts to 34,000 more children from low-income families than when the program began. Programs in 10 other cities—Rochester, Pittsburgh, Philadelphia, Columbus, St. Paul, Albuquerque, El Paso, Los Angeles, San Francisco, and Portland—will begin shortly.

Under Operation Metropolitan, the city will commit itself to an intensified program to begin food service in schools without a lunch or breakfast program, and to improve existing food services. Funds available through the Child Nutrition Program to finance kitchen and serving equipment, to support free or reduced price school lunches and to start school breakfast programs will be funneled through State agencies and concentrated on these child feeding programs.

Secretary Freeman said that through Project 331, more than 122 of the Nation's lowest per capita income counties have started, or will begin shortly, a food assistance program. Under the Project, launched at the beginning of this fiscal year, USDA has targeted 331 counties, primarily in the Southeast, South Central and Southwest, for food assistance programs.

Working with State and local officials, USDA has sought to initiate either a Commodity Distribution or a Food Stamp Program in the target counties. The Department has offered to provide the necessary funds to cover the administrative costs of the commodity program where local resources are inadequate. In addition, the Office of Economic Opportunity has made funds available to pay administrative costs in some counties under the Food Stamp Program.

The Secretary cited these examples of progress:

Alabama: When the program began, only 34 of 67 counties had a food assistance program. Today, all but three have or will begin a commodity or food stamp program.

Georgia: A vigorous effort by State officials has reduced the number of counties without a food assistance program operating or planned from 68 to 27. A further drive is now underway to reach the remaining 27.

South Carolina: The State administration has introduced legislation to finance a Statewide food stamp program. Currently, only 13 of 46 counties operate a food assistance program, with four additional counties designated to begin food stamp programs shortly.

In *Missouri, Texas, Virginia* and *Florida,* State officials have programs underway to encourage counties which do not operate food assistance programs to initiate them.

Secretary Freeman said the Department through Project Food Stamp has reduced the amount needed for the poorest of the poor to enter the program from $2.00 a month per person to 50 cents. The investment needed in the first month for new patricipants has been cut by half. Recently-developed eligibility requirements for rural farm workers will adjust the amount needed for stamps for those with sporadic or seasonal incomes.

In addition, a new approach to reaching the poor is being tested in Mississippi and parts of New Mexico, Louisiana, Maryland and several large northern cities. Since last August 170 persons from low-income families have been hired and trained, and sent out to explain the stamp program to their friends and neighbors. A friend or neighbor can reach the poor more effectively than the usual means of communication.

Further, the Extension Service has recruited and trained some 900 special aides to work in their own neighborhoods to teach low-income families how to buy and prepare foods to achieve maximum nutritional benefit.

Since these changes were made, participation in the Food Stamp Program has increased from 1.8 million to 2.2 million. While some of the increase is due to new areas coming into the program for the first time, the bulk of the new participants has been in existing projects, Secretary Freeman said.

Overall, participation in family food programs has increased over 12 percent—or 600,000 persons—since the fiscal year began, Secretary Freeman said. Commodity distribution is now reaching 3.2 million, or an increase of 200,000. Food Stamp participation is 2.2 million, an increase of 400,000 persons.

He noted that 389 new Food Stamp areas were designated last month to begin operation this fiscal year, and estimated that another 600,000 persons would enter the program as a result.

"This is encouraging, even striking progress," the Secretary said. "But without in any way minimizing the great efforts that thousands of people all over the Nation have made to extend and improve these food programs, we still have a very large job ahead of us.

"The School Breakfast Program reached more than 80,000 children in its first year. The target is to reach 160,000 before this school year ends. It should be available to all children in rural and urban districts where poverty is concentrated.

"The School Lunch Program will reach over 19 million children this year, and over 2 million of them will receive free or reduced price lunches. Total participation is 5.5 million more than in 1960. But nearly 9 million children attend schools without lunch programs, and at least a million of these should receive free or reduced price lunches. Here again we have a long way to go.

"At the end of this fiscal year, food assistance programs still will not reach 500 counties, even if programs are established in all the remainder of the 331 'target' counties, plus all other counties presently designated for the Food Stamp Program or the commodity distribution program.

"Even in those counties where the programs are in operation, there are too many who still do not participate. In many ways, this is the toughest problem of all. Many of the poor are unwilling to participate in the programs, especially in Food Stamps.

"It is difficult to communicate with some. Others are unwilling or unable to divert what they've been spending for food, into food stamps, as required by the law. Still others hestitate to qualify, or have trouble qualifying under local regulations.

"And education in nutrition is badly needed, for many of the poor fail to buy, or fail to prepare properly, food with necessary nutrients.

"In the long run, education in food and nutrition is one of the most important—and one of the most difficult—challenges we face.

"Recognizing these challenges ahead, we have made a strong and encouraging beginning.

"We will continue to press toward the goal of insuring every citizen in the U.S. the opportunity for a full and nutritious diet. As a Nation we have the food and the means to distribute it.

"All that remains is to use the resources we have to do the job efficiently and wisely. But to succeed will require the talent and energy of all persons, not only those who operate these programs at the Federal, State, and local level but private organizations and citizens in all walks of life, including the poor themselves."

SELECTION OF BERNARD G. SEGAL AS PRESIDENT-ELECT OF AMERICAN BAR ASSOCIATION

Mr. SCOTT. Mr. President, the selection of Mr. Bernard G. Segal, of Philadelphia, as president-elect of the American Bar Association represents yet another recognition of the outstanding talent and dedication that this gentleman brings to all his endeavors. Such recognition, of course, is not unusual in a career which has had so many milestones. Three Chief Executives of the United States—Presidents Eisenhower, Kennedy, and Johnson—have utilized the unique abilities of this man. In addition he has served the public interest at other levels of Government and participated actively in varied civic and charitable organizations.

Mr. Segal's talents are aptly described in a recent article and editorial published in the Philadelphia Inquirer. I ask unanimous consent that they be printed at the conclusion of my remarks. It has been my distinct pleasure to know Mr. Segal and to benefit from his wise counsel. I wish him all the best in what I know will be a most interesting and stimulating term of office.

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

HONOR-FILLED CAREER

Bernard G. Segal, outstanding Philadelphia lawyer nominated Tuesday as president-elect of the American Bar Association by its House of Delegates, has achieved another capstone in his legal and public service career.

He is no stranger to topmost honors and high responsibilities.

At the age of 16, he was graduated from Central High School here in 1924 and four years later won his bachelor degree from the University of Pennsylvania.

Three years later he was graduated from Penn's Law School and in 1932, at the age of 24, he became the youngest Deputy Attorney General of Pennsylvania in the history of the Commonwealth.

His drive brought him the high post of Chancellor of the Philadelphia Bar Association at 44, a position he filled in 1952 and 1953. He was the youngest chancellor ever selected by the Association.

Through the years, his merits were quickly and widely recognized by the heads of national and local governments, educators and leaders in civic and charitable activities.

In 1953, he was appointed by former President Eisenhower to the chairmanship of the Commission on Judicial and Congressional Salaries.

Presidents Kennedy and Johnson appointed and reappointed him co-chairman of the Lawyers Committee for Civil Rights Under Law.

He is a life member of the Board of Trustees of the University of Pennsylvania, a member of the University's Board of Law and of the Joint Board of the Annenberg School of Communications.

He also is a member of the Board of Governors of Dropsie College, where he has served on the Executive Committee. He is on the Lay Board of Villanova University.

He is a former president and chairman of the Board of Allied Jewish Appeal and a lifetime member of the Board of Directors of the Federation of Jewish Agencies of Greater Philadelphia.

His other civic associations include services on the boards of the American Arbitration Association, Medico, Inc., Albert Einstein Medical Center, Legal Aid Society, United Fund of Greater Philadelphia, Taxpayers Forum of Pennsylvania and the Governing Committee of the Chapel of the Four Chaplains.

He has found time to write four volumes on banking and building loan law despite his ramified activities and to maintain his partnership in the law firm of Schnader, Harrison, Segal and Lewis.

HONOR FOR A PHILADELPHIA LAWYER

The unanimous selection of Bernard G. Segal as president-elect nominee of the American Bar Association comes as fitting recognition of the talents and abilities of this distinguished Philadelphia lawyer.

Under the automatic succession rules of the ABA, he will become president in August, 1969, after serving a year as president-elect and acting as general chairman at the Association's annual meeting, to be held the first week of August in this city.

Since his earliest days at the bar, and his service back in the Pinchot Administration as deputy attorney general of Pennsylvania, Bernard Segal has devoted himself not only to the practice of law but to improving the administration of justice. His effort, against many obstacles, to remove judges from politics through installation of the Pennsylvania Plan for appointment on merit only, has been but one facet of his activity in this regard.

A former Chancellor of the Philadelphia Bar Association, mentioned frequently for appointment to the Federal and State bench, engaged in legal and civic activities that would take three or four typewritten pages just to list, he has always welcomed new opportunities to uphold law and justice. He is a man of zeal, and the lawyers from all over the country making up the American Bar Association are to be congratulated on having him as their next president.

AN EXPRESSION OF APPRECIATION AND THANKS TO THE COAST GUARD

Mr. PELL. Mr. President, it has been a rigorous winter in many parts of the country, and in Rhode Island particularly. The U.S. Coast Guard, as you know, must continue its many lifesaving and surveillance duties despite the weather.

Although it is not well known, one of the Coast Guard's missions is to do what it can to keep frozen harbors clear for commercial vessels. Mr. President, I would like to cite for inclusion in the CONGRESSIONAL RECORD the fact that the coast guardsmen serving in Rhode Island have performed their icebreaking duties this year with particular effectiveness and devotion. Some details of their fine record are included in a letter from Capt. John Neary, Jr., president of the Rhode Island State Pilots' Association.

Mr. President, I ask unanimous consent that his recent letter, which appeared in the Providence Journal, be printed in the RECORD.

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

CAPS OFF TO COAST GUARD

We the members of the Rhode Island State Pilots' Association would like publicly to express our appreciation and thanks to the coastguardsmen serving in the First Coast Guard District.

During the cold spell of the past few weeks a tremendous job has been done under most extreme conditions in maintaining aids to navigation, opening channels, and clearing ship berths. As pilots here in Narragansett and Mount Hope Bays we know of the 24-hour-a-day ordeals these men went through in breaking ice and resetting buoys in the bitter cold.

The attitude of these men and their cooperation was particularly noteworthy. Our office was continually in contact with the Bristol Depot notifying them of buoys off station and the arrival of deep draft ships for Tiverton, Fall River, and Providence. The Coast Guard always went on the scene almost immediately.

We feel that the public probably does not comprehend the value of these services and may not realize that waterborne commerce could have ceased and serious shortages of fuel and furnace oils could have taken place without their dedicated efforts. It is more than possible that groundings could have occurred causing serious bay pollution and the ruination of some of our natural resources.

Due to the determined efforts of the men of the First Coast Guard District, we know of no loss to shipping interests in the area of either time or money and our own assignments were made much more safely.

Particularly noteworthy were the efforts of the officers and men of the Castle Hill Station and the Bristol Buoy Depot, and the cutters White Sage, Cactus, Towline and CG 52309 D.

We pilots in this First Coast Guard District are more than grateful to the coastguardsmen in its service. Heartfelt thanks for a job well done!

Capt. JOHN NEARY, Jr.,
President,
Rhode Island State Pilots' Association.
PROVIDENCE.

VALUE AND ADVANTAGES OF USE OF U.S. AIR AND SEA CARRIERS

Mr. PEARSON. Mr. President, we have been hearing a great deal of discussion recently regarding positive actions which can and should be taken to deal with the current balance-of-payments deficit.

I invite the attention of Senators to two recent suggestions which have been made before this body. The first was made by the distinguished chairman of the Committee on Commerce [Mr. MAGNUSON], on which I serve. He has submitted a concurrent resolution (S. Con. Res. 58) expressing the sense of Congress that more use should be made of U.S.-flag shipping. With this I heartily concur and will go one step further in urging that we also make further use of U.S.-flag airlines in any travel abroad. The Senator from Missouri [Mr. SYMINGTON], on February 14, in a very fine statement on the Senate floor, set forth the value and advantages of why we should fly on our own American-flag carriers.

Mr. President, these are positive approaches to the balance-of-payments problems rather than the negative approaches we have heard from the administration. The administration so far has only offered punitive restrictive solutions which would deprive the American public of its right under the Constitution to travel when and where it pleases. I sincerely hope that these positive proposals will be considered at an early date.

SOME COPPER FACTS REVEALED

Mr. MONTOYA. Mr. President, some Senators have taken the floor to voice their concern over economic dangers involved in the current strike in our copper industry.

They have cited serious damage being inflicted on our balance of payments. Upwards of $100 million a month is being spent outside our borders to bring copper to our Nation's consumers. The amount is growing, even as the strike grows into its 9th month. I, too, am concerned.

The Senator from Arizona attempted to place blame for duration of the strike on unions involved. He attacked these unions on several counts, sounding the clarion call of inflation in referring to the unions' bargaining proposal.

Let us take a look at this charge. Workers in the copper industry were well behind the employees in other industries doing similar work when their contract expired—as much as $24 a week in the case of foundry workers. They struck when industry made an offer that would have left them even further behind, in view of wage increases elsewhere.

Even the latest and largest offer from any of the "big four" companies in the industry falls far short of recent contract agreements reached in the auto, rubber, and trucking industries. Nor does it approach agreements between Canadian unions and three major nonferrous metal firms which involved a package settlement valued at more than 90 cents an hour over a 3-year period.

We should consider whether the major copper producers can afford to increase wages and fringes at the level of other industries. What do corporate financial reports show? Each of the companies more than doubled—and one nearly tripled—profits between 1963 and 1966.

Anaconda Co. reported profits of $45 million in 1963. In 1966, the same company had profits—after taxes—of more than $132 million. Kennecott Copper's profits rocketed from some $57 million to more than $125 million during the same period. For Phelps Dodge, profits from 1963 through 1966 increased from $39 million to just shy of $83 million. American Smelting & Refining, whose profits were under $30 million in 1963, showed profits of nearly $70 million in 1966.

Nor was 1966 an especially dynamic or unique year. Each of the companies showed steady and large profit increases in each of the years involved.

Did the companies share their increased prosperity—which came through increased production—with their employees, the producers? No, indeed. Wage increases granted the workers were actually less than increases in the cost of living.

Did the companies share their new wealth with consumers by reducing prices? No, indeed. Instead, they actually increased the price of copper by 4 cents a pound, including a 2-cent jump that came on January 1, 1967, immediately behind their top-profit year. These price increases amounted to more than 10 percent. Where, I ask, is corporate concern for inflation?

This picture surely shows that, first; union demands are in line with the economy. Second, the industry can easily afford to pay its employees a fair and equitable wage.

Forbes magazine said in its January 1, 1967, issue that, and I quote:

Copper producers and fabricators alike never had it so good.

Refusal of copper industry giants to share their good fortune with those who helped produce it is at the crux of this current dispute. Several States, scores of communities, and tens of thousands of workers and their families are suffering.

Mr. President, I ask unanimous consent that the record of net profits of the four major copper producers from 1963 through 1966 be printed in the RECORD.

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

PROFIT FACTS

[Figures below are for the Big Four companies now being struck]

	1963	1964	1965	1966	Percent increase, 1963
American Smelting & Refining	$29,290,000	$41,918,000	$52,456,000	$69,234,000	136
Anaconda	45,322,000	57,242,000	79,492,000	132,408,000	192
Kennecott Copper	56,959,000	66,098,000	102,022,000	125,366,000	120
Phelps Dodge	39,395,000	56,279,000	67,747,000	82,847,000	110

EDITORIAL COMMENT ON TERRITORIAL WATERS JOINT RESOLUTION

Mr. GRIFFIN. Mr. President, on February 5, on behalf of myself and a significant number of cosponsors, I introduced a joint resolution (S.J. Res. 136) to revise the policy of the United States with respect to our territorial water limits.

Mr. President, I ask unanimous consent that several editorials commenting on the joint resolution be printed in the RECORD.

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

[From the Battle Creek (Mich.) Enquirer & News, Feb. 6, 1968]

TERRITORIAL LIMITS NEED ADJUSTMENT

One possible result of the North Korean seizure of the American intelligence ship USS Pueblo may be a reexamination of the haphazard system of the boundaries of nation's territorial waters.

The United States extends its boundaries only three miles from its shores, while North Korea and other communist nations (as well as many other countries) stretch them 12 miles. A few nations reach even farther into the oceans, topped by Chile which claims 200-miles limits.

U.S. Sen. Robert P. Griffin of Michigan proposed last week in the wake of the Pueblo incident that the United States push its territorial limits to 12 miles for Communist vessels. Likewise, the limits applying to other nations would be the same as those each one sets along its own shores.

It is certainly overgenerous for the United States to allow Soviet submarines, "fishing trawlers" and other intelligence-gathering vessels to creep four times closer to our shores than American spy ships can approach to communits coasts. This unnecessarily hospitable gesture cannot help but give the Communists an advantage in the offshore spying game.

In the interest of national security, the Senate should adjust American territorial limits as Senator Griffin proposes. And the favorable reaction that the idea quickly won from Majority Leader Mike Mansfield suggests that the Senate may indeed be ready to do so.

But the fact that under Griffin's plan American territorial limits would fluctuate from three miles for some nations up to 200 miles for Chile also points up the larger problem. Differences in territorial boundaries along the coastlines of the world remain a nuisance in both shipping and international law.

Thus the Senate should couple any adjustment of American territorial limits with steps toward reaching international agreement on making offshore boundaries uniform the world over.

[From the Lansing (Mich.) State Journal, Feb. 6, 1968]

SHOULD SCRAP POLICY THAT FAVORS THE REDS

Regardless of the outcome of this country's efforts to free the intelligence ship Pueblo and its crew we believe the United States should adopt a new policy insisting on reciprocity in the fixing of limits on territorial waters.

To this end, Sen. Robert P. Griffin, R-Mich., has drafted a resolution which would inform the Communist countries the United States will grant them no special advantages in this respect.

The Michigan senator said that so long as Communist nations insist that American ships stay at least 12 miles away from their shores, the U.S. government should see to it that Communist vessels approach no closer than that to our shores.

In a speech in the Senate last week, Griffin said "it makes no sense to allow Communist ships within three miles of our shores while we carefully observe a 12-mile limit proclaimed by Communist bloc countries."

Such a policy, under which Griffin said "we have been handing the Communist a significant espionage advantage," obviously makes no sense as far as the United States is concerned. It should be replaced with one that places this country on even terms with the Communists in the matter of fixing the limits of territorial waters.

Griffin, ranking Republican on the Merchant Marine subscommittee of the Senate Commerce Committee, said "our traditional three-mile limit should continue with respect to those countries which reciprocate by recognizing a three-mile limit as to their territorial waters" but "we should notify nations like Russia and North Korea that, so long as they claim a 12-mile limit, we shall insist that they say at least 12 miles from our shores."

Reporting on widespread espionage activities by the Soviet spy fleet, which he said consists of about 30 trawler-type vessels, Griffin said:

"Russian ships now work so close to our shoreline that they nearly scrape bottom. Their crews can augment intelligence data gathered electronically with visual and photographic evidence.

"Our three-mile limit is an open invitation to espionage—a giveway intelligence advantage for our adversaries."

Griffin noted that only 29 of 98 maritime nations are now observing a three-mile territorial limit. The rest all insist upon wider territorial waters, wth the largest number of countries claiming 12 miles, he said.

Noting that the United States has observed the three-mile limit since the time of Jefferson, the senator declared "that's no reason for blind adherence to a policy which no longer serves our national interests."

Far from serving U.S. interests the present policy serves the interests of the powerful, ruthless and treacherous Communist who obviously will make the most of any advantage the United States hands them.

In his speech last week Griffin said "it's about time we changed our policy and insisted upon reciprocity."

We would go further and say it is high time such an obviously needed change was made.

[From the New York Daily News, Feb. 6, 1968]

BY ALL MEANS, CONGRESS

Let's move fast to extend America's sea frontier to a limit of 12 miles as suggested Monday by a couple of dozen Senators, led by Gaylord Nelson (D-Wis.) and Robert Griffin (R-Mich.).

The proposal would end the advantage long enjoyed by Soviet seagoing snoopers nosing just beyond—and sometimes within—the present three-time limit.

Most maritime nations, including those in the Communist fold, enforce a claim to jurisdiction up to the 12-mile line.

As has been demonstrated by the still-unresolved Pueblo incident, Communists aren't above reaching across it when the chance for profitable piracy presents itself.

By contrast, we've let Soviet spy ships sniff around within eyeball range of our coast. One such vessel is anchored snugly off Charleston, S.C., where our Polaris submarines take on their nuclear missiles.

Along with extending the limit, Washington also should tell Moscow in no uncertain terms that any future trespassers will not get off with the gentle "shoo, boys" treatment accorded Communist interlopers in the past.

We feel most Americans would heartily applaud greased-lightning action to widen our territorial waters—and stern punishment for any violations thereof.

[From the Kalamazoo (Mich.) Gazette, Feb. 8, 1968]

"TERRITORIAL WATERS" RECIPROCITY

Since the days of President Jefferson, the United States has held that three nautical miles (about 3.45 land miles) into the open seas constitute our territorial waters.

Some nations, however, claim up to 200 miles, especially for fishing rights, despite an understanding reached at international conferences held in 1958 and 1960 that no nation should claim a limit greater than 12 miles.

Now Sen. Robert P. Griffin, R-Mich., and 7th Dist. Rep. Donald F. Riegle Jr., R-Mich., have introduced resolutions to have the U.S. three-mile limitation retained only in the case of ships from other countries also adhering to the same territorial waters restriction.

In other instances, the U.S. territorial waters would be extended up to a maximum of 12 miles for nations claiming control beyond three miles.

The resolutions, which also call for President Johnson to seek another international conference to establish a uniform limit, were stimulated by the North Korean seizure by the U.S. Navy intelligence ship, Pueblo, for claimed infringement of the 12-mile limit which Communist nations hold to be their territorial waters.

Griffin's resolution was co-sponsored by 27 other senators both Republicans and Democrats. Riegle said he expected strong bipartisan support.

The reciprocal limits acceptance plan makes sense.

[From the Muskegon (Mich.) Chronicle, Feb. 9, 1968]

WHY HAND THE COMMUNISTS AN OPEN INVITATION FOR CLOSE-UP ESPIONAGE?

The American public will be well-served by the enactment in Congress of legislation being introduced by Michigan Sen. Robert P. Griffin to change this nation's indefensibly wooly headed policy of allowing Communist ships within three miles of our shores while we carefully observe a 12-mile limit proclaimed by Communist-bloc countries.

The U.S. is one of a minority of maritime nations to maintain that its territorial waters extend only three miles out to sea. While this limit may have made some sense back in the days of sails and tall ships, it patently makes no sense in this day and age.

It is rather generally accepted that a nation's boundaries at sea extend at least as far as the continental shelf, that portion of the land mass which extends under water to the deeper dropoff of the continental slope. These shelves extend much farther seaward than three miles.

Sen. Griffin, who is the ranking Republican on the Merchant Marine Subcommittee of the Senate Commerce Committee, told the Senate last week that the Pueblo incident "underscores the fact that we have been handing the Communists a significant espionage advantage," and added, "It's about time we changed our policy and insisted upon reciprocity."

This change is, in fact, long overdue, and we believe Sen. Griffin's proposal is a sound one. He would continue the traditional three-mile limit with respect to those countries which reciprocate by recognizing a three-mile limit as to their territorial waters.

But we would notify nations such as Russia and North Korea that, so long as they claim a 12-mile limit, we will insist that their ships stay at least 12 miles from our shores.

When the sanctuary of international waters lies only three miles offshore it is plain that observation for intelligence-gathering purposes is greatly facilitated. Why make it easy?

The United States is painfully aware of the widespread espionage activities of the Soviet spy fleet of some 30 trawler-type vessels. From three miles out the crews of these ships can augment intelligence data gathered electronically with both visual and photographic evidence. The net effect is, as the congressman says, "an open invitation to espionage—a give-away intelligence advantage for our adversaries."

The United States has observed the three-mile limit from the time of President Jefferson, and for some reason no one—neither the military nor the secretaries of defense—has seen fit to question whether it properly serves the national interest. Obviously, at least through the years since World War II, it has not.

The three-mile limit also works to the detriment of the fishing industry which is highly competitive around our shores. A 12-mile limit would also be more reasonable here.

A total of 69 of the 98 maritime nations now claim territorial waters beyond three miles, and a large majority insist on a 12-mile limit. The Griffin bill merits support and prompt passage.

[From the Adrian (Mich.) Daily Telegram, Feb. 9, 1968]

RECIPROCITY ON TERRITORIAL LIMITS

Michigan's Senator Robert P. Griffin is introducing a joint resolution in Congress declaring that in the absence of any international treaty the traditional three-mile territorial limit shall continue as to those countries which recognize a three-mile limit to their territoral waters. But in the case of any nation claiming a wider limit (up to 12 miles, such as North Korea and the Soviet Union) the United States shall henceforth observe a corresponding limit with respect to U.S. shores. The resolution further expresses the sense of Congress that the President should take steps to have an international convention convened for an agreement among world nations upon a uniform territorial limit.

Most certainly there is need for uniformity on territorial limits. It makes no sense to allow Communist ships within three miles of our shores—ships we know are on espionage missions—while we observe the 12-mile limit claimed by the Communist-bloc countries. The policy Sen. Griffin proposes is based on reciprocity. When other nations claim a 12-mile limit, we shall claim a 12-mile limit against them.

Sen. Griffin points out that the United States has long stood in the forefront of those nations promoting the ideal of freedom of navigation and freedom of the seas, that the three-mile limit has been a generous accommodation to the interests of other maritime powers. But he insists that "there is no justification for blind adherence on our part to a rigid policy that no longer serves our national interests." There is persuasive logic in what he says.

For the last few years Soviet ships, ostensibly fishing trawlers but bristling with a wide array of electronic equipment for intelligence activities, have operated along our Atlantic and Pacific coastlines, always about three miles off shore. They report to the Soviet Union all they can about the movement of U.S. aircraft carriers, Polaris submarines and how our fleet maneuvers are carried out. There have been numerous incidents of their harrassing U.S. naval ships. We have to operate at least 12 miles off Soviet shores and those of other Communist countries. They can come within three miles of our shores and do it legally.

Sen. Griffin conceded that at this particular time, in the light of diplomatic efforts to obtain the release of the Pueblo and its crew from North Korea, the question of immediate adoption of his resolution can well be left to the Senate Foreign Relations Committee and the President. But he insists its ultimate adoption would be exceptionally useful.

[From the Ann Arbor (Mich.) News, Feb. 7, 1968]

U.S. 3-MILE LIMIT MAKES SPYING TOO EASY

The United States, in ruling that its territorial waters only extend three miles out to sea, is one of the few maritime nations to abide by such a close-in policy. Three miles is a figure arbitrarily arrived at, and it really makes very little sense in this day and age.

To begin, it's commonly accepted that a nation's boundaries at sea extend at least as far as the continental shelf, that portion of a land mass which extends under water to the continental slope. The continental shelf extends farther than three miles.

As Michigan's Republican Sen. Robert Griffin points out, the three-mile limit tends to invite close-in spying. When the sanctuary of international waters lies only three miles offshore, it stands to reason that observation for intelligence-gathering purposes is greatly facilitated.

The three-mile limit also works to the detriment of the fishing industry. The competition gets pretty fierce in international waters, e.g., Japan and the U.S., but there's no need to let the competition get so close to our shores that they practically have to go through customs.

Such countries as Ecuador and Peru claim fishing rights as far as 200 miles. This is patently ridiculous, but they have the right idea. A reasonable figure would be 12 or 15 miles, 12 being the limit claimed by most maritime states today.

The U.S. is penalizing itself by stubbornly clinging to the three-mile limit. It's not working to our favor any more (if indeed it ever did) and it's time to shove our boundaries and our offshore friends farther out to sea.

THE CONGAREE SUCCESS STORY—A VITAL ASSIST FROM REA

Mr. NELSON. We are vitally concerned about the need to offset the growing population imbalance between our urban and rural areas point with pride at the accomplishments of the Congaree Iron & Steel Co., in Congaree, S.C.

With 70 percent of our people piled upon just 1 percent of the land in congested cities and sprawling suburbs, we must seek ways to develop rural America into attractive locations for building new industries and into attractive communities for people to live in.

This is what Frank Threatt, the founder and president of the Congaree Iron & Steel Co., has done in this South Carolina community, some 25 miles southeast of Columbia.

In 1958, he came to Congaree with a great deal of confidence but little capital to establish a factory to make steel joists. The only land he could find and purchase was under water. With the help of some Negro workmen, he drained off the water and began to construct the factory siding.

Starting from scratch, the Congaree plant has increased its volume about $750,000 per year and grossed in the neighborhood of $8,000,000 in 1967. It met a payroll of more than $1,500,000 for some 400 employees, most of them Negro.

In December, Life magazine published an article, highlighting the progress and background of the Congaree plant. I ask unanimous consent that the article be printed at this point in the RECORD.

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

A DEEP SOUTH BOSS WHO HIRES EX-CONS—FRANK THREATT'S QUIET DRIVE ON PREJUDICE

(By Richard Busch)

"Most of them," says Frank Threatt of the 400 employees he has working for him at his booming steel plant near Columbia, South Carolina, "are basically good people." It is this simple faith which has made Threatt's Congaree Iron and Steel Co. a most unorthodox example of successful personnel policies. The majority of his workers cannot read or write, four fifths of them are Negro, and many of them have prison records. Threatt, a Southerner born and educated, makes it his recruiting practice to scout the county chain gang. Ex-cons, he has found, become devoted employees. "The ones that make the best workers are the murderers and rapists," he says. "Thieves don't usually work out so well because they plan their crimes."

Threatt's unlikely work force helped his plant gross $7.5 million last year from the sale of steel joists—and it has changed the feeling of many of the area's Negroes from uselessness to head-high pride. Said Agriculture Secretary Freeman after a visit to Congaree, "This is a picturebook example of what needs to be done all over the nation."

Even the white people in the area, Threatt says, are changing their minds about Congaree: "They are beginning to understand

that Negroes learn as quickly and are just as dependable and that all they need is some help, some direction—and the best way to do that is to make sure they can become constructively employed."

A job at Congaree had a special impact on Willie Garrick, who was born and raised near the plant in abject circumstances. One of the plant's first employes, Garrick was sentenced to a 12-year hitch on the county chain gang for shotgunning a man to death. Threatt convinced the parole board to reduce his sentence to three years—something he has done for many other convicts.

Garrick, who returned to work upon his release, is now superintendent of production, in charge of 130 men, and earning upwards of $10,000 a year. Since 1962, he has used part of his earnings to buy stock in the company. He owns a new six-room house, an air conditioner, a freezer and is regularly setting aside money to educate his seven children. His wife Willie Mae recently started work herself in the plant office. "If you want to progress," she says, "it helps for the wife to work."

Willie Garrick handles his men in a quiet but firm fashion. "If you keep it up," he tells tardy employees, "I'm going to dock you money." Not many of his men do, he says, "but you have to stop it early before it gets out of hand." Frank Threatt admires the way Garrick handles responsibility. "When Willie speaks, the men listen," he says. Garrick's 13-year-old son Willie Jr., provides this testimonial to Congaree. "When, I grow up," he says, "I'm gonna work down at the steel plant!"

Frank Threatt did not always feel so charitable—and optimistic—about Negroes. For years his attitudes were like those of any other Southerner who had been reared in an environment of strong racial prejudice. Threatt grew up in Rock Hill, S.C., and studied engineering at the University of South Carolina. Negroes were all right as neighbors, he thought, and they were good for farming or carrying things or sweeping floors. But he considered them inferior people, unworthy of real respect. Then something happened to Frank Threatt during World War II that radically changed his attitude—and the course of his life.

As a young lieutenant stationed at an Army base in Hawaii he wanted desperately to get into the fighting. After trying unsuccessfully for months to transfer into a combat unit, he learned of an all-Negro company assigned to an invasion task force that needed a commanding officer. The company, part of a port battalion, was made up of disciplinary cases—eight-ball soldiers who got into fights and refused to obey orders. Threatt got the assignment and caught up with his company on the beachhead of Saipan. There he found the men crouched in shell craters, refusing to come out and work on the beach.

"I had to be tough," says Threatt. "I aimed my pistol at them and literally dragged some of them from the holes and got them to fall in on the beach. The Japs were not far away and every now and then we'd be shot at. It didn't take them long to realize that it was safer to obey my orders and work than to risk being shot at while standing on the beach."

That night Threatt learned of a plan to shoot him. He ordered the company to fall in again and then told them where his foxhole was. "Anybody who wants to find me—that's where I'll be," he said. "Just remember that you'll have to crawl over there, and that I've got a pistol. Try to get me—and I'll kill you."

Nobody tried. From that night on the company began to take shape, and eventually it became one of the best outfits on the island. Threatt's men captured more Japanese than any other company in the area. "It was a strange thing," he says. "The Japanese didn't surrender much to the Allies during the war, but they were walking into our camp and giving up. We never abused a prisoner because nobody wanted to. The men were tough, but they were gentle."

Threatt gave up another assignment and a promotion to stay with the company until the end of the war. "When they passed out medals my men were loaded down, and they got a presidential unit citation. The war taught me that Negroes were people like anybody else and not a race."

Back in South Carolina, Threatt went to work for a construction company and maintained a small farm. Then, in 1951, he was recalled to active duty for the Korean war. While he was gone, one of his neighbors—a Negro named Willie Wilson, who was born in one of the old slave quarters behind Frank Theatt's house—worked the farm for no pay. He did it, he said, because he was Frank's friend and his neighbor. And he did it for nothing because Frank Theatt had no money to pay him.

When Threatt returned from Korea he went to work for another construction firm but was determined to start his own business. On Oct. 15, 1957, he and Willie Wilson, whom he had hired for $1 an hour, and two other Negro neighbors became the Congaree Iron and Steel Company.

Frank Threatt purchased on credit the cheapest piece of land he could find—15 acres of swamp land in Congaree near Columbia. The four men spent two months digging ditches with shovels and picks to drain off the water. "We got it done," Threatt recalls, and then hired seven more men—Negroes—and started to buy second-hand equipment. I didn't hire Negroes because I was crusading for racial equality or anything. They were the only unemployed people in the area."

By the spring of 1958 there were nearly 50 employes in the company. "The word was out, and every morning when we'd get to the plant at 7 a.m. there would be 30 or 40 Negroes lined up waiting for a job. Some offered to work for nothing just to show us they could do it." By the end of the year, the Congaree Iron and Steel Company had done $2 million worth of business.

Even after Congaree began to grow, many white people in the community looked with disdain at Threatt. They didn't really think his company would last and they thought less of his attitude toward black people. In 1960 three men from the local chapter of the White Citizens Council came to his house and asked him to join. When he said he couldn't, they called him a nigger lover—and Threatt kicked them out of the house. Later someone took a shot at his house from a car at night. When it happened again, Threatt decided he had better get prepared for the third time. When it came he returned the fire with a blast from one of his hunting shotguns. He hasn't heard from the night riders since.

Frank Threatt is pleased with the progress to date, but he thinks it is only a beginning. He would like to see the area get a bank and some more stores, and one day even a small community of new houses. He is also planning on a new plant that would employ 600 more people—mostly Negroes.

"We could build enough houses so that Negroes from the North would have some place to live when they get here. The Negro in the North is not usually happy there," says Threatt. "We've got to bring the Negro back here. Sort of reverse the Northern vacuum sweeper. We envision maybe 300 houses on different-size plots. Maybe the government could help pay the expenses to send Negroes back down here. Somebody has to help. I guess right now we're a lone voice in the wilderness, but I'm sure others will try the way we have. It doesn't take much more than that—and maybe a little guts, some patience, and fair treatment."

Mr. NELSON. Mr. President, I believe that this feature article gave Mr. Threatt and the Congaree plant some much-deserved publicity and public exposure. I hope that this success story serves as an example for other resourceful individuals and communities to follow.

However, the Life magazine article failed to mention that the Congaree project may never have been a success without the assistance of the Rural Electrification Administration.

When Mr. Threatt was about to open his plant, he requested electric power from the local private utility which quoted a 7-week delay and requested $3,500 for installation.

This was far more capital than Mr. Threatt even had for all of his final expenditures put together. So he contacted the local rural electric cooperative, the Tri-County Rural Electric Cooperative. Four days later, Mr. Threatt was in business with electric power provided by the local cooperative.

No huge installation fee was required and the steel company's entire initial cash outlay for the first month's service was $1.50.

Mr. Threatt has stated many times that his plant would never have been possible without the assistance provided by the local rural electric cooperative.

Later, when he was ready to expand but was unable to obtain adequate financing from private sources, he received a $350,000 loan for additional wiring and electrical equipment through the Tri-County Rural Electric Cooperative and the Rural Electrification Administration and a $350,000 loan from the Small Business Administration. These funds enabled him to triple the firm's employment and increase the work force to its present size.

Eighty-five percent of the employees are Negro, some of whom have returned from northern cities to work in Congaree. Many are illiterate or semi-illiterate. The average wage is more than $4,500 per year, with some workers earning as much as $8,000–$10,000 annually, compared to the $800–$1,000 that many were making on jobs 10 years ago just before the plant opened.

The impact upon Congaree has been tremendous. More than 75 new homes have been constructed. Three new filling stations, a bakery, a community shopping center, a post office, a machine shop, two laundries, two churches, a restaurant, a fish bait business, and several new small country stores have been started up. The local tax base has increased five times over and the land is reported on the market at eight to 10 times its value a decade ago.

Confidence and cooperation has brought new life to Congaree. This success story can be repeated across the country if the important blend of private initiative and public support can be mustered in other communities.

The country owes the founder, Frank Threatt, a vote of thanks for doing so well what many have talked about and done so little. And, a vote of thanks, too, to the Rural Electrification Administration and the Tri-County Rural Electric Cooperative for their understanding and foresight.

SELECTIVE SERVICE

Mr. HART. Mr. President, on February 16, Selective Service Director Lieutenant General Hershey announced that draft deferments will no longer be granted to most graduate students, and that Selective Service will continue to draft the oldest eligible men first, rather than 19-year-olds. General Hershey's announcement on graduate school deferments was based on an advisory memorandum from the National Security Council, the agency charged under section 4(G) of the Military Selective Service Act of 1967 with making recommendations with respect to occupational and graduate student deferments. In its memorandum, the National Security Council stated:

It is not essential for the maintenance of the national health, safety and interest to extend student deferments for graduate study to fields other than medicine, dentistry, and the allied medical fields, where deferment is now required by Selective Service requirements.

Mr. President, how many of us fully realize the consequences of abolishing most graduate school deferments while at the same time continuing to draft the oldest eligible men first? Col. Paul Feeny, Deputy Director of Selective Service in Massachusetts, aptly summed up one consequence of this new selective service directive:

Kids graduating this year need not waste their time and money applying to graduate schools unless they feel they'll be rejected by the draft for other reasons.

In effect, under these new selective service regulations all draft-qualified men who are completing a baccalaureate degree, who are completing the first year of graduate study, or who are completing a graduate degree during this school year will be, as of July 1, 1968, subject to being drafted. Under the just reaffirmed order of call which takes the oldest men first in the age group 19 to 26, all physically eligible graduates—according to Scientific Manpower Commission about 226,000—could be drafted to fill the estimated draft call of 241,000 for fiscal year 1969. In addition, men who are "college dropouts" will be next in the order of call, since they, too, are older than the 19 year olds. Thus, under current policy, as The Washington Post recently observed:

It is possible that in some areas . . . the entire burden of the draft will fall on those who go to college rather, than has been charged in the past, on those who do not go to college.

Another consequence of the February 16 Selective Service directive is the adverse and immediate effect it will have on the supply of our Nation's teachers and graduate teaching assistants. As Dr. Nathan Pusey, president of Harvard said:

Such a sudden, drastic interruption of graduate training cannot fail to have unfortunate consequences in the future by interrupting the flow of college and university teachers and research workers at a time when the need for them is accelerating.

Another major problem the new selective service order creates is unpredictability for both graduate students and schools.

The Military Selective Service Act of 1967 removed the protection of the I-S (C) deferment for graduate students—a deferment which allowed any graduate student who was drafted in the middle of a school year to be deferred to the end of his school year. Obviously, under these new selective service regulations, all the physically eligible college graduates—about 226,000—cannot be drafted during the summer of 1968. Thus, the draft eligible graduate student who elects to enter or continue in graduate school in the fall of 1968 knows that during the school year he will probably be drafted—forfeiting his time and tuition.

Presently graduate schools are making their selection for fellowships such as the NDEA graduate fellowship. Part of the cost of teaching and providing academic space for students in fellowships supported by the Federal Government is underwritten by a cost of education grant—generally $2,500 per year—to the graduate school. Since, under current selective service regulations recipients of a fellowship will be drafted during the academic year, graduate schools would lose or have their cost of education grant held in abeyance. According to Jack Morse of the American Council on Education:

Our universities would thus be left with staggering deficits.

Graduate students, our already short supply of teachers, and graduate schools do not appear to be the only ones adversely affected by Friday's selective service ruling.

In the past the Armed Forces have always been able to fill units requiring graduate degrees, such as the Judge Advocate General's Corps—JAG—from the pool of graduating physically eligible lawyers who prefer to "volunteer" for JAG rather than be drafted into the Regular Army. Since graduate students will now face maximum draft vulnerability before or during their first year of graduate study, I question whether there will be an adequate supply of graduating lawyers to satisfy the needs of a program such as JAG.

February 16th's Selective Service announcement that it will continue to draft the oldest eligible men first also could adversely affect manpower requirements of the Armed Forces. Presently, the median age of draftees is around 20.2 years. Under Selective Service policy of drafting the oldest eligible men first, the median age of draftees during fiscal year 1969 will jump to around 23-plus years.

Three recent studies of the draft—a 1966 DOD study, the Marshall report, the Clark report—were unanimous in concluding that Selective Service's just reaffirmed policy of oldest-man-first is undesirable. In fact, according to Thomas Morris, testifying in 1967 as Assistant Secretary of Defense for Manpower:

Our surveys showed that over half of the men who remained liable for service until their midtwenties had experienced difficulties in their personal planning because of uncertainty as to whether they would be drafted.

Two out of five enlisted men who entered service between ages 22 and 25 reported that they had been told at least once by a prospective employer that they could not be hired because they were still liable for induction. Only 27 percent of the men who entered at ages 19 to 21 had encountered a similar problem; and only 11 percent of those under age 19.

Family responsibilities also increase with age. At age 19 only about 5 percent of all young men are fathers, by age 24 over one-half have started families.

Finally, combat commanders have generally preferred most of their new recruits at an early age, such as 19, when they are most adaptable to combat training and discipline.

General Wheeler recently stated:

"I've had a lot of experience in training young men and I find that the young ones are eager, they are sturdy, they learn quickly. Sometimes the older men, who have taken on responsibilities of a family or have other drawdowns on their means, are not as eager, not as willing, to undertake military service as the younger men."

From this brief analysis of last Friday's Selective Service announcement, one can see how graduate school enrollment could drop next fall from 20 to 60 percent and how next year's graduate school population could consist of the halt and the lame; women, foreign students, a few veterans and some "gamblers"—those draft eligible students who will elect to take their chances on being able to complete a semester or a year of work. At the same time we could end up next year with what one graduate school dean has described as the "oldest, best educated, and least desirable Army imaginable."

Mr. President, several steps should be taken to cushion the impact of last Friday's Selective Service ruling.

First, the Selective Service System should suggest that its 4,000-odd local boards postpone the induction until the end of the school year—on hardship grounds—of all graduate students drafted during the 1968–69 academic year. Such a postponement would save both students and universities from unnecessarily forfeiting valuable time and money.

Second, rather than continue to draft almost exclusively on the principle of oldest first, the order of call should be and and can be administratively changed under existing legislation in the following way. The Department of Defense could divide all draft-eligible men into seven age classes, beginning with the 19-to-20 group and ending with those from 25 to 26 years old. Each age group would then be called upon to contribute according to the percentage of men it had in the total pool of those available.

This system has two advantages over existing Selective Service policy of drafting the oldest eligible men first: First it would be better suited to U.S. military manpower needs—giving the Armed Forces a younger, stronger, more easily trainable army; and second, this selection system would more equitably spread the burden of the draft among those who go to college and those who do not. Presently, the entire burden could fall on those who go to college.

Mr. President, these first two steps I have suggested are merely temporary methods of softening the impact of last Friday's Selective Service directive. Until Congress agrees to revise the draft law in an equitable manner, problems like these recent Selective Service regulations will constantly occur.

Last spring, Congress chose to ignore

the major recommendations of a distinguished commission on the draft and a Presidential message incorporating many of these recommendations. Despite the outstanding efforts of the distinguished senior Senator from Massachusetts [Mr. KENNEDY], Congress chose to enact a basically inequitable law, a law which I and 22 other Senators voted against continuing for another 4 years.

It is my understanding that the senior Senator from Massachusetts [Mr. KENNEDY] will shortly propose legislation to institute a random selection system. If such a system were adopted, a prime age group would be designated, probably age 19. Those who had passed 19 without military service and were no longer entitled to deferment would be treated as if they were 19 and placed in the pool with the actual 19-year-olds. Thus the practice of deferments for students and those in critical occupations leading to permanent exemptions from military service, would be curtailed.

Mr. President, I am hopeful that Congress will live up to the willingness it expressed at the time of passage of the Military Selective Service Act of 1967 to hold prompt hearings on legislation establishing a random selection system.

Fairness and the broader interests of the country cannot be served by tampering with a basically inequitable statute. What is needed now is prompt Congressional action, revising a basically inequitable draft law.

Mr. President, in conclusion let me say that the new draft policies have turned graduate students into "reverse Cinderellas." I am in favor of taking students out of the gilded coach, but we are overreacting when we stuff them all into a pumpkin.

In recent years, we have had the problem of the young man who rides his student deferment right into marriage or advanced age.

Well, a democracy shou'd be appalled to see men escape the draft simply because they are wealthy enough to go to college indefinitely.

We have felt so stung by this situation that we have begun to shoot at the mosquitoes with a shotgun. The shotgun is effective; but when the mosquitoes are in a china shop, it can have certain bad side effects.

In this case the side effects are these: The Army gets 26-year-olds when it would prefer 19-year-olds, the universities are damaged by the sudden drain of graduate students, classroom credit goes to waste and gaps are created in the professions.

There are a great many equities to be balanced in the draft system and selective service has been a very uncertain juggler, frantically keeping three plates in the air while others, momentarily neglected, crash behind.

Sure, it is in the national interest to encourage more to go to college but we do not want wealth to guarantee freedom from service. Yes, we agree that everyone should get the same treatment; but, on the other hand, the Army does not need all eligibles so someone is going to get a break.

It is when we begin to try to balance all the valid but competing equities that we realize what a problem we have.

One of our primary obligations, it seems to me, is to eliminate as much uncertainty as we can. I think a draft pool of 19-year-olds would help to do this.

THE GROWTH OF THE RUSSIAN NAVY: NEW POSSIBLE DANGER TO THE UNITED STATES

Mr. SYMINGTON. Mr. President, an article published in Time magazine opened with the following quotation by the Commander of the Russian Navy, Adm. Sergei Gorshkov:

> The flag of the Soviet Navy now proudly flies over the oceans of the world. Sooner or later, the U.S. will have to understand that it no longer has mastery of the seas.

I ask unanimous consent that a part of the article on the Russian Navy be printed in the RECORD.

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

RUSSIA: POWER PLAY ON THE OCEANS

"The flag of the Soviet navy now proudly flies over the oceans of the world. Sooner or later, the U.S. will have to understand that it no longer has mastery of the seas," Admiral Sergei Gorshkov.

The author of that threatening boast walked up to a snake charmer in the Indian city of Agra last week and, while his aides looked on aghast, seized a thick, six-foot-long python in his strong hands and draped it over his shoulders. Making a ten-day tour of India, the commander of the Russian navy was acting like the traditional sailor on shore leave. He viewed the Taj Mahal by moonlight, visited the Nehru Museum and the site where Mahatma Gandhi's body was cremated, and shopped for souvenirs. But Admiral Sergei Georgeivich Gorshkov's trip to India had an entirely serious purpose, as do all his trips these days. He is trying to line up a worldwide system of ports of call and bases for his navy, and he hoped to persuade India, which is about to receive at least three submarines from the Soviet Union, to reciprocate by allowing Soviet men-of-war to fuel and make repairs in Indian ports.

While the attention of the U.S. is focused on Viet Nam, the Russians are mounting at sea a new challenge that the U.S. and its allies will have to deal with long after the fighting in Southeast Asia is ended. This may come as a surprise to most laymen—but not to U.S. naval experts. While Russia's stock of intercontinental missiles and its huge land army on Europe's periphery still remain the major military threats to the West, in recent years the Russians have developed a global navy second only to the U.S. in size and weaponry. As a comparison between the two navies shows, the U.S. remains indisputably the world's greatest sea power. But, in a remarkable turnaround since World War II, Moscow has transformed a relatively insignificant coastal-defense force that seldom ventured far from land into a real blue-water fleet.

If any one man is responsible for this change, it is Admiral Gorshkov, 57, who became the youngest admiral in Soviet history at 31 and has guided the growth of the navy as its chief for the past twelve years. He has totally reshaped the Soviet Union's once conservative naval strategy and transformed the fleet into the most effective and flexible arm of Soviet foreign policy.

COLUMBIA BASIN PROJECT

Mr. MAGNUSON. Mr. President, the Columbia Basin project in the State of Washington has been in the development stage for a number of years now. The importance of this project to the State of Washington and to the Nation cannot be overstated. All of us from the State would hope that development could proceed at a much more rapid pace, but budgetary limitations have severely hampered progress.

I recently received from the Wilson Creek Grange, in Washington State, a resolution which rather succinctly states the promise which the project holds and the desire in the State for early completion thereof. I ask unanimous consent that the resolution adopted by the Wilson Creek Grange No. 935 be printed in the RECORD.

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

WILSON CREEK, WASH., GRANGE NO. 935: RESOLUTION ON REAPPROPRIATION OF FUNDS FOR SECOND BACON SIPHON AND TUNNEL

Whereas, the development of the second half of the authorized area of the Columbia Basin Project must await the construction of the second Bacon siphon and tunnel before sufficient water is available; and

Whereas, funds appropriated for the start of construction of the second Bacon siphon and tunnel in 1968 have been put into budgetary reserve and must now be re-appropriated in Fiscal Year 1969; and

Whereas, the fertile land making up the 531,000 acres remaining to be developed will produce crops of tremendous value to the State, the nation, and the world, and will add an estimated $202,731,000 to the gross annual product of the State of Washington; and

Whereas, the Columbia Development League is an organization which devotes its efforts to the full development of the 1,029,000 acres originally authorized as the Columbia River Basin Project;

Now, therefore, be it resolved, that Wilson Creek Grange No. 935 wholeheartedly supports the activities of the Columbia Basin Development League in behalf of speeding the completion of the Project by seeking the appropriation of funds for the construction of the second Bacon siphon and tunnel and other necessary works, and urges all Subordinate and Pomona Granges, the Washington State Grange, and all other residents of the State of Washington to join in this support toward the end that water can be brought to the remaining 531,000 authorized acres of this irrigation project.

We further urge your support by registering your approval of this resolution by sending signed copies to your Senators and your Congressman.

A copy of this resolution to be sent to all Subordinate Granges and Grant County Pomona Grange, State Grange and State Master Nelson.

Passed in regular session by the Wilson Creek Grange No. 935 on the 27th day of January 1968.

SAM GROSS,
Master.
MARY BOHNET,
Secretary.

IMPORTANCE OF FEDERAL FOREIGN TRADE AND FISCAL POLICIES—ADDRESS BY SENATOR MILLER

Mr. HANSEN. Mr. President, on Friday, February 16, the Senator from Iowa

[Mr. MILLER] delivered a major farm speech at the 30th annual National Farm Institute in Des Moines, Iowa. The theme of this year's institute was "Bargaining Power for Farmers." Senator MILLER's remarks are most timely and vital in a consideration of that subject. I ask unanimous consent that his speech be printed in the RECORD.

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

THE IMPORTANCE OF FEDERAL FOREIGN TRADE AND FISCAL POLICIES BY U.S. SENATOR JACK MILLER OF IOWA

"Bargaining Power for Farmers" can only be meaningful when it takes into account the realities of political and economic life.

By way of analogy, the bargaining power of a labor union isn't worth much if there are no buyers for the production of the plant, because an identical or substitute product can be bought at lower prices somewhere else. Nor will it be worth much if the plant for which the union is the certified bargaining agent has to close because—efficient though it may be and quality though its product may be—there is no demand for its production due to saturation of the market.

The action or inaction of the federal government can make or break the bargaining power of a labor union. For example, there have been recurring calls for federal legislation placing certain unions under the antitrust laws or outlawing nationwide bargaining. Congress has not seen fit to so legislate, but if it does there could be no question but what the collective bargaining power of some unions would be weakened. There aren't many local watchworkers unions in the United States anymore, simply because the federal government did not see fit to impose protective tariffs or quotas; and there are cotton textile mills idle today, with their local textile workers union out of business too, for the same reason plus an added factor of competition from synthetic fibres.

Our federal government is so powerful that what it does or does not do can make or break the bargaining power of farmers. Nowhere is this more true than in the areas of foreign trade policy and fiscal policy.

On Wednesday of this week, Secretary of Agriculture Freeman, during his testimony before our Joint Economic Committee, stated that our wheat and feed grain surpluses are gone; that the inventory of commodities owned by the Commodity Credit Corporation dropped from $6 billion in 1960 to under $1 billion today. This could never have happened without the dramatic increase in our agricultural exports. Compared to 1960, the cumulative increases in exports running through 1967 amounted to $8.7 billion, of which $8 billion represents commercial exports. Meanwhile, exports under PL 480, or Food for Peace, for soft currency or as donations have remained fairly constant at around $1.5 billion a year.

There are some who suggest that our export trade can be greatly expanded by stepping up shipments under the Food for Peace program. Two considerations should be kept in mind in evaluating this proposal: First, the taxpayers are already footing an annual bill of close to $2 billion for this program, and it is unrealistic to believe they will support any substantial increase at a time when a war is costing them nearly $3 billion a month. Second, even with this cost off the taxpayers' backs, Secretary Freeman, looking five years into the future, stated that we should not expect a very large increase in Food for Peace exports, because this would disrupt commercial markets both within and without the lesser-developed countries and would, at the same time, deter self-help programs of the hungry nations to develop (albeit with our assistance) self-sufficiency in agriculture.

This means that we must turn to commercial exports, and a hard look at developments does not furnish a basis for optimism, with the possible exception of soybeans. Agricultural exports for 1967 were down nearly $500 million from 1966; whereas imports were down only $76 million. Our favorable balance of agricultural exports over imports fell under $2 billion for the first time in four years.

A warning to the soybean trade. Last year we lost a 40,000 metric ton market to Iran alone because of Iranian trade agreements with the Soviet Union covering sunflower oil. Last week Soviet sunflower oil was quoted at $173 per metric ton; while U.S. soybean oil was quoted at $210 per metric ton in New Orleans. Sunflower seed oil yield is nearly 40%; whereas soybean seed oil yield is around 20%.

The Soviet Union is also shipping sunflower oil to India, Pakistan, Morocco and northern Europe, and all indications are that it intends to cut into American soybean markets.

In 1965, several of us on the Joint Economic Committee warned of "the most critical uncertainties" facing American agriculture in the outcome of the GATT negotiations for the reduction of trade barriers. "If American farm exports are not to suffer a sharp decline," we said, "it is essential that the United States receive significant concessions on agriculture from the EEC." But the end of the Kennedy Round of negotiations last June left us with no guaranteed access to the Common Market countries for our grains; nor was there any lowering of their import duties on our grains—duties which are being used to help support their domestic price of $2.80 for wheat and $2.25 for corn. They have announced a goal of self-sufficiency in grain production; and whether we think their policy is a wise one or not, it could bring a setback in our agricultural exports to Western Europe. Out of a total of $1.5 billion of all our agricultural exports to the Common Market, trade barriers were lowered on only $200 million, some 13%. At the same time, out of a total of $3.7 billion of all our industrial exports to the Common Market, we negotiated a lowering of trade barriers on items comprising $2.4 billion, or 65%.

Since 1960, our wheat exports to Western Europe have fallen off one and a half million tons a year. USDA's forecast for 1970 shows a decline in grain imports for Western Europe, but an increase for Japan. At the same time, if we are to minimize our share of the decline and maximize our share of the increase, we must be price competitive with other surplus producing countries. Bargaining power for farmers which results in prices deemed "fair and reasonable" in our economy could, at the same time, result in non-competitive prices for export. Unless this bargaining power excepted commodities for export, or unless the taxpayers were willing to subsidize these exports, we could lose our large commodity export surplus—if not our export trade altogether. I would not foreclose the possibility of subsidizing agricultural exports—especially if there is a reciprocal lowering of the cost of farm programs; and I said just a year ago in a speech before the Grain and Feed Dealers convention in New York that if inflation isn't stopped so that our commodities can remain competitive in world markets, we would be forced to subsidize our exports.

The other side of the trade picture—imports—is an equally important policy matter. It is obvious, of course, that foreign trade cannot be a one-way street. And it is generally agreed, I believe, that a genuinely reciprocal lowering of trade barriers will stimulate an increase in foreign trade to the benefit of all concerned. But adherence to these principles must not be permitted to blind us to inequities of foreign competition. There is much more to so-called "free trade" than the reciprocal lowering of tariffs, with which the Kennedy Round was concerned. As our Joint Economic Committee pointed out in its recent report, entitled "The Future of U.S. Foreign Trade Policy":

"Not infrequently . . . non-tariff barriers deny to the individual countries and the world the gains and efficiencies of free trade more effectively and more insidiously than the visible tariff obstructions themselves. . . . The European Common Market practice of rebating their own indirect taxes on their exports and levying these same taxes on imports . . . constitutes a conspicuous form of discrimination against U.S. exports. Moreover, similar border adjustments by the United States would be an ineffective weapon, neither mitigating nor offsetting the discriminatory process, because the tax structure of the United States places relatively small emphasis on indirect taxes. This issue is one that the United States will have to resolve. . . . Unfortunately, Congress and the executive branch presently do not have dependable statistical information on the significance and weights to be assigned to various nontariff obstructions which experts of the various countries have devised."

One way to resolve this issue (at least until the requisite statistical data are available and until reciprocal lowering or elimination of nontariff barriers is achieved) is to establish a system of reasonable import quotas—based on a historical base period percentage of our domestic market—which would allow foreign countries, and particularly those imposing nontariff obstructions against our exports, to share (rather than take over) the market provided by our increased domestic consumption. If this is not done, bargaining power of farmers will be weakened if not destroyed by excessive imports. And if there is any doubt about it, those engaged in cotton, dairy, and livestock production will be pleased to demonstrate what excessive imports in recent years have been doing to their prices.

If it is suggested that a national farmer bargaining law should prevent members of purchaser groups from buying imported commodities as a means of preventing cheaper imports from undercutting "fair and reasonable" prices negotiated by farmers' bargaining groups, I would have to advise that such a measure would not pass the Congress. It would, in effect, be a throwback to the old Smoot-Hawley days when the Congress sought to insulate the United States behind a wall of confiscatory tariffs, with truly disastrous results. And it would be contrary to national policy reflected in the Trade Expansion Act of 1962. The best, and fairest, that can be hoped for is the nontariff quota approach guaranteeing reasonable access of imports to our markets—the same approach, by the way, taken by our own negotiators during the Kennedy Round in seeking a guaranteed access for our grains to the Common Market.

Not to be overlooked in all of this are treaty commitments of the United States. These are the law of the land—regardless of what a collective bargaining agreement may be. Now pending in the Senate for proposed ratification is the International Grains Arrangement negotiated in 1967. This arrangement consists of the Food Aid Convention and the Wheat Trade Convention. The Wheat Trade Convention establishes a minimum and maximum price range for wheat moving in international trade, with a 40¢ per bushel price spread. These prices are approximately 23¢ above the price range provided under the old International Wheat Agreement, and the minimum level would likely be above world market prices at the time the convention went into effect. If the convention is ratified, it can be expected to encourage increased production on the part of some exporting countries not producing as efficiently as the United States, and it would

be necessary to adjust "fair and reasonable" prices negotiated by farmers' producing groups, insofar as export wheat is concerned, to maintain our competitive position, or to establish a program of export subsidies to which I have previously referred.

The "fair and reasonable" prices for agricultural commodities, which should be the objective of bargaining power for farmers, naturally must take into account the costs of production. The cost-price squeeze on farmers' net income, which has stimulated concern over bargaining power for farmers, is a combination of low parity prices and ever-increasing costs of production.

Using 1958 as a base year with an index of 100, prices paid by farmers in 1967 had risen to a weighted index of 117; whereas prices received by farmers had risen to a weighted index of only 104. From the 1958 index of 100, interest was up to 259, taxes were up to 178, labor costs were up to 146, and farm machinery was up to 130. 1967 farm production costs were up $1.2 billion over the previous year.

Prices of some agricultural commodities are higher today than they were several years ago, but they are lower in real dollar purchasing power—after inflation is taken out; and they are lower in relation to prices of things the farmer has to buy, which is why parity today is at the level of the Great Depression of the 1930's. It is true that net farm income shows a cumulative increase of $8 billion for the last seven years. It is also true that net farm debt shows a cumulative increase of $20 billion for the same period. It is true that net income per farm last year was 55 percent higher than in 1960. It is also true that net debt per farm last year was 110 percent higher than in 1960. During 1966 net income per farm increased nearly $400 over 1965, but net debt per farm was up over $1,200 over 1965. During 1967, net farm income dropped almost $2 billion, down $283 per farm, and net debt per farm increased another $1,500. If the record of the past seven years is continued, the only way farmers as a class will be able to pay off their debt will be to liquidate.

One of the reasons for this critical situation is the fiscal policy of the federal government. By "fiscal" we mean spending and taxes, and when the fiscal policy of those in control of your federal government is to run the government billions of dollars deeper into debt, year after year, there will be inflation. The purchasing power of our dollar has gone down from 47¢ seven years ago to 40¢ today. The only way a lender can protect himself against the prospect of being repaid in cheaper dollars is to charge more interest. And when the federal government has to cover its deficits by borrowing money or selling its bonds, this provides more competition for money in the private money market. This is why interest rates today are the highest since the Civil War.

The point to be made is that "fair and reasonable" prices established by farmers' bargaining power can be undercut by federal fiscal policy. A price that is "fair and reasonable" for a farmer who does not have to borrow money to operate might not be "fair and reasonable" for the farmer who has to operate on borrowed capital bearing 7–8% interest. Increased costs of production spurred on by inflation could seriously impair a "fair and reasonable" price negotiated before the increases could be foreseen or computed. Inflation compounded by speculation has boosted up the cost of farm land to almost prohibitive levels, but I doubt that this factor could be taken into account in bargaining for "fair and reasonable" prices for commodities.

Somewhat related is the amount of money appropriated by the federal government for farm programs. To what extent would federal payments to farmers be taken into account in setting a "fair and reasonable" price for commodities; and would there be a different price for farmers who are in a program and receive payments and farmers who are not in a program and do not receive payments?

I am not, by any means, attempting to disparage the idea of bargaining power for farmers. What I have attempted to do, instead, is to make clear that in devising a mechanism to establish this power, we must not only take into account the fiscal and foreign trade policies of our federal government; we must demand that these policies be made harmonious with the goal of "fair and reasonable" prices for food and fibre. I deeply regret to say that for far too long they have not been harmonious. It will take political action to change them, and an enlightened public opinion, recognizing that the future of our most basic industry is threatened, will do it.

THE CRISIS OF THE CITIES

Mr. PELL. Mr. President, President Johnson's message "Crisis of the Cities" is a landmark document. It details with compassion and realism the enormous problems our cities face. And it proposes realistic solutions. One of the key phrases of the message, in my opinion, is the President's closing warning that "no one can doubt the costs of talk and little action."

We have heard it said consistently since the urban summer riots of the last few years that our cities were wracked with problems. Some attempts have been made to solve those problems—I am thinking of the Economic Opportunity Act of 1964 which has helped some 6 million people out of poverty. But we have far from discharged our obligations to urban revitalization, and it is inexcusably dilatory to act too slowly on remedial efforts. With the problem so obvious, we cannot blame the poor for loss of patience if we engage in talk and little action.

The proposals contained in the President's message both capitalize on the success of existing programs and urge new and exciting efforts to renew our cities and the lives of those who live in them. As the President has said:

> If the promise of the American city is to be recaptured—if our cities are to be saved from the blight of obsolesence and despair—we must now firmly set the course that America will travel.

Truly, as the President stressed, "there is no time to lose." I know the Senate will act speedily to consider this remarkable message.

VIETNAM

Mr. HATFIELD. Mr. President, from time to time I read or I hear from one source or another that the critics of American policy in Vietnam represent many different parts of the American political and social scene. I believe this to be true. One of these critics, Hamilton Fish of New York, a former Congressman and former chairman of the first congressional Committee To Investigate Communist Activities in 1930–31, wrote to me recently about a letter which he sent to the New York Times to oppose the war.

Mr. Fish currently serves as president general of the Order of Lafayette, a national patriotic organization which has bestowed anticommunism awards on such illustrious Americans as Dwight D. Eisenhower, Douglas MacArthur, Herbert Hoover, Barry Goldwater, Francis Cardinal Spellman, Lucius Clay, and Curtis LeMay. My friend, Mr. Fish, states that he believes our involvement in Vietnam is "the wrong war, in the wrong place, at the wrong time." I agree with him and I commend him for his statement. I ask unanimous consent, Mr. President, to permit Mr. Fish's letter to be printed in the RECORD.

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

[From the New York Times, Feb. 12, 1968]

WAR OPPOSED

To the EDITOR:

I admit utter confusion over the position of the Johnson Administration in South Vietnam. While President Johnson encourages trade and the creation of consulates with the Communists, he continues to send young Americans to defend Southeast Asia against Communism.

It is beginning to appear more and more that the original understanding of the Tonkin incident in 1964 was not correct. Senator Fulbright, chairman of the Foreign Relations Committee, who steered the Gulf of Tonkin Resolution through, now claims that our ships had been spying on North Vietnam and had even violated the territorial waters of that country. The information regarding the Tonkin incident was apparently not only incorrect but was manipulated to secure the authorization from Congress for President Johnson to take whatever military action he deemed necessary.

FOR NEGOTIATED PEACE

The Republicans in Congress are right in supporting our armed forces once they are engaged in battle and for refusal to withdraw until a just and honorable peace has been negotiated. However, the Republican leadership in Congress errs in not making it perfectly plain that this was not Eisenhower's or Kennedy's war, but is and has been Johnson's war, and for not pressing harder for a negotiated peace. President Kennedy said, "Let us never negotiate out of fear, but let us never fear to negotiate."

It is my opinion that any of the Republican candidates mentioned will defeat President Johnson, if the war is still going on, by merely copying what President Eisenhower did in the Korean war: promising to end it immediately after he became President.

As a long-time anti-Communist leader, I am convinced that our involvement in Vietnam was unnecessary, illegal and unconstitutional, and the wrong war, in the wrong place, at the wrong time.

Soviet Russia and Communist China, two dominating forces, want to keep our armed forces bogged down while Communism reaps the harvest of hatred as a result of their massive propaganda depicting our killing and napalming women and children. But, even more than that, Soviet Russia is quietly seizing economic and military control and rapidly increasing influence throughout the Middle East and along the coast of the Red Sea, free from interference from the United States, trapped in Vietnam.

HAMILTON FISH,
Chairman of the First Congressional Committee To Investigate Communist Activities, 1930–31.

NEW YORK, *February 1, 1968.*

THE MEXICAN AMERICAN—SIGNIFICANT STEPS TOWARD PROGRESS

Mr. MONTOYA. Mr. President, last summer President Johnson appointed a

special Cabinet committee which would dedicate itself solely to the improvement of opportunity for the Spanish-speaking citizen of this country.

In October, in El Paso, the Mexican American Affairs Committee sponsored what must be described as one of the most successful people-to-people forums in history. Thousands of Mexican Americans met and discussed their problems face to face with a series of the President's Cabinet officers.

The results of these initiatives are today evident in President Johnson's statement. Decisions have been made, and the actions have been taken which will be directly beneficial to the Mexican-American community.

I need only mention the Bilingual Education Act which will help Spanish-speaking children obtain the full benefits of education. The President signed that excellent measure, and the Congress has allocated some millions of dollars for its implementation in the next few years.

The Johnson administration has moved swiftly forward in the area of job opportunity—for the Mexican American and for all those who have been left behind in the march of American prosperity.

New Government specialists are being trained with expertise in the Spanish language so as to serve as closer links between Government and the Mexican-American community.

The President has directed that all Government programs be analyzed to make certain that Mexican-Americans and other Spanish-speaking minorities obtain their full rights as citizens.

A number of American cities selected as model cities contain large concentrations of Spanish-speaking residents who will benefit from the coordinated model cities approach to education, health, crime prevention, job opportunity, and improved housing.

The new focus on opportunity which Lyndon Johnson directed for the Spanish-speaking American less than a year ago has begun to bear fruit.

A new attitude exists in Government toward the Mexican-American.

Private enterprise and government are now joining forces to help the Mexican-American help himself.

The President's statement is another indication of the progress we have so far made, and of the progress we must necessarily make. I ask unanimous consent that the statement be printed in the RECORD.

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

PROGRAMS FOR SPANISH-SPEAKING AMERICANS

(Statement by the President on actions taken based on recommendations of the Cabinet Committee on Mexican-American affairs, February 23, 1968)

Last October, in El Paso, I attended a conference of high purpose. There, with the Vice President and members of the Cabinet, I met with 1,200 Spanish-speaking Americans.

This was the first time that the Mexican-American community had an opportunity to discuss matters of direct concern—ranging from education to economic opportunity, housing to health—with the highest officials of government.

The aim of the 3-day conference was to assure that America's second largest minority was receiving its fair and just share of Federal programs in these areas.

Out of that conference, ideas and suggestions flowed to a Cabinet-level committee on Mexican-American Affairs, which I appointed last June.

Based on the recommendations of the committee—many of which stemmed from the El Paso conference—I have taken the following actions:

In education:

I have signed into law the first Federal bilingual education program. It will help Spanish-speaking children overcome the barriers of language which have prevented them from receiving the fullest benefits of education.

I have asked Congress to provide funds to expand and improve adult and vocational educational programs aimed particularly at those Americans who have no high school diplomas. About 20 percent of these are Spanish-speaking.

I have instructed the Secretary of Health, Education, and Welfare to:

Accelerate the training of specially-trained teachers to work with Mexican-American school children and migrant workers.

Insure compliance with Title VI of the 1964 Civil Rights Act. This forbids discrimination in school-district boundaries and in quality of education, wherever the schools receive Federal financial assistance.

In health and welfare:

I have requested the Secretary of Health, Education, and Welfare to:

Simplify application and claim procedures in Medicare, Social Security and other programs serving the Mexican-American communities.

Gather and analyze data on the health of Spanish-speaking Americans.

I have asked the Congress to increase its support of special medical programs for migrant farm workers, most of whom are Mexican-Americans and Puerto Ricans.

I have appointed a distinguished Mexican-American scholar, Dr. Julian Samora, to a Presidential Commission evaluating the Nation's welfare system.

In housing:

The Department of Housing and Urban Development has selected a number of cities to begin planning under the Model Cities program. Among them are San Antonio, Eagle Pass, and Waco, Texas; Denver and Trinidad, Colorado; Albuquerque, New Mexico; New York City and San Juan, Puerto Rico—all with large Spanish-speaking populations.

I have directed the Secretary of HUD to work with Laredo, Texas and its sister city in Mexico, Neuvo Laredo, in an international cooperative effort to help develop a Model Cities program that will improve the condition of life in this border area.

I have requested, in the 1969 budget, $1 billion for the Model Cities program to revitalize and rebuild entire slum neighborhoods and barrios. In my special message on the cities, I asked the Congress, industry and labor to begin a ten-year program to construct six million new housing units for low and moderate income famlies, many of whom are Spanish-speaking.

I have urged the Congress—once more—to pass a Fair Housing Law, insuring that all Americans can have the opportunity to live in a place of their own choosing.

In Federal employment:

I have instructed all Federal agencies:

To work together to increase employment opportunities for Spanish-speaking Americans.

To require employees to know Spanish where they serve large groups of Spanish-speaking people.

To re-examine their hiring and recruiting methods to assure that potentially good workers are not refused jobs because a language barrier works against them in written examinations.

In private employment:

I have asked Congress for funds to extend a test training program to relocate workers from areas of high unemployment to those where work is available.

I have moved to assure that Federal manpower training programs provide English language training for Spanish-speaking people who need it.

I have proposed the job opportunities in business sector (JOBS) program—a new partnership between government and private industry—to train and hire those who have the greatest difficulty finding work.

I have directed the Secretary of Labor to bring together in one unified effort all manpower programs for an attack on hard-core rural unemployment. As a result, the concentrated employment program is underway in several of the largest cities of the Southwest. I have recommended expansion of this program in the 1969 budget.

I have urged Congress again, as I did last year, to give the Equal Employment Opportunity Commission the power to order a halt to employment discrimination.

In rural matters:

I have asked the Congerss to authorize a major project to improve Forest Service grazing land in the Southwest, to serve the small rancher.

I have instructed the Secretary of Agriculture to expand the activities of the County Extension Service to meet more fully the needs of the small Mexican-American farmer.

I am directing the Secretaries of Agriculture and Labor to hold hearings so that they can set realistic minimum wages for certain farm workers.

Last June, when I established the Cabinet Committee on Mexican-American Affairs, I said: "We today reaffirm this truth: that what we do for any minority, we do as well for any majority. After all, we do this for all of America."

These convictions remain firm and resolute.

With this report of progress and action, we have begun the journey towards full opportunity for the Mexican-Americans, Puerto Ricans and other Spanish-speaking people of our land.

(NOTE.—The statement was released at Austin, Texas. For the report of the Cabinet Committee on Mexican-American Affairs, see 3 Weekly Comp. Pres. Docs. Pages 841, 842.)

DISCONTINUANCE OF PASSENGER TRAIN SERVICE IN KANSAS

Mr. CARLSON. Mr. President, on February 20, the State Corporation Commission of the State of Kansas unanimously approved a resolution in regard to the discontinuance of passenger train service in Kansas.

The discontinuance of train service in our State causes great inconvenience to our citizens and seriously affects our domestic economy.

I ask unanimous consent that the resolution be printed in the RECORD.

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

RESOLUTION, THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Whereas, this Commission has been made aware of the alarm and concern of the citizens of this state by reason of the discontinuance of many passenger trains in recent months; and

Whereas, pending applications before the Interstate Commerce Commission and re-

cent actions by that body indicate the possibility and probability of a further reduction in passenger-train service; and

Whereas, the Kansas Corporation Commission along with similar bodies of other states has participated in past hearings for the purpose of assuring that municipalities, citizens and communities will not be deprived of passenger-train service which is essential to the general welfare, health, safety and progress of this and other states, but without a desired degree of success; and

Whereas, the loss of revenue to the railroads of the nation as a result of newly adopted post office procedures has among other factors resulted in the stoppage of some passenger trains and has apparently contributed to an unprecedented endeavor to further curtail this service;

Now, therefore, be it resolved that the Kansas Corporation Commission join its sister states in appealing to the Congress to exercise its emergency powers and immediately declare a moratorium on all train discontinuances and to investigate and determine the effect of such discontinuances on the general welfare of the people, the safety of the nation, the national defense of the country and the convenience and necessity of the public as well as the preservation of the established policy of the Congress to keep and maintain a sound and efficient system of transportation.

Be it further resolved that a copy of this resolution suitably signed be forwarded to the President and Vice-President of the United States of America, the Speaker of the House of Representatives, the majority and minority leaders of the House of Representatives and the Senate and to each of the Congressional Representatives of the State of Kansas.

TRUTH IN LENDING

Mr. BARTLETT. Mr. President, truth-in-lending legislation has been under consideration in the Senate for several years. Former Senator Paul Douglas was among the first to perceive the need for legislation to protect consumers from certain deceptive and misleading practices of lending institutions, merchants, and others who extend credit and introduced a bill which would have corrected the more flagrant of them. With the departure of Senator Douglas from the Senate, the distinguished senior Senator from Wisconsin [Mr. PROXMIRE] assumed responsibility for getting meaningful consumer protection legislation enacted. Last year he was successful. The Senate agreed that such legislation is urgently needed and unanimously passed the truth-in-lending bill (S. 5) on July 11, 1967.

In the House, Representative SULLIVAN, of Missouri, led the fight for truth-in-lending legislation which was even stronger and broader than that which had passed the Senate. She was remarkably successful. Her bill, the Consumer Credit Protection Act (H.R. 11601), passed the House on February 1 by a vote of 382 to 4, indicating overwhelming agreement in the House that such legislation is badly needed.

Among the more controversial provisions of the House-passed bill is title II which restricts the use of garnishment, a legal procedure by which a creditor may attach a worker's pay to satisfy debts which he alleges are due and owing. As originally introduced in the House, H.R. 11601 would have prohibited garnishment entirely, following the pattern which already exists in some States. The House Banking and Currency Committee modified this provision, imposing instead a restriction on creditors' use of garnishment. The committee bill permits a creditor to garnish none of a debtor's salary which amounts to $30 a week, or less, and permits only 10 percent of amounts in excess of $30 per week to be garnished. In this form, the bill passed the House.

S. 5 and H.R. 11601 are now before a House-Senate conference committee which will attempt to reconcile the differences between them. Whether or not the Senate conferees will accept the House provisions on garnishment is not yet clear and probably will not be known for another 2 weeks or so.

Whether the compromise bill which ultimately emerges from the conference is closer in its provisions to S. 5 or to the House bill, I shall vote for it. Either bill will provide consumer protection which I think is badly needed.

I am convinced, moreover, that it is both necessary and proper that some restriction be placed upon the use of garnishment, and I congratulate the other body on having included such restrictions in its bill. Most States have already recognized the cruelty that garnishment visits almost exclusively upon poor people and have imposed restrictions on its use. Alaska is among those States which have done so. Under the laws of Alaska, wages of up to $350 per month may be exempt from garnishment, if needed for the support of the wage earner's family.

In my opinion, there is no merit in the argument that imposing restrictions on wage garnishments will adversely affect the availability of consumer credit. In those States where garnishment is prohibited, there is no substantial difference in the amount of consumer credit extended. Consumers are able to get just as much credit as in other States, and do. Certainly then, a law which does not prohibit but merely restricts the amount of wages subject to garnishment could not be expected to have any more effect on the consumer credit situation.

What the garnishment provisions would require is that creditors be more careful in the amount of credit they extend to low-income customers. There now are some merchants who do not hesitate to sell costly items to customers already overburdened with debt, when the most elementary kind of credit investigation would indicate that the customer will have great difficulty paying for the item. Fully confident, however, that if all else fails, recovery can be had through garnishment, these merchants are indifferent to the plight of poor people who often are incapable of determining when they are overextending themselves and assuming obligations which they could not possibly meet.

Under the House bill, although garnishment would still be available as a remedy, its use would be severely limited and recovery would be extended over a longer time. No longer could debtors be reduced to penury as a result of garnishment, unable to support themselves or their families.

FUNDS NEEDED FOR SUMMER JOBS

Mr JAVITS. Mr. President, evidence continues to accumulate of the need for a summer job program in the slums and ghettos of America, of the same type that we had in 1967.

The programs which we have financed and provided for have not yet had the opportunity to bite into the deep general problem, and we are not able to do without the type of program we had last summer.

I have already received a number of telegrams from mayors throughout the country supporting the bill which the Senator from Texas [Mr. YARBOROUGH] and I have introduced calling for a $150-million supplemental appropriation for this purpose. And just this morning the Washington Post carries a story illustrating the summer jobs situation in Washington, D.C., pointing to a cut from 7,000 federally supported summer Neighborhood Youth Corps jobs last year to only 2,000 this year. This situation is typical of the plight in a number of other cities and it cries out for action by Congress.

Mr. President, I hope that when the Appropriations Committee meets on Wednesday, February 28, it will accept the bill which Senator YARBOROUGH and I, together with a bipartisan group of 19 cosponsors, have introduced to provide supplemental funds for summer jobs.

I hope that this matter may have the sympathetic interest of the Appropriations Committee and of the Senate.

I ask unanimous consent that the text of the Post article by Robert Kaiser be printed in the RECORD.

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

CITY FACES LACK OF SUMMER JOBS

(By Robert G. Kaiser)

The District government is once again preparing for summer, though Congress has appropriated no money for a summer program and the city has small hope of as much help from the Federal Government as it enjoyed in recent years.

The city has asked for a supplemental appropriation of $2.5 million to finance an employment, recreation and education program about the size of last year's. The Budget Bureau has not yet forwarded this request to Congress.

But Congress and the Johnson Administration already have taken action that will have a major impact on the city this summer. Curtailment of the Office of Economic Opportunity's budget and new Administration policies have meant a strict restriction of the Neighborhood Youth Corps here.

David Freeman, executive director of the Metropolitan Jobs Council, said recently that Washington would get about 2000 Youth Corps jobs this summer—compared with 7000 last year.

The Jobs Council has been meeting with representatives of local governments and businesses since September to organize a summer job program. City officials hope to bring the results of their efforts into the overall summer program that will put the primary emphasis on jobs, Mayor Walter E. Washington says.

MINIMUM OF 11,000 JOBS

"Nothing we can do is going to be enough," Freeman said of the job scheme, "because the Federal Government has cut the Neighborhood Youth Corps so drastically." He esti-

mated that a minimum of 11,000 Youth Corps jobs were needed to meet the needs of poor young people in Washington.

Mayor Washington has appointed James L. Jones, a former employe of the Equal Employment Opportunity Commission, to head a new office to plan and run the summer program.

Jones describes himself as "very optimistic" about this summer, though he adds that he doesn't know where the money—or the jobs—will come from. He said two sets of plans will have to be made—one on the assumption that Congress will provide $2.5 million, and the other that it won't.

If there is no congressional appropriation, the city will have to turn to the OEO, as it has for the last two summers. OEO has earmarked $35 million for summer programs throughout the Nation.

BASED ON PREFERENCES

Plans will be based on the preferences of 20 Neighborhood Planning Councils set up last year, Jones said. These Councils, several of them existing only on paper last summer, have been asked to submit preliminary plans for summer programs in their neighborhoods by March 15. Jones wants to finish final plans by April 15, and he wants them to be based on the preferences of the public.

"This planning 'for' and not 'with' is over—even if the ideas are brilliant," Jones said.

After jobs, Jones and Mayor Washington want to put priority on recreation and education, in that order. They want to make more facilities available for these programs, and the Mayor has told the school system and the Recreation Department that he wants them to be more flexible this year. School officials, especially, have been criticized in the past for failing to cooperate with the city's summer program.

PLAN WELL ADVANCED

"All these programs should provide jobs for young people who can help run them," Jones said. He also plans to hire a small professional staff to help the Neighborhood Planning Councils draw up their plans and execute their programs.

Jones said he had not been able to check whether all 20 Planning Councils are still in existence.

Through the Jobs Council program job applications are already available in city high schools and at neighborhood offices of the United Planning Organization. The United States Employment Service will act as a clearing house for these applications and employers with jobs available.

Pride, Inc., will be back in business this summer. The group has not announced how it will select workers for the summer.

MORE COORDINATION

Jones promises more coordination of activities this summer than in the past. "There are many organizations trying to help youth in the city," he said. "Maybe we should have one document that can tell a kid where to go for what activity."

The final components of the program cannot be decided, however, until the city and other agencies know how much money will be available and from what sources. To avoid a duplication of past years' last-minute allocation of resources, officials acknowledge, Congress will have to act with unusual speed on the city's $2.5 million request.

Plans for placing city youngsters in summer jobs are well advanced, though there is no indication yet of how many jobs will be available. The Federal and District governments plan to employ about 7500 young persons, as they did last year.

Private employers in the city gave fewer than 200 jobs to inner-city youngsters last year, though hundreds more middle-class teen-agers were employed privately. This year, the Board of Trade and others are anxious to improve that record.

THE COLD WAR AND THE MYTH OF THE DETENTE

Mr. DODD. Mr. President, on January 22, I made a speech before the Connecticut Probus Clubs in New Haven, concerning the cold war and the so-called detente between the Soviet Union and this country.

I am convinced that no detente, in fact, exists and that this attitude by some national leaders could take this country down a road of no return.

Therefore, I ask unanimous consent that my remarks before the Connecticut Probus Clubs be inserted at this point in the RECORD.

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

THE COLD WAR AND THE MYTH OF THE DETENTE

(Speech by Senator THOMAS J. DODD, before Probus Clubs, Oak Lane Country Club, New Haven, Conn., January 22, 1968)

I always have misgivings when asked to speak when the sponsors seek my frank estimate of the state of the world.

After all, no one likes to leave a dinner downcast and worried.

I wish I could paint a rosier picture than I shall have to do tonight.

I wish I could tell you that all the indicators point to a better, more peaceful, less troubled world.

I wish I could confirm that the so-called detente, about which we have heard so much, actually exists, and that the residual differences with the Soviet Union are being progressively reduced by a growing community of interests.

Unfortunately, I can give you no such rosy estimate of the state of world affairs.

Wherever one looks, whether to Southeast Asia, or the Mideast, or Africa, or Latin America, all evidence indicates that the Cold War is itensifying; that the coming period will confront our nation and the other free nations with the cruelest test of perseverence and courage and of the will to survive.

I know that there are many people who do believe in the existence of the detente, and that the theory has even received some support from official sources.

But I find it difficult to understand how anyone who examines the history of the past decade, especially the history of the past five years, could read this meaning into the course of events.

It makes no sense to talk about a detente in a decade that has witnessed the suppression of the Hungarian revolution, the rape of Tibet, the Communist seizure of Cuba, the Cuban missile crisis, the Soviet violation of the moratorium on nuclear testing, the establishment of puppet Communist dictatorships in the Brazzaville Congo and in Zanzibar, and two Communist attempts to seize power in the Congo.

Nor does it make sense to talk about a detente in a period that has witnessed two Communist attacks of India, the war in Vietnam, growing Communist insurgencies in Thailand and Laos, the launching of half a dozen guerrilla movements in the countries of the Americas, the attempted Communist take-over in the Dominican Republic, and the recent war in the Middle East.

In 1964 I called the attention of my Senate colleagues to an article in which New York Herald Tribune Foreign Editor Seymour Freiden warned that the Soviet Union had given Nasser and other Arab leaders the green light for the destruction of Israel.

It should, therefore, have been no surprise when, last Spring, Nasser and other Arab extremists publicly committed themselves to Israel's military destruction.

In the brief war that followed, the Israeli army and air force utterly demolished the military forces that surrounded Israel, about to invade it.

When the war was over the hundreds of millions of dollars worth of military equipment which the Soviet Union had lavished on Nasser and his colleagues lay strewn and broken in the Sinai and on the Golom heights.

In the six months that have elapsed, the Soviet Union has replaced all the equipment lost by the Arabs with more modern equipment. To be sure that this equipment will be used effectively, it has been accompanied by tens of thousands of Soviet military advisers who, according to some reports, hold virtual powers of command over its use.

This build-up has been reinforced in the Mediterranean by a mass of Soviet naval power which already constitutes a serious challenge to our own Sixth Fleet. And intelligence reports indicate that this Soviet fleet will soon be augmented to include marine units, landing craft, and helicopter carriers.

In the face of this build-up common sense demands that our Government and the other NATO governments take immediate measures to re-establish the military balance by providing Israel with the weapons which it must have for its own defense.

A condition of military imbalance is a direct invitation to war.

If the Arab extremists, with their new Soviet military equipment and their hordes of Soviet advisers, believe that they have the strength to overwhelm Israel, they will be sorely tempted to do so.

Most Americans are agreed, I believe, on the need to stand up against the danger of Soviet expansion in the Middle East and to support Israel against Arab extremists. Unfortunately, however, our people are divided in their support of our Vietnam commitments. Many of those who understand the importance of holding the line in the Middle East apparently do not understand the importance of holding the line in the Far East.

They fail to realize that these two conflicts are part of a larger global conflict between the forces of freedom and the forces of Communist slavery.

The Communists, however, understand this only too well. That is why, in the Mideast crisis, the propaganda radios of North Vietnam and the Viet Cong gave unstinting support to the Arab extremists against Israel. Naturally, they likened that crisis to the war in Vietnam.

For example, on May 31, at the point where the Arab armies were preparing to invade Israel, North Vietnam's premier sent the United Arab Republic's premier a message of full support for what North Vietnam's premier called, "the Arab peoples just struggle." I quote but one paragraph from that message:

"The government of the Democratic Republic of Vietnam strongly condemns the aggressive schemes and acts of the U.S. imperialists and the Israeli reactionaries against your country, fully approves and supports the just struggle waged by the government and peoples of the UAR and other Arab countries and the Palestinian people against U.S.-led imperialism and the Israeli reactionaries to liberate Palestine, safeguard their territorial integrity, and contribute to the defense of peace in the Middle East and in the world."

In a parallel message to Nasser, the President of the National Liberation Front, the Viet Cong's political arm, said:

"The South Vietnamese people are closely united with the Arab countries in the common struggle against U.S. imperialism and its stooges."

This message ended with this announcement: "The just struggle of the peoples of the UAR, Syria, and other Arab countries for

national independence and peace will surely be crowned with victory."

It makes no sense, therefore, to argue that we must support Israel and hold the line against Communist expansion in the Mideast, and to argue on the other hand that we must abandon South Vietnam and forget about holding the line in Southeast Asia.

I take it for granted that every intelligent person realizes that America could not long survive as a free nation in a world completely or near-completely Communist.

I take it for granted that every patriotic American, no matter what position he has taken on Vietnam, would agree on the essential point that, somehow, we must draw the line against further Communist expansion—in Asia, in Africa, in the Mideast, and in Latin America.

The cost of holding the line runs high. It may run even higher in the decade ahead.

But it is not my belief that the Cold War will continue indefinitely.

Our success in holding the line can have the effect of further turning Red China and the Soviet Union upon themselves.

It can encourage the unrest and disorganization that is rampant in Red China. It can encourage the passionate intellectual ferment which is sweeping the Soviet Union and the satellite countries of Central Europe.

The scale of this ferment holds out the prospect that the Communist dictatorships may crumble before man's irresistable urge for freedom. Ultimately, this ferment must result in the opening up of Communist society and in the creation of governments more responsive to popular will and restraint.

When that day comes, the Cold War will end. Moscow and, let us hope, even Peiping will, in their own self-interest, accept the wisdom of cooperating with the United States in maintaining the peace of the world.

This is more than my fervent hope. It is my earnest expectation. I believe that it should be a prime objective of our foreign policy to support and encourage the popular will for freedom among all those peoples who today live under the continuing threat to peace that is communism.

"NEED FOR REAPPRAISAL OF U.S. INTERNATIONAL ECONOMIC POLICIES"—ADDRESS BY SENATOR LONG OF LOUISIANA

Mr. TALMADGE. Mr. President, on December 7 last, the distinguished majority whip and chairman of the Committee on Finance [Mr. LONG of Louisiana], delivered an impressive speech to the Synthetic Organic Chemical Manufacturers Association in New York City entitled "The Need for a Reappraisal of U.S. International Economic Policies."

In his address, the Senator from Louisiana, with characteristic outspokenness, underscored the need for new directions in our commercial trade policies. The recurring theme of his address, that past and present trade policies simply have failed because they omitted commercial realities and were too intertwined with foreign policy considerations is supported by the fact that we continually are threatened by an increasing balance-of-payments deficit, by the multiplication of nontariff trade barriers in Europe and in other countries, by the fact that a once healthy trade surplus is becoming a trade deficit, and by the lack of reciprocity for the United States in virtually all sectors of the recently concluded Kennedy round. It is hard to argue with Senator LONG's conclusion that the United States needs to take a more hardheaded approach to international trade negotiations, and he is to be commended for his forthrightness in taking to task the past workings of our trade policies. I recommend a reading of the speech by all Members of Congress; therefore, I ask unanimous consent that it be printed in the RECORD.

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

THE NEED FOR A REAPPRAISAL OF U.S. INTERNATIONAL ECONOMIC POLICIES

(Text of a speech by Senator RUSSELL B. LONG, chairman of the Senate Finance Committee, delivered at the 46th annual dinner of the Synthetic Organic Chemical Manufacturers Association at the Hotel Roosevelt, New York City, December 7, 1967)

Today marks the 26th anniversary of that fateful event, the attack on Pearl Harbor, which brought the United States of America, for the second time in this century, into the front lines of a war to preserve our freedoms, and the freedoms of all men enslaved and threatened by ruthless and aggressive tyrannies.

Once again, the United States finds itself in the front lines of a bloody and costly war in Asia, defending the rights of an oppressed people to choose their own destiny and to insure that basic right for millions of other people in nations which are too weak to fend for themselves.

This is a responsibility, a burden, which we have not chosen for ourselves, but which has been thrust upon us by our leadership position in the world. It is a heavy burden indeed, and it carries with it repercussions on our own economy and on the position of the dollar in international affairs.

THE U.S. GRANDEUR—ITS GENEROSITY

Let us look for a moment at the history of the United States in world affairs during this twentieth century. After having defended our European allies against aggression in World War I, a "war to end all wars", we were in the thick of it again, only 20-years later, in World War II. We sought no territory, no financial gain, but only to defend our God-given rights, and those of others, to life, liberty and the pursuit of happiness.

Moreover, we took over many of the economic, military and political responsibilities of our allies. From Great Britain we assumed the responsibility of assuring the freedom of Greece and Turkey under the Truman Doctrine, and of Jordan, Iran, Pakistan and India. We inherited the economic and political liabilities of the Netherlands in Indonesia, of Belgium in the Congo, and of France in Indo-China, including Vietnam. After freeing Korea and Taiwan from Japan, we assumed the responsibility for their defense against North Korea and Communist China.

The United States also assumed responsibility for aiding in the economic development of scores of newly formed nations in Africa and Asia, and picked up the tab for over 80 nations which share this globe with us.

Let it be remembered that the original Marshall Plan was offered to the Communist powers of Eastern Europe as well as those nations of Western Europe. Also under UNRRA—United Nations Relief & Rehabilitation Administration—headed at one time by the late Herbert Lehman, we had China loaded aboard along with the other nations of Asia. Conceivably, had the Communist powers been as interested in sharing our gratuities as the so-called free world countries, we could easily by now have the entire world of 3 billion people riding on our foreign aid and trade bandwagon.

The fact is that, if someone had the foresight to believe that some of the aid programs might have actually succeeded, and that foreign beneficiaries could pay us back, or at least help us carry some of the burden of helping those less fortunate than themselves, we might not be in as much of a fix in our balance of payments and gold situation as we are in today. But that never occurred to anyone. Therefore, the money under the Marshall Plan, and most of the rest of it was simply given away, rather than loaned or invested on generous terms. The countries receiving most of the gifts now hold enough dollars to empty Fort Knox.

The world-wide responsibilities this country has assumed have cost us billions of dollars. Foreign economic and military aid expenditures between 1947 and 1967 amount to $107 billion, and offshore military expenditures cost another $50 billion, for a colossal total of $157 billion. This does not include the direct budgetary costs of the Korean and Vietnamese wars, nor our annual defense budget expenditures. With this largesse it is no wonder that we have a few financial problems.

For the most part, these programs have been successful in checking aggression and in helping others to help themselves in the enormous job of developing a nation. However, there comes a time when one must take stock and examine whether his financial condition will permit fulfillment of all his desires at the same time.

The dollar is the strongest currency in the world and will remain that way, in spite of General de Gaulle's attacks. But, as the British devaluation and countless historical examples show, a nation cannot continue to preserve the integrity of its currency while running persistently large deficits in its international accounts. Our balance of payments problems must be solved and commercial policy has a role to play in its solution.

U.S. TRADE POLICY

Let us take a look, for a moment, at the history of our commercial policy.

After having existed for over 140 years on a conditional most-favored-nation principle, our trade policy was changed in 1923 during the term of President Harding to an unconditional most-favored-nation policy. In 1930, after it had become clear that we were in the most serious depression this nation had ever known, the United States Congress passed the Smoot-Hawley Tariff Act. In that period of financial crisis and severe unemployment, our objective was simple—we wanted to save our markets so that American jobs could satisfy the needs of American consumer.

By 1934, the depression had deepened, and unemployment had become an American nightmare. We tried new remedies to create jobs and stimulate demand for our products. We passed the Reciprocal Trade Agreements Act recommended by Secretary of State Cordell Hull, hoping that lower tariffs abroad might lead to expansion of United States exports and put Americans back to work. It was also going to end all wars and assure eternal peace.

But the Reciprocal Trade Agreements Act did not eliminate the depression. In fact, there was a further economic decline after 1937, and it was only the burst of economic activity accompanying World War II which brought us out of that deep depression. We know also that the Reciprocal Trade Agreements Act, however wide it might have been as a matter of good trade policy, did not insure world peace. The foundations of peace are much deeper than the commercial policies of a nation. They have to do with the ambitions of men and nations to extend their power and influence at the expense of someone else, and the determination of the adversary to resist.

TRADE AND AID

Since World War II, the commercial policy of the United States has been so merged

with our foreign aid objectives that the two have become virtually indistinguishable. In 1947, we took part in the creation of the General Agreement on Tariffs and Trade at a time when the world was concerned about a shortage of dollars. In that agreement we permit other countries to use export subsidies and border taxes, and we agreed that they did not have to observe unconditional most-favored nation principles when entering into regional trade blocs, like the European Common Market.

We gave tax advantages abroad. Our embassies and consulates declined to fight to help America compete for business on the theory that they were under a duty to take the international view that foreigners needed the money more than we. We encouraged the movement of American capital abroad and we shipped overseas steel mills, cement mills, textile plants and other manufacturing plants galore. Most by investment, but much of it as gifts.

We supported international commodity agreements—such as the Coffee Agreement—which have the effect of raising the price of imports and guaranteeing foreign producers a greater share of the market.

Our commercial policies are still being determined by these same non-commercial objectives even though the "dollar gap" has long since disappeared and been replaced by chronic, continuing deficits in the United States balance of payments to the point that the major trading nations are more and more demanding that we pay up in gold rather than dollars, and dictating much of our policy on interest rates.

UNCTAD

Now let us talk for a moment about the UNCTAD—the abbreviation for United Nations Conference on Trade and Development. The overwhelming majority of the United Nations members are small, poor countries composed of undernourished and uneducated people.

These numerous small nations sponsor all sorts of resolutions to improve their lot sometimes at the expense of the wealthy nations like the United States. Most advanced countries simply ignore the UNCTAD resolutions, since such resolutions could not be enforced without a resolution of the Security Council—which surely would be vetoed if it ever got that far. But the United States, the nation which carried the ball for having a veto in the Security Council, has not only decided that it must not use its veto, but it proposed to abide by some of the resolutions of UNCTAD, although other developed nations do not.

After taking a stand against tariff preferences for manufactured products of less developed countries during the recent UNCTAD conference meeting in Geneva in 1964, I read that we have now reversed our policy, and propose to favor such preferences. In the Kennedy Round of trade negotiations, we promoted a food-aid package as part of the so-called grains arrangement. As laudable as these objectives are, they should not dominate our commercial policies.

This confusion of foreign aid objectives with commercial realities is one of the serious pitfalls in our commercial policies. Our trade partners are much more hard-headed about their commercial policies.

COMMERCIAL TRADE SURPLUS HAS VANISHED

Now here comes the biggest present-day canard of them all. We are told that we have a favorable balance of $4-billion in exports over imports, and that, therefore, we must continue the policies which put us in this position. But the so-called $4-billion surplus includes foreign aid shipments of about $3.6 billion on which we don't earn a penny of foreign exchange. Moreover it does not take into account the cost of shipping, 90 percent of which is in foreign ships, or the cost of insuring the cargo in those foreign bottoms. When all this is considered, the $4-billion surplus becomes a $1-billion deficit.

Most experts agree that the CIF base is the better way to determine whether we actually have a trade surplus or a deficit. Therefore, the argument to continue something that helps us to pay, reverses itself on the merits when we find that we have a deficit instead.

The much acclaimed trade surplus has disappeared. Even more worrisome is the realization that we can expect that the size and growth of the relatively free United States market will lead to rapidly increasing imports. But because of the generally depressed levels of economic activity abroad and rising non-tariff barriers, our exports are likely to grow at a much less rapid rate. This indeed has been the experience over the past 7 or 8 years, and it highlights the importance of a fresh new look at our trade policies and how we can best modify them to meet the new problems and issues we face today.

CONGRESSIONAL ROLE IN TRADE POLICY FORMULATION

We have all heard a hue and cry raised by many governments, including our own Executive Branch, over the import quota legislation that has been introduced in the Congress. It is unfortunate that many of the real issues have been obscured by emotional outbursts, which have oversimplified the issues under the "free trade" and "protectionist" slogans. It is also puzzling why our Government spokesmen have raised thunderous voices, almost inviting other countries to retaliate against anything which we in the Congress might do, while we say little about the rampant protectionism that is actually taking place after the Kennedy Round in many foreign countries.

The Congress has an important role to play in formulating commercial policy. Constitutionally and historically the regulation of United States foreign trade has resided in the United States Congress. Since 1934, the Congress has authorized the President to enter into reciprocal trade agreements with other countries in specific acts of legislation. The President's negotiating authority is, and has been, limited by such enabling legislation. Congressional intent has been both written into the legislation and stated in resolutions passed by the Legislative branches.

In the case of the Trade Expansion Act of 1962, the Congress clearly intended that the President use the authority to withdraw concessions wherever a foreign country "maintains non-tariff trade restrictions, including variable import fees, which substantially burden United States commerce . . ." This language was embodied in Section 252 of the Trade Expansion Act of 1962. There is a reasonable doubt as to whether this mandate was carried out by our negotiators at the Kennedy Round.

Furthermore, on June 29, 1966, the Senate passed S. Con. Res. 100 expressing its intent that "no agreement or other arrangement which would necessitate the modification of any duty or other import restriction applicable under the laws of the United States should be entered into except in accordance with legislative authority delegated by the Congress prior to the entering into of such agreement or arrangement." Now we find, however, that the United States trade negotiators, contrary to the expressed will of the Senate, have exceeded the authority granted by the Trade Expansion Act and entered into an ad referendum agreement on the American Selling Price system of valuation and, also, they have accepted an international anti-dumping code which some people question as not being completely in accord with the United States Antidumping Act of 1921.

Little noticed about Kennedy Round negotiators was the fact that Common Market countries raised many of their external tariffs immediately before the negotiations, putting themselves in position to make concessions and yet wind up just about where they were to begin with.

WHERE IS THE RECIPROCITY?

Now let us take a look of how reciprocal the latest negotiations for expanded world trade—the Kennedy Round—may turn out to be. The United States reduced its tariffs by 30 to 50 per cent on approximately $8 billion worth of imports. It is said that other nations offered us reciprocal tariff cuts. Even assuming that reciprocity in tariff cuts was indeed achieved, the question of reciprocity in overall trade relations is still not resolved.

We know that other countries, particularly those of Continental Western Europe, have many other more insidious devices to control trade. These are generally classified under the title: non-tariff barriers. They include such things as border taxes, discriminatory procurement policies, variable levies, export subsidies, equalization fees, government financed monopolies, buying and selling cartels, and a host of administrative controls and practices which are not written into law, but which nevertheless retard United States trade. The Kennedy Round hardly touched these discriminatory, non-tariff devices.

In fact, for all practical purposes you might as well say that in these vital areas we gained nothing at all. Now keep in mind that our negotiators were acting under a law which I quoted a minute ago, clearly directing their boss to terminate concessions wherever foreigners did exactly what they have been doing.

It is not that the Executive branch does not recognize the existence of these non-tariff barriers. They do, but they insist that we must take the lead in getting rid of them by giving good examples through an elimination of our American Selling Price system of valuation on certain chemical products while the foreigners are doing exactly the opposite.

I have several problems with this concept. The first is that the American Selling Price system of valuation is not a non-tariff barrier. It is a part of calculating tariffs. If one were to view the so-called ASP as a non-tariff device, then to be consistent he should also view the CIF basis of valuation used by most of our trading partners as a non-tariff device. Since the CIF method of valuation establishes a higher tariff on the same commodity than an FOB basis, we are at a disadvantage in trading with nations that use that system. Second, I do not believe that the force of an 'American example will lead foreign nations to eliminate their discriminatory non-tariff devices.

To the contrary, their use is currently being intensified by other countries to the detriment of United States commerce. The fact that we do not retaliate but turn the other cheek, bend over and raise our coat tails for another kick results in more injury than the Christian reward in heaven which must surely await us after our nation dies if, indeed, it is possible for a nation to go to heaven.

The countries of the Common Market of Europe have agreed to change their taxation system to a value added basis, and to increase the incidence of their border taxes and the extent of their export subsidies. This is tantamount to a devaluation of their currencies, which increases the cost of our exports to them but decreases the cost of their exports to us. Moreover, on October 28, 1967, just a little over one month ago, the EEC Ministers of Agriculture decided to increase the target prices on feed grains which are expected to raise the so-called variable levies on corn by 12.3 percent, and on other feed grains by a similar amount. These two actions will have a serious adverse effect on United States trade. Where is the reciprocity in international trade, if other countries sub-

stitute these non-tariff devices as tariffs come down after the Kennedy Round? What can we expect our balance of trade to be like 3, 5, or 10 years if this trend continues?

THE NEED FOR OBJECTIVITY ON THE QUOTA ISSUE

Now let us turn specifically to the quota issues that have been raised in the Congress. Administration spokesmen appearing before the Senate Finance Committee on October 18 opposed any quota relief for American industries regardless of whatever real problems the industries may have because of rising imports. Instead, they spent much of their time at the witness table predicting foreign retaliation against our exports.

It seems to this Senator that there comes a time when we must eliminate the slogans and examine the facts. I do not believe that all the industries which have sought to preserve their rights to existence should be callously called "protectionists." There are some equities which we ought to consider with regard to these industries and their employees. If not, we will find ourselves "upholding our international commitments" and standing on our own principles, while other countries without the same commitments or principles steal the horse from our barn by taking the American markets from American industry.

OIL

Let us look at some of the industries which have sought quota protection. Oil is the one with which I am most familiar. As you know, there has been a mandatory quota in existence on the importation of foreign oil since 1959. The bill which I introduced this year would write the existing system into law, but would not reduce the present overall level of imports. In fact, imports could grow as our markets grow.

The importance of preserving a healthy domestic industry has been established under three Presidents, beginning with President Eisenhower. There is no question but that quotas are needed. The price of a barrel of oil produced in the U.S. is about $3.00, while imported oil is priced at only about $1.50 per barrel landed in the United States.

The real problem is that severe pressures on the administrator of this program threaten to liberalize it to an extent which would destroy its purpose. There has been pressure from our own domestic petrochemical industry, which many of you in this audience represent, to exclude petrochemical feed stocks from the quota. There are problems of economic growth for Puerto Rico, the Virgin Islands, and Guam which arouse additional pressures.

Just the other day, the oil administrator approved an application of the Hess Oil Company allowing that company to build a refinery in the Virgin Islands and to ship 15,000 barrels a day to the mainland. The Secretary emphasized that this will "upgrade the standard of living of the Islands."

Now let us talk about our efforts to improve the economy of those lovely islands. Among other devices, we allow them to assemble watches and send them here duty-free. The best I can make of it is that it costs the U.S. Treasury $3.00 to let them even get $1.00 gross—not net, gross. In order for a Virgin Islander to pay a laborer $1.00, we must lose $3.00. It would be a lot cheaper to eliminate this device and pay them time and a half to stay in bed.

STEEL

Let us look at the steel industry. The November 18 issue of the Economist, a journal which is viewed by many as a paragon of liberal economic thought, stated:

"The case of steel causes a certain discomfort even to the most convinced free trader. Imports have risen from practically nothing 10 years ago to 11 per cent of the total market; there is persistent world-wide overcapacity, and foreign sellers traditionally use exports at almost any price as a means of keeping their plants going. Liberals see nothing wrong with imports at their present level . . . but what if they reach 25, 30 or 40 per cent? Steel remains, after all, the symbol of industrial power, and the thought of really heavy reliance on imports is a bit disconcerting."

This sensible and rational statement comes from the free trade press. The question is, who is to decide at what point the steel industry needs help? Under present trends it is not easy to be confident that steel imports will level off. The Japanese produce steel and land it in the United States at generally $25 to $40 a ton less than we can produce it, and they are expanding capacity at a rapid rate. I respect them for their productivity. But we have the right to think about preserving some segment of the market for United States steel producers under these circumstances. We should not assume that our friend and ally in Asia will always be able or willing to supply us with a growing portion of its steel production. Responsible legislators who address themselves to these real problems should be aided in seeking sensible answers to the problem, instead of being branded as protectionists, and opposed on the grounds that such efforts upset "our international commitments."

TEXTILES

The textile industry also appears to have real problems. Imports of woolens and man-made fibers have grown rapidly, and are taking over an increasing share of our market. It is interesting to note that other industrialized countries—Canada, England and other European countries—have quotas on the importation of all textiles from Japan. In some cases they do not even extend most-favored-nation treatment to Japanese products.

Japanese producers themselves have expressed concern to their government over the importation of textiles from lower wage countries, such as South Korea, Hong Kong and Taiwan. They are in the process of imposing their own quotas.

Many of the exporting countries extend subsidies to their producers, and raise non-tariff barriers against the export of United States textile products.

The fact is that no country operates under a free trade principle—they all extend one form or another of protection to their producers.

I am not going to burden you with a catalogue of industry problems resulting from import competition. The fact is that many industries do have real problems from import competition. The Congress represents the people. We will have to take a serious look at the whole trade situation next year. I hope that the Executive branch and the Congress will begin to work together in solving these problems. There is no point in the present lack of real communication.

AMERICAN SELLING PRICE

As regards the American Selling Price issue, the elimination of which will be one part of the President's trade package—and this is a matter which affects you here tonight—I can assure you that the Committee on Finance will ask some scrutinizing questions during the hearings. We will want to know precisely what the United States received in return—how many more American cars can we expect to sell in Europe, for example.

In this regard, the agreement states that "the governments of Belgium, France, and Italy shall set in motion the necessary constitutional procedures in order to adjust the modalities of their automobile road taxes concerning either the progressivity of the taxes or the base of the taxes, or both, so as to assure the absence of those elements of these taxes, whose incidence is particularly heavy for vehicles having engines of a high-cylinder capacity."

What does that mean? The automobile producers don't know. Can you imagine American Cadillacs or Lincolns picking their way through the streets of Paris, Rome or Brussels?

Another question . . . how much more tobacco can we expect to sell England? The British offered to reduce the margin of preference accorded Commonwealth countries on U.K. imports of unmanufactured tobacco. The United States sells tobacco to England on the basis of quality, not price, as our prices are substantially higher than those of the principal Commonwealth suppliers, and this has not deterred our exports of tobacco to England.

As a matter of fact, the cost of our tobacco to Britons has gone up even higher because of their devaluation, and this is going to offset any benefit we might have gotten from them because of the chemicals package. Furthermore, the U.K. devaluation will wipe out part of their concessions in the entire Kennedy Round.

Staying within the so-called chemicals package, it is my understanding that our duties will be cut by 50 per cent, while our major competition, the EEC, will cut its common external tariff by only 20 per cent. This is before the so-called separate ASP package goes into effect. If the ASP package were to be approved, our tariffs would be slashed further, and the EEC would come close to the 50 per cent reduction we agreed to on an unconditional basis.

The chemical industry is a leader among American exporters. It does not favor further relaxation of American trade restrictions generally, because it can look ahead and see the favorable trade balance in this industry diminishing to a vanishing point.

Moreover, I have seen some persuasive evidence that after the EEC border taxes are raised, the cost of entry into that market will be even higher than before the Kennedy Round cuts go into effect.

Let me sum up by saying that this appears to be a very dubious way of achieving reciprocity in our trade negotiations. The Committee on Finance is not going to be bulldozed into approving any agreement which it feels is not in the best interests of the United States.

LOOKING DOWN THE ROAD

Looking further down the road, 1968 will be a year of searching reassessment of our trade and financial policies. The Committee will hold hearings on its legislative oversight review of United States foreign trade policies to explore all the aspects of our trade policies and practices. To date, we have received over seventy papers from interested parties which will be published in a compendium prior to the hearings. The Executive branch has submitted a set of papers of its own. Your organization has also submitted a paper. There are quite a few papers which take the "free trade" or "protectionist" extremes, but a number provide solid, fresh thoughts which will be helpful in drafting new trade legislation. Under this procedure, all interested parties will have an opportunity to review the thoughts of others.

If the Executive branch would stop bombarding us with scarecrows and sit down with us to discuss particular industry problems and their solutions, then we could have a fruitful legislative year. At the moment, they are even qoting from Sacred Scripture to justify their views. If this continues, we will have to invoke the help of the Lord to guard us against his overzealous children.

TAX SURCHARGE

Before closing, I know you are interested in the tax surcharge. In this connection, I came across a statement with which I firmly agree. It was made before a distinguished

audience in New York during January of this year. This statement reads as follows:

"Now it has been suggested by the President that Congress should increase taxes, which would further retard an economy which at this moment is showing signs of becoming sluggish, with the suggestion that, if we do so the Federal Reserve would further ease its tight grip on the nation's money supply.

"We are willing to consider the President's suggestion on some other basis. At the moment there is no economic case for the proposed tax increase.

"The request for a tax increase is based on the assumption that a failure to increase taxes will lead to a large Federal deficit. It is argued that, while men fight and die on the field of battle, it is a small enough sacrifice for Americans to pay more taxes. Yet, a tax increase of 10 times the size recommended by the President would still not begin to equate the sacrifice of our courageous young men fighting and dying in the swamps and jungles of Vietnam, with Americans who are enjoying income and prosperity greater than they have ever known.

"It has not yet been demonstrated that large reductions cannot be made, nor that expenditures cannot be postponed until some later date. Nor has it been demonstrated that a number of new programs which the President is recommending even now might not better be deferred than to increase the taxes on the American people.

"The Congress is not disposed to deny the best weapons, the best food, and every benefit of medical science to our fighting men. The Congress is disposed to make reductions in new domestic programs and even in old domestic programs before it votes another tax increase."

This is a statement with which I can agree wholeheartedly. It was made by the Chairman of the Senate Finance Committee, Russell B. Long, of the great State of Louisiana.

The U.S. commercial trade deficit, 1966

[In millions of dollars]

Total exports	30,319
Military grant aid	941
AID loans and grants	1,129
Foreign assistance	2,070
Sales for Local Currency	834
Donations	220
Barter	274
Long-Term Dollar Credit Sales	239
Public Law 480	1,567
Total noncommercial exports	−3,637
Commercial exports	26,682
Total imports, FOB	25,542
Estimated imports, CIF	27,662
Commercial trade deficit	−980

Source: United States Department of Commerce, Highlights of U.S. Export and Import Trade (FT 990), September 1967 pp. IV–V.

WASHINGTON POST CALLS FOR QUALITY DRUGS AT LOWEST POSSIBLE PRICES

Mr. MONTOYA. Mr. President, the Washington Post in its lead editorial today, entitled "Drugs: Risks and Profits," challenges the Federal Government to "insist that all drugs used in the health program which it finances be purchased at the lowest possible prices."

I commend the editorial for its straightforward reporting and conclusion that high quality drugs can be purchased at a substantial savings if we will but stop and look around at the pricing structures and policies of the drug industry. We do not have to buy the highest priced version on the market in order to get the best quality available. The two are not necessarily related. And neither does it follow that a low-priced drug is a low-quality drug. High-quality drugs are available at low prices. But they are available at low prices only if we look for them.

In the last Congress I introduced a bill—and I have reintroduced the bill again in the 90th Congress (S. 2936)—to provide for the reimbursement of prescription drugs under part B of medicare. The cost of prescription drugs has been a most crippling burden for the elderly of this country. The bill as I introduced it would have provided for a reimbursement direct to the beneficiary based on the lowest cost of an acceptable quality drug.

My bill would thus insure that the American taxpayer would not be gouged by having to pay taxes which in turn would be used for reimbursing a beneficiary who paid a ridiculous price for a drug when a quality substitute was available at a reduced savings. My bill would also protect the elderly of this country who would be called upon to finance one-half of the costs of this program.

The beneficiary, under my bill, would still be free to purchase a drug in any way in which it is prescribed—thus not interfering with the freedom of prescribing nor dispensing—but if he purchased a higher priced drug he would be reimbursed only on the basis of the lowest priced drug available of an acceptable quality. If he chose to purchase the higher priced version, that would be his decision, but he would have to make up the difference himself. Thus, the integrity of the program would be protected and the elderly and the taxpayer would not be saddled with paying for unreasonably high and unjustified profits.

Of course, once a beneficiary found out he could purchase an acceptable quality drug at a reduced cost, it is unlikely he would continue to purchase the higher priced version.

Those who stand to profit by their unreasonably high prices will not voluntarily tell the poor and the elderly of the country—

Do not buy that high priced brand X drug; you can get a high quality drug that will also adequately meet your needs at a greatly reduced price by purchasing this label over here.

Yet every effort should be made to make the buying public aware of this fact and I, therefore, commend the editorial staff of the Washington Post for its efforts in bringing this to the attention of the American public. Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

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

[From the Washington (D.C.) Post, Feb. 26, 1968]

DRUGS: RISKS AND PROFITS

Congressional interest in the pricing of drugs has undergone a fundamental change over the last decade. In the 1950s, the investigations of the late Sen. Estes Kefauver were largely concerned with how individual consumers were affected by monopolistic practices in the drug industry. But with the advent of the medicare and medicaid programs, the emphasis shifted. It is now the Federal Government—and the taxpayers as a whole—that bears much of the cost of drugs prescribed for insured persons. As a consequence investigations of drug pricing are no longer denounced as political fishing expeditions. They are now essentially inquiries into Federal procurement, the objective of which is to ascertain whether the Government is purchasing products of high quality at the lowest possible prices.

Terms such as "monopolistic pricing" and "market power" are frequently used in a loose fashion. But they can be given operational meaning. Industries in which monopolistic pricing practices are commonplace should enjoy rates of return on stockholders' investments which are far above the average. Judged by the criterion the drug industry qualifies. Recent testimony before Sen. Gaylord Nelson's monopoly subcommittee by Dr. Willard F. Mueller of the Federal Trade Commission shows that the leading firms in the drug industry topped all others in the country with a 21.1 per cent on stockholders' equity in 1966. The average rate of return was 13.3 per cent.

Spokesmen for the drug industry reply that the returns include a "risk premium," that the risk of loss on large research outlays is so great as to require a higher return on capital invested. But the weakness of their argument, and the statistical tests supporting it, is in the definition of risk. If the drug industry were really risky, we should expect to find a high rate of failures and returns on capital which are subject to greater than average fluctuations over time. But in the drug industry, where firms are protected by patent laws, the failure rate is very low and the above average profit rates are highly stable.

It would appear that discriminatory pricing practices—selling at low prices to hospitals and other institutions and at high prices to individuals through retail pharmacies—account in large measure for high profits in the drug industry. But the remedy lies in greater competition, not price controls. The Government should insist that all drugs used in the health program which it finances be purchased at the lowest possible prices. Patent policy should be re-examined with an eye to increasing competition in the industry, and more information about the properties and prices of drugs should be made available to the general public.

PRIVACY

Mr. LONG of Missouri. Mr. President, recently, I received a thought-provoking letter which I believe merits the attention of the Senate.

I ask unanimous consent that the letter from a McLean, Va., resident be printed in the RECORD.

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

RICHARD H. GENTRY,
McLean, Va., February 8, 1968.

HON. EDWARD V. LONG,
U.S. Senate, Washington, D.C.

DEAR SENATOR LONG: I very deeply appreciated your prompt response to my request for a copy of "Government Dossier" compiled by the Senate Subcommittee which you chair.

I must say that my reaction to the document and the information contained therein was, in a word, incredible. Heretofore, my occasional arguments with my computer-oriented friends, both inside and outside the

government, on the subject of a National Data Bank, have lacked substantiation. Henceforth, I shall throw "Government Dossier" in their faces along with a prayer that the Subcommittee finds a way to guard and/or expand the area of one's individual privacy.

Isn't it strange that there is so little public concern over one's right to privacy? I submit that one of the reasons for this lack of concern is that we have individually become so dependent upon the "big organization" (government, business, union, church, school), that we have lost a sense of personal integrity.

The resultant from the citizens' lack of integrity is that the government—which is supposed to reflect citizen wishes—has no limitations imposed upon it, irrespective of the written safeguards provided in the Constitution. If the people do not care about liberty, the Government certainly cannot, and the result is the technological nightmare of efficiency which overpowers the individual. If individuals cannot trust those sent to the Congress to protect the concepts which built a free society, then who is to be trusted?

I ask only for myself, because I am concerned, please continue your lonely battle. If government efficiency is lost because of freedom, I gain. If computerized efficiency triumphs over liberty, the concept of the United States as an experiment in freedom loses, and so do I.

Very sincerely yours,

RICHARD H. GENTRY.

AFL–CIO SUPPORTS MONTOYA MEDICARE DRUG BILL

Mr. MONTOYA. Mr. President, the 14,300,000-member American Federation of Labor and Congress of Industrial Organizations, meeting in executive council in Bal Harbour, Fla., on February 19, 1968, adopted a statement strongly urging the support of the Montoya medicare drug bill, S. 2936, in which I have been joined by 37 other Senators as cosponsors. S. 2936 will provide the elderly of the country with a measure of relief from their catastrophic prescription drug expenses by extending the coverage of part B of medicare to include reimbursement for prescription drug expenses.

The statement adopted by the AFL–CIO also endorses other legislative proposals and, in addition, makes a number of serious charges against the drug industry of this country. While I am not expressing a personal opinion as to the various comments made in the statement by the AFL–CIO, I ask unanimous consent, because of the support of S. 2936 expressed therein, that the text of the statement be printed in the RECORD.

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

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON DRUGS, BAL HARBOUR, FLA., FEBRUARY 19, 1968

There is not a major industry in the United States that is more socially irresponsible than the large pharmaceutical manufacturers who promote the sale of brand name prescription drug products.

Specifically excluded from this charge are the many reputable small FDA-certified drug manufacturers who produce a quality product and market these products under competitive conditions by their generic or official names.

In contrast to these smaller companies, the major brand name pharmaceutical drug manufacturers spend about $600,000,000 a year or $3,000 per year per prescribing doctor to influence doctors to prescribe by brand name. This campaign to influence physicians begins in medical schools with presents, gifts of medical books and medical bags to graduating classes and continues throughout a physician's life with various forms of support for medical conferences, free drug samples, etc. This unconscionable campaign is further supplemented by personal visits by drug salesmen called "drug detail men" who are seldom physicians and definitely not pharmacologists who convince the doctor that their brand named product is better, more effective, or purer than the products of the generic houses. This "education" is supplemented by junk mail and advertising. Studies conducted by the Food and Drug Administration clearly indicate the record for purity and effectiveness of generic drugs is about the same, and, if anything, slightly superior to the record of brand name products.

But the advertising pays off. A great majority of physicians prescribe by brand name and the patient has to buy the expensive brand name drug. Organized medicine itself takes no responsibility for evaluating the relative effectiveness of drugs. Drug advertising revenues are an important part of the total budget of the American Medical Association as well as for its publications.

The result is gouging of the customer. The final cost of a brand name drug to the purchaser may represent a 1,000 percent mark-up over the cost of manufacture. Several of the brand name manufacturers have been convicted for price fixing. Fortunately, some public-spirited members of Congress, particularly the late Senator Kefauver who conducted the first hearings on the drug monopoly, and more recently Senator Gaylord Nelson (D.Wis.) and Senator Philip A. Hart (D. Mich.) have kept the people informed as to the public issues involved regarding drugs. A recent poll conducted by the Roper Research Association revealed that 97 percent of the people polled were critical of the drug industry. The American people are justifiably incensed with this industry because of its sky high prices, often fixed by collusion, and because of its excessive profits which are higher than any other industry's.

The hardest hit victims of the price gouging of the drug industry are the chronically ill aged whose continuing need for drugs may cost them as much as $500 or more per year. For over one half of single persons over 65, attempting to live on $1500 a year, this cost is a crushing burden. Yet prescription drugs are excluded from Medicare.

The 1962 Amendments to the Food and Drug Act greatly strengthened the authority of the Food and Drug Administration to require proof of the effectiveness of drugs as well as proof of their purity and safety. FDA Commissioner James Goddard has administered the law effectively and in the public interest. Defeated in their attempts to block passage of the 1962 Food and Drug Amendments, the opponents of effective regulation now wish to accomplish administratively what they could not accomplish legislatively. This effort to turn back the clock by eliminating necessary regulations of drug quality must be defeated.

The AFL–CIO Executive Council commends FDA Commissioner James Goddard for defending the public interest under most trying and difficult circumstances and deplores the efforts of vested interests in the drug field to undermine his authority.

Yet the law is not as strong as it should be. The 1962 amendments gave the FDA authority to require proof of the effectiveness of drugs, but not the authority to compare the effectiveness of different drugs used in treating the same disease. This weakness allows the major pharmaceutical manufacturers to promote so-called "new" drugs, protected by patents, where well established old drugs, not so protected, are, in fact, more effective.

While the charge of exploitation and profiteering is a serious one, the charge of social irresponsibility is even more serious. After due consideration of the testimony given before the Monopoly Subcommittee of the Senate Select Committee on Small Business chaired by Senator Nelson, the AFL–CIO charges the major pharmaceutical manufacturers with betraying the public interest by:

(1) Promoting the sale of "new" patented drugs which are less effective than established drugs not so protected.

(2) Promoting the widespread sale of drugs of unproven clinical value thereby endangering the lives of persons afflicted with conditions for which there would be an effective cure if they were treated with available effective drugs.

(3) Promoting over-use of drugs, particularly antibiotics, in spite of the accompanying danger of the development of resistant strains of disease organisms.

(4) Promoting the sale of drugs having serious side effects when there are equally effective, less toxic drugs available.

(5) Promoting the sale of drugs which have dangerous side effects for minor conditions that do not require drug therapy.

(6) Confusing the practicing physician with a multiplicity of over 18,000 trade names.

The American people will never accept their health as a legitimate area for commercial exploitation. The AFL–CIO Executive Council therefore calls upon Congress to pass legislation which would:

1. Include prescription drugs under Medicare, provide for a national drug formulary and limit reimbursement for drugs under any federal program to the price for the generic or official product along the lines of the bills introduced by Senators Long (La.) and Montoya. The AFL–CIO favors strengthening these proposals by requiring all physicians to prescribe by generic name in all cases where there is no question of therapeutic equivalency.

2. Extend the authority of the Food and Drug Administration beyond merely evaluating the effectiveness of drugs to comparing the relative effectiveness of drugs and provide for the distribution of such information.

3. Reduce the price of drugs now kept high under patents owned by single manufacturers or shared only with an exclusive small group.

4. Amend the patent laws to reduce the number of years a drug may be granted a monopoly.

TRIBUTE TO DR. CLARENCE E. FRONK

Mr. FONG. Mr. President, it is with deep sorrow that I pay tribute to the memory of an outstanding citizen of Hawaii who passed away recently. Death came to Dr. Clarence E. Fronk—Honolulu surgeon, chairman of the Honolulu Board of Parks and Recreation, and an internationally known horseman and big-game hunter—at the age of 84 on February 17 in Tripler Hospital in Honolulu.

Dr. Fronk lived a full, vigorous and successful life. He combined a dedicated medical career with long years of civic and community service. He loved adventure and traveled far and wide as a true sportsman.

Born March 30, 1883, in Conway, Iowa, he was graduated in 1906 from St. Louis University Medical School. After serving

his internship, he was briefly in private practice in Missouri before being commissioned in the U.S. Army Medical Corps. He had the distinction of being the youngest division surgeon of World War I.

Dr. Fronk resigned his Army commission in 1923 and began practicing medicine in Honolulu. In 1925, he became cofounder of the Fronk-Wynn Clinic, and, from 1934–56 was director of the Fronk Clinic.

He was the physician for Oahu Prison for 10 years and an appraiser for probate courts. He retired from medical practice in 1956.

His interest in big-game hunting began in the Philippines where he spent more than a year early in his Army career. In later years, he hunted also in Mexico, Indochina, Africa, India, and other areas.

His more than 50 trophies—one of the finest big-game collections in the world—included tigers, lions, leopards, rhinoceros, buffalos, cheetahs, and many other animals.

One of his favorites was a tiger he shot from 50 paces while hunting in central India in 1953 with Maharajah Yeshwat Roa of Indore.

His other hobby was buying, selling, breeding, training, and riding show horses. He served as a director, vice president, and since 1959, regional director of the American Horse Shows Association. He was the fourth person to be made an honorary life member of the association.

Dr. Fronk's medical affiliations included being a fellow of both the American College of Surgeons and the International College of Surgeons, and a member in the founder's group of the American Association for the Surgery of Trauma.

He was a past president of the Hawaii State Medical Association, and a member of the American Medical Association, the Honolulu County Medical Society, and the National Association of Medical Directors of Life Insurance Co.

He received campaign badges for service in the Philippines, Mexican border, World Wars I and II, Central Pacific Area, American Forces Reserve, and the Legion of Merit.

He was in the U.S. Army Reserve from 1923 to 1946, when he retired with the rank of colonel. He was in active service from 1940 to 1944.

He was a past president of the Reserve Officers Association, and a member of the Veterans of Foreign Wars and the American Legion.

He was appointed to the Honolulu Board of Parks and Recreation in 1960, and became its chairman in 1964. He was chairman of the Hawaii Board of Industrial Schools from 1936 to 1940, and since 1944, served as a counselor for Aloha Council, Boy Scouts of America. He was on the board of managers of the Armed Services YMCA since 1951.

Active in masonic affairs, he was a member of Lodge Le Progres de L'Oceanie No. 371 Free and Accepted Masons. As a 33d degree Mason, he was also a trustee and chairman of the Scottish rite bodies.

He was a charter member and past president of the Adventurers Club of Honolulu, a member of the Explorers' Club of New York, and the Shikar-Safari Club of America. He was a past president of the Hawaii Fish and Game Association, and served several terms as president of the Hawaii Chapter, National Rifle Association.

He is survived by his widow, the former Laura Mulhall, and two daughters, Mrs. Frederick "Eleanor" Bosman of Vancouver, B.C., and Mrs. Elton W. "Martha" Grenfell of Alexandria, Va.

Hawaii has lost a most active, civic-minded, and distinguished citizen. His passing is mourned by the host of friends he made during his lifetime of service to his community and country.

Mrs. Fong and I extend our heartfelt sympathy and sorrowful aloha to his beloved wife and family in their bereavement.

ASSISTANCE OF MILITARY PERSONNEL BY PRIVATE ENTERPRISE

Mr. CANNON. Mr. President, I invite the attention of the Senate to an activity involving a segment of the publishing industry which reflects creditably upon private enterprise in their effort to assist our military men in these dangerous times.

I commend the Sporting News Publishing Co. and its publisher, C. C. Johnson Spink, for sponsoring a program which places this journal of athletics and sports within the reach of military service personnel.

This is a charitable activity which the publishers have been undertaking for three generations. During World War II this organization dispatched 250,000 copies per week to the Armed Forces. It is a program which is cosponsored by the American Football League, Bowler's Victory Legion, the National Basketball Association, the American League of Baseball, the National League of Baseball, and the National Coal Conference. I am pleased that thousands of copies are reaching our men in service and in military hospitals at home and abroad. I certainly hope that this activity by Mr. Spink and his cosponsors proves contagious and is repeated throughout the publishing industry.

VIETNAM

Mr. SCOTT. Mr. President, last week, the able and distinguished Senator from Illinois [Mr. PERCY] delivered the first annual William W. Scranton Public Affairs Lecture at the University of Scranton Public Affairs Institute in Scranton, Pa. In his lecture, Senator PERCY outlined the considerations which he feels should be taken into account in negotiations to end the war in Vietnam. I ask unanimous consent that Senator PERCY's lecture be printed in the RECORD.

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

ADDRESS BY SENATOR CHARLES H. PERCY AT THE FIRST ANNUAL WILLIAM W. SCRANTON PUBLIC AFFAIRS LECTURE, UNIVERSITY OF SCRANTON PUBLIC AFFAIRS INSTITUTE, SCRANTON, PA., FEBRUARY 20, 1968

It is easy enough to say that the United States never should have become so deeply involved in Vietnam; I have said it myself. It is a good deal more difficult, however, to say at what point we should have stopped committing ourselves.

Should we never have started, as President Eisenhower started in 1954 when he promised to furnish economic assistance to South Vietnam, and in 1955 when he began to send military advisers?

Should we have stopped in late 1961, when President Kennedy increased the number of these advisers and committed them to combat?

Should we have stopped when President Johnson sent the Tonkin Resolution to the Senate in 1964 and requested virtually blank-check authority to escalate the war as he alone saw fit?

Should we have stopped early in 1965, when President Johnson first ordered bombing of North Vietnam and introduced the first U.S. combat units?

Should we have stopped at 100,000 troops? 300,000? 500,000?

In retrospect, we may wonder if we should have ever sent *any* Americans to Vietnam. In retrospect, many Senators probably wish they had not voted for the Tonkin Resolution. But over the past ten years, how many among us have been willing to stand up and say, "This far, and no further."

If blame is to be parceled out for our commitment in Vietnam, then most of us in Washington must share that blame. I must share it, for as recently as 1965 I was endorsing President Johnson's course of action. Senator Robert Kennedy, by his own admission, must share it, for he helped shape the commitment of the Kennedy Administration. Senator Eugene McCarthy must share it, for he voted for the Gulf of Tonkin Resolution.

I do not think it proves much to seek scapegoats for the Vietnam quagmire we find ourselves in today. But I do think it proves a great deal to acknowledge that the price we are paying in Vietnam is too high, and that therefore we must seek honorable ways to get out of the war.

Perhaps it is premature to perform an autopsy on South Vietnam, but the patient is clearly in danger, and in fact the doctor looks a little pale himself.

The human toll of this war is heartbreaking. The American dead in Vietnam soon will total 20,000, and the American wounded have already reached six times that number. The South Vietnamese Army has lost nearly 55,000 men. Although the Pentagon's recent count of 274,444 dead among the Viet Cong and North Vietnamese forces is open to question, there is *no* question that they have suffered tremendous losses. The number of Vietnamese civilians, North and South, killed, wounded, or displaced by the war is incalculable. We know for sure only that it has been a fearful slaughter.

If we fight in Vietnam to save a nation, we must ask ourselves if the war is not destroying more than it is preserving.

It would be one thing if the South Vietnamese government were responsive to the needs of the people, and if the people were responsive to that government. But during a visit to Vietnam two months ago, I saw little evidence of either. Respected correspondents in Vietnam insisted that the Saigon government is more corrupt than constitutional, more responsive to the affluent of Saigon than to the battered poor of the countryside.

The terrible swift forays of the Viet Cong in recent weeks prove that even in Saigon the South Vietnamese government enjoys little support from the population. For without the acquiescence of the population, the Viet Cong effort could not have been so successful. And during my visit, it became clear to me that many of the villages supposedly loyal to the government were anything but. At a refugee camp I visited, I learned that although the camp was listed as being under Saigon control, the Viet Cong enter the camp each night and obtain whatever is available in the way of money and commodities.

That we should contribute to so much death and devastation is bad enough. What the war is costing us in this country makes it worse. Just as America was awakening to the critical urban problems which demand solutions, we have had to pour our resources into Vietnam at the expense of nation-building in our own country. Nation-building at home must be our first priority.

Equally important is what this war has done to erode the spirit of the American people. There is a sense of despair among many Americans who see the potential of the United States dimmed by a land war in Asia which virtually all top military experts warned against. Many among our young people, our clergy, and the academic community see us raining terror down upon a small rural nation, and they feel ashamed to be associated with the effort in Vietnam.

For all of us, the war has evolved into something we could not have foreseen. Let us recognize that our present massive participation is a mistake. Let us intensify our efforts to honorably end the war.

There are three basic approaches—withdraw, escalate, negotiate. I do not believe we should withdraw. To do so would be to abandon those tens of thousands of South Vietnamese who have cast their lot with us, and whose protection we have undertaken to guarantee.

I do not believe we should escalate in pursuit of total military victory, for the whole course of the conflict in Vietnam convinces me that total military victory by either side is not feasible.

Even if the United States and her allies destroy the main body of the Northern forces and chase the survivors back across the border in disarray, the war would not be at an end. After all, the North Vietnamese have only begun to use tanks; they have yet to use aircraft to bomb our installations; they have yet to use surface-to-surface missiles—which could be supplied them by either the Chinese or the Soviets; and they have yet to draw on the tremendous reserves of military manpower potentially available from both the Chinese and the Russians.

Conversely, if a major North Vietnamese offensive were successful, our defensive posts were overrun, and we were forced to concede the northern provinces to the North Vietnamese, the war would not end.

Neither of these extreme eventualities is likely, but even if one were to take place, it would lead to no surrender, no solution. The losing side would regroup and decide how and when to continue the struggle with new and even more destructive initiatives.

I believe, therefore, that the only way we can end the war in Vietnam is to diligently pursue a negotiated settlement—a settlement with realistic objectives.

My basic quarrel over the past two years with the Johnson Administration has been its apparent failure to seize possible opportunities for negotiations when they have arisen, or to take realistic initiatives toward the opening of negotiations. Publicly and privately, I will continue to encourage the Administration to take such initiatives.

If negotiations once begun are to prove meaningful, it is essential that *all* major parties to the war be involved, and I specifically include the Viet Cong. Events of recent weeks have shown once again how hollow any settlement would be to which the Viet Cong was not a party.

Let us be equally realistic about what we can expect at the bargaining table. When we speak of a political settlement to the war, it does not mean a settlement in which the United States ends up with everything her own way. It means a middle ground between what each party would ideally *like* to attain, and what each party *must* attain to leave the battlefield with a semblance of honor.

What are these maximum and minimum objectives which will provide the framework for a final settlement? I cannot answer the question categorically, for I am not privy to inside information. But I can outline some of the considerations that I believe must be recognized if there is to be any hope for an alternative to a prolonged military confrontation in Vietnam.

SOUTH VIETNAM OBJECTIVES

Ideally, the South Vietnamese government seeks a complete military victory, including the destruction of the Viet Cong, the ouster of all North Vietnamese, and ending the ability of the North to give support to an insurgency in the South. These conditions would allow the present government of South Vietnam to remain in power and would leave intact what has been called the Saigon establishment.

This is the most she could hope for. However, like the other parties to the war, she probably will have to make certain concessions. At the same time, there are two fundamental conditions she can be expected to insist upon:

(1) Preservation of the political identity and economic well-being of those who comprise and support the present government.

(2) Guarantees against renewed local insurgency and attacks from the North.

NORTH VIETNAM OBJECTIVES

The North Vietnamese want a total military victory, the end of any U.S. presence, and the institution of a communist regime. This would ultimately mean a joining of the South to the North, with the whole of Vietnam administered by Hanoi.

However, the *least* she can be expected to insist upon is:

(1) A guarantee that there would remain no significant U.S. military force in South Vietnam.

(2) Guarantees for the political recognition of their Viet Cong ally.

(3) A commitment, if only on paper, to the principle of eventual reunification of Vietnam.

VIET CONG OBJECTIVES

Viet Cong maximum objectives would be identical with those of North Vietnam up to a point. They would like to destroy the Saigon establishment, oust the U.S. and establish a Hanoi-oriented regime. However, there exists a possibility that the Viet Cong would prefer, given the choice, some kind of separate identity from the North.

At the least, the Viet Cong will demand:

(1) Recognition of the National Liberation Front as a lawful political entity in South Vietnam.

(2) Guarantees against physical and political reprisals.

U.S. OBJECTIVES

We come next to the long-range interests of the United States in this conflict. The objective of the present Administration appears to be a military solution leading to a settlement on our own terms. To me, the most desirable objective would be to end the fighting with the assurance that there can be a stable government based on democratic principles—a government which will be able to provide for its own security.

At the least, we must require:

(1) Guarantees for the self-determination of the people of South Vietnam, free from the threat of violence.

(2) Guarantees for the safety of all the people of South Vietnam, regardless of previous political and military activities.

By guarantees I mean, for example, the establishment of a multi-national peace force to supervise the withdrawal of foreign troops from South Vietnam and to protect the civilian population of South Vietnam from physical reprisals. Once a settlement is reached, the people of South Vietnam must have the assurance that there will be no further political killings. The life of the Viet Cong militant must be secure, and the life of the village chief loyal to Saigon must be secure. Without safeguards for the security of both, the future of South Vietnam would be as bleak as it is now.

What I have outlined tonight are considerations which must be taken into account by each of the parties to the war if negotiations are to be opened and a reasonable settlement achieved.

If the combatants continue to pursue total military victory they are destined to an indefinite war, and Vietnam may be doomed to destruction.

The only hope for the survival of Vietnam is that the leaders of each contesting group will decide that continued fighting is folly and that victory in the traditional sense is futile.

I hope that President Johnson has come to this conclusion in preparing for his discussions tomorrow with U Thant.

Let us all hope that the President will bring to this meeting flexibility and realism in fuller measure than before, and that he will leave no room for doubt of his determination to attain peace.

RELATIONSHIP BETWEEN FEDERAL AND STATE AND LOCAL GOVERNMENTS

Mr. LONG of Missouri. Mr. President, the proper relationship between the Federal Government and State and local governments is a problem receiving careful study at all levels of government. One of the finest statements on the development of the present situation was presented by Gov. Warren E. Hearnes at a February 17 dinner honoring the Speaker of the Missouri House of Representatives, Jim Godfrey.

Mr. President, I ask unanimous consent that the address be printed in the RECORD.

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

PROGRESSIVE LEADERSHIP: BULWARK OF DEMOCRACY

(Address of Gov. Warren E. Hearnes, at a dinner honoring Jim Godfrey, American Czech Club, St. Louis, Mo., February 17, 1968)

Most of you know that I have argued, over the past several years, for the strengthening and improving of state and local government. It has been my theory that the people are served best by government which operates close to the people. Within this framework, I have criticized—I hope constructively—the lack of cooperation received from the federal government and the attempted take-over by federal agencies of local and state responsibilities.

Unfortunately, some have interpreted this criticism as being a demand for the break-up of our federal government in order to put virtually all governmental powers in the hands of the states. That is not a correct interpretation. Actually, my intention is to work for the improvement of local and state government so these units are capable and willing to discharge their duties—thus preventing a further separation of government from the people.

It is a sad fact that much of the take-over of responsibility by the federal government came about because state and local authorities, in years gone by, neglected large areas for which they were responsible.

But I contend that this age of neglect, overlooking local needs until the federal government felt obligated to meet them, has now disappeared in most states. I contend that the states are taking a more responsible attitude in providing for education, mental health and other services which have been subjected to outside intervention.

The reasons for this change in attitude

are many, but I think I know the one which has contributed most to making the states aware of their enormous responsibilities. The primary reason has been forward-looking leadership on the part of men such as Speaker of the House Jim Godfrey in Missouri.

Speaker Godfrey knows that state government of today must be quite different from state government of the past. He knows that we cannot overlook our duty to solve complex problems as states have done in the past. Jim Godfrey has worked for the brand of government which does more than skim the surface of public needs. He has worked for an alert government which is responsive to the people and willing to tackle the new problems brought on by each passing day.

If this trend can be hastened to the point that all states are living up to their obligations, then the trend toward further centralization of government in the United States can be brought to a halt. And only when that is accomplished can we rightfully demand and get a return of some responsibility which already has been taken over by federal agencies.

Jim Godfrey and I both feel it is necessary to do this—to improve our state government to the point that it is expertly handling Missouri's current problems, and then to fight for a return of responsibilities which we have forfeited in the past. The reason for carrying out this plan is not one of seeking power. Rather, it is the firm belief that government programs can be administered best if they are administered close to home.

Assuming you may agree with me that this is a worthwhile pursuit, let us examine how our hopes can be realized.

I have stressed, during my term as Governor, the vital need for leadership of a cooperative nature at the local level. This would strengthen and preserve local government, safeguard the freedom and integrity of the individual and re-define the interrelationships between the federal, state and local governments. I must add that this could, rather than would be accomplished. It could happen if that cooperative local leadership is strong and effective—not something which gets no more than lip service.

To determine how the individual can help restore health and vitality to state and local governments, let's examine the history behind our present trend of centralized strength.

We are all aware that the framers of the Constitution purposely developed a legal structure that would assure a government of limited powers that would remain close to the people.

The federal Constitution was designed to be the primary depository of specific governmental powers. The states were to have those powers not specifically reserved to the federal government. And local government was to have whatever powers might be delegated by state constitutions and statutes.

This downward dispersal of power and authority formed the early basis of a federated system designed to keep government close to the people. The system as devised depended on sound, dedicated progressive leadership at every level to assure that the system would effectively meet the needs of the people.

This desire to circumscribe the power of government—in order to make it responsive to the needs of the people and to prevent the emergence of a centralized government—was a workable system when applied to the colonial, territorial and early growth period of this nation.

Society, however, is not static, and the division of powers developed to serve one generation became inadequate to serve the needs of another generation.

As the nation grew in land area and assumed a leadership role in foreign affairs, it became more difficult to apply the principle of a federated limited government. The efforts were further complicated by the transition from an agricultural to an industrial economy, and were greatly hampered by the great depression of the 1930's. That tragedy resulted in a vast number of developments affecting our present economic structure and society.

Constitutional amendments over the years resulted in a further fragmenting of the limited-federated type of government and the principle of dispersal powers. Adoption of the 16th amendment in 1913, providing for an income tax, was a major step in creating a vehicle for the emergence of central control over economic and social welfare developments. It wasn't intended to be a powerful agent for the federal government, but it turned out that way.

This power to preempt a large area of taxation really became the key that opened the door to development of a host of federal programs during the depression. At a time when the country was in a near state of chaos, this recently acquired federal muscle was perhaps all that prevented total destruction of our form of government.

That period demonstrated that our country had reached a stage of size and complexity which demanded that emergency power be available in Washington to handle a sudden crisis. The problem arises from the fact that when the power is available, there is a great tendency to use it constantly rather than to keep it in reserve for emergencies. And so the federal government grew in power and in exercising responsibility for the welfare of all the people.

This review of history has indicated, so far, that the original plan for a federal government limited in power was not workable to meet the needs of a rapidly-changing world. But we can see that the changes in society which necessitated the placing of more power in Washington also served to weaken the power and effectiveness of state and local government in responding to everyday needs of the people.

In tracing the history and development of federal programs, we can see where federal power increased as state and local power vacated large areas of responsibility. The unemployment, insolvency and chaos of the depression laid the groundwork for the emergence of central control over many facets of our lives. Part of this change was necessary because our economic structure no longer was confined to state boundaries, and part of the change was unnecessary but it still came about because no one could pinpoint the place where the trend should stop.

The low-rent housing program initiated in 1937 is an example of the growth and expansion of a temporary program. As private enterprise and local leadership failed to resolve the problem of housing and slum development, the federal government extended its low-rent housing program to include redevelopment and rehabilitation of whole neighborhoods.

This originally was a valid area for local action, and perhaps could have been kept at that level—but proper local leadership and finances were not available.

Over the years, the federal government has moved into the vacuum created by a lack of local cooperative leadership. Today, there are hundreds of federal programs in every sector of the economy that affect the daily lives of all the people.

We also are aware that there has been an increase in state power over local affairs which has, in some cases, limited the effectiveness of local government. This occurred because states placed strict limitations on the taxing power of local goverment and because too many local authorities failed to heed their responsibilities for serving the needs of the people.

Local problems were complicated by the profusion of governmental units which each claimed independent power in the governmental structure. We have cities, townships, counties, commissions and boards which lay claim to certain powers—along with administrative districts for water, sewer, drainage, road and school services.

Due to the drain-off of power by higher authorities and the burden of so many separate units of government which overlap at the local level, we find that the government operating closest to the people is diluted and in many ways reduced to an ineffectual status.

This history of the transformation of a limited-federated government to one of increasingly centralized control is disturbing to me, to Speaker Godfrey, and to you.

You realize, of course, that we still have a choice. We can accept the trend toward central government as being the only way to solve problems which state and local governments have neglected, or we can start to reverse the trend by first putting our own house in order.

It is my belief that we here in Missouri—who believe in the theory of limited government close to and the servant of the people—can lead the nation in achieving this coveted goal.

We can do this by constructive criticism of federal programs and by strengthening our state and local governments to the point that they will be easily recognized as the best points of administration for serving the people.

You might ask where we will find the progressive and imaginative leadership needed to restore health to local government. I suggest we need look no further than this room. Men such as Speaker Godfrey, though working in state government, have done a great deal to foster the improvement of city and county governments. Jim Godfrey and leaders of similar stature are constantly updating and upgrading the quality of state government, and are working for legislation which will help local government. They also set an example for people who want to get involved in this effort to improve their city or their state.

We need to find local leaders who will follow this example and exert the same type of leadership for community improvement that Speaker Godfrey is exerting at the state level. But in addition to working on community projects, they must be willing to determine the needs of local government and seek state legislation to improve and strengthen that local government. Then they must take note of the regional concept as being an excellent vehicle for problem solving and a good method of coordinating our proliferation of local governmental units.

It is up to us to take a common-sense view and realize that the original concept of independent states which join a Union only to fight wars and deliver the mail has been outdated by our own changing society. The states now are inter-dependent and they have problems of mutual concern. The same is true locally, where no longer can you ignore what is happening in a city 30 miles away. Once you were isolated from the effects of another city's actions, but today that is not so.

But while we must recognize that the old days of completely isolated units are gone, we do not have to assume that the only answer for present needs is to turn over all power and responsibility to a central government.

The answer, in my opinion, is for strong leadership at the state and local level to be developed for improving our own governments and cooperating with others.

Missouri has taken some steps in this direction. One is the development of regional planning commissions which are designed to strengthen—not eliminate—the smallest units of government. Cooperative leadership in developing this concept may be the creative vehicle that will enable us to keep gov-

ernment service responsive to the wishes of the people.

But, in the final analysis, this all hinges on the strength of individual leadership. This is why we are fortunate to have Jim Godfrey as Speaker of the House, exerting the kind of strong leadership needed for better government. This is why we honor him tonight. This is why we look forward to his continued service to Missouri.

OPPOSITION TO REMOVAL OF GOLD BACKING ON FEDERAL RESERVE NOTES

Mr. DOMINICK. Mr. President, I should like to state my opposition to the administration's proposal to remove the gold backing from our Federal Reserve notes. The situation and circumstances today are analogous to those faced just 3 years ago this month when the proposal before the committee called for the removal of the 25-percent gold cover from Federal Reserve deposits.

In 1965 the administration asked for half a loaf; today, the whole loaf.

The serious dilemma confronting the administration is nothing more than an expansion of the problem which faced us in 1965. The continuation of irresponsible fiscal policies and the failure to develop sound monetary policies have placed us in this untenable position.

The policies which led to our gold crisis 3 years ago have not been changed and as a result, the situation has gone from bad to worse.

During the past 3 years, we have witnessed staggering increases in Federal expenditures despite the deficit resulting therefrom; our national debt continues to climb and our imbalance-of-payments deficit continues to skyrocket.

At the same time, our gold flow record is equally dismal. At the time of the 1965 legislation our total gold reserve was approximately $15 billion and our "free" gold availability to the reserve banks was about $1.2 billion. Today our "free" gold is about $1.3 billion but our gold stock has now dwindled to only $12 billion.

As a part of my testimony before the Committee on Banking and Currency on the gold cover legislation in 1965, I drew the following four conclusions concerning the then pending gold proposal:

First. At best, it is a temporary expedient solving nothing and opening the way to substantial currency inflation;

Second. Rather than increasing confidence in the stability of the dollar as its most optimistic supporters predict, its effect could be precisely the opposite;

Third. It is an obvious first step toward a completely managed monetary system wherein gold will ultimately be removed from all internal currency making the value of the dollar thereafter subject to the arbitrary decisions of the fiscal managers, regardless of political party; and

Fourth. While there may be valid objections to a complete return to a gold standard, history has repeatedly proven the inadequacies of a managed economy whose currency invariably ends up in a destructive inflationary cycle.

Unfortunately, each of these conclusions has proven substantially correct. I would also submit that each of these four general conclusions is just as applicable to the present situation as it was to the analogous situation in 1965. This is true because the problems have not changed; they have only become more acute and the symptoms more obvious.

I would like to discuss the present situation within the framework of the four general principles I have just stated in an effort to show that the legislation now before the Senate is just as disastrous as the legislation before the Senate in 1965 and that it also fails to offer a solution to the problems facing the dollar. Our experience with the 1965 legislation should serve as a valuable lesson for what, in my judgment, will result if the gold backing is removed from our Federal Reserve notes.

That the action taken in removing the gold reserve requirement from our Federal Reserve deposits was a temporary measure is patently obvious. Many of us predicted that this action would provide the administration only 2 or 3 short years within which to get our financial house in order. Yet, the administration was much more optimistic.

When the $5 billion in gold certificate reserves released by the 1965 act was added to the $1.2 billion in free gold, our total "free" gold amounted to approximately $6 billion. Senate committee report No. 65 stated:

> Free reserves of $6 billion at the reserve banks would be sufficient to meet reserve needs against the normal rate of expansion in Federal Reserve notes for 10 years or more and still leave some margin for a further reduction in the country's gold stock.

Those speaking for the administration in this regard were either incredibly naive or pioneers of the administration's credibility gap.

Even though the administration missed its guess on the strength of its legislative band-aid by 7 or more years, it apparently did recognize the real problems with which it had to cope to set its financial house in order. The committee report went on to state:

> In this time, adjustments must be effected to bring the nation's international payments into balance, and perhaps to reverse the outflow of gold. In the meantime, it will still be necessary to maintain sufficient restraint on monetary expansion to prevent excessive expansion with consequent inflationary developments or losses of gold.
>
> It is recognized by the Administration in proposing this legislation and by the Banking and Currency Committee in recommending its adoption that the ultimate and more basic problem is to eliminate or minimize the large deficit in this country's international payments position that has persisted for a number of years and caused a drain in our gold reserves. The purpose of the reduction in the gold reserve requirements is to provide time for the operation of measures and economic forces to correct this situation and to avoid the necessity of adopting at this time drastic measures that might retard desirable economic growth, reduce employment, and interfere with the continuation of programs essential for the nation's defense.

Despite the above statement of policy, there has, in fact, been no major policy shift in the ensuing 3 years designed to correct our balance-of-payments deficit. This, despite the fact that our present gold dilemma was completely predictable.

Finally, last month, the administration did announce limited short-term measures aimed at partially correcting our balance-of-payments deficit. These measures fall far short of the mark; they are aimed at the wrong target and can at best produce only partial short-term results.

Again, the proposal before the Senate is a temporary expedient designed to buy the administration more time in which to maneuver.

In 1965, we were told that if we removed the backing from Federal Reserve deposits, we would strengthen confidence in the dollar. I rejected the unsupported assertion then; I reject it now. The fact is the repeal of the gold certificate requirement in 1965 did not lead to a greater confidence in the dollar but to less. We are just as close to a liquidity crisis now as we were in 1965; but even worse, we are much nearer a foreign exchange crisis than 3 years ago.

As I have stated, the proposed action is at best a short-term reprieve. Foreign creditors recognized it as such in 1965 and look at the results. We may conceivably buy a very short period of time with this legislation; but unless we use this time more wisely than we have since 1965, foreign creditors will once again "cash in their chips" while the bank is still open. Experience indicates that the purchase of time through remedial legislation is a useless purchase as long as the basic problems are left untouched.

To gain continued confidence in the dollar, this Government must submit itself to the discipline of establishing a favorable balance of payments, and we must make to known to foreign governments that this will be accomplished as a matter of national policy. The current proposal is made not from strength but from weakness. The seriousness of our overall fiscal situation must be faced, not avoided by temporary expedients.

The paramount objection I have to the legislation now before the Senate is that it represents the final step which will introduce this country to a completely managed monetary system. If this legislation is enacted, the dollar will be subject to the arbitrary decisions of our fiscal managers. The value and integrity of the dollar will then be directly related to the judgment and integrity of our governing monetary officials. This places, in my judgment, too large a degree of trust in the judgmental infallibility of future monetary officials.

I have stated many times and I wish to reiterate that I see nothing magic in the 25-percent gold reserve requirement. What is magic is to retain a gold reserve high enough to give stability and firmness to an expanding currency and to provide a series of warning lights against inflation. Hence, to change the last such existing requirement without pledging ourselves to fiscal responsibility and a cure of our balance-of-payments deficits is merely removing our brakes while starting down a steep hill. We cannot afford to remove this last objective warning system. The real culprit in the

inflationary cycle we are now experiencing is too rapid an increase in our money supply. George Bernard Shaw, in "The Belligerent Woman's Guide to Socialism and Capitalism," stated with his usual wit a proposition which I think is applicable here. He said:

> You have to choose (as a voter) between trusting to the natural stability of gold and the natural stability of the honesty and intelligence of the members of Government. And, with due respect for these gentlemen, I advise you, as long as the Capitalist system lasts, to vote for gold.

The analogy I drew 3 years ago between the gold situation and our constant concern over increasing our national debt limit is equally applicable today. The administration finds itself required to request assistance from Congress in order to satisfy its growing financial obligations by continually asking us to increase our national debt limit and by continually pumping new Federal Reserve notes into an already overheated economy.

What then should we do in lieu of removing the gold backing from our Federal Reserve notes?

I would submit that before we remove the gold backing from our Federal Reserve notes we should establish, as a matter of national policy, specific long-range proposals for correcting our balance-of-payments deficit. This would clearly demonstrate that we are committed to correcting the problem as opposed to merely tampering with the symptoms. The appropriate congressional committees should immediately undertake extensive hearings on the balance-of-payment problem with the goal of establishing priorities in solving the problem. In 1965, 3 years ago, I urged the establishment of an investigative body to study the situation in depth, analyze all proposals, and make recommendations as to which alternative proposal would present the wisest course of action. Not only has Congress failed to establish such an investigative body but we have by and large been guilty of totally ignoring the balance-of-payments problem. Because of the critical time element with which we are now faced, I now feel we must move immediately forward within our congressional committee framework.

At the present time, we have approximately $1.3 billion in free gold reserves. If this amount should not prove adequate to hold the line while we get our financial house in order, the Federal Reserve Board has the authority to suspend the gold reserve requirement for a period of up to 30 days and to renew such suspension for 15-day periods thereafter. This authority should be used if necessary.

An alternate course of action would be to reduce our gold cover requirement to a lower percentage for a temporary period. In 1965, I proposed that we reduce the requirement from 25 to 20 percent for a period of 2 years. This should allow the additional time necessary for us to get our financial house in order.

I would like to conclude by raising a separate but related problem. We should immediately take action to stimulate the production of gold particularly in this country. The revitalization of our gold mining industry is critical. If the price of gold is to remain at $35 an ounce, we must assist our mining industry either by establishing a free market for gold used for artistic, commercial, and industrial uses or by providing direct subsidies to cover the increased cost of producing gold. I hope that the administration will review and alter its policy in this regard and lend support to the efforts of those of us who have been attempting to assist our mining industry for these many years. We must have more domestic gold production if we are going to move forward with a sound monetary policy.

KHE SANH

Mr. BYRD of West Virginia. Mr. President, top-ranking U.S. military leaders have stated that our forces can hold the marine base at Khe Sanh. I know that I express the hope of the American people, and especially those with relatives in Vietnam, when I say that I hope that these military leaders are right.

In closed meetings, more than once in recent days, I have raised the question about our ability to hold Khe Sanh. I was told in each instance, by our highest ranking military leaders, that our forces can do so. My concern, however, remains. The news this afternoon has an ominous sound. North Vietnamese soldiers have ambushed and overwhelmed a U.S. patrol platoon outside the besieged Khe Sanh base, and the belief seems to be that the long-awaited attack may soon be launched by the enemy.

The North Vietnamese are reported to have as much as 40,000 men in position for the assault. We are told that our marines are completely surrounded, and that they must depend for supplies to be delivered from the air. We know that the airstrip at Khe Sanh is highly vulnerable, and we also know that the enemy is edging closer to the outer perimeter of the Khe Sanh base daily.

I am certain that the marines who are involved in the activities at Khe Sanh are brave men who will unflinchingly face whatver comes. But the possibility that adverse weather conditions may prevent air support of their defense and that they will be overrun by countless human and suicidal waves of enemy soldiers continues to worry me greatly.

I do not wish, in this brief statement to create pessimism. I also feel that we have to have confidence in our military leaders and their ability to foresee and evaluate all of the odds. But the conditions and circumstances at Khe Sanh trouble me especially.

As I have indicated, I have voiced these concerns in closed meetings here in Washington and have been told that our strategy is sound and the position of our men is tenable. I repeat that I devoutly hope that such an assessment of the situation is correct.

I call attention of Senators to an editorial which appeared in the February 24 edition of the Huntington, W. Va., Advertiser, and I ask unanimous consent that it be inserted in the RECORD.

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

UNITED STATES IS TAKING BIG CHANCE IN SMALL FORCE AT KHE SANH

The United States has a population of more than 200,000,000. South Vietnam has an estimated 16,500,000 and North Vietnam has 19,000,000.

In view of this, it is difficult to understand why the military men of the United States will allow a Marine garrison of approximately 5,000 to wait at Khe Sanh for an attack of about four times that number of North Vietnamese.

American officers have been quoted as saying that they rely on their superior firepower for victory, but two factors raise serious questions of the soundness of their reasoning.

One is the fact that both the Viet Cong and the North Vietnamese have been receiving modern Soviet weapons. Several tanks have already appeared in the area.

These weapons might greatly reduce the imagined advantage of our weapons in the hands of the small garrison.

The second factor is that a Marine major on the scene has predicted that the battle would come down in the end to toe-to-toe fighting in which men would be hitting each other on the head with shovels.

The major predicted victory for his tough men, but his confidence is not felt by a great many Americans who can see no good reason why, with our greater population, we should allow a country of only 19,000,000 to gain and hold for weeks a fourfold advantage in numbers for a crucial battle of a crucial war for control of Southeast Asia.

Even if our military strategists are deliberately trying to lure the enemy into a battle in the hope of destroying a large number of their forces, the inferiority of our numbers seems a reckless risk of the lives of our men.

The anxious public has been encouraged by the dispatch of additional forces to Vietnam and the announcement that others probably would be sent.

Psychological as well as military considerations seem to justify the assignment of additional combat units to other important areas of conflict as well as Khe Sanh.

Building up our forces would afford convincing evidence to the enemy that we are not going to allow the destruction of the free government of Saigon.

It could induce the Hanoi hierarchy to soften its terms for negotiations and thus hasten the end of the war.

On the other hand, the reported unanimous opinion of our military men that our Khe Sanh garrison can win is no assurance that they are right.

In a television appearance a short time ago Defense Secretary McNamara emphasized the fact that he and other advisers thought the Bay of Pigs attack on Castro would succeed.

But the fiasco that resulted was a humiliation to the United States.

A fiasco at Khe Sanh would be infinitely worse not only for our nation but for the cause of freedom around the world.

We cannot afford a defeat, and we should not run the risk of the possibility by allowing the enemy to continue to hold such great advantage in numbers.

THE 50TH ANNIVERSARY OF ESTONIAN INDEPENDENCE

Mr. JAVITS. Mr. President, February 24 marked the 50th anniversary of Estonian independence. However, independence for Estonians was short lived. They enjoyed a brief period of independ-

ence following World War I, but the liberty-loving people of Estonia were soon caught up in the expansionism of the Soviet Union. Shortly after the outbreak of World War II, Estonia was occupied by Soviet forces. It is most fitting that we pay tribute today to the brave people of Estonia by adding our voices in commemoration of the 50th anniversary of their independence and to help keep alive the flame of freedom which continues to burn brightly in the hearts of the people despite harsh restrictions, deportations, imprisonment and other repressive measures.

PRESIDENT JOHNSON URGES WISE MEASURES TO IMPROVE FOREIGN TOURISM TO THE UNITED STATES

Mr. PROXMIRE. Mr. President, President Johnson has taken an important step toward improving the rate of foreign tourism to the United States—tourism desperately needed to help ease our serious balance-of-payments situation.

The President has asked Congress to modernize the onerous visa requirements that, in his words, "appear to a foreign visitor to be greeting him grudgingly rather than graciously."

The President reminded us that under the present system a prescreening process is required of each potential visitor at the American consul abroad. Under this process, the visitor discovers that he may be ineligible for a visa under some 25 specified grounds of eligibility.

As the President noted:

> Those requirements have been rendered obsolete by a major increase in tourism from abroad, by a revolutionary reduction in travel time, and by the fact that 35 other nations require no visas from American tourists.

What the President proposes is to replace bureaucratic redtape with a solid dose of good commonsense.

Under the new act the administration is proposing, foreign visitors here for 90 days or less would be exempted from visa requirements on all but the most serious grounds of ineligibility.

We would still bar from entry those foreign nationals who have been convicted of a serious crime; and we would continue to examine all visitors at the port of entry through the immigration and naturalization service.

In addition, visitors will be required to have a valid passport, a nonrefundable round-trip ticket, and will not be allowed to alter their status as visitor while in this country.

In essence, this new act protects the national security while also improving our foreign relations and promoting a better understanding of America throughout the world.

We want and need more foreign visitors to our shores. And it goes without saying that to facilitate their entry into the United States will be an important factor in achieving this objective.

I support President Johnson's proposal. I support it because it is the right legislation needed to accomplish an important goal. I urge my colleagues to act quickly and positively to remove a major obstacle to greater tourism in the United States.

VIETNAM

Mr. LONG of Louisiana. Mr. President, we all recall the wisdom of our Founding Fathers in establishing the executive branch of the Government in the Constitution of the United States because events which transpire in war tend to demonstrate that when this Nation has a war on its hands, we do so with a singleness of purpose which only one person in a position to make decisions can bring about; namely, the President of the United States.

I had some doubt that we should have ever sent troops to South Vietnam. I was much impressed with the statement made on the floor of the Senate by the junior Senator from Mississippi [Mr. STENNIS] at the time the first American troops were sent there in a fashion to represent a commitment on the part of this Government.

From that small beginning, there gradually grew a greater and greater commitment on the part of this Nation to defend and help the people of South Vietnam defend their own independence of judgment to build their own government and to make their own decisions.

It would seem to me it might have been better to make our stand in Southeast Asia—if it were to be made at all—in some other country; perhaps Pakistan, if Pakistan were diposed to fight to defend itself against Communist subversion or aggression; perhaps India, if India wanted to stand up and defend its own independence against outside influence; or perhaps Thailand which has never indicated that its people desire to be taken over by the Communists, a country which has historically indicated it would fight to preserve its independence. But the decision was made, partly by events, partly by our Presidents, and partly by Congress, that we would make a stand in South Vietnam and help its people to retain the independence of its government and to decide for themselves the form of government under which they desired to live.

Now, Mr. President, what is at stake here is a lot more than South Vietnam.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Louisiana may proceed for 10 additional minutes.

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

Mr. LONG of Louisiana. Mr. President, it would seem to me that we should recognize what is involved here. If this Nation, having committed itself to a fight in that area, were to suffer defeat, or be run out of there, particularly if we were to accept defeat as the answer for lack of will to fight, there is no doubt whatever in my mind that not only would we have lost face in Asia—which is a big thing to the people in that area—but no one in that area would trust a commitment of the United States ever again. Furthermore, the American people would not support any President who tried to take the country back into that area again.

Thus, we are there for a very fateful decision, one way or the other.

If this Nation should be defeated in that area, where we now have a half million men on the field of battle—and we know we have much greater capability, demonstrated in World War II, where we sent 14 million men into battle and sustained them—if we were to accept defeat in that area as the answer, while exerting only 5 percent to 10 percent of the total effort that this Nation is capable of making, then those people in the area are not going to ask us back. If they did, this Nation would not support an American President who would let us go back.

Southeast Asia is a very large area, an area which I visualize to include Indonesia, the Malay States, Thailand, Burma, Pakistan, and even India. The area contains about 800 million people. If America is to leave that area, or back out on its commitment for lack of will or determination to see through the struggle to an honorable conclusion, then the Communists will take over in Vietnam. In all probability, our adversaries will do what Communists have always done when they have taken over elsewhere, murder, and slaughter every one who dared to stand beside the United States in any respect whatever, including those who asked us to come to their assistance. After a great deal of slaughter, which occurs wherever the Communists take over—as in Cuba, a recent example—they will emerge victorious, possessing everything we left behind, our arms, and supplies all captured, and their armies using everything we left behind, will soon be poised against some other neighbor—and, eventually, against us, as part of the movement of the Communist order, and then proceed to take over more and more of the world.

The Communists have about 1 billion people firmly committed to their side. Not that those people want to be committed to their side, but they do not have much of a choice about it. The Communists have pretty well demonstrated that they can use the methods the Romans once used effectively, saying that a man would be recruited to fight and if he did not do what he was supposed to do, there was always someone there to kill him if he turned back.

The Russians, as I say, may have patterned their system after the Roman system. The Romans put their new recruits in the front ranks. The second ranks were composed of those who had had considerable experience. The rear ranks were composed of those who were hardened veterans. When they put their shields together and advanced, every man had orders to ram his sword into the man in front of him if that man turned and ran from the enemy.

Stalin once said that it took a brave man to retreat in the Soviet army. So the Soviet Union managed to put a great number of men into action under their system, when one considers that there

were many people in the Soviet Union who had no great enthusiasm for the Communist form of government under which they lived.

Mr. MURPHY. Mr. President, will the Senator yield for a question?

Mr. LONG of Louisiana. I yield.

Mr. MURPHY. Has the Senator read the book "Workers' Paradise Lost"?

Mr. LONG of Louisiana. No.

Mr. MURPHY. I recommend it. It was written by a highly respected writer, who lived in the Soviet Union 7 years, I believe. It exposes a great many conditions, previous and present, and bears out what the distinguished Senator is talking about. It is worthwhile. I will send the Senator a copy.

Mr. LONG of Louisiana. I thank the Senator very much for his remarks.

Mr. President, this Nation was willing to take the view at one time that it made little difference to us whether a nation was ruled by Communists or whether it was ruled by people who were anti-Communist, so long as that nation did not adopt a policy that sought to do anything injurious to the United States.

We have seen what happened when, by failure to intervene or failure to take a hand, the Communists were permitted to take over. We were told that the Chinese Communists were agrarian reformers. We were told it would make little difference to us in the long run which side prevailed. We were told Chiang Kai-shek was corrupt, that there were corrupt people in his government, and that this government should take no hand in the struggle. We did help Chiang Kai-shek somewhat—not with troops. Our help left much to be desired. We really did not know which side we were on until lack of support for the Chiang Kai-shek regime in large measure led to its failure and its defeat.

One thing we can depend on the Communists to do. There is nothing vicious enough, hateful enough, or contemptible enough, that they will not say or do against anyone who is against their form of government and anyone who agrees with us. So we can expect them to say the worst about anyone who stands with us, as indeed they say about us, any time this Nation resists them, or whether we do or not.

So when the Communists took over in China, in short order we found they were dedicated to destroying everything we stood for and of which we are a part. They did everything they could to destroy the kindly feelings that the Chinese people had toward us, good will which had been built up over the period of a century.

We found this was a case of world Communist nations moving together to destroy that which was not Communist. Well, indeed, they should band together for this purpose, because the very existence of freedom anywhere is a threat to their form of government, which enslaves people, denies them the right of free elections, denies them the freedoms to which we have become all too accustomed. Anyone who seeks to obtain or preserve these freedoms is a threat to them, and they would seek to wipe him out, by one means or another, wherever they could.

So this Nation failed to use its great strength to save a friendly nation, the Republic of China, until the mainland was held by the Communists. When the dust settled, we found the Communists there were dedicated to our destruction and dedicated to running the United States, and indeed any capitalistic influence whatever, out of Asia. We then saw that those people were not going to be content with anything less than complete Communist control of all Asia.

They started with aggression in Korea. We fought, resisted, and succeeded by persevering and saving the Republic of Korea. Again, one can find fault with our friends. One can say the people, under the Government of Korea, do not have as much freedom as they have here. One can say there is corruption in the Government of Korea. I do not hear people saying that about the Communist governments. I wonder why they do not make that charge of our enemies. It occurs to me that perhaps corruption is something that plagues capitalistic governments, countries where people own property, where people are permitted to earn money and invest it. That perhaps does not present a problem to a Communist power, because in those countries people do not own anything. The government owns all the property, the wealth, and indeed the people themselves, just as it owns every hog or cow or chicken. There is nothing the people can take, because they are not permitted to own property. They are permitted to have only a small amount of money. The difference in the amount of wealth available for private ownership perhaps accounts for the talk about the fact that there is corruption in capitalistic governments.

In fact, this great Government, even at present, has had some examples of some corruption somewhere. We constantly accuse one another even in this Congress of improper conduct or someone making something that he may not be entitled to.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have an additional 10 minutes.

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

Mr. LONG of Louisiana. So it is a matter of degree. We have had scandals and exposures and suggestions, even during this session of Congress, that someone may have obtained an unfair advantage, either in getting a Government loan or in obtaining a contract, or one thing or another, that may have inured to his benefit.

The important thing is that when American boys have gone somewhere in years gone by, they have gone there with the support of their Government. Whenever this Nation has committed its men to the battlefield, it has supported them and it has never let them down.

If the commander in Vietnam should tell us he needs more troops and needs more men to meet aggression from North Vietnam—and greater effort is being made from the north—we should give that courageous fighting man and those we have sent to that field of battle all the support that commander requests and beseeches of this country. The enemy is making a greater effort, and we should make a greater effort.

I have been dismayed to hear some of the statements made on the Senate floor against a friend in arms, one who is willing to take his chances on our side and fight and die resisting Communist aggression, by people who seem to find no time to criticize our enemy.

For instance, I have heard statements that the South Vietnamese will not fight. I notice that in the Tet offensive, which was directed mostly against cities where the South Vietnamese are in charge of holding those places as a part of the pacification program, and against their police force, that the casualties suffered by the South Vietnamese were greater than those suffered by men from this country. The last time I looked at the figures, they had lost about 1,100 men and we had lost about 800 men. That may not sound like a disproportionate loss until one considers the fact that the little Government of South Vietnam had available to them only about 10 million people.

We have a nation of 200 million people. So if it is only able to rely upon 10 million people to support that Government, then a loss of 1,100 men there would be the same as a loss of 25,000 men by the United States of America, in relative terms. That would be parallel to the loss we have sustained in the entire time we have been there.

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

Mr. LONG of Louisiana. I yield to the Senator from Californnia.

Mr. MURPHY. I, too, have heard the complaints about the fact that the South Vietnamese were inferior fighters, or that they were not making a full effort, and that the Americans were holding the frontline.

Actually, during my trip there, it was explained to me that this was done by actual design, because the South Vietnamese had much greater chance of being able to tell who is and who is not a Vietcong. Therefore, in the allocation of the areas for defense, the matter was settled on this basis; the Americans in I Corps were not set up on a conventional war line, and the Vietnamese were handling the rest.

I am glad to hear the Senator point out the discrepancy in reaction of many people, including some of our fellow Senators. I can recall, before we left in order to view the Vietnamese elections at the request of the President, some Senators, one at least, said the entire election was a fraud. This was 2 weeks before we left, 3 weeks before the election.

I said then that if the Senator had information we did not have or the President did not have, I thought he should give him that information; but, on the other hand, if he had no information, but that he apologize to the representatives of the South Vietnamese Government who were trying to put on

what I consider to have been as fair, honest, and decent an election as I have ever seen.

I never heard the apology. No more was said about it. But that is an example of the inconsistency that the distinguished Senator from Louisiana points out. Nobody has complained about the more than 1,000 people killed during the 3 days before the election, in order to frighten the voters from the polls and to terrorize the people from voting. We did not hear about that, I assure the Senator it happened.

Mr. LONG of Louisiana. Mr. President, those people did the best they could to hold the best election they could. This Nation certainly used its best efforts to assure that the election represented the will of the people. The Communists did everything they could to prevent the election from being held at all.

We invited observers to go there. I do not know of anyone who observed any irregularity that occurred in the election; but let me say, Mr. President, that if there had been, it would not be too surprising, for that is a very young nation over there, trying to sustain itself against the Communist effort to destroy it.

Our own Nation has known what it is to experience corruption, even in a state of maturity or semimaturity, as the case may be. In my own experience, I can recall some ballot boxes which I felt never did have a proper count, where I either got too many votes or did not get enough.

I was critical about that to a man who had something to do with it, and he said, "The first time those votes went to you."

I said, "I know they did; and I think you stole them that time, too."

I always doubted that there has ever been a proper count in some particular boxes.

In spite of such matters, this Nation has made great headway; but we are a mature nation, whereas others whose state of maturity leaves much to be desired have greater problems.

What kind of elections do the Communists have? In a Communist country, either you go to the polls and vote the one ticket—there is only one to vote for—or else they send you off to a labor camp. If you do not vote for the government they either shoot you or put you in slave labor. Somebody taps on your door at night, and that is the last that is seen of you in that community.

So those who may find some fault with the election process might keep in mind that the one thing that the Communists do not want is any election at all if it is to represent the free, unintimidated will of the people.

Mr. President, there has been some talk about the will or the desire of the South Vietnamese to maintain their own defense. When the Geneva Accord was signed, those who wanted to go south could go south, and those who wanted to go north could go north. Many did. By overwhelming numbers, they moved to the south—people preferring not to live under the Communist regime that controls North Vietnam. That is an indication of how the people felt.

Furthermore, Mr. President, the sacrifices made by that small nation have been very great indeed. It is simply amazing how some people, Senators as well as others, seem to find ways to criticize friends rather than thank the merciful Lord that we do have some people on our side in this world. They should be, I suggest, finding fault with the enemy, and with the atrocities and the vicious means the enemy has resorted to, rather than with our friends.

For example, something was said about the fact that the South Vietnamese are not drafting 18-year-olds. They are extending their draft age down to draft 18-year-olds. It is my understanding that the executive wanted to draft 18-year-olds, but his parliamentary body did not want to go along with that. Now I understand the program is being put into effect to draft 19-year-olds, and then 18-year-olds.

Let us make a comparison for a moment, to see whether those people are making a fair contribution. They have an army of 600,000 people, bearing the brunt of battle, suffering more casualties in the Tet offensive than we have suffered thus far. That is 600,000 people out of a potential of 10 million men, women, and children. A 600,000-man army, under those circumstances, in a nation one-twentieth the size of the United States, would compare to an army of more than 10 million people in the United States. In other words, we would have to raise an army of at least 10 million to have as big an army compared to population, as the army of South Vietnam.

We only have an army of 3 million, and of our 3 million, only 500,000 of them are in Vietnam, where they are subject to the danger that exists there. Those people have an army of 600,000.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LONG of Louisiana. I ask unanimous consent to proceed for such length of time as I may require.

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

Mr. LONG of Louisiana. Those people have an army of 600,000, which, as I say, would mean, compared to population, an army of 10 million if we were putting that big an army into the field. That army is all theirs. So they are making, relatively speaking, 20 times the effort in terms of men on the fighting line—and they are there, and not just for a year or two, but for the whole duration. If they lose, they are subject to being exterminated because they did lose. Just look at what has happened to their village chieftains, when those Communists have come in, taken over, and chopped their heads off, destroyed the villages, and killed the women and children because they dared express some sympathy for our side, rather than sympathy for the other side.

So, Mr. President, the sacrifices the South Vietnamese have made clearly indicate that they do not want to be under Communist control.

Let us keep in mind, there are about an equal number of people in South Vietnam and in North Vietnam. The South Vietnamese Government has under its control only about 64 percent of its people; about one-third of its people are supporting the other side. Perhaps the figures are somewhat more favorable than that, but let us assume that that represents about the division that exists at the moment.

If we add the numbers in South Vietnam supporting the North Vietnamese and the Vietcong to those in North Vietnam, then they outnumber the people of South Vietnam by about 2 to 1. So if that little nation is to maintain its independence against all the efforts being made against it by ruthless Communist tactics and methods, then they are going to require some assistance in the struggle that is going on at present.

We have been giving that nation some help. We have been giving it assistance. We have put a half million men there. I do not agree, Mr. President, with the assessment of those who say this Tet offensive was a great success for the Communists. Our indications are that our side lost about 2,000 killed, about half of those being Americans.

The Communists lost about 40,000. The ratio of their loss when compared to ours was about 20 to 1. Someone said those figures are too high. Let us reduce them and assume that it was half that much.

The American figures are obtained by body count, by actually counting the bodies and the captured weapons. However, if we reduce our figures by one-half, we would still have to say that they had 20,000 killed.

Mr. President, that is a very heavy loss for an enemy making an attack. If we were to lose 20,000 against a loss of 2,000 on the other side of the battle, that would be an extremely heavy loss.

I do not know how we will win these wars except by fighting them. As much as I hate to see a single American boy killed in battle, when the Nation's honor and very survival and the survival of those nations friendly to us are at stake, someone must fight. Someone must be hurt. Someone must make the sacrifice to hold the frontline. The young men of my generation did it. And young men of this generation are doing it now. However, if we are to prevail in any struggle, we will have to fight. And I would think that if the enemy sees fit to make his assault on the cities and winds up with a loss of 10,000 or 20,000 to 1 when compared to our losses, that would be a better way for us to do the job than by digging them out of foxholes one by one. If we were to dig them out of the foxholes, our ratio of loss would be much greater than it has been in this instance.

I ask of the Senators who think that the Communists have won a great victory by their Tet offensive: Suppose we knew we could count on 60,000 or 80,000 people rising against the Castro government in Cuba on the call of our Government and suppose we called on those people to start their major offensive and

suppose those people had attacked the cities and had been utterly defeated in every city within a week, having been holed up in one place for 3 weeks and then being left holding nothing, but having lost 40,000 people who had been killed and having killed only 2,000 of the Castro troops, what do the Senators think would happen with regard to the American President who called upon those people to engage in an uprising? I know what would happen. We would want to impeach him. We would say to him, "Why would you sacrifice all of those lives in a charge of the lost brigade? You lost 20 men to get one. Why would you sacrifice those people in that way?" We would want to impeach such a President if he were to call on people to make any such assault.

It utterly amazes me to hear some Senator talking about the Communist success and victory. They destroyed a lot of buildings, and there will be a lot of property damaged by the time we overwhelm the North Vietnamese and Vietcong. However, that is part of warfare. Our forebears in the South knew what it was when the South suffered a great deal of destruction in warfare.

Our courageous friends and allies who stood by our side in years gone by, the British and others, made tremendous sacrifices. They never regretted it because they wanted their own governments to prevail.

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

Mr. LONG of Louisiana. I yield.

Mr. MURPHY. Mr. President, I was interested in the reference of the Senator to the city of Hue. I was in Hue. I went through the city, and I was amazed to hear the story of the old palace located there. I have not pointed out before what was told me when I was there.

The palace of Hue was overrun by the Vietcong 4 years ago. It was overrun three times.

There was nobody in the palace when I was there. Nobody was living there. The palace was absolutely empty. I have photographs in my office which I took. The only people present there were some youngsters, little urchins, that were down in one of the moats where there was a mud puddle. They were playing in a little puddle of water down below. No one lived in that ancient palace.

One of the reasons why the attack took so long is that that palace was old. It was highly regarded. The palace had been the summer home of ancient Chinese who used to go to Hue as their summer resort. We therefore took a lot of time in that battle so as to avoid the destruction of the palace.

The newspapers, however, proclaim that that palace was a regularly operating palace. I assure the Senator that there is nothing there. And there had not been anything there for some time. The Vietcong had overrun it three times the last 4 years.

Mr. LONG of Louisiana. I thank the Senator.

Mr. President, someone will sooner or later recognize that what is happening is part of a global struggle in which either we will prevail or the other side will prevail.

Mr. MURPHY. The Senator is correct.

Mr. LONG of Louisiana. At some point we will reach a detente or a modus vivendi where the two powers will agree on a location to draw a line and then say to one another: "You will not cross this line. And if you cross the line, we will fight you until you go back where you come from."

We recognize that we will not cross the line into the other man's territory.

If one looks at it in those terms, he must recognize that people are very important commodities—about the most important thing there is on this side of heaven.

When the Communst powers have under their control 94 percent of the people on this planet, we will not prevail or successfully resist with the other 6 percent.

While some do not regard communism as being all that great a threat to us, we saw the Communists increase the number of people held under a Communist form of government by about threefold when Red China became part of the Communist orbit. If we are going to withdraw from South Vietnam, we will never have the support of our people to go back to that part of the world, and the people there would not want us back. People would see the new order emerging and would be fearful to stand against it. We would see all of Asia eventually controlled and dominated by the Communists. That would mean about 900 million to 1 billion people more than they presently have. That would double the number of people under their control.

Then, when the Communists have control of that many people, is the United States really going to fight to hold the Near East when the Communists move in that direction? I doubt it.

I have seen the polls concerning how the people felt when the war broke out in the Near East between the Israelis and the Arabs. The polls were overwhelmingly against sending U.S. troops over there because the people had noticed the cost in money and lives of sustaining our commitments in Vietnam.

If the Communists have all of Asia and practically all of Europe, how far will we go toward protecting Africa? I doubt that we would want to send any army there at that point.

They would be leapfrogging then into Latin America.

If we are to be the kind of people who blanch at the sight of blood, if we do not have the fortitude to see it through when we have an ally standing shoulder to shoulder with us, seeking to maintain his own independence, I doubt that this Nation would be willing to fight in other areas of the world.

I know that when we had witnessed the Communist takeover underway in the Dominican Republic, a great many of those who want us to withdraw from South Vietnam then wanted us to stay out of the Dominican Republic. They said we had no right to go there, although we had all sorts of evidence indicating that this was a Communist takeover.

If we had not acted then, we would have been confronted with, not one, but two Communist powers in this hemisphere.

The costs are great and the stakes are enormous. In my judgment, this Nation cannot afford to accept defeat as an answer in Vietnam.

Mr. President, I suppose I would be criticized by even those who support the President because I have wanted to do more than we are doing.

I have felt that the port of Haiphong, in North Vietnam, should be closed. I have felt that we should do some things that entail greater risk, knowing that to fail to do them would mean that the enemy could move in more equipment.

The general feeling of the American people from the very beginning has been that we have to support this Government, from the time we began sending large numbers of troops to South Vietnam, after the Gulf of Tonkin incident. The overwhelming majority of the people would say that they do not understand how we came to be there; that they are rather confused about how we became so deeply committed to begin with, but that we are there and we should see it through.

But I will say that the American people—those who support the war—are getting more and more dissatisfied and disgusted with the proposal of another pause or of pulling our punches while the enemy is slugging our boys with everything he has.

The idea of leaving that port open, with those ships coming in day after day, bringing supplies and the latest type of equipment to use against the Americans, is repugnant to the average American, who is willing to make his fair share of the sacrifice for victory. But the idea of having another bombing pause, in the hope that the enemy might negotiate, would be a very bad mistake. It would outrage the people who are supporting this Government, the people who are for defeating Communists, the people who are for fighting for freedom, the people who are willing to make great sacrifice, even though it might come close to home, and who do not regret standing by their Nation in a time of need and standing by our national honor and our national commitments. It would make them resentful and outraged, that this Nation, in the midst of a fight, when the enemy was not asking for any talks or negotiations, would simply stop fighting, pull its punches, and let them slug us while we stand there and fail to use the means available to us to hurt the enemy and to make it difficult for him to bring in supplies and equipment to be used against us.

If the President should yield to those who want us to have another pause, who want us to restrain our fighting men while the other fellow slugs them, remember what happened when we quit fighting for about 12 hours during Tet.

Look at what they did then in complete violation of their word.

The only way I know to fight a war is to fight until the enemy feels he has been hurt badly enough so that he is ready to quit or to settle for something less than victory. We have made it clear that we are willing to negotiate, we are willing to talk peace, but that we are not willing to settle for anything less than an honorable peace.

Any pause or any other device to keep Americans from using the power of this great Nation to prevail in the struggle in which we are engaged, will prove to be a great mistake. It will prove to be a Communist trap, laid and baited all over the world for America to fall into.

Mr. President, in view of the fact that Mr. U Thant, the Secretary General of the United Nations, has suggested this, I believe I should say, as one who has served at the United Nations—at least, during one of its sessions—that I have been very disappointed in the performance of that organization. It brings to our notice the fact that the United Nations is not what it was intended to be and it is not capable of doing what it was intended to do, and the sooner we recognize this, the better off we will be.

When the United Nations was organized, it was thought that it would be an organization of peace-loving peoples seeking to work together for peace. The Communist powers are not in that category. Just look at article I of the United Nations Charter.

As was so well pointed out to me on one occasion by former Secretary of State Jimmy Byrnes, those Communist powers are not interested in working together for peace. They are interested in destroying our institutions, destroying our form of government, and enslaving everyone, until freedom as we know it does not exist anywhere.

When the United Nations was organized, the question was asked, What happens if the five big powers cannot work together? That was the answer to the $64 question. What happens if one power vetoes every resolution passed by the Security Council to resist aggression, maintain peace, and mutual security? The answer given was that if the five big powers could not work together, nothing could be achieved. Mr. President, what the United Nations has achieved and nothing are just about the same.

Some might say that we had some help from the United Nations when we decided to resist aggression in Korea. What little help we got there we paid for more dearly than it was worth by letting so-called friendly nations know what we were getting ready to do. Many of those nations were so infiltrated with Communist spies in their security operations that the information leaked to our enemy within a matter of hours before troops could be moved, that we were going to make an attack at one place or another, that we were going to retreat at one place or another, or that we had a strategic plan of one type of another.

Do not take my word for it. Take the word of General MacArthur. I heard him testify before the Committee on Armed Services when he returned. I was a member of the committee at that time. He said that any time he told the United Nations anything he was planning to do, the enemy knew it almost before he could move.

You need not stop there. Read the reports that are now available. Consider the case of the British spies Burgess, McLean, and Philby. Burgess and McLean were at the desks dealing with relations between the United States and the United Kingdom. They were employed in sensitive positions by Great Britain. At that time, this country had an understanding with Clement Atlee's government that we would not use atomic weapons without consulting them and giving them a chance to express themselves on the matter.

A man named Philby had infiltrated the British intelligence to the point that he was at the head of the Soviet desk in intelligence. He was also a spy for the Soviet Union. So the spies in Great Britain alone were enough to get them any information they needed so long as General MacArthur was compelled to act as a commander for the United Nations. While we put up 90 percent of the troops and paid for much of the expenses of the remainder, the United Nations mantle made it possible for our adversary to know what he needed to know to make his most important decisions.

If the Chinese Communists came into that struggle in Korea, they were well in position to know that they would be warned in advance in the event the United States saw fit to use the appropriate weapon against the hordes of Chinese Communists—that is, atomic weapons. At that time Red China did not have atomic weapons. Red China was the aggressor. Red China was not a part of the United Nations. The United Nations had voted to resist aggression—the one time that the Security Council could act because the Russians were boycotting—were vetoing the Security Council at the time. The Communist powers were in a position to know, through the spies they had in the British Government, that this Nation was going to use atomic weapons and that they would have time to get out of there if we did decide to use such weapons.

People in the British Government, such as Philby, Burgess, and McLean, would be in a position to warn the Red Chinese aggressors well in advance before the United States could resort to the use of atomic weapons. Knowledge that we would not use atomic weapons was what the Communist powers needed to assure the Chinese Communists success when they came into North Korea.

So that what we might have gained by having the United Nations with us in Korea, we lost many times over by the fact that Red China could enter the war, knowing that they had available to them the spies who had infiltrated many friendly nations of the United Nations, to warn them what we were planning to do and what we might do in reaction to their offense, and the burden of coming to terms with countries which were not going to send anything more than an ambulance to Korea, they were trying to hold back the United States and keep us from using our power to win the war in the event that we decided to use our great power to defeat the Communists.

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

Mr. LONG of Louisiana. I yield to the Senator from California.

Mr. MURPHY. As a student of these matters, it was even worse than the question of the use of atomic weapons. It is clear that the MacArthur policy to withdraw, cut off Chinese supply lines, and cut off bridges on the Yalu River could have been done with 10 aircraft and with the loss of no personnel whatever, and this was not permitted. The order was countermanded in Washington.

It is a great deal the same as the condition we find today where Army targets are selected in Washington by civilians. I feel, as many other people feel, and as they have expressed to me, the time has not only come but has passed when military decisions in South Vietnam should be made by military experts and not by civilians; and that the time has come where we do not have a choice of withdrawing or settling on Communist terms, but the third option should be permitted, the choice of winning.

We have not begun to use American fire power in many areas. There have been restraints, and it has gotten to the point where it is a national scandal.

I agree with the Senator that we dare not attempt to or give up that bastion that is the left flank of our entire protection. The manner in which the military have been restrained in the way the war is being fought has contributed to unnecessary lengthening of the war.

I know military experts who said 2 years ago we should do the same thing they wanted to do in Korea: Cut off enemy supply lines and make it impossible for them to fight and it will be over. This is not escalation or the use of atomic weapons; it is deescalation. The military experts have begged to do this.

Now we are faced with a situation, as the Senator has described, where a small group is surrounded by a large group of 40,000 troops. Why do we permit this grouping and permit them to select the time to move? Why do we permit them the sanctuary when it is not in our best interest?

I know the Senator agrees with me when I say that no one in this Chamber is in favor of war. I know every Senator here would like to find a solution to this matter and achieve peace; but, and God help us, once we are in a war and forced to be involved in it, I think that good sense, propriety, and national honor demand that we fight hard, that we win as quickly as we can, and that we get it over as quickly as possible, and thereby cut down the miserable loss of life and goods.

I thank the Senator.

Mr. LONG of Louisiana. I thank the Senator from California.

The point I sought to make with respect to the United Nations is that today the United Nations is an impediment to the United States organizing something to be what the United Nations is not and never will be: an effective mutual security organization for world peace.

One of these days we should tell those whom we permit ourselves to aid in their defense that they are going to have to do their share to help defend their neighbors and to help defend themselves, and that unless and until they do make their share of the sacrifice and do their part, we will not defend them.

If we cannot obtain enough takers in Western Europe, Asia, Africa, and other parts of the world, if we cannot obtain enough friends and allies to stand with us on that basis of all for one and one for all, to stand against aggression, eventually we would be wise to retire behind these two big oceans and take the attitude that we will defend the land we hold and the area that comprises the Western Hemisphere and let those other people suffer whatever fate may befall them.

Otherwise we are in for a trend toward neutralism with everyone saying, "Let Uncle Sam do it," with no one standing beside us or coming to our assistance when we fight to defend a country which is willing to defend its own frontiers but not willing to help defend its neighbors, to the extent that we would be constantly confronted with a growing Communist bloc which is a billion people now and will be more than a billion people in the future.

When atomic weapons are generally available, the probability is that we will never fight an atomic war because of the tremendous devastation of atomic weapons, with both sides realizing it would not be to their advantage. If such a struggle of this Nation against Communist powers took place without atomic weapons the fact that we are outnumbered 5 to 1 almost assures that we could not prevail in the absence of atomic weapons, and to use them would be suicidal for both sides.

However, we could, even when confronted with such numbers, defend our Nation and defend the countries of this hemisphere behind these two great oceans if we moved in time to hold this hemisphere secure from them.

Mr. President, I very much hope that General Westmoreland will be provided with whatever troops he requests and that the Congress will do whatever is necessary to sustain our fighting men and fulfill the commitment this Nation has made to a small nation which is fighting to resist Communist aggression.

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

NEW HAMPSHIRE—AN INDUSTRIAL STATE AS WELL AS A FAMOUS VACATIONLAND

Mr. COTTON. Mr. President, as the networks, wire services, and newspapers have put the State of New Hampshire under their journalistic microscopes, they have reported that the Granite State is the second most industrialized State in the Union.

This apparently surprised several of our colleagues.

They have said to me, in effect, New Hampshire is justly famous as a vactionland, but is it true that industry is such a large factor in the economy of your State?

My answer is that of course it is true, and quite logically so.

The development of land and air transportation routes has put New Hampshire next door to the commercial centers of the Nation.

This alone would have stimulated industrial development.

But, in addition, New Hampshire has been fortunate in becoming the home of industries whose success depends upon creative and inventive managements and staffs working in a stimulating atmosphere.

The State's largest employer, Sanders Associates, Inc., of Nashua, N.H., illustrates, very clearly, this type of industrial growth.

Statistics of the usual indicators trace Sanders' growth since its foundation in 1951—but they do not tell the whole story.

For example, Sanders' income rose steadily from less than $10 million in 1958 to more than $67 million in 1966, and spurted to just under $140 million in fiscal 1967. There are 400,000 square feet of facilities under construction which will bring the total to 1,900,000 square feet. Although much of this is in New Hampshire, this rapidly expanding firm also has plants in Massachusetts, Maine, New York, and Virginia. Total employment grew in the last fiscal year from 5,400 to over 9,100 and by the end of February 1968, it had passed the 10,000 mark.

Today Sanders is a leading Government supplier; the 27th largest research and development contractor for the Department of Defense, the 50th largest Department of Defense contractor, overall, and the 51st largest contractor to NASA. Industry and civilian arms of government also look to Sanders for solutions to communications and electronic problems. Sanders activities have an impact on the economies of most of the United States. During fiscal year 1967, Sanders Associates awarded subcontracts and purchase orders to approximately 8,000 firms in 45 States. Sixty-one percent went to small businesses—firms that employ 500 people or less.

These are impressive statistics, Mr. President.

But, I said a moment ago that they do not tell the whole story.

Because they omit one vital ingredient in Sanders' rapid growth; an ingredient which cannot be put on a graph.

Mr. Royden C. Sanders, Jr., founder and president of Sanders Associates, Inc., has explained that ingredient this way:

> The success of Sanders Associates has been people. People have been assembled with many types of training and skills. Their response to the challenges facing them has been responsible for the success we enjoy.

I might say that I heartily concur in Mr. Sanders' assessment. Not only has the company been able to rely on thousands of skilled New Hampshire natives, who know the meaning of quality production and characteristically believe in doing an honest day's work, but also has been able to attract additional thousands of fine men and women as new residents of our State. To these newcomers, we extend a warm hand of welcome. We are delighted to have them as part of our New Hampshire community.

At Sanders Associates, people work together in a systems management approach to unravel complex scientific, engineering, and production problems. That they have been successful in this joint effort is dramatically evident.

As one might expect, research and development account for a substantial portion of Sanders' sales; 22 percent, or about $30 million last year, assuring a continuation of the diversity of programs that have been so important to the company's success.

Production accounted for about 78 percent, or $110 million, as a result of the broad increase in manufacturing programs.

Sanders research teams have a talent for anticipating problems of technology and developing unique science-based solutions so that when the hour of need is at hand, this New Hampshire company stands ready with proper solutions.

The range of Sanders' activities reads like a listing of the frontiers of the science of electronics. I should like to sketch them just briefly.

Sanders electronic warfare systems are used in areas ranging from small arms fire and battlefield defense measures to aircraft and missile operation. Sanders developed a radar scoring system called Rascore which has raised the efficiency of gunnery training in the Armed Forces. Rascore instantly provides training personnel with a record of hits and misses so the success of gunnery trainees can be evaluated immediately. In Sanders FAAR, forward area acquisition radar, is used in a battlefield system to detect low-flying aircraft and to identify them

as friend or foe. It should be pointed out that some of the knowledge and techniques developed in these projects will contribute to new techniques of civilian air traffic control and safety.

We Members of the Senate are not alone in being flooded with information. One recent study estimated that American business is stuffing over a trillion pieces of paper a year into its files. The New York Times reports that technical reports, trade journals, documents, and books are being added to mankind's collection of knowledge at the rate of one-half million pages a minute.

This deluge of information is unmanageable unless it can be stored and found to be used in an orderly manner. Computers have the voracious appetite to digest and store huge masses of information. Sanders computer/display systems call up desired information from computers onto television-like screens. There it can be corrected, updated, or erased and replaced with new data, so that decisions will be based on accurate information.

Industry, as well as government, has use for such display systems. A bank in Chicago uses a Sanders model 720 data management system to update accounts and increase protection for credit card customers. The Illinois Bell Telephone Co. speeds customer service requests with a Sanders 720. Other 720's are used by the Chicago police department to give officers instant access to police records. Another Sanders system, the 620, is a compact, desk-top unit which can be used by hotels and airlines for reservations, and by industry for inventories.

The legislature of one of our largest States is now in the process of installing a Sanders display system which may well become the envy of legislators across the land. Lawmakers will have facilities at 32 terminals in the State capital from which they can keep up to date with the status of legislation by merely pressing a few buttons. On a display screen they will see an eight-line synopsis of a bill, along with the bill number, its sponsor and all legislative action on the bill to date.

Sanders Ocean Systems Division is doing pioneer work on the problems of ocean defense, undersea surveillance and tracking, and exploration of the ocean depths. One of Sanders major contributions to national defense is the design and manuacture of sonobuoys for the United States Navy. Tens of thousands of sonobuoys have been built by Sanders for antisubmarine warfare. Sanders Ocean Systems Division is also active in the development of electronic systems for ocean research, wave measurement, and seismic exploration—work which will help lead America in understanding the essentially new world of the ocean.

Most of us take instant communications almost for granted. But reliable long-range communications are as desperately needed by developing nations as they are by our Armed Forces. Sanders Associates design, produce, and install such systems. A case in point is a Sanders project for Pakistan, a nation whose eastern and western parts are separated by 1,200 miles. The Sanders communications system will provide new domestic and international telephone circuits closely linking east and west Pakistan with each other and with the rest of the world. The Philippines, Australia, and Hawaii are prominent points on the globe at which Sanders systems and equipment are at work speeding long-range communications for American Armed Forces. Sanders working in long-range communications is conducted by its International Ground Systems Division, presently located in Springfield, Va. The company recently broke ground at Reston, Va., for a 50,000-square-foot facility for the division.

Teams of Sanders scientists are also breaking new trails in the areas of electro-optics, laser, and radiation systems. Their work concerns such vital problems as weapon delivery systems, increased performance in smaller space for missiles of the future, preventing communications blackout of space vehicles reentering the atmosphere, space guidance systems, high speed flash detection and weapon effectiveness tracking.

Thulium oxide 170, a promising new nuclear fuel, was developed in the laboratories of Sanders Nuclear Corp., jointly owned with Cambridge Nuclear. The company built and fueled the world's first thulium oxide power generator. It is engaged in research under contract for the Atomic Energy Commission in the application of thulium 170 and thulium 171 to power generation and use as a heat source.

Sanders Associates product divisions have shared in the company's overall growth. The Flexprint Division last year nearly doubled its output of flexible and hardboard printed circuitry for both industrial and military customers. The instrument and microwave divisions also showed substantial increases in productive capacity and personnel with demands for subminiature rate gyros for the new standard missile and other electromechanical devices and inertial components and products.

Mr. President, this brief description of Sanders Associates' activities in the field of electronics illustrates its importance to national defense and to the commercial life of our country by stimulating new ideas and translating them into reality.

Sanders' success is mirrored not only on its own growth charts, but also in the overall economic health of New Hampshire. The city of Nashua, where many Sanders activities are located, enjoys a 1.4-percent unemployment rate. Manchester, where other important Sanders plants employ 838 people, has an unemployment rate of only 2 percent. The State as a whole has the lowest unemployment rate in the Nation—2 percent. As New Hampshire's largest employer, Sanders is an important factor in building and maintaining a robust economy in the State. That economy is continuing to flourish; in 1967, for example, 31 new industries located in the State, and 45 New Hampshire-based companies expanded their operations.

So I am very happy to point out to our colleagues, Mr. President, that New Hampshire is a State in which the benefits of highly sophisticated industry are blended with the most pleasant living, working and playing conditions.

And, while it continues to be true that New Hampshire should be the first place one thinks of when planning a vacation, it is equally true that industry finds New Hampshire an ideal location for attracting the inquiring, searching, creative men and women who demand self-fulfillment in their work, and, in doing so, spark America's technological advance.

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 proceded to call the roll.

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

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

RESCISSION OF PREVIOUS ORDER TO ADJOURN UNTIL 11 A.M. TOMORROW

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to vacate the order by which it was agreed that the Senate would convene at 11 o'clock tomorrow morning.

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

ADJOURNMENT

Mr. LONG of Louisiana. Mr. President, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 37 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, February 27, 1968, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, February 26, 1968:

ASSOCIATE JUDGES, DISTRICT OF COLUMBIA

Austin L. Fickling, of the District of Columbia, to be associate judge for the District of Columbia court of appeals for the term of 10 years, vice a new position, Public Law 90-178 approved December 8, 1967.

William C. Pryor, of the District of Columbia, to be associate judge of the District of Columbia court of general sessions for the term of 10 years, vice Austin L. Fickling, being elevated.

James A. Belson, of the District of Columbia, to be associate judge of the District of Columbia court of general sessions for the term of 10 years, vice Catherine B. Kelly, elevated.

Joyce Hens Green, of the District of Columbia, to be associate judge for the District of Columbia court of general sessions, domestic relations branch, for the term of 10 years, vice Joseph C. Waddy, elevated.