other purposes; to the Committee on Post Office and Civil Service.

By Mr. PATTEN:

H.R. 16102. A bill to grant taxpayers an optional procedure for the disposition of small claims in the Tax Court, and to increase the compensation of Tax Court commissioners; to the Committee on Ways and Means.

By Mr. GURNEY:

H.R. 16103. A bill to direct the Secretary of Defense to pay to members of the Armed Forces serving in South Korea special pay for duty subject to hostile fire; to the Committee on Armed Services.

By Mr. McCLURE:

H.R. 16104. A bill to amend section 2412(a) of title 28, United States Code, to make the United States liable for court costs and attorney's fees to persons who prevail over the United States in actions arising out of administrative actions of agencies of the executive branch; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 16105. A bill to amend the First Morrill Act to permit sums received thereunder to be invested as the State legislatures may prescribe; to the Committee on Interior and Insular Affairs.

By Mr. SCOTT:

H.R. 16106. A bill to define the jurisdiction of the Supreme Court and the inferior courts ordained and established by the Congress under article III of the Constitution of the United States in criminal prosecutions involving admissions or confessions of the accused; to the Committee on the Judiciary.

By Mr. HALPERN:

H.J. Res. 1188. Joint resolution authorizing the President to proclaim August 11, 1968, as Family Reunion Day; to the Committee on the Judiciary.

By Mr. LEGGETT:

H.J. Res. 1189. Joint resolution proposing an amendment to the Constitution of the United States relating to the right to vote of citizens who have attained the age of 18 years; to the Committee on the Judiciary.

By Mr. LONG of Louisiana:

H.J. Res. 1190. Joint resolution to provide for the exclusion from gross income, under section 103 of the Internal Revenue Code of 1954, of interest on industrial development bonds; to the Committee on Ways and Means.

By Mr. MEEDS:

H.J. Res. 1191. Joint resolution authorizing the President to proclaim August 11, 1968, as Family Reunion Day; to the Committee on the Judiciary.

By Mr. SCOTT:

H.J. Res. 1192. Joint resolution proposing an amendment to the Constitution of the United States to provide that the voluntary admission or confession of the accused in a criminal prosecution shall be admissible against him in any court sitting anywhere in the United States, and that the ruling of a trial judge admitting an admission or confession as voluntarily made shall not be reversed or otherwise disturbed by the Supreme Court or any inferior court established by Congress or under its authority if such ruling is supported by competent evidence; to the Committee on the Judiciary.

By Mr. MINSHALL:

H. Con. Res. 724. Concurrent resolution to instruct the U.S. Ambassador to the United Nations to insist on fulfillment of charter provisions based on self-determination of all peoples, and that the Soviet Union be asked to abide by its U.N. membership obligations concerning colonialism and interference with the sovereignty of other nations; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

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

By Mr. DADDARIO:

H.R. 16107. A bill for the relief of Alda Vergano Fracchia; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 16108. A bill for the relief of Aurelio Basile; to the Committee on the Judiciary.

H.R. 16109. A bill for the relief of Salvatore Orlando; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 16110. A bill for the relief of Castello Striano; to the Committee on the Judiciary.

By Mr. FRASER:

H.R. 16111. A bill for the relief of Stephen B. Ema; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 16112. A bill for the relief of James Joseph McCulloch; to the Committee on the Judiciary.

By Mr. HAWKINS:

H.R. 16113. A bill for the relief of Bernardine Earlene McSweaney; to the Committee on the Judiciary.

By Mr. LEGGETT:

H.R. 16114. A bill for the relief of Tahir Ahmad Rashedi; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 16115. A bill for the relief of Angelo Cavallo; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H.R. 16116. A bill for the relief of Diego Zanfei; to the Committee on the Judiciary.

By Mr. O'NEAL of Georgia:

H.R. 16117. A bill for the relief of Lt. Col. Robert S. Mattox, Jr., U.S. Army Reserve (retired); to the Committee on Armed Services.

By Mr. OTTINGER:

H.R. 16118. A bill for the relief of Genia Lazari and his wife, Irene Mouradtian Lazari; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 16119. A bill for the relief of Antonio J. Ballagas; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H.R. 16120. A bill for the relief of Erna Maria Deml; to the Committee on the Judiciary.

By Mr. TUNNEY:

H.R. 16121. A bill for the relief of A. C. Brown; to the Committee on the Judiciary.

# SENATE—*Wednesday, March 20, 1968*

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

Rev. Merrill W. Drennan, minister, Metropolitan Memorial Methodist Church, Washington, D.C., offered the following prayer:

Eternal God, we stand to praise Thee as did the psalmist when he wrote, "O Lord, our Lord, how majestic is Thy name in all the earth."

We invoke Thy divine presence in this Chamber this day, and ask that Thou wilt be gracious unto the Senators who shall here deliberate, unto those who shall sit in committees, and unto the members of the several staffs who assist in the daily procedures of government. Our thoughts reach beyond these hallowed Halls, O God, to pray for the constituents who have placed their trust in these elected officials, and for Thy blessing upon them.

May each of us be faithful to all the high principles we have pledged to uphold, and may Thy spirit guide those who have difficult decisions to make. Help all of us to overcome the temptation to rely on expediency in the solutions to knotty problems, and to be willing to stand for the right because it is right.

Strengthen the weary, our Father; sustain the frustrated; and undergird the despondent. As we move from the bleakness of winter into the freshness of spring, may we remember that as the earth is restored with new life, so we can be revitalized for the days of decision that lie ahead. "O Lord, our Lord, how majestic is Thy name in all the earth."

## THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, March 19, 1968, be dispensed with.

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

## LIMITATION OF STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

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

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

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Jones, one of his secretaries.

## REPORT OF NATIONAL SCIENCE FOUNDATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 284)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare:

*To the Congress of the United States:*

I am pleased to submit to the Congress the Seventeenth Annual Report of the National Science Foundation for fiscal year 1967.

This Report highlights a year of advance in exploring the frontiers of science and in educating the scientists of tomorrow. During fiscal year 1967, the Foundation has:

—Provided $220 million to support scientific research projects in every State of the Union. Some 5,500 scien-

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tists carried out this work in colleges and universities.

—Invested $123 million to improve science education at every level from elementary school through the university. These funds provided training for about 38,000 high school teachers, 5,000 elementary school teachers, and 5,000 college instructors.

The Foundation's programs have helped to unearth new information of both scientific and practical importance. For example, we have now:

—Learned more about how genes pass on hereditary characteristics. This knowledge may some day lead to control of diseases and the prevention of inherited defects.

—Neared completion at Cornell University of the world's most powerful circular electron accelerator, an atom smasher that will enable us to advance our understanding of the atom.

—Begun sea grant programs to develop knowledge and to train manpower for developing our marine resources.

—Increased support for the national weather modification program to speed the day when we can reduce losses caused by drought, hail, and violent storms.

—Supported research on a new plastic for possible use as heat shields for re-entry of space vehicles.

The National Science Foundation also continues to increase its support of social science research. A Special Commission on the Social Sciences was established by the National Science Board to provide guidance in this important area.

In my 1967 message to Congress on Health and Education, I directed the National Science Foundation, working with the Office of Education of the Department of Health, Education, and Welfare, to establish an experimental program for developing the educational potential of computers. This has been done through a newly established Office of Computing Activities. The day is not far when these exciting new machines will be contributing to the education of our people.

The Annual Report of the National Science Foundation deserves the attention of the Congress and the American people. It is proof that we are penetrating the unknown, educating new generations of scientists, and making our scientific research yield maximum value.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *March 20, 1968.*

## MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 12073. An act for the relief of John Allunario;

H.R. 15224. An act to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard; and

H.R. 15364. An act to provide for increased participation by the United States in the Inter-American Development Bank, and for other purposes.

## ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 2318) for the relief of Kelley Michele Auerbach.

The message informed the Senate that, pursuant to section 194 of title 14 of the United States Code, the chairman of the Committee on Merchant Marine and Fisheries had appointed Mr. CLARK, of Pennsylvania; Mr. LENNON, of North Carolina; and Mr. GROVER, of New York, as members of the Board of Visitors to the U.S. Coast Guard Academy, on the part of the House, and that Mr. GARMATZ, of Maryland, is authorized to serve as an ex officio member of the Board.

The message also informed the Senate that, pursuant to Public Law 301 of the 78th Congress, the chairman of the Committee on Merchant Marine and Fisheries had appointed Mr. DOWNING, of Virginia; Mr. MURPHY, of New York; and Mr. MOSHER, of Ohio, as members of the Board of Visitors to the U.S. Merchant Marine Academy, and that Mr. GARMATZ, of Maryland, is authorized to serve as an ex officio member of the Board.

## HOUSE BILLS REFERRED

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

H.R. 12073. An act for the relief of John Allunario; to the Committee on the Judiciary.

H.R. 15224. An act to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard; to the Committee on Commerce.

H.R. 15364. An act to provide for increased participation by the United States in the Inter-American Development Bank, and for other purposes; to the Committee on Foreign Relations.

## EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PROPOSED LEGISLATION RELATING TO EXPORT-IMPORT BANK OF THE UNITED STATES

A communication from the President of the United States transmitting a draft of proposed legislation to enable the Export-Import Bank of the United States to approve extension of certain loans, guarantees, and insurance in connection with exports from the United States in order to improve the balance of payments and foster the long-term commercial interests of the United States (with an accompanying paper); to the Committee on Banking and Currency.

PROPOSED INTERNATIONAL CENTER IN WASHINGTON

A letter from the Secretary, Department of State, transmitting a draft of proposed legislation to authorize the transfer, conveyance, lease, and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for the Organization of American States, as sites for governments of foreign countries, and for other purposes (with an accompanying paper); to the Committee on Foreign Relations.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The PRESIDENT pro tempore announced that on today, March 20, 1968, the Vice President signed the following enrolled bills and joint resolution, which had previously been signed by the Speaker of the House of Representatives:

S. 793. An act to provide for the conveyance of certain real property of the United States to the Alabama Space Science Exhibit Commission;

S. 876. An act relating to Federal support of education of Indian students in sectarian institutions of higher education;

S. 989. An act to provide improved judicial machinery for the selection of Federal juries, and for other purposes;

S. 2318. An act for the relief of Kelley Michele Auerbach;

S. 2336. An act to determine the respective rights and interests of the Confederated Tribes of the Colville Reservation and the Yakima Tribes of Indians of the Yakima Reservation and their constituted tribal groups in and to a judgment fund on deposit in the Treasury of the United States, and for other purposes;

H.R. 536. An act to convey certain Chilocco Indian School lands at Chilocco, Okla., to the Cherokee Nation;

H.R. 12555. An act to amend title 38 of the United States Code to liberalize the provisions relating to payment of pension, and for other purposes; and

S.J. Res. 138. Joint resolution calling on the Boy Scouts of America to serve the youth of this Nation as required by their congressional charter.

## REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

S. 3135. A bill to amend the Communications Act of 1934 by extending the authorization of appropriations for the Corporation for Public Broadcasting (Rept. No. 1017).

## BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. PROXMIRE:

S. 3193. A bill for the relief of Vesna Kesic; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 3194. A bill for the relief of Maria Dina Giurlani; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. 3195. A bill to provide for the disposition of unclaimed property in the District of Columbia;

S. 3196. A bill to amend the act entitled "An act to regulate the hours of employment and safeguard the health of females employed in the District of Columbia," approved February 24, 1914;

S. 3197. A bill to amend the act entitled "An act to regulate the employment of minors in the District of Columbia," approved May 29, 1928;

S. 3198. A bill to authorize the Commis-

sioner of the District of Columbia to utilize volunteers for active police duty;

S. 3199. A bill to prohibit landlords from retaliating against tenants for good-faith complaints of housing violations in the District of Columbia, and for other purposes; and

S. 3200. A bill to establish a revolving fund for the development of housing for low- and moderate-income persons and families in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MUSKIE (for himself, Mr. RANDOLPH and Mr. BOGGS):

S. 3201. A bill to protect the public health by extending for 1 year the provisions on research and assistance for State and interstate planning for solid waste disposal, and for other purposes; to the Committee on Public Works.

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

By Mr. HOLLINGS:

S. 3202. A bill to prohibit the redemption in gold of dollars for the Government of France while such Government is in arrears in the payment of its obligations to the United States; to the Committee on Banking and Currency.

By Mr. DIRKSEN:

S.J. Res. 156. Joint resolution authorizing the posthumous promotion of the late General of the Army Douglas MacArthur to the grade of General of the Armies; to the Committee on Armed Services.

## S. 3201—INTRODUCTION OF BILL RELATING TO EXTENSION OF SOLID WASTE DISPOSAL PROGRAM

Mr. MUSKIE. Mr. President, today I am introducing, for appropriate reference, a bill to extend for another year the provisions of the Solid Waste Disposal Act of 1965. This legislation was an important segment in the President's recent message "To Renew a Nation."

As you know, this message offers proposals to preserve and renew this country's basic resources of land, air, and water. These three resources are indispensable to preserving the most important resource of all—our human resources—since the strength and productivity of the American people are dependent upon water and air which are safe to drink and to breathe, and a safe and healthy environment.

In his message the President pointed out that the millions of tons of rubbish, garbage, and trash this country discards every year "mars the landscape in cities, suburbia, and countryside alike. It breeds disease-carrying insects and rodents, and much of it finds its way into the air and water."

The solid waste disposal program was authorized by the Congress in 1965. Under that authorization the Public Health Service has made grants to 38 States to conduct thorough surveys of municipal solid waste disposal practices and problems and to develop comprehensive State plans. Demonstration projects have been started in 61 communities throughout the Nation to test new methods of disposing of solid wastes in a manner which would avoid polluting air and water, and the landscape. In some instances, these projects are also exploring how metals and other materials can be salvaged for further use. In others, the objective has been to attain these goals and also to reduce the very high costs which are characteristic of the outmoded and unsanitary methods which are now in wide use.

This year the President has asked for a simple, 1-year extension of the Solid Waste Disposal Act, coupled with "a comprehensive review of current solid waste disposal technology." The review would be directed toward a reduction in the "present high costs of solid waste disposal" and strengthened "government-wide research and development in this field."

One of the President's objectives is "to convert waste economically into useful materials."

I share the President's objectives on this program. Up to this point, most of our attention has been directed at improving the techniques of getting rid of solid wastes—that is, to remove them from places where they are offensive and dangerous to the health of communities by incineration and by burial.

Neither technique is particularly satisfactory in the long run. Both contribute to pollution, and neither takes advantage of the resources contained in the solid waste.

A number of proposals have been made for recovery of organic materials, metals and other ingredients of solid waste which can be reused. There have been promising breakthroughs in technology which could make it possible to turn waste recovery into a profitmaking enterprise rather than a continuation of environmental damage.

For these reasons, I think it is time for us to take stock of our solid waste program and to determine how best to encourage a program of waste management rather than waste "disposal."

Mr. President, I am convinced we must find better ways of coping with the garbage, junk, and trash that deface our streets, our roadsides, and the countryside wherever we look. I believe we should give expeditious consideration to this requested 1-year extension.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3201) to protect the public health by extending for 1 year the provisions on research and assistance for State and interstate planning for solid waste disposal, and for other purposes, introduced by Mr. MUSKIE (for himself, Mr. RANDOLPH, and Mr. BOGGS), was received, read twice by its title, and referred to the Committee on Public Works.

## EXCISE TAX RATES—AMENDMENTS

AMENDMENT NO. 637

Mr. JAVITS submitted amendments, intended to be proposed by him, to the bill (H.R. 15414) to continue the existing excise tax rates on communication services and on automobiles, and to apply more generally the provisions relating to payments of estimated tax by corporations, which were ordered to lie on the table and to be printed.

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

## STANDARDS OF CONDUCT—AMENDMENTS

AMENDMENT NO. 638

Mr. ANDERSON submitted an amendment, intended to be proposed by him, to the resolution (S. Res. 266) to provide standards of conduct for Members of the Senate and officers and employees of the Senate, which was ordered to lie on the table and to be printed.

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

AMENDMENT NO. 639

Mr. PELL submitted amendments, intended to be proposed by him, to Senate Resolution 266, supra, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 640

Mr. FULBRIGHT submitted amendments, intended to be proposed by him, to Senate Resolution 266, supra, which were ordered to lie on the table and to be printed.

## ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, March 20, 1968, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 793. An act to provide for the conveyance of certain real property of the United States to the Alabama Space Science Exhibit Commission;

S. 876. An act relating to Federal support of education of Indian students in sectarian institutions of higher education;

S. 989. An act to provide improved judicial machinery for the selection of Federal juries, and for other purposes;

S. 2318. An act for the relief of Kelley Michele Auerbach;

S. 2336. An act to determine the respective rights and interests of the Confederated Tribes of the Colville Reservation and the Yakima Tribes of Indians of the Yakima Reservation and their constituted tribal groups in and to a judgment fund on deposit in the Treasury of the United States, and for other purposes; and

S.J. Res. 138. Joint resolution calling on the Boy Scouts of America to serve the youth of this Nation as required by their congressional charter.

## RESCHEDULING OF HEARING ON NOMINATION OF OTTO KERNER, OF ILLINOIS, TO BE U.S. CIRCUIT JUDGE, SEVENTH CIRCUIT

Mr. DODD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that the public hearing scheduled on the nomination of Otto Kerner, of Illinois, to be U.S. circuit judge, seventh circuit, vice Win G. Knoch, retired, for Tuesday, March 26, 1968, has been rescheduled for Thursday, March 28, 1968, at 10:30 a.m., in room 2228, New Senate Office Building.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Michigan [Mr. HART], the Senator from South Carolina [Mr. THURMOND], and myself, as chairman.

## HEARINGS TO RESUME ON HEALTH SCIENCE COMMISSION

Mr. MONDALE. Mr. President, I would like to call attention to the resumption of hearings tomorrow on Senate Joint Resolution 145, for the creation of a Commission on Health Science and Society.

Mr. President, the 2 days of hearings held so far have uncovered a tremendous information gap concerning the needs of biomedical researchers who are working to bring about technological advances that can save lives and improve the physical and mental health of Americans.

That fact alone justifies the hearings, and makes an overpowering case for the establishment of the Commission.

I am shocked by the absence of public understanding of the work now being done in such areas as organ transplants, genetic intervention, and behavior control. Many Americans do not know what is going on in these fields. We do not know how many lives could be saved with existing technology if more money became available. We do not know how much faster progress could be if there were adequate support for this research and its application.

The witnesses of the first 2 days represented a chorus of agreement on the need for greater public awareness. They told us clearly and directly that there is much to be gained, much to be done, and too little committed in the research battle to improve the physical and mental health of Americans.

In testimony before the subcommittee the first day of the hearings, I made two points that bear restatement.

The first is my conviction about the necessity for the Commission. The development of health science is much like the history of atomic energy. Its implications for society are just as problematic. The line between good and evil is fine. Society as well as science is determining the balance.

Social institutions and attitudes seem always to be running to catch up with technology. It was true with atomic energy. It is true now of health. The questions for this Nation are real. Must we stumble into the future of health science the way we blundered into the bomb? Or can we begin to close the gap between ethics, institutions, and research findings?

The Commission I propose might not answer these questions. There may not be any final answers. But it would inaugurate the public debate it will take to move us toward consensus.

The second point I wish to restate has to do with the excitement and importance of hearings themselves. The hearings are history in the making; each day gives new evidence of the complex social and ethical implications of biomedical advance that demand the creation of a Commission. The statements and discussion will become a basic text not only for Congressmen called upon to decide on the legislation at hand, but for every American interested in the current and prospective state of science and society.

The intent of the hearings is to explore alternatives for the Commission in terms of structure, function, and membership. The primary task is the development of a meaningful agenda.

It is a tribute to the participants and to the Congress that so many of the finest minds in the country have been willing and eager to participate in this discussion.

I think it is fair to say that seldom, if ever, has a more distinguished group of witnesses been gathered to testify.

Already we have heard from two of the recent headline-makers in heart transplantation, Dr. Barnard and Dr. Kantrowitz. We also have heard from Dr. Arthur Kornberg, whose DNA discoveries are well known. In addition, others in the field of medicine and genetics have brought important perspective to our discussions.

My concerns in calling for the Commission have been the social, ethical, and institutional implications of health science research. Thus, in coming days, we shall hear not only from representatives of the medical and scientific community, but also from the theologians, lawyers, scientists, industry representatives, and public officials, who can bring different insights to the issues at hand.

Our hearings so far have enriched the subcommittee's knowledge of the issues and difficulties involved. But they have also created some doubts about the Commission which are unfounded.

In the interest of correctly informing the Senate and the public on two matters of concern, I would like to clarify the nature of my proposal and the response we have had so far.

Senate Joint Resolution 145 proposes the creation of a Commission on Health Science and Society to study and evaluate scientific research in medicine. The Commission would be instructed to analyze and evaluate the public and private national effort and public attitudes about health research; to make an assessment and evaluation of the legal, social, and political implications of such research; and to report to the President and Congress its findings and recommendations.

In the explanatory remarks made so far, I have emphasized that my goal is not to restrict the province of research, but to expand it. The Commission would be concerned not with private decisions, but with public policy issues. This is not a Commission to regulate surgeons and make medical decisions. It is a Commission to analyze the national effort in biomedicine and technology; to examine priorities; to explore the moral, ethical, and social questions that arise when this powerful technology becomes available.

Most who have read the proposal have seen it as I have; a crucial piece of preventive medicine for a society that need not wait for a medical Manhattanville. Over 150 deans of medicine, law, theology, social science, and public figures have stated their support for the idea. This support was echoed directly in the testimony of Drs. Najarian, Kantrowitz, and Beecher, following strong statements in letters they had sent earlier.

Dr. Najarian said:

> Today, the medical profession stands on firmer, scientific grounds . . . [It] should remove the "mystique" that surrounds the practice of medicine, and participate vigorously in methods of obtaining better public information so that an aroused and informed public can have the best health care available.

He sees the Commission as a "vital moving force in communication between the various Government agencies, and the legislative and executive branches of government so that priorities can be assessed, and that specific application of such reports as the Gottschalk report can be accomplished."

Dr. Kantrowitz supported the Commission idea as he had in a previous letter. Concerned about the instant reporting of the heart transplant operation, he suggested particularly that the Commission explore "the possibility of balancing the interests of scientific workers and of the communications media, so that the ultimate interests of the public may best be served."

Dr. Beecher concluded a brilliant statement with the following comment:

> The establishment of such a Presidential Commission is of great importance. It would go far to reassure the public and be a source of stimulation to the scientific community.

Other witnesses have responded in terms of their own conceptions of what the Commission would do.

Some have made suggestions. Dr. Lederberg, for example, thought that the charge to the Commission should be made more specific, and that it should not include the making of substantive prescriptions after 1 year's study. My approach, as I stated in my introductory remarks at the hearing, would be to use the hearings to assess the possible issues, and to include a suggested specific agenda as part of the report of the subcommittee.

I would like to pay a special tribute to Dr. Lederberg. As evidence of his concern for the issues at hand, Dr. Lederberg, whose testimony was cut short because of time, has asked to return to testify March 28. I look forward to his testimony and to that of the other geneticists and psychologists.

Two of the witnesses apparently had some misunderstandings of the proposal. Dr. Barnard, for example, came here with the misconception that this Commission would regulate surgeons and make medical decisions. That is not the purpose of the resolution, and I agree that it should not be a function of this Commission.

Nowhere in the language of the resolution, in the statements I have made, or in the letters I have sent out is the word "control" mentioned.

There is an obvious distinction, between recommendation on the one hand, and regulation on the other. The Commission on Health Science and Society would discuss and propose. It would not duplicate the work of Government agencies and professional societies in controlling abuse.

A number of articles have been written, and I have received a number of letters since the first set of hearings commenting on the Commission and on Dr. Barnard's testimony. Just as I requested that earlier opinions be included in the RECORD, so, too, I ask unanimous consent for the inclusion of this later commentary in the RECORD.

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

(See exhibit 1).

Mr. MONDALE. I wish to stress now what will be clear to all those who read the record of Dr. Barnard's testimony later.

When I asked Dr. Barnard about public policy issues, he agreed that perhaps a Commission might handle very well such topics as conditions under which hearts should be made available, rights of donors, possible expansion of governmental research expenditures, and general availability of lifesaving operations.

He went on to make the distinction between public discussion, and regulation of individuals I too would make:

> I think we must distinguish between what this commission is going to do . . . Is this commission going to decide on . . . how the various transplant teams should handle a medical problem? . . . If you ask me whether I think a commission should be necessary for that, I would disagree. But if you think that one should have a commission to decide whether money should be poured into research because we now have these new techniques and this may need more money, and aspects like that, I would agree that there you need a commission.

Furthermore, although not mentioned in any of the letters, I think it important to make one further clarification about Dr. Barnard's testimony. Dr. Barnard did state:

> Commissions set up to *decide* on various medical advances . . . have hampered the progress of medicine.

He did not say in every case, but in "nearly" every case. Further, he explained why:

> Because they were not qualified to deal with the various aspects.

He did not condemn the kind of commission proposed by Senate Joint Resolution 145, which, like the President's Advisory Commission on Riots and Civil Disorders and that on Health Manpower, would be composed of the most qualified individuals in the Nation, and would discuss and recommend, not regulate.

Mr. President, organ transplants are only one of the advances the Commission should study. The crucial questions of genetic intervention and behavior control should be major concerns of the Commission because they involve shaping the human being of the future in our society.

The public interest and discussion, and mutual education which I foresaw as being the outcome of the Commission report have already begun. It is a tribute to the participants and the Congress that so many of the finest minds in the country have been willing and eager to participate. We have had to schedule 8 days of hearings to accommodate those specialists in medicine, science, law, social science, theology, and public policy who could make contributions to our deliberations and wanted to do so.

The hearings are a fascinating miniature of the future debates of the Commission. I am convinced they will lead to the formation of the Commission, and to a furtherance of biomedical and social advance.

I would commend the hearings to the press and to the public, as well as to Congressmen and Senators with interests in this area.

(EXHIBIT 1)

NAIVE HOWLS ON MEDICAL RESEARCH

(By Judith Randal)

Judging by the way the coffers of the American Heart Association have swelled since the first human heart transplants, nothing but good flows from the public understanding of medical research. Yet when it was suggested the other day that the rapid pace of medical progress calls for a public study of the long-range implications, howls of protest went up from the scientific world.

The occasion was a two-day hearing before a Senate subcommittee considering the advisability of a national commission to study the ethical, moral, legal and social problems posed not only by organ transplants and other medical advances, but also by the findings of scientists who are learning to control the life processes of the cell.

As envisioned by Sen. Walter F. Mondale, D-Minn., who originated the idea, the commission would consist of sophisticated people—some, if not all of them, scientists—who by getting the issues out into the open would actually broaden the public mandate for research support.

Many of the scientist witnesses at the hearing, however, seemed unable to see it that way. In their view, the only good commission would be one whose sole function would be to agitate for more money for research. Dr. Christian Barnard, the South African who performed the first heart transplant and whose second patient is now the only survivor of the six who have undergone the surgery, said so in so many words.

Barnard saw no reason either why, despite the fact that taxpayers now foot the bill for medical research to the tune of $800 million a year, anyone but doctors should have a voice in deciding how the benefits will be applied. "Operate on the patient who needs it most," he told senators, seeming to forget that with at least 80,000 Americans annually potential candidates for heart transplants, there would not be enough surgeons to go around—even assuming the procedure was perfected and replacement organs abundantly available. What about the cost, which the National Institutes of Health now pegs at about $75,000 per operation? In time, said Barnard, this will surely drop.

Barnard is probably correct in this prediction; the key question is by how much. In any case, his other assumptions are, to put it charitably, naive.

On the battlefield or in disaster areas when there are more casualties than doctors can deal with, they concentrate not on the sickest, but on those they can help the most. This is called "triage," and it is a perfectly respectable practice under certain conditions not usually encountered in peacetime. But when the demand for medical services exceeds the supply, similarly practical criteria can operate in routine civilian life.

With some notable exceptions, the deciding factor in the United States has been ability to pay. As long as most medical advances were privately financed, within reach of most people's budgets and within the competence of most physicians, the system was acceptable, if not ideal. But this situation no longer obtains.

Already it is estimated, for instance, that of the 7,000 or more Americans each year who could be rehabilitated by a transplanted or artificial kidney, 90 percent are allowed to die because of lack of personnel, facilities or funds. This is just one example. There are others and, as the heart transplants so vividly illustrate, more are coming along. Almost all these developments are occurring with government support.

Surgery and organ-assist devices, moreover, are only the beginning. Molecular biology and genetics may seem esoteric, but hidden in them is virtually certain mastery of aging, cancer and chronic diseases. These developments will raise problems of a magnitude no society has faced before.

Traditionally, science has always functioned in a social vacuum. But how long it can afford this luxury is anybody's guess.

For the moment, health research and its support are the darling of the public and shine with a luster that few would dare try to dim. It seems safe to say, however, that if scientists insist on being a law unto themselves and explaining themselves only to one another, eventual retaliation will be both swift and sure. And the scientist will not suffer alone.

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BAYLOR UNIVERSITY, DEPARTMENT OF RELIGION,

*Waco, Tex., March 12, 1968.*

Senator WALTER MONDALE,
*Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR MONDALE: I have followed with interest the proceedings of the Senate Government Research subcommittee. The social and moral problems created by the rapid advances in our technology (medical and otherwise) have been an area of special interest for me for several years. I have appreciated the interest which you have demonstrated in this area.

My immediate purpose for writing is to comment on the reports of the committee proceedings of last Thursday, March 8. The opinions expressed in the testimonies of Drs. Barnard, Kornberg and Lederberg are understandable but in my opinion mistaken. It is natural for any persons seriously dedicated to a specialized task to view the participation of any "outsiders" to be at best an inconvenience and at worst an insult. This bashfulness has been demonstrated by almost every specialized group in society—ministers, educators, realtors, physicians, etc.

There are several considerations which indictate that this all too natural reaction is inappropriate in the context of the rapid technical and social advances our society is making today. First, there is the long-recognized fact that all of us need to be checked by the opinions and actions of others. The political structures of our land are based on the "balance of powers" doctrine which acknowledges that no political group can safely go unchecked by other political powers and the powers of the public at large. This insight into human nature must be applied to groups other than political. Therefore, as a society we cannot allow any group, however competent or sincere, to create a closed community impervious to the opinions and wisdom of the rest of society. This is especially true when the matters being decided are of vital concern to the society as a whole, such as is the case with matters of health.

Second, the growing specialization of our society makes it imperative that there be a sharing of ideas across the lines of specialization. Otherwise our decisions become more and more provincial because we assume that the insights of our own speciality are the only ones worth considering. In the matter of medical treatment the physician must acknowledge that there are legal and moral issues involved which can be clarified by the insights of those who are specialists in these areas.

The growing specialization which is a part of our modern life demands that we become more interdependent and thereby get a full view of every issue. The alternative is to let our specialization drive us apart and fragment society with each segment growing increasingly provincial.

Third, the rapid advances being made in medical as well as other forms of technology require that we handle the social consequences of these advances in a more formal way than in the past. Formerly when technical advances were relatively slow, there was time for society to informally adjust to mores and value judgments to meet the social problems created by technological changes. Today one of the major changes which we must make in our social thinking is to acknowledge that we no longer have

the time for such leisurely and informal social adjustments. There must be deliberate planning if our social and political behavior is to keep pace with technical change. The kind of commission which you have proposed would provide such planning. When we understand the role of such a commission to be that of aiding society in its social adjustments then it becomes self-evident that members of the commission should represent the opinions of those other than just the technical specialists (who in this case are physicians).

A final consideration is the function of this commission assumed by physicians. Apparently they see the commission as serving only to restrict them in their research and practice. I feel that in the long run the opposite would be the case. To be sure, such a commission might advise caution regarding some procedures. Any limitation at this point would be very small when compared with the limitations which can be imposed on the physician's work by public fear and misunderstanding. We have already seen evidence of such restrictive fear in the reports of persons who have been unwilling to accept transplants and those who have been unwilling to donate or allow their relatives to donate an organ for transportation. Much of this reluctance would be alleviated by the public's knowing that all procedures would be done according to the findings of a broadly based public commission. In the long run, public confidence and support will be crucial for these kinds of medical advances. Such a commission would contribute to this confidence and thus to medical progress.

I might add in closing that I have heard of committees which have been set up in medical centers to deal with the kinds of social and moral issues under discussion here and they have in no way hindered progress. I am most familiar with the work of a committee at Duke University medical center which advises the staff on matters having to do with human experimentation at the center.

I wish you well in your efforts regarding this crucial issue and hope that success will mark your efforts.

Sincerely yours,

DANIEL B. MCGEE,
*Associate Professor of Christian Ethics.*

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UNITED THEOLOGICAL SEMINARY OF THE TWIN CITIES,
*New Brighton, Minn., March 9, 1968.*

Hon. WALTER F. MONDALE,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR: The morning Tribune today prompts a long-overdue letter of thanks to you on two counts.

First, we thank you for your creative and needed call for a national commission on health science and society. In my day-by-day work in the ethics field, I become increasingly convinced of the need for careful, cross-disciplinary, social reflection upon these issues of technological advance so that guide lines may be evolved that benefit the whole of society. Dr. Barnard's testimony, as reported in the morning paper, seems quite specious to me. His reasoning that such a commission involving "unqualified outsiders" and being "an insult to doctors" appears to be based upon a serious misunderstanding of the nature of the ethical reflection that is sorely needed in this area. In short, I am delighted by your proposal, and I deeply hope that it may become a reality in the near future.

Cordially,

JAMES B. NELSON.

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Senator WALTER MONDALE,
*Old Senate Office Bulding,*
*Washington, D.C.*

DEAR SENATOR MONDALE: In our local newspaper, March 9, 1968, there was an article regarding the possibility of creating a Commission to investigate ethical and moral implications of heart transplants, etc.

In the article, Dr. Christiaan Barnard stated that the proposed federal study of the moral implications would be "an insult to your doctors." He also said that *doctors have always decided such questions as who should live or die.* Horrors!

Senator Mondale, I worked in a hospital surgical unit for several years and I saw some things that were immoral and unethical although these doctors were never taken to task.

I saw one patient, for example, who had died on the operating table during heart surgery. She was wheeled from the operating suite and parked in front of my office. Her mouth and eyes were gaping wide open *expressing terror* or *horror.* She lay there for 20 min. dead, but the last minutes of her life were clearly outlined in her face.

These men that we tend to place on a pedestal and whom we respect are, in many ways, obscuring from exposure, *compulsive, impulsive, unlawful,* as well as in cost cases very, very immoral acts. Their high degree of education does not seem to have made much difference in a few things I observed.

I can only say that I hope God or an unseen power will help naive people who wind up in the hand of Dr. Christiaan Barnard and men like him.

*There are moral and ethical* questions and those ghosts that Dr. Barnard denied *are* real.

Very Sincerely,

Mrs. BOCHARD.

P.S. I am sure there are other people in the medical field who feel as I do. I think there are dedicated men in this field, but they are very human.

I wanted also to say that in a couple of instances I have seen doctors want to go ahead with an operation without proper papers signed, and it was only the head nurse who stopped this action with an argument. I saw this happen in two different hospitals thousands of miles apart, different doctors, but all seemingly respected and trusted.

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ST. PAUL, MINN.,
*March 9, 1968.*

Senator WALTER F. MONDALE,
*Washington, D.C.*

DEAR SENATOR MONDALE: I am writing to voice my support for your proposal for a national commission to study the,—"legal, social and ethical issues that accompany Transplant operations,"—etc.

If the story as reported in The Minneapolis Tribune is in essence true, Dr. Barnard's remarks that such a commission would be,—"an insult to doctors", and would bring in,—"unqualified outsiders," are deplorable.

In my opinion, such remarks constitute further evidence that such a commission is needed.

Sincerely yours,

C. E. WEIGENT, M.D.,
*Pathologist, VA Hospital.*

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PATIENTS' AID SOCIETY, INC.,
*New York, N.Y., March 12, 1968.*

Senator WALTER MONDALE,
*Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR MONDALE: May I commend you on your proposed bill to establish a group of legal, medical and theological authorities to decide who would get heart and other transplants. Had I known of these public hearings on your bill, I certainly would have appeared before your committee to deliver a statement.

I certainly don't think the decisions of human transplants should be left entirely to the doctors to decide anymore than a declaration of war should be left entirely to the generals.

I am enclosing one of our pamphlets to tell you more about the aims and purposes of our organization together with some additional material that I believe will be of interest.

Kindly send me a copy of your proposed bill and let me know if you'd like some additional material on the subject of human transplants and experimentation.

Very truly yours,

JAMES F. DONNELLY,
*President.*

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EXECUTIVE COUNCIL OF THE EPISCOPAL CHURCH,
*New York, N.Y., March 11, 1968.*

Hon. WALTER F. MONDALE,
*Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR MONDALE: I have followed with great interest your proposal for the establishment of a Commission on Health Science and Society and has noted the reactions to your plan in the March 6 edition of the Congressional Record.

You may be glad to know that the Episcopal Church has officially concerned itself with the matters relating to your proposal, both in its resolution on scientific and medical technology at the 1967 General Convention of the Church, and at the February 1968 meeting of the Executive Council at which the enclosed resolution was passed unanimously. I shall undoubtedly be deeply involved with these questions in the light of our Church's action.

Please accept my very best wishes to you in your continued efforts in this field.

Sincerely yours,

The Rev. KENNETH W. MANN, Ph. D.,
*Executive Secretary, Division of Pastoral Services.*

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RESOLUTION

At the meeting of the Executive Council held February 20–22, 1968, at Seabury House, Greenwich, Conn., the following Resolution was adopted:

*Whereas,* New developments in medical technology, high-lighted by heart-transplants, and certain other "radical" surgical procedures, have given greater urgency to ethical questions relating to the rights and welfare of persons and the well-being of society, involving such possibilities as

Premature public anticipation of imminent cures,

Unrealistic hopes in the minds of affected individuals,

Undefined criteria for choosing patient-recipients of costly and rare operations,

Inadequate safeguards against undue influence upon the perspectives and decisions of recipients, donors, and their families, and

The problem of ascertaining beyond all reasonable possibility of error the appropriately defined death of a potential donor, and of taking every appropriate measure to sustain life; And

*Whereas,* Many members of the medical and scientific professions are deeply concerned with the gravity of these questions and are attempting to develop appropriate professional and public standards and policies in dealing with them; Therefore be it

*Resolved,* That, impressed with the urgency of prompt response to these issues, the Executive Council of the Episcopal Church call upon the members of this Church, other religious bodies, and other men of goodwill to join in urging that the medical and scientific professions exercise concerted leadership and the greatest caution in human experimentation and the application of such new techniques; And be it further

*Resolved,* That the appropriate staff persons of the Executive Council be, and they are hereby instructed to enter into consultations with respresentative standard- and policy-setting bodies of the medical and scientific professions in surgical procedures, and during the course of such consultations,

to stress the necessity of making use of advice on the related moral and ethical principles involved in reaching their conclusions upon all such policies and standards; And be it further

*Resolved*, That the Executive Council requests its staff to bring to the Council, as early as possible, recommendations for implementing the Resolution of the 1967 General Convention, which instructed the Executive Council "to carry out a study, with the aid of physicians, scientists, and clergymen, of the moral issues raised, and likely to be raised, by present and prospective advances in scientific and medical technology, and report the results thereof to the 63rd General Convention, through the Joint Commission of The Church in Human Affairs."

STANFORD UNIVERSITY
SCHOOL OF MEDICINE,
*Palo Alto, Calif. March 11, 1968.*

Senator WALTER MONDALE
*Senate Office Building,*
*Washington, D.C.*

DEAR MR. MONDALE: I was pleased to have the opportunity to appear before the Subcommittee and am grateful for the benefit to me of exchanging views with you and Senator Ribicoff. As you recall from the testimony that I gave, my objections to S. J. Res. 145 focused on its broad application to basic scientific and health-science-related research. I was not asked and failed to volunteer my opinions about applied human research such as that involving organ transplans. From this, unfortunately, the local press and some others have gained the impression that I oppose all objectives of the resolution. It was made clearer in the exchange of views on the Issues and Answers program filmed Friday afternoon that Dr. Lederberg and I, in contrast to Dr. Barnard, do not oppose the formulation of guidelines to cope with the legal, social and ethical implications involved in research with patients. I imagine that my colleagues who are doing research with patients and are beset by these problems in their work might be helped by guidelines formulated by groups of medical experts. We would hope that such groups organized and sponsored by the National Academy of Sciences or the major professional organizations would do this work promptly.

We know that research with patients inevitably entails some risks. But research is the lifeline of medicine! Although I have a great deal of confidence in the wisdom and concern of the great majority of our medical researchers I believe they would still welcome guidelines that would protect us all from the indiscretions of a few. Such guidance would facilitate medical research and patient care and avoid damaging and unjustified criticism.

With kindest regards,
Sincerely yours,
ARTHUR KORNBERG.

## AN AFRICAN REPORT

Mr. HICKENLOOPER. Mr. President, Mr. George J. Volger, who is president and general manager of Station KWPC in Muscatine, Iowa, believes in on-the-ground inspection of the areas about which he reports over his radio station; and he has made, and no doubt will continue to make, repeated and extensive trips to various parts of the world.

Last fall, he completed a visit of approximately 4 months to the southern part of Africa in order to examine the conditions there, so that he might report over his station the findings he made.

Mr. Volger is an objective reporter. I do not believe he has a preconceived point of view. He undertakes to find out the truth about the areas which he visits and to report factually.

He has compiled a so-called African report as of December 1967, from which he has used excerpts from time to time in his radio programs. He sent me a copy of this report some time ago, and I was so impressed with his findings, especially about South Africa, Rhodesia, Southwest Africa, Zambia, and some of the other countries along the Atlantic side of Africa, in the southern portion, that I asked his consent to place this compilation of notes—that is what it amounts to—in the RECORD.

I urge every Senator to read this report, not from an emotional standpoint but from a factual standpoint; and I ask unanimous consent that it be printed at this point in the RECORD.

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

AN AFRICAN REPORT, DECEMBER 1967

(By George J. Volger, Radio Station KWPC, Muscatine, Iowa)

On Saturday, February 4th, 1967, at 0800, the *USS Franklin D. Roosevelt* was scheduled to fire a national salute one mile north of the breakwater of Cape Town Harbor, Republic of South Africa. At 0810 the great US aircraft carrier was to enter the harbor, with the Landstem Drum Majorettes of Cape Town to welcome the ship as it came to quay side at 0840.

In a detailed 18-page program, the U.S. Embassy had set out, in cooperation with the South African government officials, a four day visit by officers and men of the ship. The U.S. Ambassador, William M. Rountree, foresaw the visit as an important step in working more closely with the South African government and people. He had received good cooperation from the new Prime Minister of South Africa, B. J. Vorster, who had taken over those reins following the assassination of Dr. H. F. Verwoerd. South Africans of all racial backgrounds had worked on the preparations. At the U.S. Embassy I saw stacks of letters from South Africans who had offered their homes to these Navy men from the United States.

To aid in greeting the U.S. servicemen, South Africans had driven and flown from as far away as Johannesburg, a thousand miles to the east.—But the landing never took place. . . . At the last moment, even while thousands crowded the docking area, frantic instructions from Washington cancelled the visit—due to the Republic's racial policy. A U.S. Senator, a member of the Foreign Relations Committee, described our country's action as the "height of what amounts to stupidity". It appeared to me that our handling succeeded in offending practically everyone.

In Cape Town, a few weeks after this episode, I learned at the U.S. Embassy that over a half-dozen U.S. Navy ships in the previous year, with their white and negro crew members, had visited Cape Town, with no difficulties whatsoever resulting.

And now, a few months later, while I am writing this report, I learn (from a South African Rotary Club Bulletin) that once again U.S. Navy ships are docking at Cape Town. Have the White House and State Department once again shifted policy?

The cancellation of the aircraft carrier visit—planned basically for needed ship repairs, not a social stop—was due to last minute political pressures being applied at the White House and Navy offices in Washington. However, to wait until the final moments, made the U.S.A. appear weak and undecided. To make the situation even worse, the U.S. Ambassador in Cape Town, after weeks of preparation, was not advised of the cancellation until the last moment. It placed him in more than an embarrassing situation. It was quite obvious that U.S. policy could be based on last-minute localized pressures from Congressmen and others seeking political "merit badges", rather than the knowledgeable judgment of a well-trained diplomat such as Ambassador Rountree.—And now, with the news that the ground rules regarding South African visits by the U.S. Navy have been revised once again, any interested observer can't help but ask, "Just who is writing the rule book—and how many policy variations can be expected?" Inconsistency certainly doesn't breed confidence.

In the many changing hues of the international political scene, the story of the *USS Franklin D. Roosevelt* may not carry much weight for future historians. Unfortunately, it is indicative of U.S. actions to too great a degree. In almost four months of travel in Africa, visiting widely with hundreds of people in countries of the southern part of the continent, I return with much concern about the stand of the U.S.—in policy statement issued from Washington, and on the floors of the United Nations. Not only do I have the feeling of inconsistency, but a lack of realism and objectivity, and a true facing of the facts.

After a stay of some ten days in Cape Town, I rented a car, travelling widely in the Republic of South Africa, visiting towns of all sizes, living on sheep ranches, cattle and tobacco farms, speaking with the so-called "Europeans", Coloured, Bantu or Africans, and Asiatics. Considerable time was spent in Southwest Africa, Zambia, and Rhodesia. And, after boarding a freighter at Luanda, Angola, we had stops at Congo Brazzaville, Gabon, Liberia, and my final stop, Dakar, Senegal.

The purpose of my trip, tape-recorded interviews of wide subject range for radio and educational programs, made it possible for me to meet people who might not be too accessible for the average visitor, or a U.S. government representative. My trip was self-financed—and, although I utilized various African government offices, and such associations as the South African Foundation, I chose my own subject material and contacts.

It is almost impossible for the U.S. citizen to make any considered judgment on the many-sided African situation. Any statement referring in general to "Africa" is questionable, as each country must be discussed in the light of its own specific background and history. The news media have not done commendable work—there is much prejudiced, incomplete, and "loaded" reporting. Such four-hour productions as the recent *Africa* of the ABC television network are guilty of unbalanced and unfair reportorial work. While Gregory Peck intones the extensive educational and health problems of the northern African countries, he proceeds south of the Zambezi River, and completely neglects to relate the marked advancements in schooling, sanitation, agriculture, health, housing, and the superior economic picture of *all* races in the Republic of South Africa and Rhodesia.

In *Newsweek* of September 11th, 1967, in a story on the terrorists out of Zambia, the author refers to Rhodesia's "unschooled African villagers". What a descriptive phrase to use when Rhodesia, along with the Republic of South Africa, far outdistances the balance of African countries in educating its millions of non-white residents.

A recent Associated Press story told of the U.S.A. finally paying members of the Chehalis Indian tribe for 832,000 acres of land which had been taken over in 1855. The sale price—less than $1.00 an acre! If a similar story had come out of South Africa, with the "Europeans" paying that amount to the Bantu. I can well imagine the unbalanced treatment the account would receive. (And while our State Department

criticizes the Rhodesians and South Africans for their racial policies, can we really offer our treatment of the American Indian as the proper example for other nations to follow?)

Strongly prejudiced reporting seeps into our school textbooks. In *Getting to Know South Africa*, written by a former New York Times correspondent, Leonard Ingalls, (publisher, Coward-McCann), the opening paragraph reads:

"This is the story of a beautiful land—and a troubled one. The threat of civil war hangs over its city streets and haunts the rolling farmlands."

Not too many months ago, G. Mennen Williams, then Assistant Secretary of State, in charge of African Affairs, voiced his fear of rioting and violence breaking out in Rhodesia and the Republic of South Africa. Following the riotous outbreaks, looting, and murders in Detroit—his home State—plus civic disorders in some one hundred other U. S. cities, Mr. Williams and Mr. Ingalls must now consider their African prognostications in a new light.

As a professional broadcaster, I have over the years admired various news productions of the BBC. When I learned of terrorist-baiting broadcasts from Zambian transmitters, which were controlled by the British, my estimations descended.—And when I learned in Bullawayo, Rhodesia that the BBC had committed the cardinal sin of utilizing film clips of a fire some years ago at the Meikle's Department Store, and editing this into current "terror and riot" coverage, I lost all respect.

When South African sources complained of a Canadian Broadcasting Corporation telecast on South Africa, the photographer, Leon Lamprecht, stated that despite assurances the CBC had altered his original script.

What is it in the Rhodesian-South African situation that motivates normally objective news media to adopt policies and methods which they accuse others of using?

In spite of the widely used terms "terror, oppression, civil war, police state" used in reference to Rhodesia and the Republic of South Africa, the description is simply not true. I travelled hundreds of miles in both countries, talking extensively with whites, Asiatics, Bantu (of African in Rhodesia), many times in very remote areas and experienced no such climate. In contrast, the large majority of the police force in Rhodesia are Africans. But, one has to look rather long and hard to find even these men—the internal Rhodesian situation has simply not demanded such protective approach. (The terrorists crossing the Zambezi, from Zambia, in many cases have been apprehended by black, not white Rhodesians.)

After an extensive study trip in Rhodesia, Rene Wormser, member of the New York bar—Walter Darnell Jacobs, Professor of Political Science at the University of Maryland, and James J. Kilpatrick, editor of the *Richmond News-Leader*—state in the May 1967 issue of the National Review, that . . . ". . . the first of astonishments in Rhodesia is its tranquillity. . . . The present situation is one of utter calm". My observations are in agreement. For us to brand Rhodesia "a threat to world peace" and at the same time apologize to Russia for damaging a ship at Haiphong is ludicrous.

It is not necessary that we agree with all aspects of government policy in South Africa and Rhodesia. I, too, rebelled at some of the aspects of apartheid in South Africa—the separate elevators, post office windows, telephone booths, separate theatrical performances for white and non-white. Some of the most controversial regulations are found in the Group Areas Act, setting up residential segregation of Whites, Indians, Coloureds (mixed racial background), and Bantus, and also a policy of job reservation in some industries, limiting certain responsibilities to whites only.

But, we must, in all honesty, and if we really wish to know the *full* story, investigate and objectively judge what advancements have been and are being made. I believe that our government must level with itself, the American public, and the United Nations. If we do not re-analyze and vary our present course, the United States could find itself in the position of taking up even more aggressive action against possibly the only two African countries which can offer continued growth and solidarity for some years into the future.

As a result of the U.S. sanctions against Rhodesia, our country is in the questionable position of having to secure such material as chrome from Communist Russia rather than Rhodesia—at the same time that the USSR is supplying planes, armament, and other war supplies to North Viet Nam. While the U.S. joins with England in attempting to beat down Rhodesia with sanctions, British ships nonchalantly trade openly with Cuba and the Communists of North Viet Nam. The Rhodesian sanctions have forced more than one U.S. industrialist to deal "under the table" to secure vital ores and materials. One Rhodesian mining executive told me that he had been contacted by U.S. business representatives seeking to purchase certain strategic minerals, but he refused to talk business with them—until U.S. policy was revised.

In Rhodesia, it was quite obvious that the sanctions were certainly not bringing about the financial crisis being described by Britain. Firms sending merchandise to Rhodesia simply route orders via the Republic of South Africa or Mozambique. Rhodesians may pay a little more commission but the "mail comes through." The challenge has motivated Rhodesians to establish over 200 new industries. Housewives told me that in the early days of sanctions such items as safety pins, breakfast cereals, stationery, cosmetics, and paper clips were extremely scarce. These and many other items are now produced in the country. And the Unilateral Declaration of Independence has resulted in Ian Smith's popularity jumping from a 55–60% to almost complete backing. UDI and the resulting sanctions have united Rhodesians as nothing else could have.

And, with all the news concerning Rhodesia, the amount of misinformation is amazing. Contrary to almost general belief, the country has no racial restrictions whatsoever controlling a citizen's voting franchise. The right to vote is based on a scale of education, property ownership, and income, with the scale applying equally to all races. In Rhodesia's 1961 constitution 15 of the 65 seats in Parliament are guaranteed to Africans. (It also sets conditions by which Africans may compete for the other fifty seats.) True, in numbers, this present representation is not in balance racially, but if comparisons are to be made on this basis, how many years will it be in the United States before ten per cent of the Congressional seats are held by Negroes? It took some one hundred years following the Civil War before Negroes secured the post of Mayor in cities with heavy non-white populations.

If the United States plans to initiate a program of criticism against all countries with political-social-racial policies, we have a rather gigantic job. On his next trip to Johannesburg, Senator Robert Kennedy should include Zurich as a stop-over, as the women of Switzerland have yet to secure their right to vote. Australia, highly lauded for its participation in the Viet Nam conflict, has rather effectively controlled racial unrest, for, in its immigration policy, Asiatics and negroes are not allowed "down under". And Liberia, never colonized, founded some 150 years ago by slave families of the U.S.A., a favorite of United States AID programs, and the site for our Voice of America African studios, has a strictly racial policy. In a strong stand for segregation, the Liberian Constitution allows no person without negroid blood to become a citizen—and only a citizen may own land.

We have allowed the racial bickering to place a cloud over the important and basic issues. With the northern African countries (aided by the United States) making an obsession out of South Africa and Rhodesia, the stark and realistic issues of the economic ABC's are put into the background. A hundred resolutions in the United Nations or the OAU against Rhodesia and the Republic of South Africa are not going to aid the agricultural and industrial output, or the pessimistic health and educational picture in Ethiopia, Nigeria, or Liberia.

Not until the northern African countries grow stronger, and show substantial progress of their own, will their criticisms of the "White Africa" have much weight. This is rather dramatically shown by the fact that over a million African workers from other countries have crowded into the Republic of South Africa to work in the expanding industries and mines.

A major factor for workers is the income picture. Excluding South Africa, per capita income averages 95 dollars yearly in African countries, and in some it is down to the 40 dollar area. Bantu earnings in the Republic of South Africa are far higher, and compare not too badly with incomes in some European countries: Monthly figures for Bantu income in South Africa average out at $55.00—Spain, all workers $69.00—Greece, $57.00—and Yugoslavia, $40.00. Annual income per head of population is three times that of Ghana, five times that of Nigeria, and six times that of India. The non-white citizens of South Africa run more motor cars per capita than people in countries behind the Iron Curtain.

Over the past few years, charges of "slave labor" have been levelled at South Africa, especially in connection with the pressures for the United Nations to set a special committee to take over the supervision of South West Africa, the area mandated to South Africa. I visited the main offices of SWANLA (South West Africa Native Labor Association) at Grootfontein, SWA. I am certain that in the past there have been many cases of injustices involved in the Bantu labor procurement. Visiting administration officials, and also speaking with Ovambo workers living in the compound area, I also know that changes have taken place. Contacting of workers, and the setting up of agreements and contracts in relation to period of work and income, is basically similar to the manner in which migrant workers are brought into Iowa to work in the tomato, pickle and sugar beet fields.

I feel that many critics of South Africa and Rhodesia are neglecting to recognize basic difficulties these countries have needed to surmount in building their expanding industry and agriculture—too many critics have explained this success with "cheap labor, plus gold and diamonds." Some industries, such as Buffelsfontein Gold Mine, which I visited outside of Johannesburg, have workers representing over 80 different languages—necessitating the learning of a new language, Fanagulo, for basic communications. And there is the land itself. In the tobacco growing area of Karoi in Rhodesia, land development was not possible until the late 1940's because of the number of lions, along with the tsetse fly. In South West Africa, a farmer, a former British Colonel, and his wife while raising cattle and maize, have had to take time out to shoot forty-one leopards on their arid farm land. A major problem in South Africa is the lack of water, and inconsistent rainfall—the Orange River Project, a 30-year construction plan of dams, weirs and tunnels is now well underway. The 630-million dollar cost, entirely financed in the Republic, will not only give agriculture a great boost but also add 229 megawatts of hydroelectric power.

No matter what varied viewpoints are aired on the African picture, all seem to agree that increased educational levels are a basic necessity for future growth. In spite of strong criticism from other African countries and from the United States, educational figures and results in South Africa and Rhodesia point out that these two countries (without the assistance of U.S. Aid) have done quite well. In South Africa over 70% of the Bantu children in the 7–14 age group are in school. Some 2,000 Bantu are in Universities or Medical School, with some 200 graduating yearly. In Rhodesia, 80% of the children receive a minimum of five years schooling, and members of all races are enrolled at the University College in Salisbury. While the literacy rate among the Bantu in South Africa is approximately 50%, what has happened in Liberia, where over $230 million in U.S. AID have been aimed at raising the whole educational level? An officer of the U.S. Embassy in Monrovia advised me that the literacy rate in Liberia was less than five per cent.

While in Liberia I spent some time with AID personnel, primarily members of the Cornell University and San Francisco State College teams working in the University and grade-high school administration levels. After some 90-man years of work, these U.S.A. educators were not at all enthused in their ability to train Liberians to take over administration and department heads responsibilities. Valuable educational grants, it was rumored, are handled on a patronage basis rather than individual student ability. And evidently many young men who do receive higher educational experience return not to enter that field but become engaged in politically appointed posts. I wondered just how much our "helping hand and heavy purse" had undermined initiative in the Liberians.

In Zambia, another object of AID from this country, a discouraged official at one of the copper mines told me that the Zambian government has issued an order to school officials that all students must be given matriculation degrees, no matter what the calibre of work produced. With school standards sagging, industry has had to take up more and more educational responsibilities.

Propaganda motivated media have been quick to picture and tell of poor living conditions for the non-white. And I saw some of these areas, such as certain sections of Soweto, a Bantu housing sector outside of Johannesburg. But I saw throughout the country thousands of fine middle income apartments and homes also. In some 15 years, South Africa has accomplished the largest housing program in the Southern Hemisphere, with a budget of 438 million dollars. Of this amount, 75% was spent on 164,000 homes for Black Africans. In Rhodesia over the past ten years, just under 90 millions of dollars has been allocated to housing for Africans.

A few weeks ago the world thrilled to the news that a successful heart transplant had been completed in Cape Town. (This was one of the few news stories out of South Africa in recent years that was free, at least initially, of racial overtones when written for U.S. listeners and readers). What a pity that the valuable knowledge and medical experience of these South African physicians will not be more readily accepted by other African countries. Unfortunately, due to the racial bickering, a wealth of experience in South Africa and Rhodesia will not be accepted by the under-developed units. In contrast, a new John F. Kennedy Hospital is now being constructed in Monrovia, Liberia with funds from the U.S.A.—and a Liberian government spokesman has stated unofficially that he shudders to think of the day the hospital will be turned over to his government, as the number of Liberian doctors can be counted on the fingers of one hand, or less.

In South Africa there are over 8,200 doctors and specialists, or one for every 1,800 inhabitants—in Rhodesia, one for every 4,300 persons. In Liberia, there is one for every 40,000 persons, and Ethiopia, one for every 96,000. South Africa has over 40,000 trained and probationer nurses, and of these over 10,000 are non-white. While visiting the Livingston Hospital for the Bantu in Port Elizabeth, S.A., and Mpilo Hospital in Bulawayo, Rhodesia, I was much impressed by training equipment and procedures, and the sense of pride with which the Africans approached their responsibilities.

One rather interesting point, in Bulawayo, Rhodesia, the sophisticated and extremely expensive X-ray and cobalt treatment equipment is located in Mpilo Hospital for Africans, not the hospital for whites. The reason is quite simple; there is much higher frequency of use due to greater number of Africans. Whites requiring treatment go to the African hospital. It is also at Mpilo Hospital where white nurses serve under the direction of African supervisory personnel.

Tribalism, its customs, and the Africans reliance on witchcraft are almost incomprehensible to Westerners. A hospital administrator at Mpilo Hospital, Bulawayo, Rhodesia, stated that African nurses, with training in biology, physics, chemistry would still seek the witch doctor in case of serious accident or illness in their families. In Zambia a higher government official pleads with members of the legislative assembly to cease relying on witchcraft to further their legislative aims. In Bulawayo, Rhodesia, a healthy African worker in a modern tire-recapping plant dies as the result of the "witch doctor" placing a curse on him. Near Windhoek, in South West Africa, a mother, on the command of the tribal chief, took out the eyes of her son, accused of stealing (the court trial of this case was in session in Windhoek when I visited there).

One tribal custom which affects the initiative and accomplishments of a worker is found in most African countries. If a man secured a raise in income, he may find a horde of relatives on his doorstep, and he must take care of them. A U.S. consulting engineer in Monrovia told me of a Liberian worker who pleaded that his employer not divulge the amount of his salary to his parents—he could foresee many unemployed relatives moving under his roof which would pretty well cripple his own personal plans.

Over the centuries Africans have never "voted" as we know of it. Ways of Western democracy (as we have also found in Viet Nam) are foreign to them. Tribal decisions begin with discussions of family heads and kraals chiefs, then a lengthy palaver of councillors before the Tribal Chief makes a decision. This tribal approach has been incorporated, along with a Western method of voting, in the Bantu government of the Transkei, in South Africa.

That the machinery of Western democracy is difficult for the African nationalist to fathom is seen in this analysis which appeared in the *Malawi News*, official organ of the Malawi Nationalist Party on November 26th, 1960:

"For in a typical two-party system, you have two parliamentary factions—one dedicated to 'doing' and another dedicated to 'undoing'. . . . So from its very birth every law proposed and passed by a Government has bitter foes to see to its immediate or ultimate annihilation. It is a system of government with a built-in subversive mechanism. Under it a State works with, and finances, forces of its own destruction . . . (but) Africa must evolve systems that suit her people's attitudes and temperament."

The number of African countries with one-party "democracies" bears out this belief quite strongly.

There are undoubtedly many changes that Americans would like to see in Africa—not only in South Africa and Rhodesia, but in all African countries. But in attempting to motivate these changes, let's not ignore advancements made in Rhodesia and South Africa. At the same time, we need to analyze the situations in other African countries in a more realistic light.

Obsession with racial matters of Rhodesia and South Africa has kept northern African countries from concentrating on their own vast needs for advancement. The United States has not helped by adding more sanity and balance to the problem. Add to that the fact that we need to give the world a better answer in racial problems than what we have displayed up to the present.

Some elements of light can be seen. At an OAU summit meeting at Addis Ababa, President Tubman of Liberia stated the organization would be better employed in putting its own house in order. Recently, Phillip Richardson, the first chargé d'affaires from Malawi to the Republic of South Africa arrived in Pretoria—his aim, "to further the good relations now existing between Malawi and South Africa". And, the *New York Times* has shown that it too can be more realistic in its approach, when C. L. Sulzberger writes (Dec. 15th, 1967), "It is time for the United States to pipe down on South Africa. This country has a race policy which I personally find both abhorrent and absurd. It is also exceedingly arbitrary in applying justice to white opponents, but that is South Africa's affair, not ours. . . . It seems to me we go too far in interpreting the United Nations embargo on South Africa. . . . We would do better to encourage this trend (toward tolerance) and foster South African association with the outer world instead of driving it back into the laager of isolation from which it is just starting to escape."

Even with our vastly more advanced educational system, and our civil rights legislation, the U.S.A. remains highly concerned about approaching another "summer of discontent". If our problems take time, is it not logical to grant the same concession to countries whose racial spectrum is so much more intricate and involved than our own? Rather than a policy of continuing irritation, can't we acknowledge the advancements that have been made in the Republic of South Africa and Rhodesia, and find ways to work together on solutions to complex problems which demand a united effort from the best minds of both continents?

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## RICHARD K. JONES—CONFERENCE REPORT

Mr. TALMADGE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 454) for the relief of Richard K. Jones. I ask unanimous consent for the present consideration of the report.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The bill clerk read the report.

(For conference report, see House proceedings of March 18, 1968, page 6738, CONGRESSIONAL RECORD.)

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

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

Mr. TALMADGE. Mr. President, I move that the Senate agree to the conference report.

The motion was agreed to.

## A TIME FOR FISCAL RESTRAINT

Mr. WILLIAMS of Delaware. Mr. President, in today's Wall Street Journal appears an editorial calling attention to the lack of leadership by the Johnson administration in having exercised the proper fiscal restraint in the face of our continuously mounting deficits.

The editorial cites this lack of fiscal restraint as being responsible for the lack of confidence in the American dollar and places emphasis upon the need for an expenditure reduction and the enactment of a tax increase.

The article very properly compliments Representative MILLS upon the firm stand he has taken in insisting that a realistic expenditure reduction must accompany any increase in taxes.

Pending on the Senate Calendar is a bill the purpose of which is to extend the automobile and telephone excise taxes, which otherwise will expire April 1.

Notice has been served that when this bill is considered by the Senate a determined effort will be made to attach to it an amendment which will:

First. Write into law a mandatory reduction in expenditures for 1969 of at least $8 billion, and

Second. Enact a 10-percent tax increase on both individuals and corporations, the effective date of the corporation tax to be January 1 and the effective date of the individual tax to be April 1.

In the light of the recent run on our gold supply as well as the continuing pressure on the American dollar neither Congress nor the administration has a choice other than to enact such a proposal of fiscal restraint.

Since this bill has a deadline of April first, I strongly recommend that the leadership of the Senate temporarily lay aside the pending business and proceed to the immediate consideration of the tax bill.

The pending business could be laid aside with the clear understanding that as soon as the tax bill has been disposed of, the Senate would automatically revert to the consideration of the measure now before us.

I ask unanimous consent that the editorial from the Wall Street Journal, entitled "Provided by Disaster," an editorial that appeared in yesterday's Washington Daily News be printed at this point in the RECORD.

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

[From the Wall Street Journal, Mar. 20, 1968]

PRODDED BY DISASTER

The gold crisis provides another telling example of the type of leadership the nation has come to expect from the Johnson Administration. It proved incapable of seriously attacking the problem until things got so bad an American businessman in Europe found he couldn't cash dollars to buy dinner.

The gold drain, after all, didn't start last week. It has been going on some time now. The actual importance of the problem, now so clear to nearly everyone, contrasts sharply with the low priority assigned to it for many years. Only when total collapse threatened did the Administration accept—if indeed it really has now—the need for painful domestic and international measures to protect the dollar.

To be specific, take the Administration's attitude toward the budget cuts Congress has quite sensibly set as a price for the President's tax increase bill. The week before last, the Administration was stoutly insisting that reductions of any magnitude were impossible. By the end of last week's run on gold, it started talking of appropriations cuts of $8 billion to $9 billion, which would translate into considerably smaller spending cuts in the coming fiscal year. President Johnson proclaimed that "some desirable programs of lesser priority and urgency are going to have to be deferred."

That, though the President naturally didn't say so, is what Representative Wilbur Mills and other key Congressmen have been telling him all along. They have observed that since spending demands on Government are roughly infinite, few things are so permanent as a temporary tax. Thus the leader who says a tax increase is necessary must also present an austere budget.

The Administration's response had consisted of denying the obvious by pleading a bare-bones budget. Subsidies for the supersonic transport, for instance, were increased only to $350 million in fiscal 1969 from $100 million in the current year. If that represents the Administration's notion of austerity in subsidizing business, imagine its standards of austerity concerning the social experiments of which it is so proud.

That particular foolishness may or may not be over, but the Administration's leadership problems are not. The legacy of its past talk even now saps its power to shape events. Despite the crisis, Congressional approval of a budget cut and tax increase package will not come easily. Mr. Mills, for one, is doubtful the newly proposed cuts are enough. Congress has already heard enough talk about austerity; this time it will want to see the color of the money involved.

The most serious mark against the Administration's leadership in the gold crisis, finally, is that everything was so utterly predictable. Ever since the British were forced to devalue the pound, certainly, there have been recurring threats and warnings about a speculative attack on the dollar-gold relationship.

The remedy has been equally clear: Getting the Federal budget closer to balance and clamping down on the wildly inflationary policies of the Federal Reserve Board. If the Administration had at the turn of the year proposed the spending cuts it now endorses, perhaps the crisis would never even have developed. Now that it is in full bloom, though, those same steps may not prove enough.

A single instance of such temporizing leadership is deplorable enough, but with this Administration it seems to have become a habit. Thus the whole record of its Vietnamese war is that of policy being shaped only by response to one crisis after another. In its general economic management, it rebuffed warnings of serious inflation even from the "new economists" until after the warnings had proved all too accurate.

In light of that record, it came as little surprise Monday that our Mr. Janssen reported that many within the Administration saw a "silver lining" in the gold crisis. They are thankful the crisis has arrived, because now it finally may be possible to do what should have been done all along.

That may be a silver lining, but it is also a sickening indictment of their own collective leadership. This Administration, it once again seems, can take the initiative only when prodded by impending disaster.

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[From the Washington Daily News, Mar. 19, 1968]

ENCOURAGING WORD FROM L. B. J.

From President Johnson the word now is—more or less—that he finally is willing to face up to meaningful cuts in Government spending as a means of persuading Congress to pass a tax increase.

In Minneapolis yesterday he said:

"I ask you to join in a program of national austerity to ensure that our economy will prosper and our fiscal position will be sound."

He also said "We will do whatever is required" to meet the needs of our forces in Vietnam.

We have heard these encouraging words before. This time, Mr. Johnson had better mean it. Because by now there is no other choice.

It is not a question of what we want to do. It is a question of what we have to do.

The top Government bankers of the world have moved to curb the speculation in gold. But the bankers' steps, decided on at an emergency session here last week-end, will merely buy time—time in which to stave off real trouble.

Congress has refused to raise taxes because the key men were convinced Mr. Johnson would simply spend more with the extra money. So they have demanded deep cuts in spending. Now, it appears, the President is in the process of agreeing.

A good many people and a good many things will suffer from this.

The people will pay more in taxes. Mr. Johnson's "Great Society" programs will have to be postponed, or reduced, or abandoned. It won't be a happy time for anybody—save LBJ's election-year opponents who will have this much more to talk about.

But if prudence had been prevailing in the Government the last 10 years, the problem would not have arisen. If Mr. Johnson had held down spending and had taken real steps to prevent the excess flow of dollars out of the country when he first came to office, the problem would have gone away.

But it now is too late for any easy way out. More political pussyfooting simply will aggravate the crisis.

The country can survive more taxes and it can survive a severe cutback in "Great Society" schemes. The suffering which would follow a collapse—or even a near collapse—of the international monetary system would be far more widespread and far more painful.

If we do not shore up the dollar, in any case, it will not be possible to do all the things Mr. Johnson has in mind. We can't fight a war with the dollar going to pot. We can't remodel cities, or war on crime, or purify streams or do much of anything else if inflation becomes rampant.

The Senate has before it an excise tax bill. Sen. John J. Williams has an amendment which also would raise the income tax and at the same time whack $8 billion out of the spending. If the Senate and House would adopt this plan promptly, it would go a long way toward alleviating the world trouble in which the dollar now finds itself.

The House and Senate will fail this only at the national peril. LBJ should be up there demanding action on the whole package.

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## ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there further morning business?

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

## ILLINOIS—TRANSPORTATION HUB

Mr. DIRKSEN. Mr. President, the greatness of Illinois as a producer of both agricultural and manufactured products is enhanced by its network of highway, rail, air, pipeline, and waterway transportation facilities.

Chicago is the transportation hub of the Nation. Through Chicago, more than through any other gateway, flows a steady movement of goods of all kinds, east and west, north and south. Here are joined the eastern and western railway systems, the Great Lakes and the Mississippi waterway traffic, our vast system of pipelines, the greatest accumulation of motor carriers in the world, and the world's busiest airport.

All communities in Illinois, from metropolitan areas to the smallest farm centers, share equally in the good things of life because of the unparalleled transportation system serving people everywhere.

The Nation's greatness comes in large measure from the fluid movement of goods and people. The State of Illinois has a proud record in the development of transportation of all modes, and will expand its transport leadership as the economy of the State and of the Nation continues to grow.

It is, therefore, most fitting that we salute the dedicated men and women making up our vast transportation systems on the occasion of National Transportation Week, May 12 to 18, 1968.

I ask unanimous consent that the proclamation by the President, designating National Defense Transportation Day and National Transportation Week, 1968, be printed in the RECORD.

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

PROCLAMATION 3834: NATIONAL DEFENSE TRANSPORTATION DAY AND NATIONAL TRANSPORTATION WEEK, 1968

(By the President of the United States of America)

One hundred years ago, an American travelling from San Francisco to New York went by ship to Central America, crossed the Isthmus by mule and wagon, and four weeks later arrived at this destination.

One year later, with the completion of our first transcontinental railroad, he could travel in relative comfort from California to New York in ten days.

This revolution in transportation was one of the principal causes and opportunities for the rapid progress of our Nation—the taming of a vast continent with a rapidity which astounded the countries of Europe and continues to amaze historians.

The history of our country cannot be separated from the story of our transportation—nor can its future. We look today to the leaders of our transportation industry for the imagination and enterprise which, in the past, did so much to make our Nation great.

While the Government of the United States must continue to play a key partnership role in the improvement and expansion of our transportation system, basic decisions on investment and operation are made by private industry. This partnership between Government and industry forms one of the most critical elements of our economic system.

This partnership will be called upon in the future to meet even greater challenges than ever before.

To call public attention to the contributions of this great industry—and to the challenges it faces—the Congress, by a joint resolution approved May 16, 1957 (71 Stat. 30), has requested the President to proclaim annually the third Friday of May of each year as National Defense Transportation Day, and by a joint resolution approved May 14, 1962 (76 Stat. 69), has requested the President to proclaim annually the week of May in which that Friday falls as National Transportation Week, as a tribute to the men and women who, night and day, move our goods and our people throughout the land and around the world.

Now, therefore, I, Lyndon B. Johnson, President of the United States of America, do hereby designate Friday, May 17, 1968, as National Defense Transportation Day, and the week beginning May 12, 1968, as National Transportation Week.

I urge our people to participate with representatives of the transportation industry, our armed services, and other governmental agencies in the observance of these occasions through appropriate ceremonies.

I also invite the Governors of the States to provide for the observance of National Defense Transportation Day and National Transportation Week in a way that will give the citizens of each community the opportunity to recognize and appreciate fully the vital role our great and modern transportation system plays in their lives and in the defense of the Nation.

In witness whereof, I have hereunto set my hand this seventh day of March, in the year of our Lord nineteen hundred and sixty-eight, and of the Independence of the United States of America the one hundred and ninety-second.

LYNDON B. JOHNSON.

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## HOW DANGEROUS IS MARIHUANA?

Mr. MOSS. Mr. President, the recent statement by Dr. Stanley F. Yolles, Director of the National Institute of Mental Health, that the use of marihuana among our young people is on a sustained upswing, while that of LSD is decreasing, points up once again the importance of knowing far more than we know now about marihuana and its effects.

In testimony before the Subcommittee on Juvenile Delinquency, Dr. Yolles reported that surveys made under National Institute of Mental Health grants showed that perhaps 2 million high school and college students have had experience with marihuana, some of them using it only a few times, but others having deeper and more regular experience.

He furthermore revealed the challenging fact that fully 50 percent of the students contacted in the surveys said they had felt no effects whatsoever from the marihuana they had used.

This brings into focus again some of the questions which have been raised about marihuana, and about which I have spoken on this floor before, to wit:

How dangerous is marihuana?

Does it, like alcohol, pose primarily a problem in its use rather than constitute an abuse?

Or is it a drug whose use should be discouraged at all costs—a drug which under certain circumstances and dosages can lead to hallucinations, to a faulty sense of time, to a loss of judgment, to a lack of muscular coordination, and to many other undesirable physical and mental manifestations?

Again, what are the long-term effects of smoking marihuana? Could it induce lung cancer, as we know the smoking of cigarettes made of tobacco can, or can its continued use cause chromosomal changes, as we know can be the case in the use of LSD?

We can only get the hard data to make a full judgment through intensified research, and I was very pleased to note, therefore, that the budget request for drug research for the National Institute of Mental Health—the principal Federal agency sponsoring research in this field—has been increased from $4 million in fiscal 1968 to $4.6 million in fiscal 1969. I would personally favor stepping up the research rate even faster, but I am informed the funds requested are all that can be used to good advantage at this time.

The President's Commission on Crime and the Administration of Justice has heartily recommended that the Government support, stimulate, and if necessary do the research on marihuana that is long overdue.

We should be launching now, today, every type of study which will bring us any of the answers we want on marihuana, since it is usually 2 or 3 years after a project is begun before definitive results are available, and in any study of the effects of long-term use, it will take even longer, of course. We need hard, irrefutable facts immediately because it is all too clear that many of our young people are literally "going to pot."

We have been able to stem to some degree the use of LSD because we can prove it produces both psychological and biological effects which are dangerous. Factual scientific information based on research findings shows that LSD can not only cause severe psychotic reactions, but may also cause chromosomal changes in the cells of the user, and for a woman, in her children. Most of our young people are too hardheaded and practical to take such chances, and as the full effects of the use of LSD have become more widely known, its use has declined.

But we have no such conclusions on marihuana—in fact we have a welter of inconclusive information which does not impress most of our youth in the least. And now the fact that the National Institutes of Mental Health has just told us that about a million young people interviewed in surveys conducted under National Institutes of Mental Health grants say they felt no effects whatsoever from marihuana is certainly not going to discourage its use.

One reason we do not know more about marihuana than we do is that there have not been satisfactory supplies of the product for research. The cannabis plant, from which marihuana is made, grows wild in many places in this country, but it is generally considered as inferior and unwanted. Supplies of a standard product must come from Mexico or overseas. Recently, however, the National Institute of Mental Health has developed a synthetic, called THC, and since it provides a satisfactory product for research, this will ease the supply problem.

A number of programs are now being inaugurated, including investigations of long-range toxicity in animals through biochemical research, and carefully con-

trolled human studies. In addition, the National Institute of Mental Health will expand current programs of social and psychological investigations of marihuana users and has other plans. It is estimated that all these studies will cost approximately $5.25 million over the next 3 years.

The National Institute of Mental Health tells us that it has developed a survey method which it is believed will more accurately assess the prevalence of the use of marihuana in high schools and colleges and a grant proposal for a 5-year study is pending. The "no-effect" findings in the instance of 1 million young marihuana users is suspect for several reasons.

For one, there is serious question about the potency of some of the material used. Alfalfa is sometimes sold for marihuana in cigarettes, as are other similar products. A young person may think he has smoked marihuana, and insist he felt no effects, when actually he may have smoked something else, or have smoked marihuana in a very mild form. The term "marihuana" includes nearly all parts of the cannabis plant, and can range from a relatively mild mixture of leaves and flowers to the more potent pure extract which is known as hashish and which for many years has been used in India and other countries.

Again, the circumstances under which the drug is used may affect the results, as may also the fact that the user may not know what to look for insofar as the effects are concerned. He may not realize that all effects of the so-called happy weed are not happy. It may make him depressed, or physically ill, or it may heighten his perception, and loosen his inhibitions, and do many other things.

What do we know about the effects of marihuana at this time?

We know it can cause a mild euphoria, heightened suggestibility, faulty perception, distortion of time and space, rapid heartbeat, unsteadiness and drowsiness, and can prevent muscular coordination. Think how hazardous some of these could be to a person behind the wheel of a car.

In acute intoxication, especially when marihuana is ingested, we know it can produce hallucinations, pronounced anxiety, paranoid reactions and transient psychosis lasting from 4 to 6 hours.

We also know that a large enough dose can cause a temporary psychosis in almost anybody, and that for some persons a much smaller amount will have the same effect.

Studies of 2,000 addicts at the Public Health Service Clinical Research Center in Lexington, Ky., showed that marihuana was the first step in the progression to heroin for about 60 percent of the addicts, although we have no indication that marihuana is addictive. Instead, we believe it creates a psychological dependence. Its use is high among young people who have psychological problems—people who seek out marihuana as a way of coping with them. It also appeals to people who are seeking a thrill, or something different, or who want to thumb their nose at life.

It leads to use of stronger drugs only in the sense that the taking of one drug leads to an interest in experimenting with another. Studies now underway on drug patterns should help clarify the extent to which the milder drug marihuana does lead to use of more potent and definitely addictive ones.

We must also find out more about the long-term effects of marihuana—can it for example, produce lung cancer, or can it produce any change in the chromosomes, a change which can be passed on from generation to generation, or any other abnormalities.

We need to know these things as soon as possible because all too many of our young people are smoking "reefers" or "sticks" or "weeds" or "pot" or whatever the current name is for marihuana in their locality. Its use is second only to alcohol in escaping reality.

If continued use of marihuana even approaches the harm and heartbreak which comes from the continued use of alcohol to an alcoholic, or if it induces physical ills even half as serious as the lung cancer and emphysema and heart disorders which result from cigarette smoking, then we should be in a position to at least forewarn our young people now, and let them make a decision as to whether they really want to "go to pot" in the light of all of the facts.

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## HIGH-PRESSURE CREDIT MERCHANTS

Mr. PROXMIRE. Mr. President, recently the Washington Post concluded its excellent series of articles on high-pressure credit merchants in Washington, D.C. The articles were based upon a study conducted by the Federal Trade Commission.

The articles and the FTC study show that poor families pay substantially more for merchandise and for credit. It is claimed as justification for these high charges, that those who extend credit to the poor incur greater expenses and that the higher charges will compensate for this greater risk. It is also true, however, that many poor families are high pressured into buying merchandise they do not need and cannot afford. The easy credit merchants simply do not wait for the poor to come to them. On the contrary, they employ door-to-door salesmen to persuade the poor and unsuspecting to buy merchandise on credit. This is an extremely wasteful and inefficient system which in effect is subsidized by those families who are able to meet the exorbitant terms.

Mr. President, I ask unanimous consent to insert in the RECORD the articles from the Washington Post.

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

THE POOR TAX—III: MERCHANT'S VIEW: LET BUYERS BEWARE

(By Robert C. Maynard)

A store, Allen Baverman said, has the right to charge what the traffic will bear so long as the customer knows the full price.

Price, Baverman said, is not important. "People are mainly interested in getting the item."

Baverman is out of the high-credit merchandising business, and he talked to a reporter. Attempts to interview those now in the business were rebuffed.

Baverman operated the Empire Furniture Co., but closed it in 1966 after signing a Federal Trade Commission consent decree to halt deceptive practices.

Now he owns Atlantic Finance Company, 530 7th st. se., which buys conditional sales contracts from high-credit retailers. His interest rate of 16 per cent a year works out, in actuality, to 30 per cent effective annual interest.

He agrees that the poor pay more, that because of their ignorance of the ways of the market they often pay prices that far exceed those paid by middle-class consumers.

But he places the blame for these malpractices on the customer. "The answer is education," he says.

"It's only exploitation if the customer doesn't know what she is being charged." Otherwise, he says, any price that the customer is willing to pay is all right.

"While higher prices are not necessarily exploitative in themselves," says the National Advisory Commission on Civil Disorders, "many merchants in ghetto neighborhoods take advantage of their superior knowledge of credit buying by engaging in various exploitative tactics."

Federal Trade Commission records indicate these are some of the more common methods:

Inducing customers to sign blank contracts.

Obtaining signatures on contracts by telling reluctant customers that they are signing receipts for merchandise left only for "free home trial."

Refusing to disclose the full price of merchandise, telling the customer only how much he must pay each week.

Selling used merchandise, saying it is new.

"It's true," Baverman said. "Those things happened."

They happened at Empire Furniture Co., which he owned.

Baverman says he didn't know they were going on.

"When I found out," he says now, "I stopped them." He did more than that. He closed Empire because he said it wasn't making very much money anyway.

With what was left from Empire, he bought Atlantic, Baverman said.

Because Baverman knows both the credit-merchant side and the finance-company side, he was asked what criticism of the high-credit business he would think legitimate.

Concealing total prices, Baverman said. He would favor a law, just about the only regulation he supports, that would place price tags on all items.

Then he added:

"But they (merchants) would find a way around that by adding on something like insurance or 'repair fee' or something like that."

Short, slightly on the husky side, Baverman is friendly, engaging, intense, and indignant.

Crime in the streets, deadbeats on the Government payroll, the press, legal aid lawyers and people who call credit merchants "exploiters" are among the irritations in the life of Baverman.

And as he becomes indignant, his intensity becomes evident in the nervous working of a panatella cigar; he treats it almost as though it were chewing gum, and he can go through two or three an hour.

"Listen," he says, "as long as the customer knows that the television set is $250, and that more than likely she can get it at another store for less, that's not exploitation. Absolutely not. It's not even exploitation if she can't get it at another store. The other facts are not important; it's her choice to either buy it or leave it alone."

(Baverman always refers to the customer

in the female gender. The FTC study helps explain why: "Whenever possible the salesman endeavored to have both the wife and husband sign the contracts. In many cases, however, only the signature of the wife was obtained. Most of the remaining (unmarried) customers were women.")

The fact that the customer may not have credit available elsewhere is not crucial to Baverman. A price is a price.

"It's only exploitation" to Baverman "when the customer doesn't realize at the time of the sale what she is going to pay.

"Listen. Just listen. Eight or nine years ago in this town, where could a Negro get credit for things like clothing and furniture?"

He named a large department store and added, "If you went there in those days, they would say, 'Sure, we'll give you credit. Our maximum is $30 worth.' "

At another leading department store, the answer to a Negro was "no credit." In fact, he said, "they didn't want Negroes in the place. Period."

Discrimination, he admits softly, gave his business its birth and caused it to flourish. It helped Negroes have things they needed on credit when they could not obtain those things in any other way.

But it was not exploitive, he maintains—it helped people. The high price of that help is incidental.

Do all of these things create resentment of the ghetto businessman? Baverman was asked. Is there much anti-Semitism?

Baverman acknowledged that there was.

"If the Negroes start this racial stuff, they'll be sorry," he said. "I never heard anything like this anti-Semitism stuff until recently.

"Look, 7th Street happened to be the center of the downtown business area. When the Negroes started to come down there, where should the Jews go?"

So, the Jewish merchant, Baverman was saying, stayed on and traded with Negroes, and now? Now, the Negroes—"not all, certainly, not all, but some"—were showing signs of anti-Semitism.

He did not mention the studies done on anti-Semitism among Negroes, studies that have shown that while there is some hostility, it is paralleled by a certain trust.

But Baverman thinks that the high-credit merchant can sleep well at night, that he does perform a service.

But it's getting harder and harder to perform that service, he says.

"There's a Legal Aid lawyer on every corner," he says. "And when you go to court, the customer is always right."

The whole business of selling to low-income people on credit, Baverman said, may be a dying business.

With an odd mixture of regret and pride in his voice, he said, "You may be looking at its last days."

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[From the Washington Post, Mar. 20, 1968]

THE POOR TAX—IV: SLUM MERCHANTS SELL DEBT ON EASY TERMS

(By Robert C. Maynard)

"Despite their substantially higher prices, net profit on sales for low-income market retailers was only slightly higher and net profit return on net worth was considerably lower when compared to general-market retailers."

So said the Federal Trade Commission's recently published report on Washington's high-credit merchants.

From the FTC's study, it can be seen that somewhere, somehow, somebody is paying a lot of money for items—more than they cost normally.

In effect, those persons who keep paying on their purchases from high-credit merchants "finance" bad debts by other purchasers. And they help pay hefty commissions for the door-to-door and other salesmen employed by the merchants.

The FTC study said that the salesmen earn commissions of about 15 per cent, many times those given salesmen in the general market.

But the study placed more emphasis on bad debts, and the costs such debts create.

From its own study of the FTC report, the National Advisory Commission on Civil Disorders noted that "the cost to the merchant is significantly above that of serving middle-income consumers."

PAY SAME PRICE

The FTC points out that the good credit risk and the bad credit risk pay the same prices in the high-credit store.

It must be pointed out, of course, that not all stores near poor neighborhoods are high-credit stores. Many stores on 7th Street, for instance, are general-marketing retailers, mostly selling for cash or on conventional charge accounts.

The true test of the high-credit merchant is whether his sales are made primarily on credit, whether the credit financing charges are high and whether it is difficult to establish the cash price of an item without the financing automatically added into the price.

Those prices, the FTC study found, are marked up two and a half times cost, on an average. If the store paid $10 for an item, it would normally sell it for $25. If a department store pays $10 for an item, it prices the item at about $16.50, says the FTC. Possibly because the risk of selling to the poor on credit is presumed to be greater than selling to the middle class, the cost of financing purchases is higher for the poor, even after they have paid more for the actual product.

Except for firms that finance their own credit operations, the FTC has found that the average credit contract sold to a finance company costs the customer 25 per cent a year, at least 4 per cent higher than in the nonghetto market.

Thus, the poor pay what amounts to a tax on a tax. If the item purchased costs more than it would a middle-class customer, and the interest is calculated on the price, you get a picture like this:

"POOR TAX" OF $100

A merchant can buy a washing machine for $100 whether he is a high-credit merchant or selling to the middle class. The high-credit merchant in the ghetto, using the FTC markup figures, will sell the item for $250. The finance company on a contract to be repaid in a year will charge interest of $33.85 for a total, without sales tax, of $283.85.

The middle-class customer, meanwhile, will pay a basic price of $165 for the identical washing machine, plus a finance charge of $18.77, for a total of $183.77.

The "poor tax" on the sale amounts to just over $100.

There is a further difference that points up the gap between the experiences and costs of the two classes in the marketplace. What if the washing machine breaks down? If repairs are not made promptly by the dealer, either customer would halt payment.

Here the "holder in due course" doctrine comes into play.

According to this doctrine, the finance company collecting the payments has the right to go on collecting payments, regardless of what happened to the goods the money bought. The doctrine says that the payment collector—the "holder in due course"—has paid for the note in good faith and is legally entitled to have his investment repaid.

Finance companies can normally claim this special legal status that immunizes them from the complaints of buyers. As holders in due course, the finance companies are guaranteed one thing—payments.

If a person buys a faulty washing machine from a dealer who caters to the middle class, the chances are quite good that the problem will be worked out regardless of whether the dealer has sold the note to a finance company.

This frequently is not the case with the ghetto resident. In many cases, if he stops payment, he will wind up defending himself in court.

The fact that the dealer sold him a bad washing machine is no defense for not paying the finance company. Without a lawyer, the ghetto resident will probably lose his legal battle.

The result could be the loss of the washing machine and liability for the unpaid balance as well.

The FTC found that in 1966, 11 credit retailers who cater to the poor obtained a total of 2690 judgments, 1568 garnishments and 300 repossessions in General Sessions court.

Put another way, the merchants of credit to the poor sought one judgment for every $2200 of merchandise they sold. Stores outside of the ghetto, meanwhile, sought one judgment for every $232,000 of merchandise sold.

A TYPICAL EXPERIENCE

The poor were sued 100 times more often than the middle class: Maggie B. Jamison's experience is typical. In testimony before the Senate District Subcommittee concerning Consumer Credit Legislation, she described her experience as follows:

She saw an advertisement in a newspaper for color television sets, with a trade-in allowance for an old set. Mrs. Jamison called the number for Giant TV Co. (not to be confused with the Giant Appliance Division of Giant Foods) at 4019 South Capitol st., and said she wanted a Philco color set. She was given a price, she says, of $599. The payments were to be $5 a week.

Then came delivery. "Before I knew what they were delivering, they asked me to sign a piece of paper telling me it was just a delivery receipt. They also told me to sign my husband's name for insurance—in case the television was stolen."

She protested that she had no authority to sign her husband's name, but the company representative, she remembers, said the signature obligated her husband to nothing financially.

She signed James Jamison Jr. on the piece of paper—the "receipt"—which was, in fact, a contract obligating the Jamisons to pay $800, of which $150 was to be financing charges, in 40 payments (once every two weeks) of $20 each.

James and Maggie Jamison, who live at 1317 South Capitol st., are poor. They have eight children. Maggie Jamison works nights as a short-order cook for $55 a week. Her husband works in a boiler room. He brings home $89 a week. That's $144 a week for ten people.

And Maggie Jamison thought she was buying a Philco, a brand she had heard of, the name they mentioned in the ad. It was "a brand we never heard of," Mrs. Jamison says.

Maggie Jamison thought the payments were $5 a week. So that's what she sent to the finance company, even though the payment book she received carried no amount, she says.

The store representative called and told Mrs. Jamison she would have to double her payments and "he threatened that if I did not keep up the payments he was going to garnishee my husband's and my wages."

The Jamisons would not—and could not—make $40-a-month payments for a television set. They told the company to come and get it.

"I thought that would be the end of it," Mrs. Jamison says, but Bonded Adjustment Association, Inc., a finance company, sent a letter to her husband at the place of his employment, saying he owed $700 for a television set that had been repossessed. Mrs. Jamison also got several calls each evening at her place of employment.

Then came the suit for $725, plus interest and attorney fees.

Mrs. Jamison went to the finance company and pleaded that since she did not have the television set, she didn't see why she should pay for it. The company offered to settle with her for $125.

ATTORNEY'S ADVICE

"But I told them I did not have that much money and did not think I owed it anyway."

Garnishment came next.

Mrs. Jamison went to see a lawyer of the Neighborhood Legal Services Project. The wage assignment was lifted and a default judgment was set aside. Fraud was alleged against Giant and slander of credit against Bonded Adjustment in a counterclaim suit. The suit against the Jamisons was dropped. All litigation was then terminated.

Had the Jamisons not obtained legal help, the outcome might have been very different.

The commodity being offered to Mrs. Jamison was credit—debt.

It is the only way she could afford to have a color television set, but the fact of the matter is that she could not afford a color television, any more than most poor people can afford what is being offered on "easy credit" terms.

But the credit system to the poor survives because, as the Kerner Commission says, America is an affluent land and, to many of the poor, that affluence screams out at them constantly.

So Maggie Jamison learned, as so many others do, that the system is not so easy, that color television even at easy credit rates—or perhaps especially at easy-credit rates—is more than she can afford.

## A NATION OF ACHIEVERS

Mr. MANSFIELD. Mr. President, what "A Nation of Achievers" can do is eloquently and persuasively revealed in the state of the nation message of that title which the Honorable Ferdinand E. Marcos, President of the Republic of the Philippines, delivered before a joint session of the Philippine Congress last January 22.

As this message so strikingly documents, the Philippines Republic has, indeed, chalked up a most impressive record of economic progress and political growth under President Marcos.

A better life for our people is the best guarantee of their security—

Said President Marcos in his stirring address. It has been to that end that his efforts have been dedicated and directed. The concrete results speak for themselves. Here are some highlights.

During the 2 past years the foreign exchange reserves of the Philippines Republic have more than doubled, from almost $100 million in 1967 to $237 million as of January 1968. In that same period, moreover, remarkable advances in agricultural production were achieved. It is no small feat that the country is now self-sufficient in rice and corn. This goal which has been the will-o'-the-wisp of economic planning in the Philippines for decades has at last been attained and 1 year ahead of the schedule. Important steps have also been taken to revitalize the nation's industry. Looking toward the future, too, is the beneficial program which is now underway to conserve the nation's natural resources.

In his address, President Marcos called attention to the fact that the Government has been intensifying its efforts to end the insurgency in the rural areas. In this connection, he gave special recognition to the constructive role of the nation's armed forces in economic and social development. Under his direction, they now give significant assistance in the infrastructure program as, for example, by constructing new roads and bridges and building schools. A Philippines military engineering group, it should be noted, is working in a similar fashion in concert with us and others in Vietnam.

The state of the nation report indicates progress in the attainment of a number of basic needed reforms. Land reform has been carried out on a major scale. The tax system has become more efficient with a resultant rise in collections of revenue. And the Government has waged a determined campaign to stamp out smuggling and eliminate graft and corruption.

Inasmuch as this is an election year in the United States, it seems timely to refer to one Filipino law which was enacted, in part, as a result of President Marcos' initiative. That law requires political parties to limit the period of their activity to 3 months for elections at the local level and 5 at the national level. Perhaps it is not beyond the realm of speculation to submit that by the time the 1968 elections in the United States come to an end, the American people may well wish to take a page from the Filipino book and provide for similar limitations.

In his state of the nation address, there is frank admission by the President of the Philippines that the Filipino nation has, in reality, only begun to fulfill its destiny and must continue to strive to meet new goals. Among the 1968 targets listed for his administration are the following:

A sweeping reform in the nation's traditional and inadequate tax structure; fuller implementation of land reform; launching of a massive housing program for low-income groups; emphasis on manpower development and training; promotion of export products; further agriculture, education, and conservation measures; and strengthening peace and order.

After highlighting the recent achievements of the Filipino people, President Marcos made the following remarks which provide the key to the remarkable advance which is now in progress:

Subsuming all these achievements is a new spirit and a new outlook discernible in the Filipino people—the will to confront the tasks of development and of nation-building purposively and energetically.

These are achievements not of a particular government administration but of the Filipino people as a whole. All these results, realized with no increase in material resources, tell a story about us—a success story that exhilarates by its very novelty and rarity in our national experience. We are no longer what we always believed we were—a nation of incompetents and failures. We have become—perhaps imperceptibly—a nation of achievers. We have begun to undergo the experience of competence which forms the basis of genuine self-confidence for men or nations.

There is a new birth of confidence in ourselves as Filipinos. This is in itself a source of great creative power. It reminds us of our distinguished heritage as the nation that pioneered the libertarian movement in Asia and founded the first democratic republic in our part of the world.

I know that the people of the United States wish for a nation of achievers and its distinguished President every success in the years ahead.

Mr. President, I ask unanimous consent that the full text of the state of the nation message of President Ferdinand Marcos be printed in the RECORD at this point.

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

A NATION OF ACHIEVERS

(By Ferdinand E. Marcos, President, Republic of the Philippines)

Two years ago I came before you for the first time to report on the state of the nation and I gave you a faithful picture of a nation bogged in crisis and a people gripped by fear of the future. Barely a year ago I came again before you to report that the crisis had been surmounted and that the people had a new lease of hope and faith. Today, as I pass the halfway mark of my term of office, I am glad to report that in the year just past we have sustained the momentum of our advance; we have moved forward at an accelerated and accelerating rate.

Many grave problems remain and most of our people's needs remain acute. But today we face them with the confidence of self-made success; we have lost our fear of the future; problems have become challenges and goads to action.

In terms of history two years is just a fleeting instant in the life of a nation. What could be done in two years, set against the centuries-old hard crust of problems—the mass poverty, ignorance and disease that make up the main heritage of a former subject people?

But we believed in our people. We believed that in two years a resolute people could do something meaningful for themselves—perhaps meaningful enough to alter their destiny. We set out two years ago to accomplish some basic tasks which popular belief held to be impossible. The results of our common labors hearten us. For they show that the impossible could be attained and that in some respects, it has in fact been attained.

Some of these achievements are in fact historic breakthroughs for our people in their march to a fuller life. Others are much less spectacular, but in the long run just as important. Consider the following:

We have succeeded in solving our chronic food shortage. The country has attained self-sufficiency in rice and corn one year ahead of the deadline set for it by our administration. This fulfills a historic dream of several generations of Filipinos who equated the solution of the rice problem with the nation's self-esteem.

We have built up the physical underpinnings of our economic development faster and more thoroughly than any other Administration before us. The government's output of roads, bridges, irrigation dams, airports, portworks and other infrastructure projects exceeded by several hundred per cent the total accomplishments of preceding Administrations.

We have attained the growth objectives set in our four-year development program. In agriculture, the rate of growth in the past two years averaged 6 per cent, which exceeds the target of 4 per cent in the program. In manufacturing, the target increase was 7.1 per cent; the actual increase has been placed at 8.7 per cent. We have in-

creased per capita income. In terms of real national income the preliminary estimates show an increase of 5.4 per cent against the goal of only 5 per cent.

Investments in 1967, according to preliminary figures of the NEC, amounted to P5.375 billion compared to P4.562 billion in 1966, showing a growth rate of 17.8 per cent. An independent, non-governmental source, the Economic Development Foundation, places the figure at P5.614 billion, or an increase of 23 percent.

Paid-in capital of newly registered corporations for the period January to November, 1967, totalled P385 million compared to P358 million in 1966 and P294 million in 1965. Increased capitalization of existing corporations amounted to P1,108 million in 1967 compared to P824 million in 1966.

We have boosted rural employment by about 10 per cent and community development self-projects by 68 per cent over the preceding years.

We have coped successfully with the runaway problem of housing for the nation's school children in the face of a population explosion. In less than two years time, the production of schoolbuildings dwarfed the combined total of three preceding Administrations during the past dozen years.

We have increased the collection of taxes by 21 per cent over the previous year and in the second semester of Fiscal Year 1966–1967 customs collection increased by about 50 per cent over the comparable period of the preceding year.

We have successfully carried out land reform for the first time on a meaningful scale, encompassing the second district of Pampanga. With our assistance, hundreds of leasehold agreements were initiated throughout Central Luzon. We have demonstrated that land reform is attainable under a sincere and determined government.

Confronted with the threat of a foreign-inspired mutiny in Central Luzon, we honestly seek to turn this grave danger into a great opportunity for the development of this pivotal region. We have spurned counsel to further fratricide; we welcome the reconciliation of brothers; we eschew civil strife unless forced upon us by lawless and unscrupulous elements.

The problem of smuggling which used to overshadow most other problems in our national life has been placed fully under control. Direct smuggling has been wiped out. Technical smuggling is still being combatted. But the dramatic rise in revenue collections and in textile production proves that this form of smuggling, which is more difficult to control, is being sharply curtailed.

The conservation of our natural resources, especially forestry and fisheries, is now a major program of our government. It requires strict compliance with the laws on reforestation and discourages marginal and therefore wasteful logging. This solicitude of the government will extend to the entire patrimony of the nation.

We have dutifully ploughed back our earnings as a nation to the tasks of development. We have become a more disciplined and far-sighted nation. We devote 60 per cent of our budget to social and economic development. A more dramatic index of our new orientation towards production rather than consumption is this fact: up to 84 per cent of our imports in the previous year consisted of capital goods, reversing the traditional proportion of non-essential to essential importations.

Between January 1966 and September, 1967, government financial institutions provided long-term financial assistance to private enterprise in the amount of P4.4 billion in loans, equity investments, and guarantees. Of this amount, about 40 per cent went into manufacturing and about P1 billion consisted of assistance to rehabilitate industries that became distressed during the previous Administration.

We have developed a more creative role for the armed forces of the nation in the task of economic and social development. Thus our defense effort now serves also our peaceful development goals which, in the long run, constitute the true rampart of our security as a democratic society.

We have introduced administrative innovations and reforms which have raised the level of public service significantly, especially in the fields of rice production, land reform, infrastructure, and manpower development—through systematic coordination of related programs. This has filled up a gigantic gap in public administration which made it impossible for government-wide programs to succeed in the past.

We have achieved the first stages of effective local self-government through decentralization. In the past year the local governments increased significantly their share in internal revenue taxes and were relieved of financial burdens in the upkeep of agricultural extension workers and rural health units.

We have laid the basis for industrial democracy through the creation of a private securities market and the increasing participation of the public in the financing of economic development. The goal of P200 million in DBP progress bonds has been oversubscribed.

The general peace and order has been maintained and criminality has been reduced in most areas, except in the metropolitan areas where the national agencies do not exercise jurisdiction.

The price of rice has been stabilized though the last two typhoons last year had disturbed the prices of other components such as vegetables. The problem now is how to keep the price of rice profitable for the farmers.

For the first time our people have witnessed the punishment of fiscals and the judges, up to the level of judges of the court of first instance, for purported abuse of their offices. Innovations have been introduced to facilitate justice, changes that expedite preliminary investigations, eliminate red tape, and deny bail to those who pose a grave danger to society and seek the immediate prosecution and punishment of feared and influential criminals.

The National Police Commission has been organized and strengthened. The rules and regulations for all police forces have been finalized. All major services of the Armed Forces have been utilized in the peace and order drive, resulting in the immediate breakup of pirate gangs in the Visayas and Mindanao. The government today is coping more effectively with the menace from roving Huk bands, smuggling syndicates, carnapping groups, kidnapping, rape and robbery hoodlums and teenage gangs.

Our foreign exchange reserves more than doubled in the past two years, from almost $100 million in 1965 to $237 million as of January 1968.

After twenty years of muddling and groping for a policy on investment, we have now an Investment Act. A Board of Investments is now preparing the rules and regulations and the priority areas for investment. This should clear up unnecessary blocks to foreign and domestic investments in our country.

Education has become more than ever a reality for the poor. About 8,100 new schoolbuildings have been produced and erected. Scholarship funds and student loan funds for the poor have been extended.

With the substantial increase in rural health units and free medicine for the needy, medical facilities have been extended to the indigent population all over the country.

We initiated the improved conduct of political campaigns by reducing the period for campaigning and by setting up a workable machinery for the curtailment of election expenditures.

We have maintained our military security, dealt a firm hand against subversion, and increased the atmosphere of friendship and security with our common neighbors.

More than P250 million has been channeled into the rural areas in 1967 as a result of the increase in rice production and the subsidy to rice and corn. This has promoted a new demand among farmers for the acquisition of modern farming equipment and household goods. Thus, the increased income of the farmers becomes mass purchasing power for the goods of industry and stimulates further economic growth.

Subsuming all these achievements is a new spirit and a new outlook discernible in the Filipino people—the will to confront the tasks of development and of nation-building purposively and energetically.

These are achievements not of a particular government administration but of the Filipino people as a whole. All these results, realized with no increase in material resources, tell a story about us—a success story that exhilarates by its very novelty and rarity in our national experience. We are no longer what we always believed we were—a nation of incompetents and failures. We have become—perhaps imperceptibly—a nation of achievers. We have begun to undergo the experience of competence which forms the basis of genuine self-confidence for men or nations.

There is a new birth of confidence in ourselves as Filipinos. This is in itself a source of great creative power. It reminds us of our distinguished heritage as the nation that pioneered the libertarian movement in Asia and founded the first democratic republic in our part of the world.

SOME GOALS FOR 1968

This year we shall be called upon to initiate bold steps to support the pace of development that we have begun, to maintain the momentum of our social and economic advance, and to achieve within the next two years a meaningful degree of well-being among our people.

The experience of nations shows that the cost of development must be borne mainly by the people themselves. Increasingly, the burden of development will have to be shared by citizens in proportion to their economic means. It is in this spirit that the Administration plans to propose to the Congress this year a sweeping reform in our traditional and inadequate tax structure. To act on this will require an atmosphere of courage and civic spirit and the ability to face the unpleasant today in return for the just rewards of tomorrow.

It seems to me that this will put to a test the capacity for courage and statesmanship of the distinguished members of Congress.

We appeal to you for your support so that the means required to sustain the pace of our efforts for national development can be made available to the government.

I think we can now point to a well-defined consensus as to certain priorities that will demand our undivided attention and concern in the year just beginning.

A national consensus certainly stands behind the fuller implementation of the Land Reform, especially in Central Luzon.

A massive housing program for low-income groups will be launched under a coordinated leadership with various agencies of the government taking part. An energetic thrust in the field of manpower training will be carried out, to upgrade our labor skills and meet the growing needs of business and industry for technicians and skilled hands. We shall engage in a vigorous campaign for the promotion of Philippine export products to realize an increased amount of foreign exchange needed to provide the import requirements of our growing economy.

We shall concentrate great energies on the problem of peace and order. Local govern-

ments will be asked to play a more active role.

We shall press vigorously the existing efforts to assure our food self-sufficiency on a sustained basis, to meet the crisis posed by the lack of schoolhouses for our children, to conserve our natural resources, and to upgrade our human resources through adequate educational facilities.

SUCCESS OF THE ECONOMIC PROGRAM

As we look back over the last two years, we can say that, in general, we have good reason to be pleased; and our satisfaction is heightened by the fact that, on the most important occasion so far given them to make their opinions felt, the great majority of our countrymen have shown that they agree with our estimate. Halfway through the Administration, and almost halfway through its economic program, both the progress and the prospects of the country are encouraging. Many serious problems still confront us; but some of the most critical ones have been handled with a success that has surpassed even our early expectations. A good start has been made toward solving the others.

The Administration addressed itself upon taking office to the three most serious requirements:

1. Attaining self-sufficiency in food production;

2. Providing the necessary infrastructure to support our industrial program and serve the growing population; and

3. Assuring the country of large and steadily growing foreign exchange earnings, under the present particularly difficult conditions.

A necessary condition to securing these was the solution of the peace and order problem.

These problems had to be solved to attain the basic objective of the economic program, which was to increase real income per head by about 2.5 per cent annually. This meant that gross national product had to increase at the average of 6.1 per cent annually over the four years of the plan: the target growth rates to increase progressively from 5.8 per cent in the first year to 6.3 per cent in the fourth year.

In the attainment of these targets, large amounts of both investible resources and foreign exchange were expected to be needed; and foreign exchange was thought harder to obtain. Domestic savings were expected to fall short to investment requirements by a total of P2.4 billion over the four years of the program; but the shortage of foreign exchange earnings as compared to import requirements was projected at P3.3 billion. A high priority was therefore attached to the expansion and diversification of our exports.

PROGRESS

The end of last year was also the end of the first year and a half of the Four-Year Plan, and a partial comparison is now available of targets and accomplishments for fiscal year 1967. In most sectors, achievements have surpassed expectations. The target growth rates for the first year of the program were 5.0 per cent for real national income and 5.8 per cent for real gross national product. A rough comparison may be made with actual growth rates obtained during the last calendar year. According to preliminary estimates, these were 5.4 per cent for real national income and 5.6 per cent for real gross national product: the first figure well over the target, and the second just under it.

The target growth rate for agriculture was 4.0 per cent for the four years of the plan. Over the last two years, our agricultural production index has been growing at almost 6 per cent annually. The increase in real agricultural value added was 5.1 per cent during the last year. Target growth rates were also exceeded in the transportation and commerce sectors and just about matched in the service sector. The manufacturing sector has responded vigorously to massive government support. I shall continue later the extent of this response.

Especially encouraging was the extremely high growth rate in agriculture over these two years, almost one and a half against the target rate that had seemed ambitious by the standards of the past. It is an indication that, well ahead of schedule, we have made a major breakthrough in food production. The National Economic Council has certified that we will have a substantial oversupply of rice at the end of the current crop year.

INDUSTRY

When this Administration took office in 1966, our manufacturing sector was in a state of deterioration. Many of our factories had sputtered to a stop or had substantially reduced their operations, laying off thousands of workers and leaving idle a considerable portion of our industrial capacity.

Recognizing the importance of industrial development to our country's economic growth, we immediately instituted measures to relieve the manufacturing sector.

Thus, we harnessed all government agencies to an unrelenting drive against smuggling. Tariffs on imports were strictly administered to protect local products; antidumping measures were intensified. On the positive side, our domestic industries were encouraged to step up operations, to expand and to diversify according to the demands of the local and foreign markets. Infrastructure projects were implemented to aid industrial undertakings. Capital investments were stimulated in both domestic and foreign sectors through the issuance of an Administrative Order to guide investments, the approval of an amendment to the Corporation Law to allow broader investments in mining ventures, and the enactment of an Investment Incentives Act designed to induce the rapid growth of industries.

The most tangible results of government assistance to industry in the past year were in financing. To alleviate the crisis of manufacturing and mining enterprises, the Development Bank of the Philippines accelerated the industrial refinancing program which the Administration launched in its first year. By November 1967 a total of P1,073 million had been channeled to distressed industrial enterprises under the program.

In addition, the Administration geared the lending operations of DBP, NIDC, GSIS, SSS and PNB to the need to bolster the pace of industrialization. By the end of September last year, these financial institutions had extended accommodations totalling four and a half billion pesos. Nearly 40 per cent of this figure, more than P1.7 billion was coursed to mining and manufacturing enterprises.

The beneficial effects of this financial assistance and of these measures instituted to curb smuggling and protect the local products, can be readily seen in the upsurge of activity in our industrial sector. Production for the second quarter of last year the latest available figure exceeded the comparable 1966 level by 8.7 per cent. Formerly distressed industries have come up with definite signs of good health, particularly the textile industry which was floundering and hence required sizeable aid from the government. Other essential industries also showed significant improvement. The output of plywood rose by 14 per cent in 1967; veneer by 38 per cent; cement by 28 per cent; and tire manufacturing by 20 per cent.

In general, mining and manufacturing in 1967 made very favorable improvements over 1966, and even more from earlier years. Similarly, and significantly, electric power consumption rose by about 15 per cent from the level in 1966.

The gratifying trends in the operations of our existing industries have carried over to the business atmosphere. Our private sector—our entrepreneurs, investors and industrialists have shown a new faith in the future of Philippine industry. Some 2,112 new corporations were registered in 1967, an increase over the figure for 1966 and exceeding the registrations in 1965 by over 40 per cent. The subscribed capital stock of these corporations combined to over P400 million, representing a tremendous amount of fresh capital pumped into Philippine industry. Out of these registrations, some 483 new companies with over P150 million in subscribed capital, were in mining and manufacturing.

As to the actual implementation of industrial projects, we identified more than 40 major ventures in mining and manufacturing which started operations during the past two years of this Administration. The essential products which these projects are now adding to our industrial strength include great volumes of refractory chromite, magnetite, tiles, cement, plywood and veneer, resins, ammonium sulphate and liquid ammonia, carbon black, synthetic fabrics and petroleum products. A host of other large-sized plants are currently in the process of construction or expansion. Some will supplement existing production capacities, while others will introduce new product lines to the domestic market and for our export trade. The new capacities will include among others, steel products, copper ore and copper concentrates, pulp and paper, and plasticizers.

We have also reached the final stages of negotiations for the exploitation of our valuable nickel deposits in Mindanao, which offer the prospects of a huge new source of foreign exchange income for our economy from the export of nickel or ferro-nickel, mild steel billets and cobalt.

FINANCING FOR DEVELOPMENT

We have succeeded in securing substantial financing abroad for our economic development projects. The support we helped secure for shipping has already been mentioned. Also, during the calendar year 1967, foreign funds amounting to $12.5 million were secured from the World Bank for the construction of the Bataan Thermal Plant in Limay and the Maria Cristina Hydroelectric Plant Unit 4 in Iligan City. These power projects when completed, will generate 75,000 KW from the Bataan Thermal Plant and an additional 50,000 KW from the Maria Cristina Unit 4.

Loan agreements with the AID were similarly approved during the year. Irrigation received a $4.7 million loan to finance the acquisition of equipment needed for irrigation construction and rehabilitation work. Also, a $2.0 million loan for undertaking feasibility studies was granted.

Assistance has likewise been granted to our export crops, of which the case of abaca may be cited. The production of abaca dipped by 4.9 per cent from 135.3 thousand metric tons in crop year 1966 to 128.7 thousand metric tons in crop year 1967. To alleviate the plight of this industry, the government extended financial help by releasing P2.5 million to the Abaca Corporation of the Philippines.

Prices of abaca were also threatened when the U.S. announced its decision to dispose of its abaca stockpile. The Philippine government intervened in behalf of this industry and secured an agreement for a more orderly schedule of disposal.

THE INFRASTRUCTURE PROGRAM

The accomplishments of the first two years of the government capital program are impressive; particularly impressive when one considers that they were done within the framework of limited government financial resources. The expected new taxes failed to materialize; we relied instead on the more efficient and organized use of what was available. We cite the effective assistance of the

Armed Forces in implementing the road building and schoolhouse programs; we point to the proficient, productive performance of our dredging fleet. In infrastructure, here are our achievements over the last two years:

In highways, 515 kilometers were paved with concrete and 903 kilometers with asphalt; 3,167 kilometers of feeder roads were constructed and 7,685 lineal meters of temporary bridges were replaced by permanent steel and reinforced concrete structures. The complete projects include roads and bridges thousands travel every day: the Manila North and South Diversion Roads, E. de los Santos Avenue, the Sayre Highway in Mindanao, the Cagayan Valley Road, and the Nagtahan and Guadalupe Bridges.

In irrigation, a total of 22 national gravity, 109 communal and 813 pump projects were undertaken, designed to irrigate a total of 161,670 hectares of farm lands, out of which 75,092 hectares were placed under irrigation during the 2-year period. Rehabilitation of the 79 existing systems provided extended water coverage to an additional 25,500 hectares.

In airports and airways, runways, taxiways and aprons in 25 airports were either constructed or improved and a terminal building for the Mactan Airport was constructed. In our effort to provide the improved communications facilities which are essential to safe air travel, we are attempting to provide an integrated nation-wide airways system under a turn-key deferred payment arrangement.

In ports and harbors, 55 new berths, 9 of which are for international shipping, were completed, with attendant port service facilities. The principal port projects were the completion of Piers 3 and 15 at the Manila South Harbor. The first phase of marginal wharf for the proposed Manila International Port is nearing completion, while the contract portion of Pier 16 at the North Harbor is already complete. Other major port projects included those at the ports of Tacloban, Zamboanga, Iligan, Dumaguete, Pagadian, Batangas, Pulupandan and Makan.

On 1 August 1966, by Presidential directive half of the Bureau of Public Works fleet of 14 dredges were transferred to the operational control of the Philippine Navy. Before the transfer the fleet had been dredging at the rate of 317,000 cubic meters a month. This total was immediately improved to 616,000 cubic meters a month; by December the fleet was dredging 1,500,000 cubic meters a month, almost a five-fold improvement. At the same time, the cost of dredging was cut to one-sixth of what it had previously been, from P5.00 a cubic meter to P0.70 a cubic meter.

In power, 112,000 additional kilowatts capacity of electrical energy was added and work is continuing on projects to provide 225,000 kilowatts of new hydro and thermal power. Two major hydroelectric power projects were undertaken. One of these, the Angat project, was inaugurated last September 9; the other, Maria Cristina Unit 3 in Lanao, is almost complete. The Bataan Thermal Plant Unit I was started last August.

A total of 97 provincial waterworks projects were completed, of which 37 were improvements or extensions of existing systems; 365 artesian wells were drilled and 1,422 more rehabilitated, 35 springs were developed for water supply. The Manila and suburbs water supply project continues to receive special attention, and is expected to be completed by December 1968.

Twenty projects in major or regional flood control systems and 60 localized flood control projects were completed. The principal projects were to control rivers in Pampanga, Agno, Cotabato, Ilog-Hilabangan, Agusan, Bicol and Manila.

In school buildings, over 5,816 units of prefabricated 2- and 3-room steel and wooden types have been delivered to sites of which 1,765 units of the steel type and 1,247 units of the wooden type were erected and another 1,145 units of the steel type were under construction. In addition, 1,179 schoolrooms of other various types were erected with 135 rooms more underway. These have the capacity to house 660,000 school children over our many rural and urban areas, assuming single-session classes of 40 pupils per class.

Finally, in the related field of transportation, the government was instrumental in securing significant addition to our shipping capacity, both interisland and international. With the use of German capital aid and under loans and guarantees provided by the Development Bank of the Philippines, four passenger-cargo liners and two bulk carriers were ordered by five interisland shipping companies. Also during the year and likewise under DBP guarantee, two oil tankers with a total dead-weight tonnage of 173,000 were ordered for our international shipping fleet; this increases our capacity for overseas cargo carriage by fully one-third.

AGRICULTURE

The general success of our production program has already been mentioned; the success was most striking in the sector to which the government devoted most attention, namely agriculture. For the last crop year, agricultural employment was up 10 per cent; instead of the target increase in production of 4 per cent annually, the actual yearly increase over the last two years has been about 6 per cent. For the current crop year, our supply of rice including importations will be 63.6 million sacks of 56 kilos. Our consumption over the same period will be no more than 55.1 million sacks. We shall therefore exceed our requirements by about 8.5 million sacks, or over 15 per cent. This excess, moreover, is accompanied by a handsome increase in the efficiency of production. From 30.8 sacks per hectare in crop year 1967, we shall rise to 32.8 sacks per hectare in crop year 1968, an increase of 6.5 per cent. This welcome situation has occurred in spite of severe typhoon damage; and the prospects for the next crop year are even brighter.

INCREASE FISH PRODUCTION

At the same time we stepped up the development of our fishing industry by restocking inland waters with 1.6 million fish seeds, by intensifying the campaign against illegal fishing, and by promoting fishpond production through the opening up of new fishpond areas and the expansion of credit for the fishing industry. Last year alone the DPB pumped in P3,122,700 in long-term loans to the industry. As a result of these steps, we expect fish production to reach 705,300 metric tons this year, which would represent an increase of 10 per cent over the production last year.

FORESTRY AND CONSERVATION

We have achieved the full consolidation of timber licenses into viable units of not less than 20,000 hectares each with an annual allowable cut of not less than 25,000 cubic meters. We have also set 100,000 hectares as the maximum size of each logging concession. The result of these steps is the emergence of our forests as our second major foreign exchange earner.

We have also undertaken vigorous measures to conserve our forest areas, through the strict enforcement of the law against illegal cutting and through a sustained reforestation program which saw the planting last year of 139,273 hectares with 292 million trees using mainly such fast growing varieties as the Kaatoan Bangkal and the Albizzia Falcata. We have required logging concessionaires to conduct systematic tree-planting, which they religiously do now as failure to comply could mean cancellation of their permits.

In this way we have paced up the systematic replenishment of our denuded forests and reduced the dangers which the wanton destruction of our forest areas in the past had brought in its wake.

THE SOCIAL INFRASTRUCTURE

The government continues to direct most of its expenditures toward the social infrastructure, and here again there are many bright spots to report. Under this heading we include the extension of government services to improve health, education and welfare, as well as the improvement of the efficiency with which these and other government services are provided.

*Improved government organization*

The improvement of government organization is apparent in its performance, especially in such matters as the improvement of tax and customs collections and the success of the rice program. The most conspicous of the improvements in organization are probably the various coordinating groups, such as those for rice and corn and infrastructure; but there have been many other innovations; and the morale of government employees has been raised as well as their salaries.

By improving our administrative machinery for collections of customs revenues, we have been able to increase net customs revenues accruing to the General Funds by 44.3 per cent from 1965 to 1967. On the other hand, imports had only increased by 30 per cent during the same period.

The improvement in the administrative machinery has also helped diminish smuggling. The textile industry increased its production of cotton fabrics and knitted fabrics by 30 per cent and 43 per cent, respectively in 1967. On the other hand, specific tax revenues on cigarettes increased by 11.9 per cent in the calendar year just ended. These outstanding increases, in the industries most sensitive to smuggling, indicate the extent to which this social and economic evil has been brought under control.

Some new administrative projects and practices may be mentioned. The Decentralization Act of 1967 has been approved granting further autonomous powers to local governments. The allotment share of provinces and cities has been increased from 10 to 13 per cent and the allotment share of municipalities, from two to four per cent. To enable provincial and city governments to undertake field agricultural extension work and rural health work, they have been empowered to retain the amounts theretofore contributed by provincial, city and municipal governments to the National Government for these purposes. Steps are now being undertaken for the establishment and operation of a security printing plant to safeguard the printing, issuance, distribution and curability of security printing jobs. Steps are also being taken for the early operation of the Board of Investments which has been created to encourage domestic and foreign investments in certain areas of economic activity to accelerate the sound development of our economy.

NEW EDUCATIONAL PERSPECTIVES

In education and manpower development, there have also been many achievements; but our needs are very great, and lack of funds has prevented us from going as far as we would have liked. Nearly half a million children were admitted to the first grade this year, as well as 150,000 out-of-school youths, making a total of 7 million students in school; this is one out of five Filipinos. Three million textbooks are being produced for the Public School Textbook Program; the vocational education curriculum has been revised to make it more responsive to economic needs; and training centers have been established for cottage industry workers and urban squatters. And while government relationship with private education will veer towards encouragement and assistance in place of regulation and control, we have reconstituted the Board of National Education to help our

schools become channels of change and development.

Our participation in Southeast Asian educational cooperation has attained for our country the establishment of two internationally-assisted centers for regional research and graduate study in agriculture and tropical medicine.

LAND REFORM: A MODERNIZING PROCESS

The Land Reform program continues to improve the livelihood of our farmers as well as their dignity; here again, however, more could profitably have been done, if the funds had been forthcoming. Among other accomplishments, about 8,000 leasehold contracts were negotiated and entered into; about 80,000 hectares of private and public lands were disposed of, with another 21,000 under expropriation, or investigation; and almost half a million hectares of disposable land were maintained or improved.

In land reform areas, credit assistance to farmers rose by 250 per cent over the previous year, with a total of P3,549,169 in loans released to 3,029 farmers working in an area of 13,762 hectares.

Also significant was the acquisition by the government of one private agricultural estate, thus finally inaugurating the land-buying activity of the Land Bank. With an area of 108.8433 hectares, the property was purchased at a cost of P380,900, of which 10 per cent was paid in cash and 90 per cent in Land Bank loans.

OPPORTUNITIES FOR LAND BANK BONDHOLDERS

In this connection, a consortium of Filipino consultants has been formed for the purpose of identifying specific projects in which Land Bank bond-holders may invest. The US-AID has made available to the National Economic Council the sum of P600,000 to finance this activity. Initially some Central Luzon land owners have expressed preference to invest in fishpond, beef and dairy projects. At present the consortium is studying the possible sites of these projects.

All this demonstrates the validity of our decision to proclaim the whole second district of Pampanga a land reform area, a bold decision which, for the first time, raised the implementation of land reform to a serious level. Our experience in the second district of Pampanga has proved, beyond doubt, that land reform is both necessary and feasible and that our people, both landowners and landless, are now prepared for land reform's liberating and modernizing impact.

CENTRAL LUZON DEVELOPMENT

The development of Central Luzon continued to be a prime concern of the government. During the current fiscal year, the Budget Commission has already released a total of P13,871,660 for various development activities in the area, hiking the total budgetary releases since the start of the Central Luzon operations to P60,269,734. This amount was used mainly to finance production loans, public works projects, rural health units, and community self-help activities.

In Central Luzon, the ACA extended loans amounting to P1,636,456.05 to 3,572 farmers, thus raising the total ACA fund releases in the area to P25,894,033.39 for 49,059 farmers; at the same time, a total of 153,327 bags of fertilizers valued at P2,685,713.40 had been issued to farmers, including 55,700 bags secured under the reparations program.

LAND SETTLEMENT PROGRAM

Side by side with land reform, we shall open new settlements in virgin lands, preferably drawing settlers from enclaves of tenancy. This will ease up the pressure of population in crowded areas and at the same time harness manpower to more challenging and productive activities. To this end, I have ordered the Land Authority to make an inventory of lands which may be transformed into settlements and to formulate a systematic resettlement program patterned in part after the Malaysia land settlement project.

This will consist of a large scale land development program for the settlement of landless rural people on economically viable farms in land schemes provided with all essential public utilities and social amenities, adequate management, training and extension facilities and suitable processing and marketing arrangement in order to raise very substantially their level of living. The aim is to develop them into progressive and knowledgeable farmers so that the rural people can take their rightful place in the community.

I have also directed the Land Authority to coordinate with the Land Bank in arranging with landowners the exchange of their present landholdings with government lands for conversion into agro-industrial estates. This will implement the land reform objective of converting land owners into entrepreneurs, of shifting capital and energy from idle lands to productive industry.

EXPANDED HEALTH SERVICES

The year 1967 witnessed the expansion of health services in the rural areas, with the deployment of more physicians, nurses, midwives and sanitary inspectors in our barrios, the establishment of more rural health units, and the procurement of P6 million worth of medicines and other supplies for our rural population.

Hospital services were increased and upgraded, as 17 government and private hospitals were opened and 76 hospital plans and designs approved for immediate construction. Supplies and medicines worth P1.5 million were channeled to government hospitals for the benefit of our less fortunate countrymen.

NUTRITION PROGRAM

A five-year national nutrition program, designed to combat malnutrition among children of pre-school age, was launched, together with the Cholera Eradication Program, the Poliomyelitis Eradication Program, and the Malaria Eradication Program with financial and technical assistance from WHO, AID, and UNICEF.

Last year, a cancer center was established with the cooperation of the private sector, the first of many cancer centers to be established in various parts of the country.

ACHIEVEMENTS IN LABOR

The year 1967 saw the launching of vigorous programs for the strict enforcement of labor laws, the upgrading of labor and social services, and the acceleration of manpower development and utilization.

UPGRADED LABOR LAW ENFORCEMENT

Due to effective labor law enforcement, 22,770 workers in the logging and mining industries were paid P2,166,564 last year. These special enforcement projects formed the basis for the establishment of a Metallic Mining Industry Wage Board and the contemplated establishment of two other wage-fixing machineries in the logging and coconut industries. These impact projects aside from achieving fruitful results paved the way to the resumption toward the end of 1967 of a general enforcement campaign aimed at affording protection to the greater mass of workers. Victims of industrial accidents were recipients of P8,864,295 in compensation benefits; 2,129 workers received awards totalling P336,010 arising from various labor cases.

To cope with the needs of a developing industrial sector, a Manpower Development Council, composed of agencies whose activities have to do with human resources development directly or indirectly, has emerged to undertake the planning and implementation of an integrated manpower development program.

EMPLOYMENT EXCHANGES

Two employment offices recently created are the first step towards the operation of a network of employment exchanges throughout the country. The need for such national network of exchanges is basic. Providing not only placement services, they collect labor market data upon which depends planning efforts for the development and utilization of manpower resources.

An improved industrial relations climate was brought about significantly through the intensification of preventive mediation by the department of labor. This included the holding of industry-wide dialogues between labor and management in the shipping and arrastre, wood and coconut industries.

SALARY INCREASE FOR GOVERNMENT EMPLOYEES

Through the rigorous exercise of fiscal discipline, we were able to effect last year the 5 per cent salary increase for all government employees, including public school teachers.

We shall always keep an open mind to further salary readjustments as changing conditions require and as we succeed, through economy, in making funds available.

THE CITIZEN AS INVESTOR

The opportunity to participate in the benefits of investment will be extended to the average citizen. The Government Service Insurance System will soon launch a special program to lend money to employees with which to buy stocks in private corporations. In this way, we accelerate the process of economic growth and further broaden the social base.

BROADENING SOCIAL SECURITY

During the last two years, the total benefits paid by the SSS added up to P46.6 million, representing 48.4 per cent of all benefits paid by the SSS since its establishment in 1957. These benefits included payments for premature death, permanent disability, sickness and retirement. At the same time, the SSS released in 1967 a total of P10.4 million under its educational loan program, the purpose being to enable poor but deserving students to go to school through SSS assistance. A total of P16.2 million has been loaned out to qualified SSS members since the inception of the educational loan program under the present Administration in 1966.

The SSS also channeled last year a total of P10 million to the government rice self-sufficiency program, in order to help increase rural credit capacity and enable the farmers to avail of new and improved techniques of rice production.

A SHIFT TO LOW-COST HOUSING

During the last two years, the Social Security System has released a total of P130.1 million for housing—P50 million in 1966 and P80.1 million in 1967. This amount represents 45.7 per cent of the total housing loans released since the inception of the SSS housing program in 1958. This year the SSS expects to grant housing loans worth P120 million under its low-cost housing program for its low-income members. Under the low-cost housing program, the ceiling for housing loans has been brought down to P15,000 payable in 25 years. The SSS also aims to launch its own housing projects by purchasing and developing raw lands and constructing on a massive scale housing units costing not more than P15,000 each. The SSS has an on-going scheme to grant loans to employer-members for the purpose of developing housing projects for their employees at a maximum of P15,000 per unit.

ACQUISITION OF LANDED ESTATES

On the other hand, the GSIS is now making feasibility studies for the acquisition of landed estates where the GSIS plans to build 500 units of low-cost houses a month to be

sold to low-salaried employees on easy terms. The GSIS looks forward to increasing this monthly production targets so as to enable the Administration to close the huge gap in its overall low-cost housing program. Also contributing to the housing program of the Administration is the Development Bank of the Philippines and the PHHC. Last year, the PHHC sold 934 dwelling units worth P5,151,471.27 and 173 lots with an area of 66,083.30 square meters at P1,031,671.85.

INTEGRATED SOCIAL WELFARE PROGRAM

An integrated and coordinated social welfare program is now taking shape, to put an end to the sporadic and disorganized effort of the past. This program gives priority to services designed for social change and the development of productive skills. Special focus, however, will be placed on services that will advance the welfare of children, the youth and their families. We are determined that the problem of delinquency, of the school drop-out and the beggar shall not persist in our society.

CONCERN FOR NATIONAL MINORITIES

Through the Commission on National Integration, we have accelerated the integration of our cultural minorities into the mainstream of our national life. Five farm settlements are being maintained and operated, and 3.075 hectares of land have been surveyed as possible new reservation for our minorities. The Commission has also allocated for settlers 282 lots, titles to which are ready for issuance. In 1967, the Commission granted 1,845 scholarships in Philippine colleges and universities, as well as a number of foreign scholarships.

THE PROTECTION OF SETTLERS

We have added fresh meaning to social justice by the creation of the Small Settlers Protection Committee to see to it that the poor and ignorant settlers, who have left their homes in the hope that pioneering in the farflung hinterlands of our country could provide a better and happier future for themselves and their families, shall not be deprived of the lands they have occupied and cultivated for many years through the machinations of unscrupulous elements. The Committee in its deliberation does not, on the other hand, overlook the rights of owners over their private properties, taking into consideration illegal occupation thereon by misguided settlers.

GREATER MANILA TERMINAL FOOD MARKET

The Development Bank of the Philippines has taken concrete steps to establish a Greater Manila Terminal Food Market, which shall form the base of an overall program for the establishment of similar markets in other populated centers of the country.

In this connection, field surveys have been undertaken, covering 17 provinces for selected food crops, 13 provinces for livestock movements, 10 provinces for commercial poultry farms, and 8 principal Greater Manila markets for the marketing system. At the same time, topographical survey of an appropriate site in the Fort Bonifacio reservation is in process.

The Market, when completed, will provide farmers and producers from 20 provinces with a convenient outlet for their produce, create adequate storage facilities, and reduce distribution costs. Retail markets and stores and large scale consumers in the Greater Manila area will have, on the other hand, adequate and regular supply of foodstuff, thereby reducing and stabilizing prices.

PEACE AND ORDER

When I assumed office in 1966, smuggling, criminality and other forms of lawlessness were rampant, sapping our national will and capacity to progress.

We have instituted vigorous measures to combat this threat. The PC strength has been augmented to intensify the campaign against criminality and against dissidents. This intensification is reflected in the increasing number of combat operations. The fact remains, however, that our police strength per 10,000 population, national as well as local, is one of the lowest in the world.

Hand in hand with increasing the strength of our national police, the PC has been revitalized and revamped for more efficient prosecution of the peace and order campaign. The METROCOM was recently activated and is now effectively assisting the Manila Police Department in maintaining peace and order in Manila. In view of its success, METROCOM type units are now being organized in other urban centers of the Philippines. Recently, I mobilized the entire Armed Forces to augment the still limited resources for the peace and order campaign.

POLICE ACT OF 1966

A vital piece of legislation, the Police Act of 1966, was enacted to carry out badly needed administrative reforms in our local police forces. The full implementation of this law will go far toward up-grading the efficiency and quality of these police forces.

To harness civilian participation and cooperation in the anti-crime drive, peace and order councils have been oragnized on the national and local levels.

Despite all these measures, the incidence of crime index (major crimes per 100,000 population) continues to show an upward trend. Peace and order, therefore, remains a serious problem which will require our increasing attention in the years to come. One reason for this is the uncertain and diffused location of responsibility for maintaining peace and order on the local level. At the proper time I will propose the placing of local police forces directly under the Police Commission, and thereby liberate police forces from politics. Its immediate improvement is one of our major aims this year.

INTERNAL SECURITY

The campaign against dissidents was intensified in 1967, resulting in the death or capture of 24 Huks in battle, including four top commanders. The military operations against dissidents, however, although prosecuted with greater vigor, was matched by an increase in civic action work in Central Luzon.

ANTISMUGGLING DRIVE

Smuggling activities decreased considerably in the past year, as indicated by the volume of goods confiscated and the number of persons apprehended in the relentless anti-smuggling campaign. Although the forces engaged in the anti-smuggling drive have multiplied, only P3.5 million worth of goods were seized in 1967, compared to P8.5 million worth in 1965 when smuggling was at its peak. Similarly, 900 persons were apprehended, compared to 3,000 in 1965.

THE CAMPAIGN AGAINST GRAFT

We have carried on a determined campaign to stamp out graft and corruption, especially in the most sensitive areas of government. Last year, in the course of this campaign:

One district judge, 12 municipal judges, and five court employees were dismissed from office; three municipal judges and one employee were suspended; and several judges and employees were either fined or reprimanded.

Thirty-five cases were filed with the courts of first instance against customs personnel and private persons, 70 criminal cases were brought before city and provincial fiscals, 170 administrative cases were filed against customs employees, while 4 fixers and 4 government agents were recommended for criminal prosecution.

Criminal and administrative charges were brought against 211 internal revenue collection agents and cash clerks and 100 taxpayers criminally charged in courts.

The success of our relentless drive against grafting officials and employees is reflected, we believe, in the increase in our customs and internal revenue collections as well as in the increased efficiency and new vitality of our lower courts.

JUSTICE

The administration of justice, as well as the machinery therefor, has been substantially improved. The sensational cases that have appeared in the front pages of our newspapers have been brought before our courts of justice and dealt with in record time. The preliminary investigation of criminal cases has been shortened, simplified and made uniform with the promulgation by the Department of Justice of Circular No. 74, series of 1967. Two administration measures were enacted, one enlarging the prosecution staff the Department of Justice and the other creating 16 circuit criminal courts. Incompetent judges and erring court employees are being dealt with administratively, to complete the effort towards improvement of the administration of justice.

The stand taken by the Administration on various legal controversies has been sustained by our courts of justice thus underscoring this Administration's avowed policy of adherence to the rule of law.

CODIFICATION OF LAWS

The proliferation of statutes in different areas of legislation has become alarming, indicating the urgent need for codification of laws. I have, therefore, directed the Code Commission to initiate immediately the revision and updating of existing codes as well as the preparation of new ones.

In line for updating and revision are the Revised Penal Code, the Code of Commerce, the Revised Administrative Code, the Internal Revenue Code, and the Customs and Tariff Code. On the other hand, there is now a demand to codify our labor and social legislation, and the laws on natural resources.

COMMUNITY DEVELOPMENT

The Presidential Arm on Community Development has cooperated with religious and student volunteer groups; and has initiated some 43,000 self-help projects and 23,000 training and information activities involving 953,000 participants. Some of these self-help projects are: spring development for communal water supply and irrigation; rural electrification; the establishment of communal rice and corn mills; the distribution of IR-8 seeds, as well as the construction of feeder roads and the assembly on-site of pre-fabricated schoolhouses.

OEC FIRMS: P53.3 M PROFITS

The corporations under the Office of Economic Coordination realized profits amounting to P53.3 million for fiscal year 1967, representing an increase of 29 per cent over the previous year. To further improve the profitability of these corporations, allowances of board members and per diems for committee meetings have been standardized. In their role as developers of new industries, all investments are now required to be funneled strictly to pioneering or pace-setting ventures.

SCIENCE AND TECHNOLOGY

Recognizing technology to be the foremost factor in economic development today, as strikingly demonstrated in the economic recovery of Japan and Germany after World War II, the government has embarked on a new program to invigorate the scientific climate of the country. Additional funds have already been channeled to support new projects in the field of applied science. About P2 million has been allocated to augment the facilities and admit a larger enrollment in the Philippine Science High School. Thirty-five hectares of public land has been proclaimed by the Office of the President as a grant to the National Science Development

Board to accommodate the science community.

In support of new projects in the field of industrial research, more than P6 million yearly has been allotted by the government for the Philippine Textile Institute, the Metals Industry Development Center and Coconut Research.

The government has also been active in tapping foreign assistance for the support of research in applied science. In the field of mineral resources development, the government has undertaken jointly with international agency special projects in coal development and applied geology. More than P8 million yearly in counterpart funds is being expended by the government for foreign-assisted research in dairy, fish, soil and training in agriculture, forestry and meteorology.

The government is also supporting, through bilateral foreign assistance agreements, an Institute of Small Scale Industries and a Technological and Research Center for Cottage Industries. The Administration is drafting a plan providing for increased financial support for science and technological development, including the possibility of establishing regional science high schools in the Visayas and Mindanao.

GOVERNMENT SCHOLARSHIPS

Recognizing the need to develop talent and provide it with greater opportunities, I have created a committee to formulate a new scholarship program. I am determined that poverty or lack of opportunity shall not prevent real talent from developing to its fullest possibilities. The committee on this new program of scholarships is now studying ways of financing the program and laying down the criteria for the grant of scholarships. I expect its recommendations shortly.

At the same time, we shall soon put into effect a scheme for the benefit of students, building on an existing service of the Social Security System, whereby students may be provided loans, under special terms and conditions, to cover their school expenses. This will be financed from a special fund contributed by various financial institutions of the government.

ECONOMIC GROWTH AND SECURITY

The progress we are striving for goes beyond the mere requirements of survival. Our economy must prosper if our society is to be truly secure. I have repeatedly said that the greatest peril to a people, to the safety of their lives and institutions, is their own country's improvident economy.

For the task of providing our society with sufficient guarantees of stability and security, in the form of more abundant goods and a greater sense of well-being, I have consequently enlisted the services of the Armed Forces. Although it is proper that our soldiers must be prepared to perform their role in the military defense of the country, it is necessary that today they must also participate in the more immediate and vital defense of the nation against poverty, ignorance, disease and injustice.

A NEW MISSION FOR THE ARMED FORCES

Accordingly, the Department of National Defense has participated actively in the rice production, schoolbuilding, public works, rural health, peace and order and civic action programs.

We have harnessed and augmented the manpower and equipment resources of the military establishment in our heightened drive for economic development and providing for internal security.

In pursuance of this, we have activated 15 engineer construction battalions, increased the intake and expanded the concept of training of 20-year-olds, intensified the AFP's civic action role, broadened its peace and order operations, and increased its capability not only to provide for national security but also for participation in national development implementation. The AFP has achieved outstanding success in this additional mission of assisting in our infrastructure development.

SOCIO-ECONOMIC, OTHER ROLES

More specifically, we acquired equipment under the U.S. Military Assistance Program to complete the requirements for 5 engineering battalions, activated 27 civic action centers, trained a total of 119,082 reservists and trainees, including 118,082 ROTC cadets, for various economically useful skills in Calendar year 1967 alone, acquired modern aircraft and vessels and other military hardware to bolster our defense capability, effectively blunted smuggling operations and organized the METROCOM and other PC units to intensify the peace and order campaign.

We also sent the PHILCAG to South Vietnam to participate not in combat operations but in purely civic action operations, assisting that distressed country in the long range but equally important task of social and economic rehabilitation.

MEETING THE INSURGENCY THREAT

In the meantime, we have been intensifying our efforts to meet the insurgency threat. However, the threat remains real and has assumed greater urgency. This is reflected by the increasing number of combat operations and the increasing number of casualties sustained both by our troops and by the dissidents. On the credit side a substantial number of HMBs including 4 top commanders have been killed or captured.

Despite the continuing insurgency threat and the increasing number of civic action mission assigned to the Armed Forces, its proportional share of our total national budget has actually declined over the past 13 years. Budgetary data show that this has gradually decreased from 17.5 per cent in FY 1965 to 14.6 per cent in FY 1967.

INTERNAL SUBVERSION—THE MAIN THREAT

As I stated upon arrival from my recently concluded three-nation state visits, I am now convinced that the primary threat to our national security within the immediate future lies in internal subversion rather than from any external aggression. The military establishments will be developed along this basic premise in the years to come. However, since the development of our economy provides the permanent solution to this threat, I intend to harness to a greater extent the resources of our defense establishment in our task of nation-building. It would be culpable negligence on our part if the peaceful uses of military forces were not availed of to the fullest extent possible in our continuing program of economic development.

In this regard, we will activate 5 additional engineering battalions and establish 38 new civic action centers so that each province will have one such center. We will create 100 military rural health teams to minister to remote and medically depressed areas where civilian doctors are reluctant to venture for reasons of personal security or inadequacy of compensation. We will also establish 13 coast guard stations to strengthen our anti-smuggling posture, and continue to acquire more modern weaponry for our ground, sea and air units. I wish to point out in this connection that additional equipment for 5 complete engineering battalions, procured through the U.S. Military Assistance Program, will arrive before the end of this Fiscal Year 1968.

CIVIC ACTION

In the field of civic action, we have generated tremendous enthusiasm in our people, particularly in the rural areas, and we feel that the challenge of civic action today is now to meet the growing appetite and yearning of our people. Toward this end, we will reorient our civic action programs from impact-oriented to development-oriented ones.

It is also our purpose to exploit fully the capabilities of the AFP for manpower development and training, tying this in with the annual call of 20-year-old trainees. More 20-year-olds will be called and given training not only in the basic military arts but more importantly in agricultural, construction and other technical skills. They will be drawn from and trained in their respective localities and their non-military training will emphasize those skills that are responsive to the manpower needs of the particular locality.

AGRICULTURAL AND INDUSTRIAL PROJECTS

As a further extension of this scheme, quasi-governmental companies composed of retired officers with managerial competencies will be organized and encouraged to develop economically viable agricultural or industrial projects in these localities, procuring their workers from among the 20-year-olds who have completed the training. Thus, aside from meeting the demand for skilled labor the program will assure the continued utilization of valuable managerial and technical skills at no extra governmental cost because the retired officers are already receiving their retirement pensions. In case these companies can generate enough income to pay higher salaries in lieu of these pensions, this will further relieve the government's ever increasing financial burden of paying for such pensions.

We are also studying a phasing out program, over a ten-year period, of the military units and installations located in the metropolitan Manila area. For national security and economic purposes, these military installations could best be moved out of population and industrial centers and transferred to more militarily secure and underdeveloped areas. The valuable real estate presently occupied by the Armed Forces can then be sold to provide the much needed funds for economic development, such as financing the operations of the Land Bank or building vital infrastructure projects.

MOBILIZING RESOURCES FOR PEACE AND ORDER

I consider peace and order a continuing major problem. This is, however, concentrated in the metropolitan Manila area where about two-thirds of the reported index crimes for the entire country are committed and over which the PC incidentally has no jurisdiction. An increasing number of piratical raids in Manila Bay and the Visayas-Mindanao area has also been noted. I have been informed that these raids are abetted by the encouragement and support of certain affluent sectors in these areas. Our anti-piracy efforts have resulted in the breaking up of the notorious pirate gang operating in the Cebu area and our employment of the PC has enhanced our anti-crime drive. Nevertheless, the solution to the peace and order problem requires nothing less than the complete mobilization of government resources and the utmost participation and cooperation of the citizenry.

MAXIMUM USE OF ARMED FORCES

We have prepared the groundwork for a peace and order program that will call for the total involvement of all government entities hand in hand with civic organizations and the general public. We will make maximum use of the Armed Forces in this all-out integrated peace and order campaign.

Certainly we shall continue to maintain PHILCAG in South Vietnam as an international commitment. Valuable as the PHILCAG's civic action operations are now in the country, they will be increasingly valuable in helping provide the means for South Vietnam's economic and social recovery once the fighting is over.

NO DUPLICATION OF FUNCTIONS

It is not correct to say that the military is usurping or taking over civilian functions.

There is neither usurpation nor duplication of efforts. The military merely supplements civilian performance, especially in areas where civilians, in and out of the government service, are either unwilling or unable to operate effectively. For instance, we are sending a naval medical corps to practice in Lanao and Sulu, in order to augment the extremely inadequate civilian medical service available in those remote areas.

What we have done is to refashion the role of the military towards civic action—the reassignment of soldiers from housekeeping in the barracks to active participation in the epic of development.

THE PHILIPPINES AND ASIA

The concern for an accelerated and expanded program of economic development, using all possible means and resources, led me to explore recently, with the leaders of Malaysia, Indonesia, and Thailand, possibilities of closer cooperation in economic development. My state visits to these three countries have increased my confidence that national development and regional development can and must go hand in hand. We and our neighbors, in a region where the opportunities for growth have been largely unfulfilled, must now bring our skills and resources together to establish the only real basis for peace and security.

AN OBJECTIVE OF OUR FOREIGN POLICY

The community of interests in our immediate neighborhood, reaffirmed during my recent state visits, is in line with one of the fundamental aims of our foreign policy, which is to achieve economic development through close cooperation with other countries.

Thus, by specific agreements with the leaders of Malaysia, Indonesia and Thailand to undertake with the Philippines joint economic, cultural and educational projects, we can look forward to more speedy economic development on a national as well as on a regional scale.

THE ASEAN AND ASPAC

Only recently, we helped build the framework for progress through cooperation by joining, as one of five founding members, the Association of Southeast Asian Nations. The ASEAN as an instrument for economic advancement figured prominently in my discussions with the leaders of Malaysia, Indonesia and Thailand. The promise of success that the ASEAN holds has confirmed the validity of the increased emphasis in our foreign policy on our relations with the rest of Asia.

Our Asian identity has been further strengthened by our participation in the Asian Pacific Council. Concrete projects under the ASPAC, such as the Experts Services Register in Canberra, the Social and Cultural Centre in Seoul, and the Food and Fertilizer Bank, all designed to accelerate regional economic and material growth, are now in the final stages of implementation.

MISSIONS FOR PROSPERITY

It was primarily the need to strengthen this ever-widening fabric of regional cooperation as a means to prosperity and peace in Asia that moved me in 1967 to undertake, personally, missions to several nations in our region.

I journeyed to Australia, following the tragic death of Prime Minister Holt late last year, to convey the sympathy of the Filipino people to that great country, with which we are allied in SEATO and ASPAC.

My visit to the Republic of Vietnam about the middle of last year enabled me to witness the humanitarian efforts and constructive building projects of our officers and men in the PHILCAG. That visit also gave me the opportunity to assess with the leaders of South Vietnam the chances of restoring peace, a requisite of enduring progress, in our part of the world.

SECOND AIM OF FOREIGN POLICY

I am determined that the momentum for Asian prosperity and stability, which we gained through our recently renewed contact with Malaysia, Indonesia and Thailand, shall be maintained, if possible increased. For the second fundamental aim of our foreign policy, which is to ensure the security of the Philippines from aggression and subversion, is inextricably linked with our economic development. A better life for our people is the best guarantee of their security.

REORIENTATION IN REGIONAL SECURITY ARRANGEMENTS

Present regional security arrangements should be recast to conform to a vital change in outlook. The real danger to our democratic life and institutions comes from internal subversion rather than external aggression. This danger grows and solidifies in direct proportion to the discontent among the people. It should be the primary concern of every government, therefore, to provide for the comfort and well-being of its citizens. On a regional scale, governments must find every possible means to align their efforts towards cooperation in economic development. The SEATO must now shift its emphasis from military preparedness to economic assistance among its members.

CREDIT AND PRICES

In recognition of the increased investment requirements of business our monetary authorities began the last calendar year by continuing the policy of credit ease which had been adopted during the previous year. The result, however, for the first half of the year, was a credit expansion more than 10 times the amount over the comparable period in 1966. Also, much of this credit went to finance imports, which increased by 45 per cent in the first six months as compared to the first half of 1966, while exports lagged behind. The result was the June circulars of the Central Bank, which were designed to curtail imports and redirect bank credit to other activities, especially production for export and food requirements; these circulars were later modified in October.

The measures that were contained in the June circulars and the subsequent October circulars contained a mixed policy of partial restriction and partial relaxation. The burden of the restrictive measures fell on imports financing because of the disturbing trend of our external trade.

POLICY OF LIBERAL CREDIT

At the same time, to ensure the continuation of the more desirable roots of economic growth, credit continued to be more liberal for the producers of rice and corn as production was exempted from the rediscount ceiling; and half of the ceiling was earmarked for the financing of export production. If some banks then still feel that their liquidity was reduced, it was perhaps a sign that their loan portfolio were unbalanced, favoring activities which, in the opinion of the government, were less conducive toward economic development. The increased activity in our stock market shows that there is certainly considerable capital available.

A second purpose of these credit restrictions was to contain the increase in prices; but the ultimate solution to high prices, as our recent experience clearly demonstrates, is to improve production and distribution facilities, especially of food products. The early success of our rice program was reflected in a decline of the Philippine Consumer Price Index in the months of April and May 1967 from its level in December 1966. Then two typhoons occurred, which damaged the rice crop and blocked roads leading from production to market centers; and prices promptly rose again. The movement of vegetable prices is an even more striking demonstration. In April of last year, vegetables prices were 27 per cent below their December 1966 level. Then the storms came; and prices rose by more than half of their year end level.

FINANCING OF DEVELOPMENT

Over the last fiscal year, domestic savings exceeded the expectations of our economic program; unfortunately, investment requirements also exceeded expectations by a similar amount. The domestic savings short fall was financed almost entirely by reparations and grants, with reserves and a small capital inflow making up the remainder.

The government during this period significantly influenced the size and direction of private investment, as well as the conditions under which business was done. Domestic markets were protected against dumping by proceedings against undervalued synthetics and chemicals, and against actual and technical smuggling particularly in textiles and luxury items.

Massive support was also granted to the private sector by government financial institutions. Between January 1966 and November 1967, as has been mentioned, no less than P4.4 billion had been extended by the five major government financial institutions to private concerns in the form of loans, guarantees and equity investment. These institutions are the DBP, PNB, GSIS, SSS and NIDC. Of this total, P1.7 billion, or 40 per cent, went to manufacturing, and over P786 million to agriculture, forestry and fishing.

MANAGEMENT OF GOVERNMENT FINANCES

The year just passed also saw a number of innovations in the management of government finances, again generally with striking success. The improvement of our tax collecting organization is now a matter of public knowledge and pride, and I shall only note here that it continues unabated. Total BIR and Customs collections for 1967, (January to October) were about 20 per cent over 1966; which in turn had been 10 per cent over 1965. Internal revenue collections were up by over 13 per cent and Customs collections (when volume of imports increased by 14 per cent) were up by almost 32 per cent. Both of these had also increased over 1965, by 5.7 and 16 per cent, respectively. Since no new tax measures were passed, and since the economy did not grow by nearly the same amount, most of this increase may be attributed to greater efficiency in both these important government areas.

The management of government debt was also undertaken with imagination, efficiency and success. The market for government securities for the first time in our financial history became truly widened with treasury bills becoming available to the private commercial sector, at competitive interest rates. We have realized as much as P175 million from this source, with the balance now standing at about P130 million. The Progress Bonds of the Development Bank of the Philippines have been an outstanding success, and had tapped private savings to the extent of P200 million as of the beginning of this month.

THE INVESTMENT INCENTIVES ACT

Finally, last year also saw the passage of the most sophisticated and potentially the most significant piece of economic legislation in the last twenty years. This is of course Republic Act 5186, the Investment Incentives Act. It sets forth in one place the investment policy of the government; but it goes beyond other incentives legislation in more than just comprehensiveness. It recognizes that economic conditions are constantly changing, and defines desirable areas of investment with corresponding flexibility. Most important, it creates in the Board of Investments a permanent machinery for planning investment in productive sectors, whose objectives are both to increase the amount of investment in the aggregate and to rationalize its structure.

In short, we have used with imagination

and skill the resources we have for increasing the rate and improving the structure of capital formation, and we have added significantly to these resources. But both our recent success and the pressing needs of the people inspire us to further ambition.

BUDGETARY POLICY

The search for economic prosperity demands that we straighten out the state of our financial affairs. Fiscal irresponsibility breeds conditions that are not conducive to monetary stability. When we sow the seeds of currency and price instability, we ultimately lose the benefits of economic progress.

Our budgetary policy, therefore, ever since I assumed the Presidency, is to maintain a balanced budget in so far as the ordinary operating expenses of the government are concerned. Funds raised through the issues of bonds and other forms of borrowings have been applied to infrastructure, development expenditures and investments.

In the allocation of funds, more emphasis has been given to economic development and less on general government. Two years ago the budget for economic development amounted to only 25.0 per cent of total expenditures. We have increased this to 3.8 per cent.

On the other hand, the budget for general government has been decreasing percentage-wise. It was 14.4 per cent of the total budget in fiscal year 1966. During the current fiscal year it amounts to only 11.5 per cent. Moreover, contrary to the common impression, the budget for national defense has not grown in proportion to the total annual budget. In spite of the increased responsibilities of our Armed Forces, due to its dual military duties and civic-action activities, its expenditures even decreased from 14.5 per cent in fiscal year 1966 to an estimated 14.2 per cent for the current fiscal period.

Capital expenditures also increased from 9.3 per cent in fiscal year 1966 to 17.5 per cent in fiscal year 1967, while current operating expenditures decreased from 90.7 per cent to 82.5 per cent for the same fiscal years.

REMAINING PROBLEMS

We began this message by defining three major economic problems of long standing. After two years of the present Administration, we can say with reasonable confidence that the first of these, the problem of producing enough food for our needs, is no longer of primary concern. This does not imply a diminution of our efforts to aid agriculture—two-thirds of our people still live in rural areas and we have a long way to go before we can be satisfied that their way of living has improved sufficiently.

Of the problems that still confront us, the most serious one, and one that is important to national self-respect as well as economic life, is the problem of improving our foreign exchange earnings. With our rapid growing population and in our present stage of industrialization, our country must trade in order to live acceptably well. The limits of easy import substitution have been reached, and substantial overcapacities already exist in many industry lines. At the same time, the country's list of exports has not changed markedly over the last twenty years, and remains composed primarily of agricultural products and industrial raw materials, for which the world market grows too slowly. Furthermore, our preferential trade relations with the United States are due to expire in a few years.

NEED TO INCREASE EXPORTS

First priority must therefore be given to increasing our exports, and to sustaining this increase over the long term. Our ultimate goal is self-sustaining growth, i.e. a high growth rate which can be maintained without undue reliance on foreign borrowing. Domestic savings are rising fast enough to be sufficient for our investment requirements in about ten years; but exports continue to fall short of our import requirements. We must eventually aim at an annual growth rate of 8 per cent for our exports; and efforts to attain this goal must begin immediately.

This is a problem of the greatest importance; it affects every aspect of our economic life; and the pressure to increase export earnings will continue as far ahead as we can foresee.

The export drive must begin immediately, and continue far into the future; later on, I shall outline the measure I believe necessary to undertake immediately.

FINANCING THE INFRASTRUCTURE PROGRAM

The second major problem that remains is financing our infrastructure program. The government has committed itself to providing many services which are essential to welfare or even to life. Half a million children annually enter our school system; health services must be expanded; training programs are urgently needed to reduce unemployment; the HMB continue to be a threat to our national security, in spite of recent success in this field. Our support of these and other essential services are current, not capital expenditures; they already absorb the bulk of government earnings, and annually become more expensive to provide. Still, a large and growing surplus must be obtained for capital expenditures; and not even the greatly increased efficiency in collecting existing taxes can do this.

REQUIRED MEASURES

Measured against the achievements of previous Administrations, the performance of the last two years is impressive; measured against the people's needs, they remain modest. The confidence we have gained from past success, as well as our consciousness of the needs which remain great, inspire us to set even higher goals for the future.

These longer-term goals are set forth in the rolling programs of our planning and implementing agencies. We shall merely outline here what has to be done over the next year. Our operational program involves activities in four areas: continuing government reorganization for efficiency; projects to be directly undertaken by the government, especially in infrastructure; manpower development and land reform; the improvement of our foreign trade; and the direction of domestic and foreign investment.

ORGANIZATION

In public administration, the most pressing need is for legislative action of the Reorganization Bill and the Revised Administrative Code, already submitted to Congress. We need to transform our administrative structure into the dynamic and synchronized machinery needed to perform effectively its role in economic development. In support of this, we also have to recast our long-established but now outmoded processes and procedures. We, therefore, propose to continue the reassessment of the organization and operations of our administrative machinery.

INFRASTRUCTURE

In infrastructure, our basic objective remains the provision of a structurally safe and sufficient network of major thoroughfares, with supplementary integrable developmental road systems, complementary water and air transport facilities and a comprehensive communications network; together with the irrigation and other facilities necessary to support economic growth.

Our basic criterion in the selection of our infrastructure projects has been their contribution to economic growth; but our selection has been realistic as well. We have also considered the financial resources available to the government and what we hope to obtain from new taxes, as well as the capabilities of the agencies to utilize capital funds.

In highways, we propose the concrete and asphalt paving of a total of 1,000 kilometers, the construction of 2,000 kilometers of developmental and feeder roads and 9,900 lineal meters of permanent bridges.

We have started the groundwork for the construction of the 3,000-kilometer Philippine-Japan Friendship Highway which running from Laoag City in the north to Zamboanga City in the south would link Luzon, the Visayas and Mindanao. This highway will serve two purposes: it will also contain emergency airstrips, to augment existing airports, to make possible aircraft landings along the whole stretch of this cross-country highway at regular intervals.

NATIONWIDE TRANSPORT SURVEY

We have also taken initial steps for the conduct of a nationwide transport survey which we hope to get off the ground this year. The purpose of the survey would be to provide a comprehensive and coordinated transport program on the basis of the expected socio-economic development of the country and its various regions, suggesting measures to be taken in the field of planning and regulating transport services, in the field of the responsibilities and organization of the public and semi-public entities involved and in identifying investments in the entire sector and priorities there.

We propose the irrigation of an additional 140,000 hectares to comprise our main irrigation program. In addition, we will continue the construction of communal and pump irrigation projects which will extend irrigation benefits to some 50,000 hectares more. We are pursuing the construction of the multi-million peso Upper Pampanga River Project which is designed primarily for irrigating 81,000 hectares in and providing domestic water supply to Nueva Ecija.

In airports and airways, we propose the concrete paving of runways and taxiways in 20 airports. We will improve and modernize the air navigation facilities throughout the country urgently needed for the safety of life and property in air travel. We also expect to complete runway resurfacing of the Manila International Airport by April this year.

Various projects at the port of Manila will be completed and provision has also been made for the improvement of 31 other ports throughout the country.

The most conspicuous of the communications projects is the permanent earth station of the Philippines Satellite Communications Project to be completed in April of this year. An interim earth station for this project was completed in a record time of 45 days and made operational in April of last year.

Other targets include 14,000 school units, 9 flood control projects costing some ₱13.6 million, low-cost housing, 40 waterworks projects, and various community projects.

To achieve these targets, we will need ₱580 million this year. This however does not include the whole cost of special projects like the Philippine-Japan Friendship Highway.

LAND REFORM

These facilities, by making it possible to increase production and income, will contribute indirectly to augmenting the livelihood and dignity of our people. But the government must also continue to make a more direct contribution. In addition to the services we normally provide, such as education and health services, we propose to concentrate on two programs, Land Reform and manpower development.

In Land Reform, we shall concentrate our efforts on the second Land Reform district of Pampanga, to make the program more effective. Also, two sources of funds were authorized last year for the Land Bank; we shall encourage this year the utilization of these sources, to make the operations of the Land Bank more effective. New funds will be drawn by the Bank from the issue of bonds

up to P10 million, which I authorized last year; and from the proceeds of the sale of 16 government properties in Manila authorized by Republic Act 5169. The sale is expected to realize up to P120 million, of which three-quarters is to go to Land Bank and the remainder to the Agricultural Credit Administration.

To complement our land reform efforts, we are opening up the 33,000 hectares Barira Farm in Parang, Cotabato for Army veterans, former dissidents and landless tenants. Later this year we shall also open 30,000 hectares in Tuao, Lanao del Norte.

MANPOWER DEVELOPMENT

Unemployment continues to be a pressing problem, with about 8 per cent of our labor force totally unemployed last year. We are considering several proposals to improve the skills of our idle manpower and thus make them productive members of society.

Among these measures are: an in-plant skills training program responsive to current and projected needs of industry; training for employment of out-of-school youth and unemployed adults through a network of practical training centers; and free vocational instruction at the secondary school level. These proposals shall be embodied in an omnibus manpower development and training bill which I shall shortly submit to Congress for consideration and enactment.

We are laying the groundwork for a national youth development program. Eventually, it will redeem some three million of our out-of-school youth, teach them civics, physical fitness, occupational and food production techniques. It involves the establishment of a national institute for youth leadership, pilot training centers, and the cooperation of the Manpower Development Council, the National Youth Coordinating Council, the Departments of Education, Labor, National Defense, the PACD and the private sector.

Finally, in the area of housing, we shall aim at increasing the credit resources available for low-cost housing as well as orienting lending practices towards the needs of low-cost homes. Likewise support shall be given government housing agencies to make them effective instruments for low-cost housing.

Our Social Security System, for example, has finalized its plans for building 7,000 low-cost houses annually. This project is scheduled to start this year.

FINANCING THE PROGRAM

Partly because of the growing needs of the people, partly because of their neglect in the past, the government is forced to spend this year and the next very large amounts for the provision of services essential for public welfare and facilities essential for economic development. To promise such things is popular; but we must not shirk the less attractive discussion of how they are to be financed.

In the drafting of this program, every possible reduction has already been made. The proposals have been subjected to ruthless scrutiny and pruning; only those that have met the strictest criteria of economy, efficiency and necessity have been allowed to pass, and these often in severely reduced form.

As evidence of this testing, I have laid down, in a proposal unprecedented in the history of Philippine budgeting, an absolute upper limit on the level of current expenditures. For this fiscal year, current expenditures from the general fund will not be allowed to exceed P2 billion. This limit will hold absolutely, in spite of the fact that the cost of providing the services that these expenditures represent has risen considerably.

Every other centavo that the government can raise will go into our capital program. But this money must not only be spent wisely, it must also be raised wisely.

FOUR ALTERNATIVES

There remain four alternatives open to us, and we have already utilized as much as is possible or prudent those alternatives that are open to purely executive action. First, we can borrow from abroad. We have already secured extensive foreign financing for capital projects; what keeps us from borrowing more is that we cannot raise the necessary local counterpart funds. Second, we can borrow domestically; and we have in fact programmed sizeable bond issues for both this year and the next. But fiscal prudence sets a limit to this sort of financing, to which we are already disturbingly close. The two remaining alternatives must also be used.

APPROACH TO PROBLEM OF REVENUES

We propose a two-pronged attack on the problem of raising government revenues. The first line of attack is to continue as we have done, and I think done conspicuously well, to improve the efficiency of collecting existing taxes. But this has not proven sufficient; many important programs have had to be curtailed for lack of funds. All that is humanly possible to increase the efficiency of the tax collecting agencies have been done and will be done. But this is not enough. A second line of attack is therefore necessary, has been necessary, for many years, and is especially urgent at this time precisely because it has been so long delayed. This is the passage of several new revenue measures, most of them long since proposed, others more recent, all badly needed. This has been the recommendation of recognized authorities on fiscal and monetary matters including former Central Bank Governors Miguel Cuaderno and Andres Castillo and present Governor Alfonso Calalang. Likewise this has been the recommendation of the IMF and the World Bank. The alternative to their non-passage would be continued pressures on our international reserves which would compel us to further restrict credit and/or cut back on our development program. Failure to pass them could lead to unmanageable price increases for which you and I must bear the responsibility. While a moderate increase in prices is admittedly compatible with and concomitant with economic growth, a runaway inflation, which we seek to avert with new taxes, would certainly not be conducive to growth and disruptive of it. How badly we need new taxes can be seen from the following example. We wish to raise P580 million for our capital program this fiscal year. Foreign financing has already been netted out of this figure. Existing taxes, even allowing for continuation of the increase in efficiency of collection, after deducting current expenditures, and programmed bond issues will lead us some P250 million short of this goal. A rather large amount remains, opposite the hopeful notation, "To be financed from other sources."

TAX REFORM

This enormous disparity between government needs and government means has existed too long; and the makeshifts and compromises that have been employed to bridge the gap have at last become insupportable. The reform of our tax system is long overdue. We ask that it be undertaken immediately.

The justifications are compelling. We can certainly afford more taxes: the proportion of national income our government disposes of is about half the comparable percentage for Malaysia and about 50 per cent less than that of Thailand, neither of which countries is conspicuously richer than we are. Furthermore, our present tax structure was essentially created before 1939, when our needs were much simpler, and when we had a colonial father to run to in case of need.

MEASURES PROPOSED

Most of the measures we propose are to increase tax revenues. But there is a second purpose for tax reform, besides increasing government revenue. We wish as well to distribute income more equitably, and to reduce the consumption of luxuries, especially those that are imported. The measures we recommend are thus of several kinds.

Some of these rationalize the existing tax structure. These comprise the measures to promote a more equitable distribution of income tax collection between the national and local governments; to amend certain sections of the Tariff and Customs Code of the Philippines; and to revise the rates on the individual income tax, some rates downward and other rates upward.

Other measures increase particular taxes, in the interests both of raising national savings and government revenues, and of discouraging conspicuous consumption, which is particularly harmful in this period of threatening unrest. These measures include increase in amusement taxes, and in specific taxes on certain distilled spirits and fermented liquors; requiring the payment of certain charges for foreign travel and for the registration of motor vehicles; increasing the rates of corporate income tax; and increasing the specific tax on oils and other fuels.

TEMPORARY SURTAX

Our final revenue proposal imposes a temporary surtax for economic development purposes. The main aim of this surtax is to enable us to carry on several essential capital programs, which have long been necessary, are more essential now than ever before, and have been suspended for lack of funds. The collections from this surtax are to be allocated to a special economic development fund, which is to be used solely for capital projects. The surtax is to be charged on certain taxes; but it is to be strictly temporary. It will cease when the backlog of capital projects has been erased, and will not in any case be imposed for more than four years.

By all these means, we hope to raise by prudent methods about P1 billion for capital projects over the next four years. Our past performance guarantees that the funds will be spent wisely; and if these measures are passed, especially the last, there will be an additional guarantee, in that we shall be spreading more widely the national stake in economic development, and hence the national determination that economic development does take place.

DIRECTING PRIVATE INVESTMENT

At the same time we must make sure that private entrepreneurs channel their energies and their funds in the ways that best promote economic development. We remain committed to free enterprise; controls are a cumbersome and an inefficient tool. Our method is simply to make certain industry lines attractive to private business as well as essential to development. In the encouragement of priority lines industries, the Board of Investments and the Presidential Economic Staff will take a leading part.

We are also determined that this development should be primarily in the hands of, and to the benefit of Filipino nationals. But this places on us the obligation of making clear precisely what the conditions are that we impose on foreign investment. This we have already done in general principle, with the passage of the Investment Incentives Act. But there are a few particular uncertainties that must be cleared up immediately.

OTHER MEASURES

For the guidance of private investment, domestic as well as foreign, we are therefore considering two measures among others. The first of these is the re-classification of land used by factories as non-agricultural. This is a classification that conforms more closely than the present one to the facts. It has the further advantage of acting as an incentive to the promotion and continuance of productive investment.

A second uncertainty concerns the definition of the term national treatment with respect to foreign investment, especially in the fields of manufacturing, commerce and finance. This should be cleared up by congressional action.

Finally, the mining law should be revised to encourage exploration for domestic sources of petroleum. The present law classifies the processing of petroleum from domestic sources as a public utility, and is hence severely restrictive to foreigners; but it does not so restrict the processing of petroleum from foreign sources. Thus our petroleum industry remains heavily import dependent. Domestic entrepreneurs have the incentive to prospect for oil here, but not the resources. Foreign companies have the resources and knowledge, but not the incentive.

It is difficult to justify this policy, especially in the present circumstances. The discovery here of oil in commercial quantities would be a tremendous asset, not only to our international reserves but also to our national security. We should no longer deny ourselves this possible good fortune.

GUIDELINES

In all these matters, we will adopt a broad approach, marked by four related guidelines. They are:

First, the encouragement of forward integration in our mining operations toward the processing of ores for local use or for export as higher priced products, as well as the backward integration of manufacturing to develop domestic sources of material requirements which are still being imported.

Second, the promotion of industries which utilize indigenous raw materials and which will service foreign markets aside from meeting the demands of the domestic market.

Third, the expansion of import substituting ventures geared to local raw materials and whose products are competitive with imports in quality and cost. And

Fourth, the stimulation of industries which provide material requirements to our agricultural sector and which support the capacity of the domestic market to absorb our agricultural products.

BANKING AND MANUFACTURING SECTORS

We will also encourage cooperation between our banking system on the one hand, and our manufacturers on the other, toward the production of capital equipment for our industries and possibly for export. It is an established fact that our engineering industries are capable of turning out equipment, components and other durable consumer goods at lesser cost than their counterparts in other countries. What is needed in this respect is a financing arrangement between our public and private financing agencies and our manufacturers, which will render financially feasible the undertaking of significant capital goods production.

A REALISTIC TAX PROGRAM

Since its enactment in 1939, the National Internal Revenue Code, which is the basis of our existing tax system, has remained basically the same. About 72 per cent of tax revenues are from indirect taxes; the remaining 28 per cent come from direct taxes. This must now be revised.

A realistic tax program, one attuned to the development requirements as well as the structure of our society, is now imperative. We must produce a system which would not only increase tax revenues for financing intensified government action in economic development but also distribute the tax burden fairly and justly. The rich, rather than the poor, should bear the greater weight of the tax responsibility.

SPECIAL FUNDS

It is important that the funds we seek to generate shall be utilized with extreme prudence. I shall therefore define as clearly as possible the major areas in which we must sustain or accelerate our development efforts, and mark out the funds that shall be utilized to finance them exclusively.

I propose tax measures for the following special funds, and their corresponding uses:

1. *A special land reform fund,* consisting of 50 per cent of the proceeds from the specific taxes on distilled spirits, wines and fermented liquors, and to be administered by the National Land Reform Council.

This fund shall be used exclusively to hasten the implementation of the land reform program of the government as embodied in the Land Reform Code. Among others, the fund will be utilized for the (a) acquisition and expropriation of private landed estates; (b) survey and subdivision of lands into capability survey; and (c) provision of infrastructure needs of land reform areas.

2. *A special school fund,* consisting of all proceeds from: (a) a P3.00 levy on all individuals and P50.00 levy on all corporations required to file income tax returns; and (b) P1.00 for every P3,000 worth of real property and/or salaries, gross receipts and earnings, on all individuals and corporations required to file income tax returns or pay the real property tax.

This fund shall be used exclusively to finance the preparation, printing and purchase of ordinary teaching aids, such as blackboards, chalks, erasers and visual paraphernalia.

3. *A special manpower development fund,* to consist of the proceeds from the imposition of a tax of 10 per cent and 5 per cent on the f.o.b. value of exports of logs and molasses, respectively.

This special fund shall be used exclusively to finance manpower training and development of technical skills in the labor force.

4. *A special fund for free hospitalization and free medicine,* to consist of 40 per cent of the tariff or taxes collected on imported blending leaf tobacco and of specific taxes collected on locally manufactured Virginia-type cigarettes, less 4 percent thereof but in no case less than P3 million annually for use by the BIR in specific tax enforcement and collection.

This fund shall be utilized exclusively to finance a comprehensive hospital and medical care program for the efficient operation and maintenance of government hospitals, puericulture centers, and rural health units and distribution of free medicine to indigents.

5. *A special science and technology research and development fund,* to consist of the proceeds from the imposition of an additional 2 per cent miller's tax and a new travel tax of P500 per foreign trip, under certain conditions.

This fund shall be used only for scientific research on a sustained basis.

6. *A community development and social welfare fund,* to consist of (a) increased collections resulting from the cutting down of the number of firms that can qualify for exemption under the Cottage Industries Law (RA 3470), through a reduction of the maximum capitalization requirement, and (b) proceeds from taxes to be collected from firms whose exemptions are proposed to be deleted from the Basic Industries Law (RA 3127).

This fund shall be utilized exclusively to intensify government efforts at improving living standards among the people at the grassroots level and to provide resources for aiding the needy and victims of natural calamities.

7. *A special infrastructure and development fund,* to consist of the proceeds from the imposition of a 15 per cent surtax on the following taxes:

(a) Personal and corporate income taxes
(b) Transfer taxes
(c) Real property tax
(d) Fixed tax on business and occupation
(e) Specific tax on alcoholic beverages
(f) Sales tax on luxury goods
(g) Percentage tax on luxury goods
(h) Amusement taxes
(i) Ordinary import duties

This fund shall be used exclusively to finance development projects in order to broaden the base of economic development.

8. *A special low-cost housing fund,* consisting of the proceeds from a tax of two per cent on the assessed value of idle lands, in addition to the regular real property tax payable thereon, the improvements on these idle lands being exempted from the regular property tax for a period of five years.

This fund shall be exclusively for the construction, maintenance and operation of low-cost tenement buildings or units for laborers and squatters in order to improve their standards of living.

9. *A special agricultural development fund,* to consist of the proceeds from the imposition of a tax on all acquisitions by a Philippine citizen residing in the Philippines, residents of the Philippines who have stayed in the Philippines for not less than one year, and corporations incorporated, organized, and existing under Philippine laws of (a) foreign stocks, (b) foreign debt obligations, and (c) land and improvement thereon which are situated outside the Philippines.

This fund shall be utilized exclusively for intensifying the development of agricultural pursuits, including the importation of cattle for breeding purposes for distribution to the barrios.

EXTERNAL TRADE AND ECONOMIC RELATIONS

I have saved until the end, to emphasize their over-riding importance, the measures to alleviate the most critical of the problems that still confront us. This is the shortage of foreign exchange. Our development program requires, as well heavy investment, large imports of capital goods and some raw materials; and recent world developments indicate that we may shortly have either to give up some of our protected markets or share them with other developing countries. Furthermore, the improvement of our export earnings requires that we first improve our relations with other countries; so that external trade becomes a question of international prestige as well as of national development. The world at large, as well as our national entrepreneurs, will judge us by the efficiency with which we act on these measures.

NEGOTIATIONS WITH THE UNITED STATES

The most urgent of these is the impending negotiation of our economic relations with the United States. A preparatory discussion has been held in Baguio in which we succeeded in making our wishes known and, even at that early stage, securing agreement on two important matters. The first of these is the American acceptance of the principles of the Charter of Algiers; that nonreciprocal preferences should be granted to developing nations, and their guarantee that important Philippine export will be assured of continued entry into the United States. In the event of general preferences being granted, Philippine exports are also assured of additional special preferences, at least until 1974. The second is their agreement that problems arising out of the termination of the Laurel-Langley Agreement will be resolved through the Philippine judicial process.

But that conference was only a preliminary exchange of views. The actual negotiations could take place in a few months: and for this, preparations must be undertaken immediately. Furthermore, the outcome of the negotiations will be a new treaty of economic relations between the Philippines and the United States, to replace the Laurel-Langley Agreement. Congress, as well as the Office of the President, is therefore involved, and Congress most directly, for it will have the final responsibility for the result.

Committees should therefore immediately

be set up in Congress to discuss these questions. Our entire economic relationship with the United States should be reviewed. We must attempt to gauge the national feeling as to what concessions we are willing to grant the Americans, and what we wish to accept from them in return. We must send to the United States a well prepared negotiating panel, with Congress and private business well represented.

Our economic relations with other countries as well need to be tidied up. There are treaties already negotiated and awaiting approval with the United States on tax relations, and with Japan, Germany and Sweden. Action should be taken on these as soon as possible, and in accordance with the will of Congress.

As a last measure in the field of international economic relations, we must increase our international bargaining power. Alone, we are economically weak against the industrial giants of the world; in union with similar countries in the Southeast Asian region, we can carry a little more weight. Our relations with these countries will be examined; we are particularly interested in the idea of a regional payments union.

INCENTIVES FOR EXPORTERS

On the domestic front, our own exporters are in need of more incentives. They must be encouraged to export more, and different things, to different markets. In this way, we protect ourselves from the uncertainty of being tied to a few buyers of a few products. In addition to the encouragement provided by the Investment Incentives Act, we should therefore like to see a special incentives act for exporters, in which additional tax exemptions are granted in proportion to the degree of domestic processing. A particularly attractive measure is the creation of an export processing zone. All activities within this zone would be tax-exempt; but taxes and duties would be levied if goods manufactured therein were to enter the domestic market.

Other measures are needed as well, to increase productivity and efficiency in our traditional export industries, especially sugar, coconut products and mineral production. And we must continue to attempt the restriction of non-essential imports. The measures currently in force have achieved some success; and there is hope that more restrictive measures will not be necessary.

By these and similar measures, of which I shall submit full particulars as the session progresses, our balance of payments may be improved to the extent and measure necessary.

CONCLUSION: APPEAL FOR MORATORIUM ON POLITICS

Politics is the art of decision through the will of the majority.

Supposedly, both the majority and minority parties are mere instruments of the people for the enforcement of their will.

The issue of performance as well as criticism has been submitted to the sovereign people.

The popular mandate in the last elections was clear: it was a mandate for the vigorous pursuit of a policy of performance—directed to the improvement of the lives of the people, but especially in terms of their basic needs—food, clothing, shelter and education.

This was not only a mandate for performance, but a verdict against excessive politics. On this point there could be no mistaking the popular will and temper.

The election of 1967 has just occupied our nation. Now the signs indicate excessive political activity for 1969.

I ask you to unite with us now in a concerted effort to promote our development efforts because this year should afford us a respite from politics and partisanship. This is our last year for constructive legislation. The 1969 elections certainly should not be allowed to engage our thoughts and energies now and therefore deflect us from the more urgent tasks demanded by the welfare of our people.

Those who persist in politicking at so late or so early an hour deserve the reproach and censure of the whole nation.

This is one of the tragedies of our democracy. But under my administration all parties have agreed by law to limit the period of political activity to three months for the local level and five months for the national level. This decision we all welcome as a guaranty against either majority or minority party members being guided by narrow selfish interest, their eyes dimmed by the prospect of the next election no matter how distant it may be, to the prejudice of the entire nation.

The need of the hour are men whose perceptions are clear. We must break from the crippling habits of the past. Let us cultivate only those ways and customs that will make us an effective and progressive people.

I appeal to all, whatever be your party or whether party man or not, to discard politics, at least this year. There will be enough time for the cruel, pitiless, exhausting, time consuming and often sterile and pointless pursuit of politics in 1969.

History may not record what we say. But it will record what we do. Let us now discard the pernicious habits of the past.

I hope and pray that the high-minded and noble responsiblity of lawmaking will prevail over partisanship and personal ambition.

To change their lives men must first change themselves. The challenge of nation-building is first of all a call to character-building.

It is the business of a free people to develop habits proper to freedom—to be purposeful, active, energetic and strong. We must at the very least, continue the pace that has been set in the past two years, the pace and tempo that mark a nation of achievers.

Thus may our people achieve their own development and write their own story of nation-building.

From a race, despondent, weak, vacillating, resigned and helpless—groping for salvation to a nation confident, bold and resolute, seeking not survival alone but progress.

From a nation of the *ningas-cogon* to a nation of achievers.

Let this be our epic of nation-building.

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## PERPETUATION OF THE HAWAIIAN HOMES COMMISSION PROGRAM

Mr. FONG. Mr. President, the Hawaiian Homes Commission Act became Federal law in 1920. Its purpose was to provide land and funds for settling native Hawaiians on homesteads in Hawaii. Since its inception, this program has helped many native Hawaiian families obtain house lots and farms on which to live and earn a livelihood.

At the time the constitution of the State of Hawaii was being drafted, the sentiment to perpetuate the Hawaiian Homes Commission program was so strong and overwhelming that the convention delegates adopted the Hawaiian Homes Commission Act as a law of the State of Hawaii. This is recited in section 1, article XI, of the State constitution. To further emphasize this determination, section 2 of article XI pledges the people of Hawaii to a compact with the United States:

The State and its people do hereby accept, as a compact with the United States or as conditions or trust provisions imposed by the United States, relating to the management and disposition of the Hawaiian home lands the requirement that Section 1 hereof be included in this constitution, in whole or in part, it being intended that the Act or Acts of the Congress pertaining thereto shall be definitive of the extent and nature of such compact, conditions or trust provisions, as the case may be. The State and its people do further agree and declare that the spirit of the Hawaiian Homes Commission Act looking to the continuance of the Hawaiian homes projects for the further rehabilitation of the Hawaiian race shall be faithfully carried out.

Without these provisions in the constitution of the State of Hawaii it is doubtful that the constitution would have been ratified by the people of Hawaii.

Subsequently, the same compact contained in article XI of the constitution of the State of Hawaii was written by the Congress into the Hawaii Statehood Act as section 4. This section vested control and administrative responsibility for the Hawaiian Homes Commission in the State of Hawaii. However, to insure that the State of Hawaii complied with the provisions of the Hawaiian Homes Commission Act, the Congress wrote into section 5(f) of the Statehood Act a provision reserving to the U.S. Government the right to sue the State should there be a breach of trust by the State of Hawaii in the use of Hawaiian Homes Commission lands and funds.

Retention of this right was necessary to insure that the almost 186,000 acres of Hawaiian homestead lands would be administered for the benefit of the native Hawaiians as required under the Hawaiian Homes Commission Act of 1920.

Legislation has been introduced in the Senate and the House of Representatives, S. 1832 and H.R. 11133, respectively, to remove the right of the Federal Government to enforce the trust provisions regarding Hawaiian Homes Commission lands. This legislation has caused much concern among our native Hawaiian people. There is great fear that if the Federal Government's right to enforce these trust provisions is removed the assets of the Hawaiian Homes Commission may be subverted to the detriment of the homestead program.

I had the privilege of serving as vice president of the constitutional convention of the Territory of Hawaii which wrote the constitution of the State of Hawaii.

I am proud to have taken an active part in having the Hawaiian Homes Commission Act of 1920 adopted as a law of the State of Hawaii through the State constitution and to have it incorporated as a compact with the Federal Government. The Hawaiian Homes Commission effort has served Hawaii well. Although problems of administration may arise from time to time, I believe the homestead program has helped tremendously in placing native Hawaiians on house lots and farms throughout the State, which they would not have received without this help.

I believe the Federal Government has a responsibility to insure that this program is perpetuated and administered in a proper manner. I am emphatically opposed to any changes in the law which would weaken or threaten the assets or existence of the Hawaiian Homes Commission program. I also am

opposed to repealing the right of the Federal Government to enforce the trust provisions of the Hawaiian Homes Commission Act, which right is contained in section 5(f) of the Hawaii Statehood Act.

I ask unanimous consent that a letter and a resolution I received from the Nanakuli Hawaiian Homesteaders Association, Inc., objecting to H.R. 11133 and S. 1832, be printed in the RECORD. The resolution was approved by 99.89 percent of the homesteaders on Hawaiian Homes Commission land in Nanakuli, Oahu, Hawaii.

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

NANAKULI HAWAIIAN HOMESTEADERS' ASSOCIATION, INC.,
*Nanakuli, Hawaii, March 8, 1968.*

HON. HIRAM L. FONG,
*Senate Office Building,*
*Washington, D.C.*

DEAR MR. FONG: On behalf of the "Nanakuli Hawaiian Homesteaders Association Inc.", representing 99.89% of the Homesteaders on Hawaiian Homestead Commission Land in Nanakuli, Oahu, Hawaii, I, Marie Olsen do strongly urge and forthrightly recommend that you, Mr. Hiram L. Fong, our duly elected Representative express and convey the feeling and wishes of the "Nanakuli Hawaiian Homesteaders Association Inc.", on SB 1832 by announcing on the floor of Congress and thus entering into the Congressional Record, the Resolution of March 4, 1968, as adopted by the "Hawaiian Homesteaders Association Inc." A copy of said Resolution enclosed herein to accompany this communication.

On behalf of the "Nanakuli Hawaiian Homesteaders Association Inc.", I, Marie Olsen do also strongly urge and forthrightly recommend that the open letter to Congress and accompanying petitions, enclosed and accompanying this communication, be announced with forenamed "Nanakuli Hawaiian Homesteaders Association Inc." "Resolution", be announced on the floor of Congress and thus be entered into the Congressional Record, and I hereby request that all forenamed entries be made immediately prior to any vote on SB 1832 by our representatives to Congress.

Your compliance with our request will be greatly appreciated and the progress of SB 1832 closely scrutinized.

Sincerely,

MARIE OLSEN,
*President.*

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MARCH 5, 1968.

HONORABLE SIRS: We, the Hawaiian citizens presently residing on homestead land at Nanakuli, Hawaii, do respectfully request your support against H.R. 11133. The bill at present is in the Committee on Interior and Insular Affairs. A hearing was held by the Subcommittee on Public Lands of the House Committee on Interior and Insular Affairs on February 19, 1968. Congressman Walter Baring of Nevada, by request, introduced the bill on June 26, 1967.

The Hawaiian Homes Commission Act of 1920, which was originally the Organic Act of 1895 and during the time of the great "Mehele" (land gift from our beloved Prince Jonah Kuhio to the Hawaiian people), made definite provisions for homestead lands, and such lands to be held in trust and leased only to people of Hawaiian ancestry. When Hawaii became a state, this trust was then placed in the hands of Congress.

With the inception of Model Cities Programs, according to Executive Order 11063, in order for the program to qualify for federal monies, our homestead lands must be broken apart. For Executive order 11063 denies federal monies for any urban renewal recipient found in violation of the Chief Executive's discrimination opinion on race, color, creed, and national origin.

We, the citizens of the Nanakuli Hawaiian Homestead lands, do not wish or desire to participate in the Model Cities program, and must take an opposing position to H.R. 11133, which would enable the Model Cities program to become a reality on our Homestead lands. We wish to see the present status of our homestead lands kept intact.

Because our state does not provide for initiative or petition referendum in our state constitution, we respectfully submit the enclosed petitions under the First Amendment of the Constitution of the United States, that is, the right to petition the Government for a redress of grievances. Be it known, also, that said enclosed petitions were signed by 99.89% of the adult population of the Nanakuli Hawaiian Homestead.

Once again, we respectfully ask for your support in opposition to H.R. 11133, and do humbly pray that you will make others aware of our plight.

Mahalo Nui Loa.

Sincerely,

THE NANAKULI HAWAIIAN HOMESTEADERS ASSOCIATION, INC.

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RESOLUTION OF NANAKULI HAWAIIAN HOMESTEADERS ASSOCIATION, INC., NANAKULI, OAHU, HAWAII, MARCH 4, 1968

Resolved: That the Nanakuli Hawaiian Homesteader's Association, Incorporated, by the membership, opposes the proposal to remove Federal power to intercede in the administration of State lands granted by the Hawaiian Statehood Act of 1959.

Be it further resolved that the proposal, known as H.R. 11133, would needlessly remove an essential check to the arbitrary exercise of State power. Moreover, it is not clear how this legislation could benefit any party, for if the State does not act in a manner violative of the public trust described in the Statehood Act, the continued existence of the Federal power to intervene will never come into operation; however, only if the State violates the public trust can the Federal power operate. It would seem that the proposal to remove this guarantee serves no legitimate purpose.

Adopted by the unanimous vote of all members in attendance at the Association meeting of February 23, 1968.

MRS. MARIE OLSEN,
*President.*

MR. WILLIAM C. ACHI,
*Vice President.*

MRS. BETTY ANN KAAHAAINA,
*Secretary.*

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PETITION TO THE HONORABLE HIRAM FONG, U.S. SENATE

STATE OF HAWAII,
*City and County of Honolulu,*
*The People of Nanakuli Homestead, ss:*

GREETINGS: We, homesteaders and citizens of the Nanakuli Homestead, of the city and county of Honolulu, whose names are subscribed hereinunder, being aggrieved at the manner in which certain officials and quasi-officials of the City Demonstration Agency as proposed on April 24, 1967, to the Federal Department of Housing and Urban Development under the provisions of Public Law 89–754, have blustered their authority, exaggerated and distorted matters of fact and of law, and ignored the desires of the people at numerous public meetings, do hereby petition for relief, to wit:

1. The Homestead land is protected and retained by The Hawaiian Homestead Commission Act of 1920 as amended.

2. We are opposed in principle and particular to the entire Model Cities Planning Grant Application, dated April 24, 1967, and demand rejection or withdrawal of the Application.

3. We further demand that the Application submitted, if not rejected or withdrawn, be rewritten to omit the Nanakuli Homestead area entirely.

In witness whereof, we have solemnly subscribed to this position.

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## NEW YORK TIMES CHARGES CAPITOL HILL ARCHITECTS CHOSEN ON BASIS OF WHO, NOT WHAT, THEY KNOW

Mr. PROXMIRE. Mr. President, on Monday the New York Times reported that eight out of nine contracts for construction on Capitol Hill have gone to the members of the partnership of DeWitt, Poor & Shelton. Although the contracts were awarded to the seven architects involved in some instances before they became business partners the fact remains that, in the words of Philip Hutchinson, Jr., director of Government affairs for the American Institute of Architects:

There has been a monopoly created on Capitol Hill.

When a man of Mr. Hutchinson's reputation levels this sort of a charge it deserves to be carefully explored. This is all the more true when it is revealed that Mario Campioli, Assistant Architect of the Capitol, and one of the men responsible for advising Congress on new building here on the Hill, worked for two of the seven DeWitt, Poor & Shelton partners before resigning to take his present job.

As a member of the Legislative Subcommittee of the Senate Appropriations Committee, which appropriates funds for Capitol construction, I intend to carefully explore the charge that it is who, not what, an architect knows that gets him a contract to redesign this repository of our Nation's heritage.

Mr. President, I ask unanimous consent that the New York Times article be inserted in the RECORD at this point:

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

ARCHITECTS SEE CAPITOL JOB FAVORITISM

WASHINGTON, March 17.—Eight of nine major design contracts awarded by Congress during a Capitol Hill building boom that began in 1955 have gone to seven architects—eventual business partners—whose fees to date total $5,197,737.

There is nothing illegal or unethical about Congress' hiring and rehiring the same group of architects. But architects who have been shut out are sharply critical of Congress for giving one project after another to members of the firm of DeWitt, Poor & Shelton.

"There has been a monopoly created on Capitol Hill," said Philip Hutchinson Jr., director of Government affairs for the American Institute of Architects, which claims 22,000 members among 30,000 licensed architects in the United States.

"The system up there is designed to play favorites," Mr. Hutchinson said.

Mario Campioli, assistant architect of the Capitol, who is one of the men responsible for advising Congress on Capitol Hill construction, testified before a special House subcommittee in 1966 that the same architects were used regularly because there were very few others trained in the architecture traditional on the hill.

Mr. Campioli—who worked for two of the

seven DeWitt, Poor & Shelton partners before resigning to become assistant architect of the Capitol—testified:

"There are very few who do the old work. The architects we have do both classical and contemporary."

"That's hogwash," Mr. Hutchinson said. "To imply that these are the only architects in the country trained in classical work is pure hogwash."

The seven architects are Roscoe DeWitt and Fred Hardison of Dallas, Alfred Easton Poor and Albert Swanke of New York City and Jesse M. Shelton, the late Alan G. Stanford and A. P. Almond of Atlanta.

They went into partnership under the name of DeWitt, Poor & Shelton after being collectively awarded a contract for extension of the Capitol.

Mr. DeWitt defended his firm's record in Capitol Hill construction.

"We did a good job," he said in an interview. "In many instances you hear about a job and you try to get it and somebody says, 'Well, so-and-so has been doing our work for years and we don't see any reason to change now.' "

"We had just finished the east front of the Capitol when the Library of Congress job came up and everybody was very pleased . . . so we were given an opportunity to do the library."

There is no competitive financial bidding for architectural contracts, on Capitol Hill or elsewhere. Architects traditionally do not quote price. Instead they submit brochures of their work, and a selection is made on that basis.

Selection of architects for Capitol Hill jobs over the last 13 years has been done by six different committees of the House, the Senate, or both.

When Congress set up the National Capital Planning Commission in 1952 to oversee the orderly development of Washington, including its architecture, Capitol Hill was exempted from the commission's jurisdiction, leaving control of the hill's 131 acres in the hands of the Congress.

The chief adviser to Congress in its selection of architects is Architect of the Capitol J. George Stewart, a landscape architect by profession.

Neither Mr. Stewart, nor his assistant, Mr. Campioli, could be reached to discuss the selection process despite five requests for interviews.

## MARKET DEVELOPMENT FOR AGRICULTURAL PRODUCTS

Mr. BURDICK. Mr. President, this morning, I attended a breakfast sponsored jointly by Great Plains Wheat, Western Wheat Associates, and the National Wheat Growers Association, at which various speakers presented views on farm legislation and agriculture in general.

Mr. Merle Gifford, of Gardner, N. Dak., president of Great Plains Wheat, reported on market development throughout the world and increased sales of wheat. The long-range solution to the farm problem lies in our ability to secure new markets, a subject which is embodied in Mr. Gifford's report. It is a message, I am sure, that Senators would wish to read.

I ask unanimous consent that Mr. Gifford's address be printed in the RECORD.

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

ADDRESS BY MERLE GIFFORD, PRESIDENT, GREAT PLAINS WHEAT

The United States is a commercial country. We are constantly thinking in terms of money—How much does this cost? Is this item worth what they're asking? We answer these questions either yes or no, depending upon whether we buy or do not buy.

But there are also many other things on which we are asked to place a value—Things which we cannot touch or see, things we only feel within us. One of these is market development. Specifically today we are referring to wheat market development—a priceless plus for both the country and the producers.

Wheat market development, as carried on by both Western Wheat Associates and Great Plains Wheat, is the only agricultural program financed entirely by producers. And it is truly a worldwide operation.

For wherever there exists a market capable of expansion, or the potential of a new market, the two organizations are there. In many cases, these organizations are the advance eyes and ears of the wheat industry.

We do not call upon our trade contacts with an order book in our pocket. We are only interested in creating a climate in which the importer will look more favorably upon the value of U.S. wheat to his business.

To achieve this goal, for instance, Great Plains Wheat has regional offices in Rotterdam, the Netherlands; Caracas, Venezuela and a country office in Rio de Janeiro, Brazil. The organization is financed by the wheat commissions or similar organization in the states of Colorado, Kansas, North Dakota, Oklahoma, and South Dakota. In addition, the Nebraska Association of Wheat Growers, affiliated with the National Association of Wheat Growers, contracts with GPW to further the work in the vast potential market of Brazil.

Western Wheat, on the other hand, is supported by the producers in Idaho, Oregon and Washington. Regional offices are maintained in Tokyo, Japan; Taipei, Taiwan; Manila, The Philippines, and New Delhi, India under the name of Wheat Associates, U.S.A.

In addition to the support from the Pacific Northwest, Great Plains Wheat contributes to the Asian program and the Nebraska Wheat Commission also contracts with WWA for certain programs.

Both organizations also contract for foreign currencies accrued under P.L. 480 from the Department of Agriculture.

Market Development programs vary but usually fall into three categories—market information, technical assistance and consumer promotions. Market information takes the form of supplying the foreign trade with current information on quality, availability, price and credit, mainly through contacts by GPW staff.

Technical assistance is the services of a bakery technician, cereal chemist or establishing a baking school. Consumer promotions are programs of market development in cooperation with local trade associations to place bread, pasta, cake or other wheat product directly before the public.

Market development programs have played a tremendous part in the increased exports from the United States. For instance, during the marketing year before large-scale market development programs began, wheat and flour exports totaled only 401.7 million bushels.

Exports increased in seven short years to 869 million bushels for the 1965–66 marketing year, the current record. Although total exports this last marketing year fell off slightly, the United States set a new record of 416.3 million bushels for commercial exports.

Market development has been responsible to a large degree for these increased exports. For many years, the U.S. producer has been operating under heavy acreage controls. But with the increase in exports, the burdensome surplus has been lowered and producers are again producing for the market.

Increased exports means a market for about half of each year's total production. The export market, both commercial and concessional, has exceeded the domestic market in the United States for seven consecutive years. This is the value of market development to the producers.

But what of the value to the United States? The record commercial wheat and flour exports of the last marketing year meant more than $668 million towards easing the balance of payments deficit.

And the concessional sales under Public Law 480, which is before your respective chambers for extension, also provided funds in lieu of dollars for payment of many government expenses.

P.L. 480 funds have played another part in this success. It was the availability of these funds to market development associations like Western Wheat Associates and Great Plains Wheat which has allowed us to enlarge our programs to effectively work in more countries.

Yes, these programs, coupled with the cooperation from government and grain trade, have significantly contributed to the increase in U.S. wheat exports. It has not only changed many concessional markets into commercial buyers, but has strengthened the U.S. position in traditional dollar markets.

This has happened in Peru, Japan, Italy and Ecuador. Japan has become the largest dollar market for U.S. wheat. Italian purchases of U.S. wheat under commercial terms have increased from 1.2 million bushels to 7.5 million in fiscal 1967.

Peru increased dollar imports from 720 thousand bushels in 1955–56 to 7.6 million last fiscal year. Ecuador's purchases for dollars increased from 268 thousand bushels to more than 1.8 million bushels. Venezuela, a long-time cash market, increased her purchases to 17.2 million bushels last fiscal year compared to 3.4 million in 1959.

All of these are success stories. There are many, many more. But the need for market development has not passed. It is a continuing operation.

## APPOINTMENT OF MRS. ELINOR L. GORDON TO PRESIDENT'S COMMISSION FOR HUMAN RIGHTS YEAR IS LAUDATORY STEP

Mr. PROXMIRE. Mr. President, in tribute to the current observance of the International Human Rights Year, the United Nations General Assembly has urged that all member states will approve ratification of the human rights conventions.

Helping America become more fully aware of the need for ratification is the 10-member President's Commission for the Observance of the Human Rights Year, a highly respected group of distinguished Americans selected by President Lyndon Johnson earlier this year.

Among this outstanding group of dedicated people is Mrs. Elinor L. Gordon, of New York, who is now serving as president of the Citizens' Committee for Children. Mrs. Gordon was appointed to that post in 1966.

She also is a member of the New York City Advisory Board of Public Welfare for the past 7 years and is an active member since 1963 of the Community Service Society of the Committee on Housing and Urban Development.

Some of her other civic activities include membership in the Board of the Family Institute of New York and the Lower East Side Action Project.

I am indeed pleased at Mrs. Gordon's

role in the President's Commission and know her contribution to help promote the Senate ratification of the human rights conventions will be of considerable merit.

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## THE PHARMACEUTICAL MANUFACTURERS' ASSOCIATION—211 CASE STUDIES

Mr. NELSON. Mr. President, during the Monopoly Subcommittee hearings being conducted on competitive problems in the drug industry, the issue of therapeutic equivalency has been debated for many months.

The question has always been whether drugs—either generic drugs or brand name drugs—which meet standards set down by the U.S. Pharmacopeia and the National Formulary, the officially recognized compendia of the U.S. Government, are in fact therapeutically equivalent.

The question has been raised repeatedly and discussed almost endlessly.

Eminent pharmacologists, practicing physicians, hospital staff doctors, teaching doctors, and pharmacists have testified to the committee that drugs which meet the same USP or NF standards are of equivalent therapeutic value—with proven exceptions rare.

The drug industry has consistently argued that even though two drug products meet official compendia standards therapeutic equivalency cannot be claimed for them unless there is an actual clinical test. This argument, of course, serves the purpose of protecting brand name products against competition. Of the several thousand drugs in the marketplace there are less than a half dozen in proven cases in which drugs meeting compendia standards produced differences in clinical performance.

The drug industry pursued its line of argument in testimony last fall purporting to support their position.

On November 29, 1967, Dr. A. E. Slesser, associate director of Smith, Kline & French Laboratories, testifying with the Pharmaceutical Manufacturers Association on behalf of the drug industry stated:

> I have a notebook here which contains 211 references, which relate to this matter of pharmacological equivalency . . .

When Dr. Slesser was asked how many of these 211 studies were duplicate studies, he said he did not know.

When he was asked whether the 211 studies covered 211 different drugs, he said he did not know.

When he was asked how long a period of time the 211 studies covered, he said he did not know.

When he was asked how many of the 211 studies were scientifically controlled "double blind" studies, he said he did not know.

When he was asked how many of the 211 drugs did not meet the required standards set for them by the USP and NF, he said he did not know.

The subcommittee's minority counsel finally said in exasperation:

> I was waiting for these 211 examples of doctors reports, but when you ask any questions about them, frankly you cannot answer them.
>
> I would think basically you would come up here and have fairly accurate and detailed knowledge about each of these 211 cases, or at least be able to say of the 211, half of them did this. But it seems like you are throwing 211 things that you want everybody to read, and you know nobody is going to read.
>
> When you were asked whether they were below USP standards and so on—there was no answer.

The committee accepted for the record the 211 studies Dr. Slesser submitted, in spite of his inability to answer pertinent and fundamental questions about the data on which the studies were based.

The committee asked Dr. Edward Feldmann, director of the National Formulary—NF—one of the two recognized official drug compendia, to examine the documents. He agreed to give the committee his judgment as to whether the studies were, as Dr. Slesser and the PMA claimed them to be, proof of the fallacy of the existence of therapeutic equivalency in drugs which meet USP or NF standards.

I have here Dr. Feldmann's reply to my letter of March 5. Dr. Feldmann stated:

> . . . this compilation actually supports and substantiates the testimony presented by me and a number of other witnesses during the hearings of the Senate Subcommittee on Monopoly during 1967. In my testimony before your Subcommittee on June 8, 1967, I stated: "Information available in the published literature reveals only isolated case histories, and very few scientifically performed studies, which demonstrates substantial differences in therapeutic equivalence between two comparable drug products. . . . I would be hard pressed to name more than even a few—less than five—well-conducted clinically acceptable studies which have demonstrated significant differences between two or more products clinically where they have met all the chemical and physical standards as provided by the official compendia . . . the number certainly does not exceed five and probably is even smaller than five."

Mr. President, it would seem to me that there is but one conclusion to be drawn from the 211 studies submitted by Dr. Slesser on behalf of the PMA—if the studies proved anything at all, it is, quite simply, the fact as stated time and again by the distinguished pharmacologists and physicians, who have testified before our subcommittee—the scientific evidence available indicates that in very few cases, perhaps less than five, are there demonstrable differences in the therapeutic equivalence between two comparable drug products which have both met USP and NF standards. The PMA's own studies have corroborated this for us.

Mr. President, I ask unanimous consent that my letter to Dr. Feldmann and his reply of March 13, 1968, be inserted in the RECORD at this point.

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

MARCH 5, 1968.

Dr. EDWARD FELDMANN,
*Director, National Formulary,*
*Washington, D.C.*

DEAR DR. FELDMANN: During your testimony on June 8, 1967 before the Senate Small Business Committee's Monopoly Subcommittee you stated that you "would be hard pressed to name more than even a few—less than five—well-conducted clinically acceptable studies which have demonstrated significant differences between two or more products clinically where they have met all the chemical and physical standards as provided by the official compendia."

On November 29, 1967 Dr. A. E. Slesser of Smith, Kline and French submitted a notebook containing 211 references which, he stated, "are related to factors which can affect the therapeutic effectiveness and safety of products," and which show that there are many more than the small number of cases you, yourself, mentioned. Dr. Slesser, however, was unable to tell the Subcommittee how many different drugs were involved in the 211 references; whether they met USP or NF standards; or to describe the scientific quality of studies which he was supplying.

To complete the record on this subject, I am taking the liberty of sending you the material which Dr. Slesser gave us, and I should be extremely grateful if you would examine its contents to ascertain how valid is the documentation for his position.

Your assistance is greatly appreciated.

Sincerely,

GAYLORD NELSON,
*Chairman, Monopoly Subcommittee.*

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THE NATIONAL FORMULARY,
*Washington, D.C., March 13, 1968.*

Hon. GAYLORD NELSON,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR NELSON: This will reply to your letter dated March 5, 1968 relative to the notebook or compilation of 211 literature references and reprints entitled "A Measure of the Volume and Contents of the Literature Pertinent to the Topics of Generic and Therapeutic Equivalency."

In response to your request to me, I have examined this compilation and have evaluated it in a general way from the standpoint of its scientific character and the pertinence of its content to its subject title.

The preface statement in this compilation describes the division of the material contained therein into five sections identified as items A through E. From my examination of these five sections, it is my conclusion that items B, C, D, and E are largely supplemental to the information provided in item A. This conclusion can be drawn from the fact that item B principally draws upon many of the same references as those listed in item A. Item C is a chapter from a textbook, and as such is based principally upon information drawn from the literature—again largely information covered under item A. Item D is an annual review of all areas of research for a specific year in the broad field of the pharmaceutical sciences. As such, the articles in item D of pertinence to this compilation already have been listed under item A. Finally, item E is simply a listing of all periodicals and journals dealing with pharmacy which are published throughout the world.

On this basis then, it appears that greatest attention should be devoted to a consideration of the scientific aspects and pertinence of the material appearing under item A.

As noted in the preface to the compilation, item A consists of a listing of 211 articles (along with the abstracts relating to some of them, and along with photocopies of certain of the other articles). A detailed and thorough examination of these articles would constitute an enormous undertaking. My review of this material has been limited to a general examination of the material as presented in this listing. From this general review and survey, I believe that the following conclusions can be validly drawn:

1. The literature covered by this survey ("item A") is sufficiently broad to indicate that it represents a reasonably comprehensive review of the subject field. It is rather unlikely that any significant areas have been overlooked in assembling this compilation.

2. The periodicals and journals which are

cited as references constitute recognized and respected publications in the medical, pharmaceutical, and related professional or scientific fields. As such, they are appropriate sources for the collection of information on the subject topic of the compilation.

3. Of the 211 references, the first group of 102 references—according to the preface statement—pertain to *in vivo* clinical observations, which is the subject of greatest interest to the question that the compilation attempts to answer. *On this basis, the succeeding observations will be limited to references from this first group of 102.* However, it appears that this first group of references is quite analogous to the second group of references in all other respects, so that the same general observations could be validly drawn regarding the source of the information, the applicability of the studies, the scientific veracity of the conclusions, etc.

4. The absence of either abstracts or reprint copies of a substantial number of the references cited makes it difficult to evaluate the conclusions or pertinency of such articles without consulting the original literature. Certain of the articles listed by title only appear to be of questionable pertinency to the topic of this compilation; for example, references number 37 and 71.

5. A number of the references appear to pertain to isolated case histories or other types of casual observations which were not conducted in a scientific manner—nor were they intended to be. Such articles are equivalent to testimonials and while interesting, are usually regarded as almost meaningless by trained scientists and experienced clinical investigators. A few examples of this type include references number 13, 14, and 19.

6. A few of the references do not appear to be appropriate for inclusion in this listing since the titles and/or abstracts of the articles indicate that the study involved is concerned only with the pharmacology of the drug under examination and not in any way with dosage forms or matters of formulation; for example, reference number 35.

7. Somewhat along the same vein, certain references appear only to compare entirely different routes of administration of a drug rather than different dosage forms or formulations to be administered by the same route. It is obvious to all that a drug administered by injection will be physiologically available more promptly than virtually any oral dosage form. Examples in this category include references number 24, 25, and 97.

8. Many of the studies compare entirely different types of oral dosage forms—for example, a drug in the form of tablets or capsules in contrast to that drug substance in some liquid dosage form such as an elixir or suspension. Selection of the optimum dosage form is important and unquestionably can have an effect on the therapeutic effectiveness of the drug involved. However, I am unaware of any suggestion or claim that "therapeutic equivalency" exists between completely different types of dosage forms. This is quite another matter from comparing the tablets made by one firm with the tablets made by another firm. Therefore, references of this nature do not seem appropriate for inclusion in this compilation on "generic equivalency"; some examples include references number 7, 10, 12, 89, and 98.

9. By the same token, certain drugs are *purposely formulated* in a manner to provide slow or gradual release of the drug. Studies comparing such timed-release or sustained-release preparations with drug products intended for regular drug release should not be included in this listing. Since such products are purposely intended to have different properties or characteristics of drug release, it does not seem appropriate or valid to include such references in this listing. It is implied that the listing consists of references demonstrating differences observed in drug products where no such differences were intended. Examples of some of the references which should be excluded on this basis are numbers 4, 21, 32, 48, 70, 76, 84, 85, and 90.

10. Many of the articles cited appear only to compare completely different compounds. It is quite obvious that formation of a water-soluble salt of a water-insoluble organic compound will result in a new compound which is more readily soluble in aqueous body fluids. For this reason, different salts and esters are regarded by the FDA, the official compendia, and the scientific community as entirely different drugs, since in fact they are entirely different compounds. It is inappropriate, therefore, to include in this listing studies which principally appear to compare different compounds rather than different formulations of the same drug entity. This would exclude, for example, references number 27, 30, 34, 41, 72, 73, 80, 86, and 96.

11. Certain references appearing on the list are duplicative of others already included on the list. The duplicative references include editorials, review articles, and general statements which are based on studies already included in the listing. Consequently, inclusion of these latter references could be misleading since their presence suggests a larger number of original reports in the literature than actually exists in fact. References in this category which appear to provide no new data include, for example, numbers 22, 26, 38, 45, 51, 53, 58, and 66.

12. Several of the references referred to appear to be inconclusive or borderline regarding the conclusions which are drawn as to existence or nonexistence of therapeutic equivalency. Such references include numbers 5 and 31.

13. A number of the references cited indicate that current standards are satisfactory to assure quality drugs. See, for example, references number 57 and 65.

14. Several of the references listed appear to constitute articles in which the conclusions of the respective authors show that drug product variation was *not demonstrated* on the basis of the particular study reported. The references which appear to support therapeutic equivalency include numbers 61, 62, 63, and 77. Moreover, references 61 and 77 specifically refute other articles appearing on this list which apparently report clinical differences among drug products.

15. None of the examples of questionable references listed in the above paragraphs are duplicative. Furthermore, in each instance the references cited above are just some examples chosen at random to illustrate each of my points; hence, additional references probably could be similarly disqualified if a closer scrutiny were made. Consequently, significant question exists concern the pertinency or appropriateness of including a large proportion of the references tabulated. Moreover, it appears that a substantial portion of the remaining references may in fact support the idea of "therapeutic equivalency" of drug products rather than refute it.

16. After eliminating the above-mentioned questionable, inappropriate, or refuting references, a limited number of references still remain which appear valid as documentation to demonstrate instances in which "therapeutic equivalency" may not exist. It should be noted, however, that these remaining references do not all pertain to studies on different drugs. In other words, some of them constitute confirmatory studies regarding certain drugs discussed in other reports on this list. Hence, while it is appropriate to include these confirmatory references in this listing, the number of drugs concerning which non-equivalency of some sort has been observed is substantially less than the total number of references which remain after excluding the invalid or inappropriate reports. For example references 18, 32, 42, 43, 49, and 67 all pertain to enteric coated aspirin tablets.

17. Your letter to me dated March 5, 1968, quoted a statement by Dr. Slesser explaining that the compilation contained references which: ". . . are related to factors which can affect the therapeutic effectiveness and safety of products."

After eliminating the inappropriate studies, some of the remaining references do appear to provide some support to Dr. Slesser's statement. It should be noted, however, that his statement says that these considerations are *"related to factors,"* and that the factors *"can effect"* effectiveness and safety. This broad generalization does not really answer the basic question implied during the Subcommittee hearings; namely, "Does the scientific literature reveal many studies showing that a significant clinical difference (effectiveness or safety) has been demonstrated in comparing two drug products which meet applicable official compendia standards?"

In conclusion, it appears from the above point-by-point evaluation, that this compilation actually supports and substantiates the testimony presented by me and a number of other witnesses during the hearings of the Senate Subcommittee on Monopoly during 1967. In my testimony before your Subcommittee on June 8, 1967, I stated under conclusion number 6:

"Information available in the published literature reveals only isolated case histories, and very few scientifically performed studies, which demonstrate substantial differences in 'therapeutic equivalence' between two comparable drug products (also referred to as generic or brand equivalence). Consequently, while we must recognize that this factor exists, currently available evidence indicates that only very seldom is there a difference in clinical performance if the official compendia standards are met by both drug products."

In subsequent testimony both FDA Commissioner Goddard and USP Director of Revision Miller, among others, also commented to the effect that differences do exist in the case of some drug products, but that there are relatively few documented cases in literature references, indicating that from a clinical standpoint this problem has been greatly exaggerated. In your March 5, 1968, letter to me you also quoted from my statement made to your Subcommittee that:

". . . I would be hard pressed to name more than even a few—less than five—well-conducted clinically acceptable studies which have demonstrated significant differences between two or more products clinically where they have met all the chemical and physical standards as provided by the official compendia."

The references which remain after eliminating those that are inappropriate may include a few such studies, but the number certainly does not exceed five and probably is even smaller than five.

Consequently, it appears that the above-quoted statement from my testimony is actually confirmed by a review of the compilation of references which you supplied to me and concerning which you requested my evaluation and opinion from a scientific viewpoint.

Sincerely,

EDWARD G. FELDMANN, Ph. D.,
*Director.*

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## HARMONIOUS RELATIONS BETWEEN THE RACES

Mr. TOWER. Mr. President, the Texas poll, which is published in several newspapers in my State, reported this month that there has been a substantial increase in the willingness of white Texans to accept Negro social and business contacts.

Contrary to the President's Riot Commission Report allegation that America

is moving toward two societies, I submit this evidence that Americans, including Texans, are living and working together better than ever before and in increasing harmony and progress.

I ask unanimous consent that the findings of the Texas poll be printed at this point in the RECORD.

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

THE TEXAS POLL: WHITES INCREASE NEGRO TOLERANCE

While the President's Commission on Civil Disorders has recently painted a grim picture of deterioration in white-Negro relationships—blaming much of it on "white racism"—The Texas Poll finds that since 1966 there has been very substantial increase in the willingness of white Texans to accept the Negro in many areas of social and business contact.

Progress in the acceptance of Negro equality has been measured through a series of five statewide surveys conducted beginning in 1963, each using the identical battery of questions. In spite of some fluctuation in particular attitudes, the over-all trend has been toward more ready acceptance of the Negro's new states, except for a slow-down noted in 1966.

Some of the changes since 1966 have been so marked that we have double-checked the findings: Two surveys have been conducted recently, one last November and another one last month; the results verify each other. In the table below we have omitted the November results since they were so close to those obtained in February of this year.

When these questions were first asked in 1963, only one of the situations posed—working side by side in the same kind of job—was acceptable to a majority of whites in Texas. In 1968, six of the eleven areas of contact with Negroes are accepted by large majorities.

Two-thirds majorities or better—and size of these figures is important here—say they are ready to accept various business and social relationships of a non-personal nature, and even in the most personal of the propositions tested—having a Negro roommate for a son or daughter in college—shows unmistakable, though gradual, change.

Interviewers have taken the questions to a representative cross section of Texans for each survey, asking them to express acceptance or rejection to the situations listed below. Only whites were asked the questions, and Mexican-Americans have been omitted from the analysis below since they usually favor integration measures overwhelmingly.

[In percent]

| | 1963 | 1964 | 1966 | 1968 |
|---|---|---|---|---|
| How about Negroes riding in the same section of trains and buses with you? | | | | |
| Accept | 49 | 62 | 64 | 74 |
| Reject | 47 | 35 | 35 | 23 |
| No answer | 4 | 3 | 1 | 3 |
| Eating in the same restaurants with you? | | | | |
| Accept | 40 | 54 | 56 | 70 |
| Reject | 57 | 44 | 42 | 27 |
| No answer | 3 | 2 | 2 | 3 |
| Staying in the same hotels with you? | | | | |
| Accept | 36 | 49 | 50 | 63 |
| Reject | 60 | 47 | 48 | 33 |
| No answer | 4 | 4 | 2 | 4 |
| Sending your children to the same schools? | | | | |
| Accept | 41 | 52 | 53 | 67 |
| Reject | 55 | 46 | 45 | 30 |
| No answer | 4 | 2 | 2 | 3 |
| Attending your church? | | | | |
| Accept | 46 | 59 | 54 | 69 |
| Reject | 50 | 38 | 43 | 28 |
| No answer | 4 | 3 | 3 | 3 |
| Using the same public swimming pools with you? | | | | |
| Accept | 19 | 27 | 29 | 33 |
| Reject | 77 | 69 | 68 | 62 |
| No answer | 4 | 4 | 3 | 5 |

[In percent]

| | 1963 | 1964 | 1966 | 1968 |
|---|---|---|---|---|
| Working side by side with you in the same kind of job? | | | | |
| Accept | 56 | 67 | 69 | 79 |
| Reject | 40 | 31 | 29 | 18 |
| No answer | 4 | 2 | 2 | 3 |
| Attending the same social gathering outside of your home? | | | | |
| Accept | 23 | 32 | 37 | 46 |
| Reject | 73 | 65 | 61 | 50 |
| No answer | 4 | 3 | 2 | 4 |
| Attending a social gathering in your home? | | | | |
| Accept | 13 | 19 | 23 | 32 |
| Reject | 83 | 77 | 75 | 64 |
| No answer | 4 | 4 | 2 | 4 |
| Living next door to you? | | | | |
| Accept | 23 | 30 | 29 | 39 |
| Reject | 74 | 67 | 69 | 58 |
| No answer | 3 | 3 | 2 | 3 |
| Having as roommate for your son or daughter at college? | | | | |
| Accept | 8 | 14 | 18 | 22 |
| Reject | 88 | 82 | 80 | 72 |
| No answer | 4 | 4 | 2 | 6 |

The above results are not typical of all sections of the state. East Texas whites, for example, are usually more opposed to all phases of integration than other areas of the state.

While letting down many of their old bars against an integrated society, a majority of white Texans still believe integration is being pushed too fast by the national government. This figure is now at the same point as in June 1965 when the same question was asked:

"Is the Johnson administration pushing integration too fast, too slow, or about right?"

[In percent]

| | *1968* | *1965* |
|---|---|---|
| Too fast | 53 | 54 |
| Too slow | 2 | 5 |
| About right | 33 | 33 |
| No opinion | 12 | 8 |

## MIAMI HERALD ANALYZES GOLD CRISIS

Mr. SMATHERS. Mr. President, the recent "gold rush" has been a matter of grave concern to the United States and her free world allies. While the decision to establish a dual price for gold has, for the moment, halted the wave of speculation on gold in foreign markets, most of us recognize that we are only buying time with this plan.

The Miami Herald of Tuesday, March 19, had some excellent editorial comments on the decision of the gold pool countries and I ask unanimous consent that the editorial entitled, "Two Prices for Gold and a Partial Answer," be inserted in the record at this point of my remarks.

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

TWO PRICES FOR GOLD AND A PARTIAL ANSWER

Gold's crisis weekend was not a loser. There is every indication—in "free" gold prices themselves, in the stock exchanges, in public attitudes—that the seven-nation agreement on two-price gold has checked the panic.

For this, many millions of people dependent on a stable world monetary system should be grateful. But they will remain apprehensive.

Simply stated, what the gold pool nations have agreed to is to peg the official monetary price of gold at $35 an ounce, as they have done since 1961 and as the United States has done since 1934. They promise to buy and sell gold for dollars at that price in all foreign central bank transactions.

On the gold markets, however, the price of the metal would be allowed to seek its own level. It might go sky-high, though yesterday in the first test it didn't. In time it might settle back to a price somewhere near the present $35 an ounce.

The arrangement, however, has two possible flaws.

The central banks will be tempted to buy gold from the U.S. at the pegged price and sell it to speculators. "There are a lot of crooks around, and some of them are central bankers," an anonymous foreign treasury official told The Wall Street Journal.

The second potential weakness is a price variance which would throw real doubt on the true value of the dollar. Is it worth $35 an ounce? Or is it worth X dollars? Once again the world could be beset with suspicions which caused all the trouble in the first place.

These suspicions, indeed, may remain. For two-price gold is a temporary cure. The mini-panic began when financiers lost some of their faith in the dollar, the world's major currency. So they began hedging it with gold.

There will be a crisis of sorts until the U.S. approaches its balance of payments deficit, which wore away confidence in the dollar over many years, with a sense of sacrifice as well as dedication.

Yesterday President Johnson called on the nation for "a program of national austerity" and an all-out effort to win the Vietnam war, win the peace and "complete the job at home."

We are dubious about the President's priorities but we like the word "austerity." The trouble is that it comes two years late.

If by "austerity" Mr. Johnson means determined budget cuts, tax increases, limitations on spending by the private and government sectors abroad, then the term has some meaning. It can have little effect if the whole apparatus of sacrifice is simply to escalate a war whose costs may jump $4 billion in a blink.

The U.S. has barely escaped serious trouble through the kind offices of its monetary friends. But the end is not yet. Only a firm President, fully resolved to protect the national economy and persuasive enough to take Congress with him can get us from a shaky short-run to a safe long-run of confidence in the dollar.

## SOVIET UNION'S ROLE IN A VIETNAM PEACE

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD the text of a speech I delivered at the Broome County annual Republican dinner, at Binghamton, N.Y., on March 18, 1968. I believe it will be of interest to my colleagues in the Senate.

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

The anxiety and confusion which pervades the nation about what course we should now follow in Vietnam was demonstrated graphically during last week's meeting between the Senate Foreign Relations Committee and Secretary of State Rusk. Despite the wide disagreements evident during the hearings, it seems to me that two guidelines did emerge. First, there were no serious suggestions that we abandon the enormous effort we have so far put into the Vietnam struggle; and second, there was very evident dissatisfaction with the Administration's apparent intention of plunging ahead with "more of the same".

There have been a number of watersheds during the long struggle in Vietnam. Nonetheless, I am convinced that we are now at the most portentous watershed we have faced there. For years we have been asked to

regard Vietnam as a safe, limited, "mini-war", which could be prosecuted with little serious effect on life at home or events in other parts of the world. But, now—like the egg of the cuckoo bird—the mini-war in Vietnam has hatched into a monstrosity which threatens to eat us out of house and home.

Despite Dean Rusk's professed continuing confidence that Vietnam is the most manageable of all our post-war confrontations with the communists, I believe that the earlier "margins of safety" have largely been dissipated by the escalations of the past year.

The mood of the people of the U.S. is such as to deprive comfort to anyone espousing the theory that we should wait until after the November elections before acting to change our policy. The American people are ready, I believe, for a genuine compromise settlement of a reasonable character. If that cannot be obtained despite sincere overtures, the same movement among the people could express itself in demands for much higher and determined escalation. The people want to feel that we are now working to attain at least the beginning of the end of our struggle in Vietnam.

In short, the present ongoing glacial movement in the American body politics is to seek to end the stalemate in Vietnam. Any enemy assuming that this means we will simply give up, is an enemy taking a big gamble indeed. The power and the resolution of the U.S. remain incredibly great. It would be unwise for any enemy to overlook this reality.

*While the dilemma of what to do about Vietnam has become very acute for us, the Soviet Union faces an equally acute dilemma.* Despite the fact that the USSR is not directly engaged in Vietnam—as we are—the Soviets have contributed in a big way to the dangers to world peace which the Vietnam war now poses so menacingly.

Leaving aside for the moment the mistakes we have made in Vietnam—and there have been many—the direct danger to world peace stems from the attempt of small North Vietnam to inflict a humiliating defeat on the world's greatest power—the United States. Hanoi's intransigence in refusing to go to the negotiating table, and Hanoi's arrogance in thinking that it can win its own terms on the battle field in Vietnam—these are the root dangers to world peace in the Vietnam war.

There is no doubt in my mind that the U.S. has also been ill-advised in believing that we could totally thwart Ho Chin Minh's political aspirations in South Vietnam by limited American military intervention. The U.S. also has been grievously mistaken in thinking that we could create, by an act of our own will, a viable anti-communist democracy in a South Vietnamese society which lacks the elementary attributes of nationhood.

But for all of our sometimes naive self-confidence and our inclination toward overhasty action, the U.S. is, above all, fair-minded and instinctively willing to find compromise settlements to human disagreements.

Hanoi's intransigence, and the dangers of its effort to inflict a military defeat on the U.S., have been made possible by the continuing flow of sophisticated weapons it receives from the Soviet Union. *By equipping Hanoi with a highly sophisticated air defense system, and by providing the new weapons systems which made the Tet Offensive possible, the USSR has made itself a party to Hanoi's standpatism.*

I do not believe that there is any significant segment of the population of this country which is prepared to accept Hanoi's contemptuous terms for peace in Vietnam. I trust that this is understood by the wiser and more responsible heads in the Kremlin.

It is in this context that the USSR faces a dilemma as acute as our own, with regard to what happens next in Vietnam. *Unless there is a move toward negotiation and de-escalation, the war could expand in every dimension, including a widening of the ground war into Laos, Cambodia and perhaps North Vietnam itself.*

Whatever satisfaction the USSR has derived hitherto from our disappointment and frustration in Vietnam, I do not believe that Party Chairman Brezhnev and Premier Kosygin could view the prospect of a significant expansion of the Vietnam war with anything but the most serious sense of anxiety and foreboding.

*Therefore there is not only the desirability but the necessity of enlisting the USSR in the search for a negotiated compromise settlement.* I use the word "compromise" advisedly here. In my judgment there can be no peace so long as the Administration stubbornly seeks to defeat Hanoi and the Vietcong militarily and totally to thwart their political aspirations. It is just not reasonable for us to expect that the USSR will acquiesce in—or contribute to—by pressure and withholding of arms—the total "defeat" of communist North Vietnam.

*What needs to be defused on both sides is the symbolism of "defeat" and "victory".* I think it is in this area that the deficiencies of Secretary Rusk's and President Johnson's handling of Vietnam have been gravest. Against all wisdom, they have continued to escalate the allegd "stakes" at issue in Vietnam. The more apparent it has become that our objectives were unrealistic, the more they have insisted that fulfillment of those goals was necessary to the security of the world and the prestige and honor of the U.S. By constantly proclaiming to the world that our pledged word elsewhere would be meaningless if we did not stand in Vietnam to the last ditch and that the deterrent effect of military power is essential to avoid collapse in South and Southeast Asia—ideas that surely never occurred seriously to others before we proclaimed them—President Johnson and Secretary Rusk have really complicated the problem of a peace settlement.

Aside from the foregoing, and the exaggerated ideological significance which Mao Tse Tung has attempted to give it—an effort which the Administration has so eagerly abetted—the conflict in Vietnam should really be an obscure struggle between contending indigenous strong-arm bands for political control of the remnants of France's Asian jungle colony.

South Vietnam has no intrinsic strategic importance either to the U.S. or the USSR. I seriously doubt that Kremlin ideological sophisicates have any more confidence in Ho Chi Minh's "true faith" as an apostle of Lenin than ADA President Kenneth Galbraith has in General Thieu's fidelity to the philosophy of Thomas Jefferson.

Accordingly, I see this course for the U.S. to adopt:

First, is to signal to the Soviet Union that Hanoi's effort to inflict a humiliating defeat on the U.S.—with Soviet-supplied armaments—is utterly unacceptable and has brought matters to a dangerous stage which could lead to a serious widening of the war and produce grave risks for all concerned.

Second, notwithstanding our earlier ideological hyperbole we should tell Moscow the U.S. in fact is prepared to negotiate a real compromise settlement, and that the USSR can bring this about.

*The fact of the matter is that only the USSR has the leverage at this time in Hanoi, and that we cannot get peace in Vietnam without the cooperation of Russia. As I have pointed out, the USSR has its own inducements in the situation to move it away from a big power confrontation.* The challenge and the opportunity to our diplomacy is to enlist Soviet cooperation in the search for peace, in a way which commits and at the same time contributes to Soviet prestige and Soviet national interest in a durable compromise settlement.

I have made this suggestion previously several times on the Senate floor—last on February 5—in a less comprehensively developed way and in perhaps less urgent and auspicious circumstances.

I am very pleased to note that one of the leading contenders for our party's Presidential nomination—former Vice-President Nixon—has taken up this idea and added his own thoughts to it.

Also, it is significant to note that in his foreign policy declarations, Governor Rockefeller—whom as is well known, I have urged to seek the Republican Presidential nomination—has declared his view that U.S.-USSR concurrence is essential to major steps toward peace in the world. I have little doubt that he would include the Vietnamese problem when he addresses himself to this crucial aspect of our foreign policy.

I think it is an approach which all Republicans can support and I urge that it be developed and refined as a basic element of the Republican Party's thinking on Vietnam.

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## CONSUMERS UNION

Mr. MONDALE. Mr. President, recently the National Observer published an excellent article by Mr. John Morton concerning the activities of Consumers Union. This organization has, for a number of years, been at the forefront of efforts to provide American consumers with objective and impartial appraisals of a wide range of products. The product evaluations and comparisons presented in the organization's publication, Consumer Reports, have gained extensive public confidence and, consequently, have prompted manufacturers to correct product deficiencies and advertise products more directly on their merits.

The mobilization of consumer interest in recent years has had a marked influence on public policy. A number of important pieces of consumer legislation have become law in recent years largely as a result of the interest generated by such efforts as those undertaken by Consumers Union. The strong amendments to the Federal Meat Inspection Act adopted in 1967 are the most recent example of the great power possessed by the consuming public when it makes its wishes known in no uncertain terms.

Mr. President, I commend this excellent review of the activities of Consumers Union to the Senate and ask unanimous consent that the article be printed in the RECORD.

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

[From the National Observer, Feb. 26, 1968]

PRODUCTS PUT TO THE TEST—CONSUMER REPORTS: READ, RESPECTED, AND FEARED

MOUNT VERNON, N.Y.—Everything is fair game to Consumer Reports.

A target can be as prosaic as canned orange juice (most was judged pretty poor) or as venerated as the life-insurance industry. It can be as specialized as the high-fidelity component industry or as vast as the Federal Government, an agency of which the magazine plans to sue on the ground it is withholding consumer information.

In recent months, Consumer Reports has told its 1,250,000 subscribers that:

The Rambler Ambassador and Chevrolet

Chevelle are "unacceptable" on safety grounds. An investigation into the television-repair industry shows "fraud is rife." Federal controls on the health aspects of the cigaret industry are "a sick joke so far."

In the March issue, a test of high-fidelity tape recorders will reveal a model costing $179.50 that Consumer Reports says is far superior to others costing twice as much or more. An article on exercise and heart disease will contain worrisome statistics for those who, to paraphrase the magazine, propose to remain sedentary until they become permanently recumbent.

A TARGET FOR CRITICS

This independent, irreverent approach to all things has won Consumer Reports influence and dedicated readers. It has also brought it ample criticism.

The magazine has been accused of being political, prejudiced against business, and slipshod in its tests. It has even been accused of being a Communist front; for a time in the early 1950s it appeared on a list of subversive organizations maintained by the House Un-American Activities Committee, from which it was removed in 1954 after a hearing before the committee.

Declares a spokesman for the photographic industry who is dismayed over the magazine's influence: "If you don't do well in Consumer Reports, it's like having your throat cut."

The reverse can also be true. A Norge executive once said a favorable rating "put us in the washing-machine business."

The headquarters for this monthly round of excoriation and occasional praise is a collection of old factory buildings in an industrial section of Mount Vernon, a northern suburb of New York City. It is here that Consumers Union (CU), the membership corporation that publishes Consumer Reports, maintains five laboratories and editorial, market-research, and circulation offices. There also is an auto-testing facility in Lime Rock, Conn. Employes number 300, including 40 engineers and an editorial staff of 12.

Walker Sandbach, a baldish, 51-year-old Midwesterner has been executive director of CU since 1965. A soft-spoken, friendly man whose manner seems to encourage the first-name atmosphere that prevails at CU, he explained for a visitor how CU decides what to test and how to test it.

PICKETING THE PRODUCTS

Seventy different types of products are tested each year. Some, like automobiles and major electrical appliances, are rated annually, others less often. CU's market-research department conducts surveys to determine which brands should be tested. The major sellers will be included, along with one or two less well-known brands that offer something special in price or features. "We try to cover at least 80 per cent of the market," says Mr. Sandbach.

The product is then assigned to an engineer and a writer. The engineer determines what tests will be needed and whether an outside consultant will be necessary. The writer is kept informed of developments and eventually is given a lengthy, final engineering report. His condensation of this is reviewed by the engineer and editors before being published.

CU itself buys, through shoppers located throughout the country, the goods it tests and the equipment used to test with. Since it is nonprofit and tax-exempt, CU permits no advertising in its magazine and does not permit its ratings to be exploited by advertisers elsewhere. In almost any month, CU starts half a dozen law suits to stop such exploitation.

The money for CU's operation comes solely from subscriptions, newsstand sales, and sales of paperback books published by CU on a variety of consumer subjects. Its budget was $6,500,000 last year.

Mr. Sandbach is confident that circulation and hence income will continue their dramatic increases of recent years. Subscriptions climbed 300,000 in the past two years, and he expects the total to double to 2,500,000 within five years.

FINANCING A FELLOWSHIP

Some of the new income has already been committed to finance a $10,000 fellowship in Washington for a young lawyer, who will start digging into auto safety on April 1; more fellowships will be forthcoming. Also, CU plans to establish a Washington office to expand its role as a watchdog of Federal agencies.

"There isn't any question about it, the Federal Government's role in all that we do now is such that we ought to have somebody down there watching to see what they are doing on behalf of the consumer," says Mr. Sandbach.

One sign of this closer look at Washington is the plan to sue the Veterans Administration (VA) under the new Public Information Act. The VA tests hearing aids to assure that veterans will receive the best possible models, but so far it has refused CU's requests to make the results public.

Says Mr. Sandbach: "They used the public's tax money to make the tests, and there's no reason in the world why the public shouldn't know the results. It costs us $50,000 to test hearing aids. If the VA makes its findings public that's $50,000 we could spend testing something else."

Automobile testing, while expensive, has had one saving factor: CU could trade in one year's models on the next year's. But testing autos could become very expensive if CU starts crash-testing for safety features, something Mr. Sandbach thinks is sorely needed. He says if the Federal Government fails to crash-test on a significant scale as part of its new concern over safety, CU probably will be compelled to. Such an expensive undertaking would make a big dent in future budgets.

An auto test in the January issue brought CU national publicity when for the first time in its history it rated a car "unacceptable" for consumer use. The car was the Rambler Ambassador sedan, which CU said leaked gas when braked from high speeds. American Motors termed the leakage insignificant but said it would alter the fuel system to correct it.

In the February issue, CU rated the Chevrolet Chevelle unacceptable for swerving uncontrollably when braked from high speeds. "Chevy engineers informed us they were unable to duplicate our results," says Mr. Sandbach. "We offered to provide them with details on how we did it but we haven't heard from them yet."

The life-insurance industry was offended by a series of articles that ran last year, then were compiled into a book. CU's principal point, based on information from consultants, was that most people would be better off if they bought simple, inexpensive term insurance instead of high-premium life policies with savings clauses. The money saved on the premium then could be invested for a better return than the life-insurance policy could offer, CU argued.

NOT FOR EVERYONE?

Insurance men complained that CU's advice was extreme in being recommended to everybody. They said it might be good advice for a sophisticated investor, but that the average person benefits from having a certain amount of his insurance premium go automatically into savings. An agent who was incensed by the articles contended that CU used loaded words and slanted phraseology—"all elements of the typical sensationalized expose"—to appraise the different types of insurance.

Robert Smith, CU's assistant director, replies that CU does not intend to steer people away from investing in life insurance if they have trouble saving otherwise. "But we do try to point out there is a very substantial difference in where his estate ends up if he has it in a policy which has a large savings segment to it at 2 or 2½ per cent, or 3 per cent at best, as against investing those same funds at 3½ or 6."

A frequent critic of CU is Frederick J. Schlink, president and technical director of the only competing product-testing organization, Consumer Research of Washington, N.J., which publishes Consumers Bulletin. Consumer Research was the pioneer in the field, being founded in 1929, seven years before CU. In fact, CU was founded by a former employe of Consumer Research, Arthur Kallet, who had sided with strikers in a labor dispute in the organization.

"THEY'RE POLITICAL"

"The main difference between us and Consumers Union is that we're nonpolitical and they're political," says Mr. Schlink. "They're not only political but left political. They carry a running fusillade against business and advertising and want more government and more things run by the Government."

Mr. Schlink says that Consumer Research, by contrast, concentrates on product testing and criticizes only those business practices it considers wrong, not business as a whole "on general principles." Safety critic Ralph Nader, who has just joined Consumer Reports' board of directors, is a recipient of Mr. Schlink's barbs as well: "We don't consider ourselves crusaders, the way Nader and Consumer Reports are." Mr. Schlink refuses to say what his mazagine's circulation is; most estimates put it at 100,000.

CU has returned the fire. It has, for example, criticized an arrangement under which Consumer Research tested photographic goods for Davis Publications, Inc. The results were published in a magazine that contained advertisements exploiting the test results.

CU ran an article in Consumer Reports deploring this link to advertising. It said test organizations so far had been able to offer only a modest guide through the Alice-in-Wonderland realm of advertising claims and lamented: "To see the granddaddy of them all becoming a courtier of the Queen of Hearts, even to a limited extent, can only evoke sorrow."

Nevertheless, says a CU official, "We think they do a remarkable job considering the limited budget they have to work with."

A number of industry leaders find fault with CU's testing methods. Herbert Keppler, editor of Modern Photography magazine, complains that CU's camera-testing procedures as explained in Consumer Reports seem inadequate, especially in apparently not testing lenses at close distances. Not so, say CU engineers; lenses are tested up close. They say the tests on cameras are so thorough, in fact, that the final report often runs 40 pages and that many details have to be left out to reduce the report to the three or four pages that appear in the magazine.

But even if Mr. Keppler is a critic, neither he nor most others question CU's basic integrity and independence. Says Mr. Keppler: "My wife reads it from beginning to end, and she wouldn't think of buying an iron without consulting Consumers Union." A critic in the insurance industry says simply: "They're clean."

A major goal of CU, of course, is to help its readers get their money's worth, whether in buying goods or services. That the odds are often stacked against the customer was demonstrated by CU recently in testing the honesty of television repair men. Twenty sets with identical, uncomplicated defects were presented to 20 repairmen. The bill should have been about $8; all but three charged inflated prices up to $37, and many of them

charged for work that subsequent investigation showed wasn't performed.

Or consider the results on tests of tape recorders in the March issue, wherein a $179.50 machine outperformed more expensive ones. Says Mr. Sandbach: "Now an uneducated consumer would just assume that for $399 he was going to get more than he was going to get for $179. I think the American public ought to have this. I think it's good for our country and our economy to have this kind of competition. The pressure is on to improve quality."

When it comes to ferreting out bargains, CU is willing to consider anything, including liquor. A panel of tasting experts gathered by CU, for example, found all Canadian and American blended whiskeys almost indistinguishable, despite prices ranging from $4 to $9 a fifth.

The same thing was true with vodka, except for one test sample singled out as the experts' favorite in smoothness and over-all quality. What brand was it? It wasn't vodka at all. It was a mixture of ethyl alcohol and distilled water, concocted specially by CU's technicians.

JOHN MORTON.

## LABOR-MANAGEMENT MARITIME PROGRAM

Mr. MAGNUSON. Mr. President, recently the Maritime Labor-Management Unity Committee, which is comprised of some six unions and 18 shipping companies, presented their recommended program for revitalizing the U.S. merchant marine.

Revitalization of our merchant fleet is essential, and many of us in Congress have worked diligently to promote a revitalization program.

I request unanimous consent that a brochure entitled "Labor-Management Action Program for a Strong U.S. Merchant Marine," which outlines the Maritime Labor-Management Unity Committee's 15-point program, be printed in the RECORD at the conclusion of my remarks, and I urge all Senators to carefully read and consider the proposals advanced.

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

LABOR-MANAGEMENT ACTION PROGRAM FOR A STRONG U.S. MERCHANT MARINE

*To the President and the Congress:*

We believe that it is imperative that our Government—the Administration and the Congress—come to grips with the Merchant Marine problem. In times past the American flag was second to none on the high seas. Today, as Senator Warren G. Magnuson has pointed out on the Senate floor:

"There is no dispute that our Merchant Marine is woefully inadequate. We are now carrying—and this is a startling figure—under 8 percent of our foreign waterborne trade. The United States has dropped to 16th in the world's shipbuilding statistics. While the world fleet increased by 61 percent in the last 15 years, America's privately owned fleet has decreased by 24.5 percent."

This deplorable condition must be corrected immediately. We must revitalize the U.S. Merchant Marine. Our national security, as well as our pressing domestic problems, characterized by the balance of payments situation, cry for action now.

To help the Administration and the Congress in its formulation of a new Merchant Marine policy and program, we, the representatives of 90 percent of maritime Labor and Management, have held a series of meetings together to formulate a joint legislative program.

We believe that the following elements of our program are essential to a sound maritime policy and legislation should incorporate these points with parity continuing to be the keystone of our national policy. An increase in the percentage of U.S. Exports and Imports carried on U.S. Flag vessels is an essential predicate.

Following we are outlining the fifteen points of a program which we believe will accomplish the task of revitalizing the U.S. Merchant Marine. We respectfully urge the Administration and the Congress to give it immediate and careful consideration.

THE LABOR-MANAGEMENT PROGRAM

Adopted February 8, 1968.

Presented to Congress March 7, 1968.

1. Thirty-five to forty new commercial ships a year.
2. Operating differential subsidy for nonberth vessels as well as liners for foreign trade, retaining the basic parity concept.
3. A positive program for the revitalization of passenger ship fleet.
4. An extension of tax deferred construction reserve fund to all American merchant and fishing vessels.
5. A more simplified system for determining construction-differential subsidy retaining parity as a basic concept of such support.
6. Research and development funds to revitalize the Merchant Marine and expand the cargo carrying capacity of U.S. ships, with full guarantees for jobs and security for the workers to be carried out.
7. Establishment of quasi-judicial subsidy board.
8. Establishment of a revolving construction reserve fund to provide for continuing fund replenishment from customs receipts.
9. A fleet of nuclear powered vessels for foreign and domestic commerce.
10. The strengthening and full implementation of the Cargo Preference laws.
11. Opposition to the Department of Defense appropriation for the Fast Deployment Logistic Ships.
12. Support of reorganization plan to place the Maritime Administration in the Department of Transportation and Cargo Preference in Marad.
13. Support of measures (S. 2086 and S. 2087) to require U.S. citizens for replacements in foreign ports and eliminate abuses of provisional registry.
14. Support for the revitalization of the fish industry (bill to be introduced shortly).
15. The use of U.S. flag ships in greater numbers as a positive tool to help eliminate the U.S. dollar gap.

## A VICTORY FOR THE CONSUMERS

Mr. GRUENING. Mr. President, the electric power consumers of America have now been relieved of the threat of extremely troublesome legislation which has been pending in the Senate Commerce Committee and was defeated by a vote against it of 13 to 5 today. The measure which threatened the interests of consumers of electricity, was the bill, S. 1365, a mischievous measure designed to permit escape of the private power companies from regulation by the Federal Power Commission. The ambiguous language of the bill obscured its real purpose which was to cause private utilities to organize distribution systems entirely within individual States and, at the same time, allow certain interconnections with other States without the supervision of regulatory provisions of the Federal Power Act.

As one who has long championed the cause of consumers of electric power and the importance of adequate regulation of suppliers of electricity, I am very glad that, at last, the threat of regulatory exemption of the principal suppliers of power has been defeated. At a time when it is clearly in the public interest that networks of power transmission facilities be constructed throughout the Nation to prevent blackouts and breakdowns in electric service, S. 1365 would have encouraged an entirely different approach.

As for the necessity of Federal regulation of public utilities, this has been apparent since an investigation by the Federal Trade Commission pursuant to a Senate resolution in 1928 revealed to the public the shocking manner in which the electric power companies, without any regulation, had made fortunes at the expense of helpless consumers. I recounted this scandal in my book "The Public Pays," published in 1931, and republished in 1965 as "The Public Pays—And Still Pays." The battle for adequate regulation of utilities goes on through the years and those who would protect the consumers' interests must be ever vigilant.

Now those who are concerned with protecting the interests of electric power consumers may advance those interests steadily without the imminent possibility of enactment of legislation which would make their efforts increasingly difficult.

## THE SILENT INVASION

Mr. HOLLINGS. Mr. President, recently there appeared in Pace magazine an article entitled "The Silent Invasion," concerning our returning young veterans from Vietnam. The article was written by Pace Associate Editor Malcolm Roberts.

As Mr. Roberts points out, the young men returning from Vietnam are not the boys who left the States 12 to 24 months previously.

He said:

> As a result, though they are moving almost unnoticed into schools, jobs and politics, they could become the most powerful influence in this country.

Mr. President, I for one do hope they become an influence and I hope further that these men who have risked their lives for their country will influence many of our young people who do not fully understand the price of freedom. I congratulate Pace magazine for choosing such a worthy topic and Mr. Roberts for a job well done.

This article should be of interest to every Member of this body and I ask unanimous consent that it be printed in the RECORD.

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

THE SILENT INVASION

(By Malcolm Roberts)

Watch out, America. They're coming!

The vet invasion, silent, without fanfare, has begun. Last year 609,791 discharged servicemen hit U.S. shores with a quiet yet bulldozer determination.

This year 790,000 will come, with more than a million to follow in 1969. Where are the veterans headed? What do they think? How will they affect the election of 1968?

Something happened to these men in the jungles of Vietnam that has put maturity

into their thinking and determination in their guts. They are not the boys who left the States 12 to 24 months previously. They are trained men, disciplined and sobered by the wrenching experience of living through a shooting war. As a result, though they are moving almost unnoticed into schools, jobs and politics, they could become the most powerful influence in the country.

One of the scores of returning veterans interviewed by Pace for this penetrating report summed up the feelings of many. "One thing I learned overseas: if you get down in the same ditch with a Vietnamese or anyone else then you know you're just two men." Said another, "I was pretty wild when I was younger. I had to go to Vietnam to find out what an American should be."

AT VETS' ROUND TABLES NEW IDEAS ARE EMERGING

The 277-pound veteran with a crew cut hitched his chair up to the table and said, "You can't tie us together as a group. Every one of us thinks differently." His words fired the opening gun of a Pace Editors' Round Table on "The Veteran in Civilian Life, 1968," held at the magazine's editorial office in downtown Los Angeles.

Nineteen young veterans, many recently returned from the war in Vietnam, were seated around a large table facing a battery of editors. The burly vet's comment proved sound. The striking similarity about these men, and scores of other veterans interviewed throughout the greater Los Angeles area, is not their uniformity but their realism and clarity of thought. "That evening as a whole," summed up an observer, "was the best description of democracy I have ever heard."

These men have a maturity of outlook rarely matched by students and civilians of commensurate age. "When your life and your buddies' lives are on the line," commented Dr. Joseph Lenihan, 33, a dentist and former Naval lieutenant who served in Da Nang, "this matures the average guy a whole lot."

*On dropouts dropping in*

The colleges, particularly the junior colleges, are filling up with veterans, many of whom were high school and college dropouts. "I winced when my college asked for my high school transcripts, they were so bad," remembered ex-Marine Eric von Hurst, 28, student body president of Cerritos College and a member of the honor society.

A classmate, Pat Dodero, 24, a dropout from Long Beach State, has now accrued two straight semesters with a 4.0 (A) average. The Cerritos Vets Club has the highest scholastic average of any club on the campus.

"The difference is we know what we want," explained Ken Suarez, 22, ex-Marine and member of the student senate. "We started later, so we have to run faster."

"After five years in the Service I'm behind other guys now," remarked James McCurry, who is about to graduate from the Northrop Institute of Technology as an airplane technician, a trade he began in the Army, "but some of the things I learned in the Service in terms of my trade and experiences in life will put me ahead of the others later."

*On the responsibility habit*

Heavy responsibility shouldered at a young age can become a habit. Men who never thought they had it in them have now set higher targets for themselves. A typical comment: "My aim was just to make corporal and forget it. When I got my sergeant's stripes I felt I could take on the world."

Jack Jones, 29, a policeman and former "spat" or self-propelled antitank gun commander with the Airborne, was in charge of constructing a school for 120 Vietnamese children in Bien Hoa. His unit built the school as a volunteer project. When it was dedicated, Jones received a flag and a gift from the Vietnamese people. This was an accomplishment that has made a deep impact on his life.

"My whole value system has completely changed," said Steve Cobb, 23, ex-Army man and current member of the Long Beach City College veterans' group. "Things that have been so important to you in America just aren't when you get away."

*On jobs for machinegunners*

A pet peeve of the returnee is the question often asked by a prospective employer, "What special training did you get in the Service?" A common reply is "jungle training."

When a department store personnel chief asked the same question of Sammy Marquez, 21, he replied, "I was a machine gunner for four years. Need one?" He got the job (clothes salesman).

The returning Negro serviceman looks for a job with the same responsibility and prestige he had in the military. After a series of rejections and closed doors, some have been wooed by the black militants. The majority take strong exception to these groups and like Charles Walker are going to keep plugging away until they find the work they are looking for.

Richard West, in charge of the Urban League's program to help the returning veteran in Los Angeles, warns, "They were fighting in Vietnam for the freedom of a people. They come back full of hope. They find industry not hiring and housing not available. Unless this country is as aggressive an equal-opportunity employer as the military, we've got a problem."

The vets as a group hold no truck for the hippie and the demonstrator. Many defend the right of dissent, but they resent the way troop morale has been undercut by these groups. One returnee of less than a week admitted he had planned with several of his friends to get discharged in Japan rather than return to a "hippie America."

"My heart bleeds for my buddies back there," remarked Cory Beall, who had been through some of the heaviest action of the war with the Airborne. It bugs him that many are paying a heavy price and feeling all the time that no one Stateside cares.

Younger men in political office is a common desire among the vets. They are practically unanimous that the nation needs younger leadership at all levels. For many this means they want a chance to lead themselves. A political career appeals to a high percentage of them.

Most of them see America's role in the future to be one of "setting an example for the rest of the world." But, they contend, we must be careful about how we go about it. "Different people have different tastes," stated one. "We can't force people to do things our way. If they want to pattern themselves after us, let them take the initiative."

This wave of returnees is different from earlier generations of veterans. At least they believe they are. They have no illusion that they have fought the war to end all wars. They have no intention of escaping from everything.

*On hippie professors*

Suprisingly they have little dialogue or debate on campus with the Students for a Democratic Society and other New Left elements. "The SDS has their religion," commented Cory Beall. "They believe in it. They don't talk to you about Vietnam. They can care less about the facts."

The vets have considerable influence in class and with other students. "The hippie professors can't control our minds like they can the other kids'," said one ex-Marine. "When we're in class they get bent all out of shape. Sometimes they even lower our grades because of it." Several complained that they are continually baited by such professors.

Asked if war had soured his desire for involvement in curing social issues. Sammy Marquez shot back, "It has added fuel to the fire. When you see the Vietnamese civilians dying, their children crying and your own buddies shot up, you want to make sure that never happens here."

"We want change, but not just for the sake of change," said another. "The hippies attack society, but I haven't heard one practical idea from them about how to bring about change."

*On change equals work*

The general philosophy of the vet is that change takes place when you get in there and work for it. To prove their outlook they point to what they have already accomplished on their campuses. President Jack Mears of Cerritos College backs them up. He invited veteran Eric von Hurst, student president, to attend the board of trustees meetings, the first such move in the State.

"All the machinery of student government was there," explained von Hurst, "but the students weren't using it. We've put it in motion for the benefit of all."

The Cerritos Vets Club has taken the leadership in blood drives, a banquet for the athletic fund, a toy drive and numerous other community-oriented activities.

The younger students fondly refer to the vets as the "dirty old men." They in turn are dubbed the "bubblegummers." The pressure from the vets for high grades causes friction as does their effectiveness in running student affairs.

"What we've done is create some honest competition on the campus," said Phil Romans, president of the Santa Monica City College Vets Club.

*On campus hostility*

On some campuses the vets have diplomatically overcome initial fear or hostility. At Cerritos, for example, other students who at first resented them now come to the veterans and ask their advice on personal problems.

The Vets Club at SMCC was founded just last September. As elsewhere the administration tried to discourage them. "They thought we were just going to sponsor wild parties," laughed founder Mike Davis.

The SMCC club has become a dynamo in student activities.

At their first annual banquet, their faculty advisor, Herbert Roney, was moved when he was asked to speak.

"I was in a vets club here at SMCC after the Second World War," he recalled. "We drank ourselves into oblivion. You men, however, have brought to this campus maturity, dedication and leadership. You've accomplished more in one semester than most groups have done in their entire existence. You've undertaken things that other groups wouldn't consider. To quote Thomas Jefferson, 'Every citizen should be a soldier.' "

## CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

## STANDARDS OF CONDUCT

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

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business, which the clerk will state.

The BILL CLERK. Calendar No. 996, Senate Resolution 266, a resolution to provide standards of conduct for Mem-

bers of the Senate and officers and employees of the Senate.

The Senate resumed the consideration of the resolution.

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

The PRESIDING OFFICER (Mr. NELSON in the chair). The clerk will call the roll.

The bill clerk called the roll, and the following Senators answered to their names:

[No. 67 Leg.]

| | | |
|---|---|---|
| Anderson | Dirksen | Mundt |
| Baker | Griffin | Nelson |
| Bartlett | Gruening | Pearson |
| Bennett | Hansen | Pell |
| Boggs | Hatfield | Prouty |
| Brewster | Hickenlooper | Ribicoff |
| Byrd, Va. | Jordan, Idaho | Spong |
| Carlson | Mansfield | Stennis |
| Case | McGovern | Talmadge |
| Cooper | Metcalf | Tydings |
| Curtis | Moss | Young, Ohio |

Mr. BYRD of West Virginia. I announce that the Senator from Hawaii [Mr. INOUYE], and the Senator from Missouri [Mr. LONG] are absent on official business.

I also announce that the Senator from Idaho [Mr. CHURCH], the Senator from North Carolina [Mr. ERVIN], the Senator from Oklahoma [Mr. HARRIS], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. MCCARTHY], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Oregon [Mr. MORSE], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

Mr. DIRKSEN. I announce that the Senator from Nebraska [Mr. HRUSKA] and the Senator from North Dakota [Mr. YOUNG] are absent on official business.

The Senator from California [Mr. KUCHEL] and the Senator from Illinois [Mr. PERCY] are necessarily absent.

The PRESIDING OFFICER. A quorum is not present.

Mr. STENNIS. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

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

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms is instructed to execute the order of the Senate.

After a little delay, the following Senators entered the Chamber and answered to their names:

| | | |
|---|---|---|
| Aiken | Hart | Montoya |
| Allott | Hartke | Morton |
| Bayh | Hayden | Murphy |
| Bible | Hill | Muskie |
| Brooke | Hollings | Proxmire |
| Burdick | Jackson | Randolph |
| Byrd, W. Va. | Javits | Scott |
| Cannon | Jordan, N.C. | Smathers |
| Clark | Kennedy, Mass. | Smith |
| Cotton | Kennedy, N.Y. | Sparkman |
| Dodd | Lausche | Symington |
| Dominick | Long, La. | Thurmond |
| Eastland | Magnuson | Tower |
| Ellender | McClellan | Williams, N.J. |
| Fannin | McGee | Williams, Del. |
| Fong | Miller | Yarborough |
| Fulbright | Mondale | |
| Gore | Monroney | |

The PRESIDING OFFICER. A quorum is present.

## FINANCIAL STATEMENT OF SENATOR KUCHEL

Mr. CASE. Mr. President, at the request of the Senator from California [Mr. KUCHEL], I ask unanimous consent to have printed in the RECORD the financial statement of Senator and Mrs. THOMAS H. KUCHEL, and statement of income for the year ending December 31, 1967. My colleagues will remember that Senator KUCHEL is a cosponsor of my bill, S. 1104, the latest in a series of disclosure bills I have included in each Congress since 1957.

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

FINANCIAL STATEMENT OF SENATOR AND MRS. THOMAS H. KUCHEL

ASSETS

| | |
|---|---|
| Cash in checking and savings accounts (prior to payment of State income tax) | $67,839.03 |
| Life insurance policies (death benefits—$42,000): | |
| U.S. group life insurance (term insurance, no cash surrender value): | |
| National service life insurance (cash surrender value) | 876.50 |
| Accumulated contributions to retirement funds | 27,306.77 |
| Real estate: Personal residence: | |
| Original cost plus improvements | 41,000.00 |
| Less: Existing mortgage | 12,834.57 |
| Total | 28,165.43 |
| Stock owned: 100 shares—South Seas Mining, Ltd | 1,536.37 |
| Tangible personal property consisting of automobile, furniture, jewelry, and personal effects, approximately | 8,500.00 |

LIABILITIES

None—except existing mortgage on residence.

INCOME IN 1967

| | |
|---|---|
| Senate salary and allowances | 33,036.38 |
| Less: Expenses allowable as income tax deductions | 5,849.18 |
| (Deductions do not include itemized personal deductions or total actual official expenses) | 27,187.20 |
| Interest on savings accounts | 2,652.28 |
| Public speaking honorariums | 3,400.00 |

PUBLIC SPEAKING HONORARIUMS

Cal Tech YMCA.
Active Ballot Club.
Wayne State University.
Brookings Institution.
Calvin Bullock Ltd.

## STANDARDS OF CONDUCT

The Senate resumed the consideration of the resolution (S. Res. 266) to provide standards of conduct for Members of the Senate and officers and employees of the Senate.

Mr. CASE. Mr. President, I should like to make another brief statement on the Clark-Case amendment or, as the Senator from Pennsylvania would say it, the Case-Clark amendment.

As other Senators have said, I also appreciate the great service rendered by the select committee which has labored long and hard at its difficult task. I welcome its decision to recommend a requirement that Members of the Senate and staff earning $15,000 or more submit annual financial reports. I regret, however, that the committee resolution provides that these personal financial statements shall be submitted in sealed envelopes and filed with the Comptroller General.

To call confidential submission of a sealed report disclosure is a misnomer. Disclosure to the public is vital to the effectiveness of the disclosure principle.

I have therefore joined with Senator CLARK in sponsoring the pending amendment which would require full public disclosure of the personal financial interests, all sources and amounts of income, assets and liabilities, gifts and transactions in real and personal property by each Member of the Senate and Senate officials and staff receiving $15,000 or more. Our amendment would not require the inclusion of income tax returns which do contain personal information, such as medical expenses, which is not relevant to the purpose of our amendment or the purpose of the pending resolution.

Public disclosure is the approach which polls have shown again and again the public favors by an overwhelming majority.

The public is right in considering this the best approach to a chronic problem that Congress has repeatedly shown itself unable to deal with effectively in other ways.

There are a variety of reasons for this. Congress is one of three coordinate branches of Government. As the Supreme Court recently held, the constitutional provisions designed to protect the independence of Congress from an unfriendly President or hostile judiciary generally rule out outside inquiry into the motives of a Member of Congress.

Further, since each Member of Congress is primarily accountable to his constituency—and this is right—colleagues are reluctant to sit in judgment on him.

Nonetheless, recognition is growing of the need for forthright action to assure the integrity of the Congress.

In 1957 I first introduced a bill to require Members of Congress—and candidates for Congress—top legislative staff and top officials in the executive branch to make annual reports covering all income and its sources, gifts of more than nominal value, liabilities and assets, and all transactions in commodities, real and personal property. Slowly but steadily support for it has grown. Last year when I reintroduced the bill for the sixth time three other Republicans and four Democrats joined as cosponsors. Too, several Senators who previously opposed disclosure have now endorsed it.

Disclosure has several advantages.

First, it is preventive. The knowledge that one's financial activities and interests will become known is the best possible "stop and think" signal—the surest way to sharpen awareness of any possible conflict of public and private interests.

Second, it is automatic in operation. When the facts are on the table, the press and the public can make their own judgment.

Third, disclosure will strengthen the people's right to elect whom they wish by giving them full knowledge of the personal financial interests of those who present themselves as candidates for election or reelection.

Though our amendment does not by name include candidates for senatorial election, practically speaking, I am very sure that it would include them. Experience has shown that whenever an incumbent Senator running for reelection has made public disclosure, the pressures on his opponent have forced him also to disclose.

For years Congress has required top executive officials to disclose specific financial interests. I must say in passing that this is not a completely satisfactory arrangement in my opinion. It suffers in general from the same defect as the committee-proposed resolution. It does require that this information be filed, but it is rather filed with the head of the department in which the specific employee is employed and not made public. This, therefore, does not meet with the main purpose which disclosure was designed to satisfy.

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

Mr. CASE. I yield.

Mr. AIKEN. Does the requirement to disclose the amount and identity of each liability apply to monetary liabilities only, or to all liabilities?

Mr. CASE. This is designed to do only what human beings can do. There are liabilities that certain people have—the color of their hair, the absence of hair—as they may regard it. This is not the kind of thing covered by the amendment. The kind of thing we are talking about is the kind of thing that would not possibly gives rise to conflict of interest between a man's duties in the Senate and his own interests.

Mr. AIKEN. Suppose a Senator had been speaking for pay before a certain group of people, until he really felt very kindly toward them. Would that be a liability? Would he be obligated to them? Is an obligation to any person or group of persons a liability?

Mr. CASE. The Senator may have been deflected from an originally facetious course, and, if so, this is an advantage.

Mr. AIKEN. I believe I am being sound.

Mr. CASE. Now the Senator—perhaps he has always been—is being serious, and I answer him seriously now.

This is one of the kinds of situations with which disclosure is designed to deal. It is quite true that the receipt of honoraria for speeches or other types of emoluments can give rise to prejudices in favor of certain action or opposition to it.

Our thought is that whether or not such things are likely to happen—because nobody can be entirely, by any means, free of all interests—the best thing to do is to have the facts made public and let the man, himself, and his constituents look at it.

Mr. AIKEN. And if one received $1,000 for making a $20 speech, would that be a gift, a fee, or a liability?

Mr. CASE. So long as it was laid out—and it would be laid out, I believe, without any question—as an item of income, which is defined in our amendment to include gifts above a small amount, it would be listed there. The important thing is not how it is described but the fact that its existence is disclosed.

Mr. AIKEN. The public would be the judge.

Mr. CASE. The public would judge whether or not it gave rise to a conflict of interest.

Mr. AIKEN. Back in the 1940's, our executive branch of Government was hiring many people who had news connections to do a little work for them after hours. One lady, who had a radio program at the time, was offered so many hundred dollars to do a few minutes' work. I do not know just what I want to say, but that looked like buying influence by the Government itself.

Mr. CASE. Yes.

Mr. AIKEN. And different groups of people tried to gain influence.

Mr. CASE. Congress has tried to handle that type of situation. I believe that is at least one of the purposes of a statute which, as I recall, was enacted in 1948, under which it is unlawful for a Federal employee to receive outside pay for performing his Federal function; and it is unlawful both for the man to receive it and for any person to give it.

Mr. AIKEN. It was around that time that the public agency was paying the nonpublic people. It is pretty late to bring it up now. I do not believe it is as prevalent now as it was then.

Mr. CASE. This is a matter of attempting to prejudice what should be an impartial news medium or medium of information. All such efforts should be dealt with as effectively as we can. That is not the specific purpose of the proposed resolution, which is to deal with the conduct of Members of the Senate primarily.

Mr. AIKEN. I believe the Senator, like the Ethics Committee, is trying to perform a very useful purpose. It is an uphill job. It is just as difficult to write a fair ethics resolution as it is to write a fair tax bill or a fair draft law or a few other things.

Mr. CASE. The Senator is correct. As a matter of fact, I believe that this perhaps is the strongest argument for the amendment that Senator CLARK and I are urging at this time. The very difficulty of attempting to set down categorically things that are right and things that are wrong leaves an area of this sort, in which so many factual situations necessarily arise, where relationships are so delicate, and where many times, in the last analysis, a man is obliged to act in accordance with his conscience.

I believe disclosure is better than attempting by prescription to deal with it in detailed ways, and I believe that one of the difficulties the committee got itself into is that it has attempted to avoid complete disclosure and still to meet certain problems that were the direct reason for its creation. I believe it would be better to turn to the disclosure method and to eliminate some of the specifics.

Mr. AIKEN. I believe it would be very difficult for anyone to make a perfectly accurate report, either under this proposal or the committee's resolution. It would be almost impossible to do that. I suppose allowances would have to be made for that.

We have had people come before us who were appointed to a high position in Government and they have said, "We are severing all connections with our law firm. We have disposed of all our assets, and so forth. We have completely quit our position with the company that we have been associated with." Then they go to work for the Government. The day after they get through with the Government, they are back at the same old desk that they left in the first place.

Mr. CASE. Yes.

Mr. AIKEN. We could name a few names, too.

Mr. CASE. This is a very real problem. The problem has many ramifications. One of them is the difficulty of getting people to work for the Government—on the other side of the picture.

Mr. AIKEN. You get somebody to work for the Government who has never been successful in his own business, and he will not be successful for the Government, either.

Mr. CASE. The Government wants good people.

Mr. AIKEN. Capable people.

Mr. CASE. It has proved difficult to get, for example, counsel to work for the Government, without providing for exemption from existing legislation which prohibits practicing in certain areas for some time after public service ends.

Mr. AIKEN. Most Government employees are conscientious.

Mr. CASE. Most of them.

Mr. AIKEN. The career employees are particularly conscientious. But we know that industry is constantly screening Government agencies, with a view to picking off the most capable people and offering them two or three times the pay they can get from the Government. In some cases, that leaves the less capable people in charge.

Mr. CASE. In some cases, I believe the Senator is correct. Of course, this is true.

Apparently, we are in an age in which business is no longer as attractive to the best minds coming out of our schools and colleges. Business feels this keenly, and feels that it is necessary, and has therefore offered higher salaries, a good deal higher than was customary when everybody went into business because that was what all bright and able people did.

Mr. AIKEN. And they often found more than they could hope to get by going into Government work.

Mr. CASE. The Senator is correct. To a degree, I believe this is the result of the fact that so many of our wonderful young people coming out of schools and colleges now regard business as somewhat of a secondary attraction, and regard public service—Government service among other public service—as far more attractive, even at lesser pay.

Mr. AIKEN. If they are not high minded at that age——

Mr. CASE. They never will be.

Mr. AIKEN (continuing). They never will be.

Mr. CASE. The Senator has been high minded all his life, so I cannot use him as an example. I do not rule out the possibility of conversion.

Mr. AIKEN. What kind of conversion?

Mr. CASE. Does the Senator from Michigan wish to be recognized?

Mr. HART. Following the Senator's remarks I shall seek recognition in order to express support for the Senator's point of view.

Mr. CASE. I thank the Senator. I shall be finished with my remarks soon.

Before leaving my friend from Vermont, I wish to deal with one point he made. There are different kinds of interests, other than those which are strictly financial.

Mr. AIKEN. Some cannot be reduced to a monetary value.

Mr. CASE. The Senator is correct. Here we are pretty much compelled to rely on the conscience of the Members of Congress, their knowledge of each other, and the knowledge of the public and the press of the individual.

For example, the Senator from Vermont is very much interested in wild flowers. That interest transcends any financial interest he may have. He likes them but I do not know that it is a prejudice. Knowing the Senator, I do not think it is likely that he would do something prejudicial in favor of wild flowers as against those of the garden variety. I would trust him in such a case.

Mr. AIKEN. I would be inclined to vote for wild flowers in that instance between them and the garden variety.

Mr. CASE. Then, there are people deeply interested in education.

Mr. AIKEN. Education is an asset.

Mr. CASE. It may be, but it is one of many items in the public interest.

Mr. AIKEN. A mean disposition would be a liability.

Mr. CASE. I think the best we can do in dealing with the problem is to talk about it in terms of factors of property and interest that can be given a financial value. I think that is as much as we can try to do.

Mr. AIKEN. That is as far as we could go.

Mr. CASE. Mr. President, as I was saying, for years we have required top executive officials to disclose specific financial interests, and Congress has done this largely on the occasion of the officials presenting themselves for confirmation of nominations which have come to us from the President. I think this has been quite proper and a great amount of good has been accomplished by making this a common standard practice. It is high time that Congress applied the same principle to itself and did away with the double standard so long followed.

Of course, disclosure, as provided by the pending amendment, inevitably involves intrusions into privacy, but, as one who has done it regularly for several years on a voluntary basis, it is my experience, just observing my own reactions, that it is a very small price to pay for the privilege of public service. The cost becomes insignificant when compared to the great public good which would be served.

I am confident that institution of a public disclosure requirement—and I do not think the committee's suggestion along this line is adequate at all—would bring reassuring evidence that most Members of Congress are honest men who regard public service as a public trust. It is because I am jealous of my own reputation, and my reputation as a Senator, and, of course, the reputation of the Senate as an institution, that I am anxious that the public image of people in positions which we have the honor to hold should be raised, not only to the level I think it deserves presently, but to an even higher level.

Mr. President, I hope the amendment will be agreed to. I think it is long overdue.

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

Mr. CASE. I yield the floor. The Senator may speak on his time.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. HART. Mr. President, I hope the amendment will be adopted. I support the effort which is now pending. I voice the hope that after several earlier and less successful efforts, the Clark-Case amendment now pending will be agreed to. It is an amendment which I have cosponsored.

There is very little that one could add to the discussion in terms of assigning reasons in support of the pending amendment. The effort is not a new one, as the Senator from New Jersey and others have reminded us.

When I first came to the Senate I found that the Senator from Pennsylvania [Mr. CLARK] and the Senator from New Jersey [Mr. CASE] were in the process of trying to persuade us to this point of view. I joined them then and ever since in cosponsoring amendments comparable to the amendment we are considering now.

I recall testifying with the Senator from New Jersey [Mr. CASE] before the Committee on Rules and Administration about 4 years ago in one of the earlier efforts. It is, I believe, worth noting that when Senators are confronted with the suggestion that they disclose income they are confronted with a rather curious paradox. If the disclosure indicates there is very substantial wealth, one or two conclusions could be drawn, and knowing human nature we must recognize this will happen. The judgment will be either that he has such personal interest to protect that he has to be suspect; or, because he is economically secure he can be a very independent character.

Conversely, if the disclosure shows a man of little or no wealth there are equally contradictory conclusions to follow. It will be said, this man will be objective because he has no interest to protect; or, this fellow has such a tenuous economic base that he will bend to any sort of pressure.

Yet, I believe the public's right to all of these fiscal facts about us when making their judgment is desirable, and that a law requiring annual disclosure and disclosure in the sense of being available to the public and not in a sealed envelope, is the best course.

Incidentally, I have followed this course, as have a number of Senators, for several years now. Over the years I have reported to the people of Michigan on occasions my feelings about this subject. I dipped back into those earlier files and I found a monthly report that I had sent to the people of Michigan in April of 1964.

Mr. President, I ask unanimous consent to have printed in the RECORD the report entitled "The Case for Disclosure" which is dated April 1964 and which reflects my views then and now.

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

THE CASE FOR DISCLOSURE

(Senator HART reports, April 1964)

The Senate hearings into Bobby Baker's complex financial affairs were held just across from my office and for several weeks the hall was crowded with cameras and reporters.

Emerging witnesses each had their moment under the television lights and the interviews rumbled through the corridors like restless thunderclouds seeking a place to drop their burden.

Earlier, a Congressman was found to have a financial interest in a firm he had helped in government negotiations. And, some years ago, there was the case of the Senator who had to explain how he had drawn income from his law firm back home—a firm that represented railroads in government dealings.

What all these men were undergoing, of course, was disclosure of income—but the disclosure was being made in a strikingly awkward and painful manner.

Is there any way of avoiding these unfortunate situations? It seems to me that a system of regular income disclosure would be a considerable help. Certainly, it would give every office holder a powerful incentive to avoid business dealings that might trouble the voting public.

What would disclosure do? It would give the public a record of all the office-holder's outside interests and income.

The voters could then match this information with the man's record, check it against their estimate of his integrity and mark their decision at the polling booth.

If a Member of Congress accepts money for a speech, the public should know how big the fee was and who did the hiring.

If he owns stocks or has business interests, the public should know what companies are involved and how much they pay.

If he maintains a law practice, the public should know the clients and the compensation.

If he writes magazine articles for a fee, the public should know what group controls the magazine and how big the check was.

If he accepts contributions to make television and radio reports to constituents, or for any purposes, the public should know who the contributors were and how much they sent.

Disclosure seems to me a simple solution to a very complex problem. It's unfortunate but politics—let's face it—is an increasingly expensive business. We cannot expect capable men to run for office if they must sterilize all their transactions. But we can take steps to keep all transactions innocent.

Why not set up an enforced system where Members of Congress, top staff people and high-level appointed officials each year declare all sources of income?

Congressmen already require disclosure by newly appointed administration officials. Why not for themselves?

A bill has been introduced to do just that. At the moment it is lying dormant while the Senate remains strangely becalmed in

the windy confines of the filibuster but I am hopeful that soon the Rules Committee—having digested the Bobby Baker experience—will decide that disclosure is the answer.

I am a co-sponsor of the bill along with Senators Neuberger (D-Ore.), Case (R-N.J.), Clark (D-Pa.) and Javits (R-N.Y.). All of us, as one measure of our support, have made the first of our yearly declarations.

Public confidence in Congress has not hit any all-time high in recent months. Disclosure would be an effective way to reverse the tide. Washing always tends to be cleaner if it is slated to be hung in public. And forthrightness—like the kitchen cleaner whose name I have forgotten—is cleaner than dirt.

Mr. HART. Mr. President, I do hope that this time our effort will be marked by success. As one who has for a period of years made disclosure of his unearned income and income from outside activity, I can report that after the first go round, very little attention is paid to it, but it is there. In my book, it is information useful to a citizen who wants to make a judgment, and perhaps more important, helpful in dispelling the often expressed attitude with respect to the Congress that there is too much mystery about each of us. We will never be judged as anything other than human beings with human frailties and that describes our judges also. Every time we cast a vote we cast a vote which offends a large group of people. Some will never believe it reflects our best judgment in response to the usually complicated public question involved. Some will always believe that there was direct economic interest which compelled us to a point of view which they think is outrageous.

I think public disclosure would allay some of this criticism and mistrust and we would all be the better for it.

Again I thank the Senator from New Jersey and the Senator from Pennsylvania for leading us in this effort over the years.

Mr. CASE. I want to call the attention of the Senate to the supplemental views of the Senator from Kentucky [Mr. COOPER] in support of full public disclosure, which our amendment would provide for. I want to pay personal tribute to the Senator from Kentucky because much of my sensitivity to this issue is due to my association with him. I thank my friend from Kentucky.

Mr. COOPER. Mr. President (Mr. BYRD of West Virginia in the chair), I pressed for the adoption of a public disclosure rule in our committee. I was not able to prevail in committee but I presented my position in my supplemental views. I said on the first day of debate on the pending resolution that I support that position. I said the same thing yesterday on the floor of the Senate.

My position has been made clear. I have voted for public disclosure in the past and I shall vote for the amendment which the Senator from Pennsylvania [Mr. CLARK] and the Senator from New Jersey [Mr. CASE] have offered.

The arguments which have been made by the sponsors of the amendment are those which I have considered in the past and which have led me to this position.

The very difficulty of writing a disclosure rule which does not require public disclosure is indicated by effort to establish categories, limitations upon income that must be reported, the requirement that certain types of income be reported because they are closely associated or are the consequence of the duties of a Senator such as honoraria, contributions for political purposes, contributions for office expenses. All of these raise questions. Public disclosure would prescribe the same rule for all members.

There is, of course, the argument that places on an incumbent Senator who is a candidate for reelection in an unfavorable position relative to an opposing candidate who is not a Senator.

This argument was answered by the Senator from New Jersey. If an incumbent Senator declares publicly, inevitably it will be demanded of his opponent that he also declare publicly. But whether or not an opponent declares his income publicly—the public disclosure of the incumbent Senator would, I believe, be accepted by the voters as an act of good faith.

There is another problem, the question of privacy, which we cherish and value as one of the most important rights of an individual. But, holding the office of U.S. Senator, we are in the public eye. Everything we do is connected with the public interest and public trust. It is that interest more than any other which has caused me to support public disclosure. It is my judgment that it would do no harm in any way to the position of an incumbent Senator. To the contrary, it would remove, or at least answer doubts and suspicions against a member or against the Senate, a great institution which must be trusted in our system of government.

That is the position I have taken, Mr. President, and it is the position I shall maintain. I shall therefore vote for the amendment requiring public disclosure.

In the difficult task which the committee has undertaken—and it is a difficult task and one which I doubt many would like to undertake—we have worked together without political partisanship. We have known that if we were to be an effective committee we must consider and respect each other's judgments and opinions, insofar as it is possible, when not a matter of conscience, and that we must try to come together on decisions.

It is our responsibility to move along and progress in this field. We could not progress at all if we split and maintained separate positions upon every rule. But on this rule I felt that it was beyond mere judgment or procedures. The subject of disclosure is so important, I must maintain my position, apart from the majority views of the committee.

I will vote for the pending amendment.

PUBLIC DISCLOSURE

Mr. SYMINGTON. Mr. President, I respectfully commend Chairman STENNIS and the members of the Select Committee on Standards and Conduct for bringing to the Senate their recommendations for standards of conduct for Members and officers and employees of the Senate. The task of this committee has not been an easy one and its members deserve and receive our deep respect for the conscientious efforts they have made. There is no one in public life for whose character and integrity I have more respect than the able and dedicated chairman of this committee.

It now becomes the task of every Senator to measure the specific recommendations made against his own personal concept of the most effective manner of achieving that which all desire—the strengthening of the integrity of this body as an institution in which the American people have confidence and respect.

As the committee states well in its report:

A Senator is extended an extraordinary measure of trust and confidence not given to ordinary members of society. The Senate must therefore require higher standards of conduct than those generally required in the marketplace.

Mr. President, for many years I have supported the idea that disclosure by Senators of the sources of their income would afford the electorate information to which they are entitled as one basis for decision as to how they will vote; and in effort to be persuaded that the confidential financial disclosure to the Comptroller General proposed in rule 44 would serve the same purpose, I hope studied the committee's report.

The committee points out that public disclosure will result in unfair attacks by the sensationalists in our society. I believe, however, that this is a burden which elected officials will always bear. For my part, I am inclined to believe that the recommendation in rule 44 for a confidential report to the Comptroller General could subject a Senator to equal or even greater abuse and harm from sensationalists, as leaks and guesses are made, as to the contents of the confidential reports.

No one is forced to become a public official. He does so of his own volition, subject to the wishes of the people he represents. It is to them that he is responsible.

The committee fears that a requirement of public disclosure would deter some from seeking the office of Senator. I believe that is true, and that condition is an important consideration. Widespread notions now prevail, however, that politicians are somewhat tainted; and this would seem to discourage some interested and talented people from seeking public office.

On balance, it seems to me that this price—public disclosure of financial assets and income—would not in the long run deter those who seek to serve any more than the present climate would have that effect.

All of us recognize the growing volume of effort now required of a U.S. Senator. In analyzing the reason for rule 42 proposed in respect to contributions, the committee points out:

It is general knowledge that the expense of conducting the office of a Senator has risen steadily over the years. The increasingly better informed public is taking a greater interest in public affairs. This brings about more communication between the public and Senators, with consequent rising costs of correspondence, telephone and telegraph, radio and television broadcasting, quasi-official entertainment, and travel for a Sen-

ator. In addition, many constituents look upon their Senator as a kind of ombudsman. Long gone is the day when a Senator could simply legislate.

That is true, but it seems to me that the increased workload of a U.S. Senator is but another reason for the public to have the right to know the sources of a Senator's income. Surely it affords some basis for assessing the time and efforts devoted to his official position.

These are but some of the reasons that I will support the amendment offered by Senator CLARK to require public reports of the financial interests of Members of the U.S. Senate.

The PRESIDING OFFICER. What is the will of the Senate?

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

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

## CRITICS OF HANGINGS IN RHODESIA DENOUNCED

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Critics of Hangings in Rhodesia Denounced," written by James J. Kilpatrick, and published in the Washington Evening Star, of March 19, 1968.

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

CRITICS OF HANGINGS IN RHODESIA DENOUNCED

(By James J. Kilpatrick)

Rhodesia has been suffering lately from a very bad press: The State Department denies a visa to Prime Minister Ian Smith. The Virginia House of Delegates shouts down a resolution of support for Rhodesia. Back in Salisbury, right-wing pressures toward apartheid grow more intense. Defying Queen, Pope, and world opinion, the Smith regime proceeds with the hanging of five "freedom fighters."

At the United Nations, the Afro-Asian bloc demands new measures against Rhodesia, more punitive than the present sanctions. A lead article in the prestigious American Journal of International Law defends the sanctions; the theory of the authors, one of them a Yale professor, is that Rhodesia has offended the "shared sensitivities" of her neighbors, and thus created an actionable threat to the peace. The fury is especially intense in England, where members of Commons denounce Ian Smith as "a murderer."

It is true enough that the Rhodesian government, struggling for survival in a hostile world, has taken some actions in recent months that American friends must regret. Laws relating to housing and to segregation of public parks are steps backward, not forward. The Smith government has not impeded the reregistration of black voters, but it has done little to encourage the African franchise; the number of registered blacks is half what it was three years ago.

But the current uproar, touched off by the five hangings ought to be denounced as blatant hypocrisy on the part of most of those who are whooping it up. Macaulay once remarked that he knew of no spectacle so ridiculous as the British public in one of its periodical fits of morality. This current fit qualifies. And no spectacle in Africa is more contemptible than the criticism hurled at Rhodesia by despotic black regimes which are themselves guilty of bloody crimes and the repression of political freedoms.

It is said that the five condemned men were "freedom fighters." Let us see how they fought for freedom.

James Ndhlamini and Victor Mlambo were members of a terrorist group known as the Crocodile Gang. They threw a block of trees across a country road. When a white farmer named Oberholtzer came along, with his wife and small daughter in the car, they fell upon him with knives and stones. As he was dying at the steering wheel, they attempted to set the car on fire in an effort to kill the woman and child. This was a fight for freedom?

Duly Shadreck waylaid an elderly black man at midnight, killed him with an axe, and robbed him of seven shillings. Noble, was it not?

Francis Chimsoro Risa and Takauyare Jeremiah stole into a tribal hut where a subchief named Nedewedzo was sleeping with his wife. They tore off most of his head with a shotgun blast. It seems an odd exercise in self-determination.

For these brutal murders, the five defendants were brought to trial in the High Court of Rhodesia. They had the assistance of counsel. In each case, a judge and two "assessors," under the Rhodesian system, found them guilty without extenuating circumstance. The death sentences followed. These were sustained on appellate review.

Why the outcry? In terms of moral principle, those who deplore the death penalty may deplore its imposition anywhere. But as a matter of law, these punishments were peculiarly the business of Rhodesia. Pietistic Americans might restrain themselves long enough to acknowledge that 3,857 executions were carried out in their own United States between 1930 and 1966.

It is said that Rhodesia "defied the Queen." But the Queen in this affair was no more than a pretty figurehead; the clemency decree came from the Wilson government, which had no authority, even under the pre-independence Rhodesian constitution of 1961, to exercise the prerogative of mercy. The incident was patently trumped up. It is a fair surmise that Wilson's object was to divert the British public from troubles at home by fabricating some vicarious outrage abroad.

One expects opportunism from the Communists and hypocrisy from the Afro-Asian bloc. One has learned to expect anything from Harold Wilson. But it is a sad commentary on the United States, which once also proclaimed its independence from the British crown, to see our own people join in the calamity howling against Rhodesia now heard across the land.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. JAVITS. Mr. President, I ask unanimous consent that I may speak out of order.

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

Mr. JAVITS. Mr. President, I ask unanimous consent that my remarks may appear at the appropriate place in the RECORD.

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

## EXCISE TAX BILL—AMENDMENT NO. 637—TAX, SPENDING CUT MEASURE REQUIRING PRIORITIES FOR POVERTY WAR, CITIES CRISIS

Mr. JAVITS. Mr. President, I ask unanimous consent that the amendment to H.R. 15414, which I send to the desk, may be printed as a part of my remarks, and printed under the rule.

The PRESIDING OFFICER. The amendment will be received, and printed, and will lie on the table; and without objection, the amendment will be printed in the RECORD.

The amendment (No. 637) is as follows:

On page 2, after line 2, insert the following:

"TITLE I—LIMITATION ON FEDERAL EXPENDITURES; IMPOSITION OF 10 PERCENT INCOME TAX SURCHARGE

"SEC. 101. LIMITATION ON EXPENDITURES DURING FISCAL YEAR 1969.

"(a) Expenditures under the budget of the United States (referred to in the budget message of the President as totaling $186,100,000,000) during the fiscal year ending June 30, 1969, shall not exceed $182,100,000,000, except by those expenditures in excess of $25,000,000,000 that the President may determine are necessary in behalf of our military effort in Southeast Asia.

"(b) To effectuate the provisions of subsection (a), the President shall reserve from expenditure such amounts from such appropriations or other obligational authority, heretofore or hereafter made available, as he may prescribe, except that the President shall not reserve from expenditure any amounts from appropriations or other obligational authority available for the following purposes:

"(1) education,

"(2) low-income housing,

"(3) water and air pollution prevention,

"(4) prevention and detection of crime,

"(5) the District of Columbia,

"(6) training and employment of disadvantaged persons,

"(7) war on poverty,

"SEC. 102. IMPOSITION OF 10 PERCENT INCOME TAX SURCHARGE.

"(a) IN GENERAL.—Subchapter A of chapter 1 (relating to determination of tax liability) is amended by adding at the end thereof the following new part:

"'PART V—TAX SURCHARGE

"'Sec. 51. Tax surcharge

"'SEC. 51. TAX SURCHARGE.

"'(a) IMPOSITION OF TAX.—

"'(1) CALENDAR YEAR TAXPAYERS.—In addition to the other taxes imposed by this chapter and except as provided in subsection (b), there is hereby imposed on the income of every person whose taxable year is the calendar year, a tax equal to the percent of the adjusted tax (as defined in subsection (c)) for the taxable year specified in the following table:

| "'Calendar year | Percent | |
|---|---|---|
| | Individuals | Corporations |
| 1968 | 7.5 | 10 |
| 1969 | 5.0 | 5 |

"'(2) FISCAL YEAR TAXPAYERS.—In addition to the other taxes imposed by this chapter and except as provided in subsection (b), in the case of taxable years ending on or after the effective date of the surcharge and be-

ginning before July 1, 1969, there is hereby imposed on the income of every person whose taxable year is other than the calendar year, a tax equal to—

"'(A) 10 percent of the adjusted tax for the taxable year, multiplied by

"'(B) a fraction, the numerator of which is the number of days in the taxable year occurring on and after the effective date of the surcharge and before July 1, 1969, and the denominator of which is the number of days in the entire taxable year.

"'(3) EFFECTIVE DATE DEFINED.—For purposes of paragraph (2), the 'effective date of the surcharge' means—

"'(A) January 1, 1968, in the case of a corporation, and

"'(B) April 1, 1968, in the case of an individual.

"'(b) LOW INCOME EXEMPTION.—Subsection (a) shall not apply if the adjusted tax for the taxable year does not exceed—

"'(1) $290, in the case of a joint return of a husband and wife under section 6013.

"'(2) $220, in the case of an individual who is a head of household to whom section 1(b) applies, or

"'(3) $145, in the case of any other individual (other than an estate or trust).

"'(c) ADJUSTED TAX DEFINED.—For purposes of this section, the adjusted tax for a taxable year means the tax imposed by this chapter (other than by this section, section 871(a) or section 881) for such taxable year, reduced by any credit allowable for such year under section 37 (relating to retirement income) computed without regard to this section.

"'(d) AUTHORITY TO PRESCRIBE COMPOSITE TAX RATES AND TABLES.—The Secretary or his delegate may determine, and require the use of, composite tax rates incorporating the tax imposed by this section and prescribe regulations setting forth modified optional tax tables computed upon the basis of such composite rates. The composite rates so determined may be rounded to the nearest whole percentage point as determined under regulations prescribed by the Secretary or his delegate. If, pursuant to this subsection, the Secretary or his delegate prescribes regulations setting forth modified optional tax tables for a taxable year, then, notwithstanding section 144(a), in the case of a taxpayer to whom a credit is allowable for such taxable year under section 37, the standard deduction may be elected regardless of whether the taxpayer elects to pay the tax imposed by section 3.

"'(e) ESTIMATED TAX.—For purposes of applying the provisions of this title with respect to declarations and payments of estimated income tax due more than 45 days (15 days in the case of a corporation) after the date of the enactment of this section—

"'(1) in the case of a corporation, so much of any tax imposed by this section as is attributable to the tax imposed by section 11 or 1201(a) or subchapter L shall be treated as a tax imposed by such section 11 or 1201 (a) or subchapter L;

"'(2) the term "tax shown on the return of the individual for the preceding taxable year", as used in section 6654(d)(1), shall mean the tax which would have been shown on such return if the tax imposed by this section were applicable to taxable years ending after March 31, 1967, and beginning before April 1, 1968; and

"'(3) the term "tax shown on the return of the corporation for the preceding taxable year", as used in section 6655(d)(1), shall mean the tax which would have been shown on such return if the tax imposed by this section were applicable to taxable years ending after December 31, 1966, and beginning before January 1, 1968.

"'(f) WESTERN HEMISPHERE TRADE CORPORATIONS AND DIVIDENDS ON CERTAIN PREFERRED STOCK.—In computing, for a taxable year of a corporation, the fraction described in—

"'(1) section 244(a)(2) (relating to deduction with respect to dividends received on the preferred stock of a public utility),

"'(2) section 247(a)(2) (relating to deduction with respect to certain dividends paid by a public utility), or

"'(3) section 922(2) (relating to special deduction for Western Hemisphere trade corporations),

the denominator shall, under regulations prescribed by the Secretary or his delegate, be increased to reflect the rate at which tax is imposed under subsection (a) for such taxable year.

"'(g) WITHHOLDING ON WAGES.—In the case of wages paid after March 31, 1968, and before July 1, 1969, the amount required to be deducted and withheld under section 3402 shall be determined in accordance with the tables prescribed by the Secretary or his delegate in lieu of the tables set forth in section 3042 (a) or (c) (1).'

"(b) MINIMUM DISTRIBUTIONS.—Section 963(b) (relating to receipt of minimum distributions by domestic corporations) is amended—

"(1) by striking out the heading of paragraph (1) and inserting in lieu thereof the following:

"'(2) TAXABLE YEARS BEGINNING IN 1963 AND 1968.—', and

"(2) by striking out the heading of paragraph (3) and inserting in lieu thereof the following:

"'(3) TAXABLE YEARS BEGINNING IN 1965, 1966, 1967, AND AFTER DECEMBER 31, 1968.—'.

"(c) CLERICAL AMENDMENT.—The table of parts of subchapter A of chapter 1 is amended by adding at the end thereof the following:

"'Part V. Tax surcharge'

"(d) EFFECTIVE DATE.—The amendments made by this section shall apply—

"(1) insofar as they relate to individuals, with respect to taxable years ending after March 31, 1968, and beginning before July 1, 1969, and

"(2) insofar as they relate to corporations, with respect to taxable years ending after December 31, 1967, and beginning before July 1, 1969."

On page 2, after line 2, insert the following:

"TITLE II—MISCELLANEOUS PROVISIONS"

Renumber sections 2 through 7 of the bill as sections 201 through 206, respectively.

Amend the title so as to read: "An Act to limit Federal expenditures, to impose an income tax surcharge, to continue the existing excise tax rates on communication services and automobiles, to apply more generally the provisions relating to payments of estimated tax by corporations, and for other purposes."

Mr. JAVITS. Mr. President, I am today submitting an amendment to the bill which would propose to extend the excise taxes with which we will deal very shortly.

My amendment would set new priorities for Government spending to meet the crisis of the cities, provide a 10-percent tax surcharge, and require a net cut in Federal Government expenditures of $4 billion.

Mr. President, the amendment is designed to implement the program announced on March 6 by a group of Republicans in the other body led by Representative CHARLES GOODELL, of New York. I ask unanimous consent that the names of the other Representatives who announced the program may be printed in the RECORD.

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

The names of the Representatives who announced the program on March 6, are as follows:

Representative Charles E. Goodell (R., N.Y. and member of House Republican Leadership) and Representatives W. E. (Bill) Brock (R., Tenn.), Albert H. Quie (R., Minn.), Howard W. Robison (R., N.Y.), Donald Rumsfeld (R., Ill.), William O. Cowger (R., Ky.), George Bush (R., Tex.), William Steiger (R., Wis.), William H. Ayres (R., O.), Alphonzo Bell (R., Cal.), Edward G. Biester, Jr. (R., Pa.), Benjamin B. Blackburn (R., Ga.), Clarence J. Brown, Jr. (R., O.), Garry Brown (R., Mich.), James C. Cleveland (R., N.H.), Barber B. Conable, Jr. (R., N.Y.), Robert J. Corbett (R., Pa.), John R. Dellenback (R., Oreg.), Robert V. Denney (R., Nebr.), John N. Erlenborn (R., Ill.), Marvin L. Esch (R., Mich.), Paul Findley (R., Ill.), James C. Gardner (R., N.C.), James R. Grover, Jr. (R., N.Y.), Gilbert Gude (R., Md), James Harvey (R., Mich.), Edward Hutchinson (R., Mich.), Hastings Keith (R., Mass.), Dan Kuykendall (R., Tenn.), Robert McClory (R., Ill.), Jack H. McDonald (R., Mich.), Clark MacGregor (R., Minn.), Charles McC. Mathias, Jr. (R., Md.), Thomas J. Meskill (R., Conn.), Robert H. Michel (R., Ill.), Rogers C. B. Morton (R., Md), Charles A. Mosher (R., O.), Donald W. Riegle, Jr. (R., Mich.), William V. Roth (R., Del.), Herman T. Schneebeli (R., Pa.), Fred Schwengel (R., Ia.), J. William Stanton (R., O.), Burt L. Talcott (R., Cal.), Fletcher Thompson (R., Ga.), Guy Vander Jagt (R., Mich.), Charles W. Whalen, Jr. (R., O.), William B. Widnall (R., N.J.), Roger H. Zion (R, Ind.).

Mr. JAVITS. Mr. President, I have the same objective as legislation introduced by the Senator from Delaware [Mr. WILLIAMS], the ranking Republican member of the Committee on Finance. The Williams amendment would cut expenditures by $8 billion. My amendment would cut expenditures by $4 billion.

The plan of the Republican group in the other body is to cut expenditures by $6.5 billion, and restore $2.5 billion as a priority to the cities, in the poverty program, manpower, and other programs, which would reorder priorities and deal with problems of the cities. It is that plan I am submitting to the Senate.

We must begin to break the deadlock betweeen the White House and the Congress, and proceed to bring our economy into line with the reality of our wartime situation. I feel the program proposed by the group of House Republicans presents the best approach because it attempts to assure that cuts in spending are made in those areas where expenditures can be deferred while reallocating current expenditures for programs designed to fight poverty and the crisis in the cities.

In essence, we need a program of sensible austerity, one which requires the action the Nation should take in war, but which does not impose counter-productive economies that compound our grave problems in the cities.

My amendment would—

First. Provide for a 10-percent tax surcharge on corporations and individuals;

Second. Require a mandatory reduction in actual Government spending of $4 billion in fiscal year 1969; but

Third. Specifically exempt from such cuts expenditures for the military effort in Vietnam, for education, low-income housing, water and air pollution prevention, prevention and detection of crime,

the District of Columbia, training and employment of disadvantaged persons and the war on poverty.

On March 13 I sent a telegram to the President in which I urged him to call an immediate emergency session at the White House of the leadership of both Houses and of the ranking members of the House Ways and Means Committee, the Senate Finance Committee and the two Appropriations Committees to resolve the present dangerous deadlock between the Congress and the President over fiscal policy and to come to an agreement on budget priorities, needed expenditure cuts to meet those priorities and on the tax surcharge.

To date no such action has been taken, although I have reason to believe the President is considering the suggestion embodied in this amendment and as far as anyone can tell, the deadlock remains unresolved. The resolution of this deadlock is urgent and overrides partisan politics. At stake is the continued confidence of the world community in the management of the American economy and in view of recent demonstrations of a serious lack of confidence abroad, we must take action now and deal with inflation in an effective way.

To economic questions I am not a Johnny-come-lately. As long as 3 weeks ago, in this Chamber I urged our Government to do what it and six other nations did last Sunday with respect to gold and the international monetary system.

At stake also is the survival of our cities torn today by dissent and crying for revitalization. Only by rearranging our priorities, by reducing spending in other areas can our programs directed at our urban crisis be adequately financed under wartime conditions. While we still have a better price record over the past 9 or 10 years than six other major industrial countries, during the past 2 years only Canada and Japan had consumer price increases steeper than ours.

It is for these reasons that I introduce today an amendment to the bill to continue excise taxes on communications services and on automobiles. The amendment would call for a 10 percent tax surcharge on corporations and individuals and for a $4 billion cut in fiscal year 1969 expenditures, except for necessary military expenditures for Vietnam, for education, low-income housing, water and air pollution prevention, prevention and detection of crime, the District of Columbia, training and employment of disadvantaged persons and the war on poverty. Most importantly this amendment would require a careful reassessment of priorities which has thus far been absent from the administration's economic strategy.

I understand the President is now ready to accept cuts of this magnitude and this is what is needed to deal with inflation at home and to finance the war in Vietnam at current force levels.

In my judgment steeper cuts in spending are unrealistic and, at this time, would very likely require cuts in those domestic programs which are essential to deal with the manifold and unmet problems of our urban society.

A net $4 billion cut in the fiscal 1969 budget, along with adoption of the administration's $12.9 billion package of fiscal proposals, would leave a deficit on the new unified budget basis at a level of around $4 billion, which is considered acceptable under wartime conditions and one which could be financed without crushing pressure on our capital markets.

Enactment of these anti-inflationary measures should be accompanied by the submission to the Congress in 1968 of a tax reform package to spread the tax burden among our citizens more equitably. The tax reform package should include, for example, the reduction of the oil depletion allowance from 27½ to 20 percent which would bring an estimated $350 million into the Treasury. I support the amendment introduced by Senator WILLIAMS of Delaware, which would bring a reduction of this allowance in three stages. I agree that the current fiscal situation cannot wait until a tax reform package is enacted but it is perfectly reasonable to expect that tax reform proposals be submitted to the Congress so that hearings can begin this year.

Only the ending of the war in Vietnam can effectively solve our fiscal crisis, make possible the allocation of large resources for our cities, and bring our balance-of-payments deficit under control. Even the President's Council of Economic Advisers admits that Vietnam has absorbed 25 percent of the country's growth since 1965. I have said repeatedly that I favor the beginning of the end of the war as do most Americans and I believe so now. However, I see no other choice but to pay for this war as long as the fighting continues. Any other course would be irresponsible.

I urge the administration again to call for the tax surcharge in the name of the war in Vietnam and then they will get it. As long as they continue to kid themselves and the American people, they will not.

In my January 31 statement on the domestic situation, among other steps, I called for a 10-percent tax surcharge and a reallocation of $4 billion within the proposed fiscal 1969 budget for such high priority items as job training, education, health, housing, and poverty. In view of events since that time, particularly the recent gold rush, it is evident that the dollar is in grave danger and cuts in fiscal 1969 spending are unavoidable. Unless inflation is brought under control, it would be difficult if not impossible to deal with our domestic problems.

In drafting my amendment, I have carefully reviewed the proposals made by the distinguished Senator from Delaware [Mr. WILLIAMS]. Incidentally, he made his proposals for fiscal restraint on the same day, January 31, as I did, and our proposals paralleled, which is rather interesting to the whole country and to many of us here, as the Senator from Delaware and I are considered not necessarily to have the same ideological outlook.

Now, Mr. President, I also considered the proposals of the able Republican House group of which I spoke, headed by Representative CHARLES GOODELL, of New York. I think their proposal is so reasonable and intelligent that I have taken the liberty of adopting it, with their permission, and am introducing it as an amendment to the excise tax bill.

I concluded that a cut in the order of magnitude proposed by the House Republican group—a reduction of $6.5 billion in expenditures coupled with reallocation of $2.5 billion yielding a net of $4 billion—was what the situation called for. While I do not agree with every one of the 23 items slated for cuts in the Goodell proposal, I can live with most of them; and I believe that most Members of Congress could live with most of them under present wartime conditions.

I realize that the Goodell proposal called for a $6.5 billion cut followed by a $2.5 billion increase to finance a human renewal fund; however, we are dealing here with a tax measure rather than with an appropriations bill. In my judgment the best way to proceed is to require a $4 billion reduction in expenditures which would have the same effect as the proposal of the Goodell group.

The reallocation of $2.5 billion in an effort to deal with our urgent urban problems is fully justified and represents a relatively small sum, considering that we spend as much in a month in Vietnam and in view of the enormous problems disclosed by the President's Commission on Civil Disorders.

I like very much the idea of a reallocation of priorities which the Goodell proposal contains, because the administration is not doing it, much as I think that it should. So, we have to do it for them. That is not the best way, but it is the only way it is made available to us.

The measures Senator WILLIAMS and I propose are clearly measures that are dictated by the current emergency. They must be followed by a fundamental reexamination of our national priorities—about which the President's budget spoke a great deal and did little if anything—and our Federal budget. Clearly new and greater emphasis must be placed on urban America and less on programs which have long outlived their usefulness. This will be a most difficult task which should be carried out in a nonpolitical manner. As long ago as 1963 the minority members of the Joint Economic Committee—on which I am the ranking minority member from the Senate—proposed a nonpartisan Commission on Federal Expenditure Policy to establish priorities in public spending and to identify those activities which could be better performed and with superior effectiveness by State and local governments and by the private sector. We repeated that recommendation in 1964 only to have it rejected outright by the administration in both years.

It was never more pertinent than today. I hope very much that as a permanent suggestion, the administration will take kindly to the idea. But, first and foremost, we must put our house in order. The hour is perhaps even too late now. I am submitting the amendment, therefore, which I feel within the limits of prudence will give proper attention to

the crisis in the cities, which the amendment is capable of doing.

Mr. President, I yield the floor.

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## STANDARDS OF CONDUCT

The Senate resumed the consideration of the resolution (S. Res. 266) to provide standards of conduct for Members of the Senate and officers and employees of the Senate.

Mr. CLARK. Mr. President, the Senator from Oregon [Mr. MORSE] is a cosponsor of the pending amendment. As he is necessarily absent from the Senate today, he asked me to have a statement of his placed in the RECORD which he has had prepared, indicating support for the pending amendment.

I, therefore, ask unanimous consent that the statement by the Senator from Oregon supporting the pending amendment be printed in the RECORD.

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

STATEMENT BY SENATOR MORSE

The Congress continues to be the one branch of the federal government where public confidence in honesty and ethical practices has never been firmly earned and probably not deserved. It is the fault of Congress itself. We have written statutes to codify ethical practices in the executive civil service, and among the judiciary. But we have neither statutes nor codes for the standards of Congress in which the public can have any confidence.

It would be impractical to apply the same statutes to Congress as apply to the civil service, since there is no tenure in Congress, either for members or for their staffs. But there is one protection which we continue to deny the public. It is the knowledge upon which to pass the judgment of public opinion.

It was in 1946 that I introduced in the Senate the first measure calling for public disclosure of the financial interests of members of Congress. The Senate was plagued then with commodity speculation by members, by a member of the Agriculture Committee in particular. I have introduced that measure, with variations to expand its coverage, in every Congress since that time. My current bill is S. 313.

Give the voters the information about the financial income, assets, and liabilities of a member of Congress, and they will decide whether the votes he casts and the position he takes upon the issues are financially self-serving to the degree that he should be retired from Congress. That is the check we need. That is the means whereby we can reassure the American people that their Congress, like their civil servants, are not using public office for personal gain.

Until we have such a system of full public disclosure, the halls of Congress will continue to be clouded by rumors and suspicion. And deservedly so.

For what we have in the pending measure as it came from the Ethics Committee is an effort to take care of the evils that have already been exposed, but nothing more. It is the utmost minimum, aimed at those cases of unethical practice that we have already uncovered and passed judgment upon.

What it suggests is that in place of a general code of ethics, we will only correct each unethical practice as it is dragged out into public view, and that all our remedies will come *after* the public has the goods on some member of Congress.

That is no way to restore public confidence. It can only enhance public suspicion that there is a lot more going on here than they suspected, and about which we do not want anyone to know.

I am pleased to have an opportunity to co-sponsor the pending amendment with the Senator from Pennsylvania, Mr. Clark, who has done so much to advance this principle within the Senate. I believe our amendment is the only real, solid, meaningful improvement in Congressional standards of ethics and conduct that we can adopt.

Mr. CLARK. Mr. President, I desire to speak briefly on the pending amendment. I should like to have the attention of the Senator from Mississippi [Mr. STENNIS].

Just before adjournment yesterday, the Senator from Mississippi made a short statement in opposition to the pending amendment. I should like briefly to comment on what he had to say at that time.

I honor and respect the views of the Senator from Mississippi and again wish to congratulate him for the fine work the committee has done under his chairmanship in bringing the present resolution creating new Senate rules to the floor of the Senate.

I am afraid, however, that the fundamental philosophy of the Senator from Mississippi, with regard to ethical conduct of Members of the Senate and how the Senate should check on it, and my philosophy are quite different.

The Senator from Mississippi states—and I am now referring to his comments appearing in the CONGRESSIONAL RECORD of yesterday, page 6960:

Before a man ever gets to the Senate he is passed upon by the electorate of his State which always includes a great many people of discriminating thought, intuition, and evaluation. The battle is fought out on the firing line and between the parties. The people of the State pass upon the facts and they pass upon the man. The people judge all the facts relating to the man and the problems he will face.

There is a refining and filling-out process that has been going on in our country for almost 200 years. That has been a major part of the committee's thinking on disclosure.

Mr. President, if that is a fact, then there is no need for any disclosure amendment at all. I would aver that it is not a fact. I would aver that throughout the history of this country there have been instances after instances where, because the people did not know what they should have known about a candidate running for the Senate, they were—let us not say duped—but misled into voting for a man who did not have the proper qualifications or the integrity to serve in this body.

It so happens that the comments of the Senator from Mississippi have reference to candidates for the Senate, but the proposed rules do not deal at the moment with candidates for the Senate. The Senator from Nevada [Mr. CANNON] has an amendment which he will offer, and which I shall support, which would impose the same disclosure requirements on candidates as would be imposed on Senators by the pending amendment.

As the Senator from Oregon [Mr. MORSE] said in his statement which I just placed in the RECORD:

The Congress continues to be the one branch of the federal government where public confidence in honesty and ethical practices has never been firmly earned and probably not deserved. It is the fault of Congress itself. We have written statutes to codify ethical practices in the executive civil service, and among the judiciary. But we have neither statutes nor codes for the standards of Congress in which the public can have any confidence.

Mr. President, it is because the Senator from Oregon is quite correct in his comments, as part of his statement which I have just read, that I believe we need public, not merely private, disclosure of the financial affairs of Senators.

Actually, the matter which brought the whole problem to the attention of the Senate dealt in large part with the conduct of one of our Members before he was in the Senate as such, and dealt with conduct outside the Chamber.

The Senator from Mississippi further stated:

A candidate is examined, exposed, and picked to pieces to a considerable extent. Many of the people know the man personally, where he was reared, what his habits are, what property he holds, and what his faults are.

The people pass on all of these factors. They pass upon the man, his moral character, and fiber. They know what he will do under pressure. They know what he will do under coercion. They know what he will do under political persuasion. The people have a good idea as to that when they deliberately select him to represent them in the Senate.

Mr. President (Mr. BREWSTER in the chair), with all deference to my good friend from Mississippi, I would categorically deny that statement as to what happens when a man runs for the Senate.

It may well be that in a relatively small State with a restrictive franchise, such as the fine State my friend from Mississippi represents, his statement may in part be true. But I can assure him and other Senators that it is not true in a large State with a huge urban population, or even a relatively small State with a large urban population, such as the State of New Jersey. Certainly it is not true in Pennsylvania, New York, Ohio, Indiana, Illinois, Massachusetts, and elsewhere.

In those States, it is a rare thing when a majority of the electorate know the man who is running for the Senate. More often than not, he is just a name to them. It is for that reason, among others, that I believe the most extensive amount of public disclosure is highly desirable before a man reaches the Senate, and is equally desirable after he reaches the Senate.

For that reason, I feel it is most important that we should have public disclosure of financial affairs.

Mr. President, the Senator from Mississippi further points out in his argument that the original record of the finances of a Senator, secret though it may be, does provide what might be called a secret weapon which could be used against him if he were not actually acting in a manner of integrity with regard to his finances; but that is, indeed, a frail tool with which to create for this great body the same ethical standards which we require for members of the civil service and executive branch of the Govern-

ment. I do not believe that this hidden, financial statement is adequate in any way to deal with the problem which has brought the Senate into such grave disrepute from time to time during its history, and particularly during the past few years.

Finally, the committee says the committee believes that the rule which they propose is the American rule. I must say I find great difficulty in bringing patriotism into this particular debate. It does not seem to me the pending amendment is any less American than the rule proposed by the committee chaired by the Senator from Mississippi. I think what we are trying to do here, in all candor, is to deal, in a commonsense way, and hopefully without emotion, with a problem of ethics which has vexed this body all too frequently all through its history, but particularly during the last few years, with the incidents which have occurred with which all Senators are familiar. So I do not believe calling one way the American way and implying that the other way is un-American is helpful. I therefore hope the amendment will be adopted.

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

Mr. CLARK. I am glad to yield to the Senator from New Mexico.

Mr. ANDERSON. I only wanted to check this situation. In talking with the Senator yesterday, it appeared that he had interests in oil fields in Louisiana, and other interests, from which he receives income. I commend him for it. I think the Senator from Pennsylvania was not elected because of any oil interests he might have in the State of Louisiana, or anything of that nature. His work as the mayor of a large city, I believe, is far more of a recommendation to be a public official, because his work, which was excellent and of high grade, qualified him far more than any possessions he might have otherwise. I think it is very important that candidates for office be judged by the electorate, and I do not think the dollar signs make any difference.

Mr. CLARK. I thank the Senator for his kind words. I may say that I do not think there was anything in my private life or in my financial affairs which, had they been disclosed in my running for the Senate, or for mayor, for that matter, would have made any difference; but I do think my constituents were at that time, and are now, entitled to know what matters may involve conflicts of interest when I am called on to vote on a particular bill.

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

Mr. CLARK. I yield to the Senator from New Jersey.

Mr. CASE. With his permission, and the permission of the Senate, I would like to ask that I be allowed, without the Senator's losing the floor, to propose for us jointly, an amendment to our amendment.

Mr. CLARK. Mr. President, I shall be happy to yield the floor in order that the Senator may propose that amendment.

Perhaps the Senator from New Hampshire would like to ask me to yield to him first.

Mr. COTTON. Mr. President, I was hoping the Senator would yield to me for a question.

Mr. CLARK. I shall be happy to yield, if it is all right with the Senator from New Jersey.

Mr. COTTON. The Senator's explanation of the amendment states that the reports would be filed with the Comptroller General, who would make them available for inspection by members of the public under appropriate regulations. I wondered what the authors of the amendment meant by "appropriate regulations." Something is either public or is not.

Mr. CLARK. It is public. The regulations would deal administratively with how the public would be able to see them. For example, we would not want to have them stand in long lines. We would want to have certain hours. We would want to have restrictions, if copies were to be made of the records, that the originals would be maintained. It is that kind of regulation we had in mind.

Mr. COTTON. Yes.

Mr. CLARK. Perhaps I had better read the language into the RECORD at this point. I quote from page 6, line 1 of the amendment:

> 4. Reports and certificates filed under this rule shall be made upon forms which shall be prepared and provided by the Comptroller General, and shall be made in such manner and detail as he shall prescribe. The Comptroller General may provide for the grouping within such reports and certificates of items which are required by paragraph 1 to be disclosed whenever he determines that separate itemization thereof is not feasible or is not required for accurate disclosure with respect to such items.

And so on. Mr. President, I am prepared to yield the floor.

Mr. CASE. Mr. President, on behalf of the Senator from Pennsylvania [Mr. CLARK] and myself, I offer the following amendment to our amendment, if the clerk will please take it down.

Mr. CLARK. Mr. President, will the Senator yield briefly?

Mr. CASE. I yield.

Mr. CLARK. May I say, for the benefit of the Presiding Officer, the Senator from New Jersey has conferred with me on this amendment, and I am prepared to accept it.

Mr. CASE. I was offering it for both of us.

On page 2, line 3——

The PRESIDING OFFICER. The Chair advises the Senator that the Senator from Pennsylvania has the right to modify his amendment.

Mr. CASE. Mr. President, I am offering this amendment in behalf of myself and the Senator from Pennsylvania, so, in a sense, I am offering it as the Senator from Pennsylvania. Is that agreeable with the Senator? If not, I ask unanimous consent that the amendment be modified in the following form.

The PRESIDING OFFICER. Is there objection? The Chair hears none——

Mr. ALLOTT. Mr. President, reserving the right to object, I have no reason for objecting except I would like to hear what it is.

Mr. CASE. The amendment is on page 2, line 3, after the word "value," the sentence starting out "The fair market value," insert a comma and the words "or in the case of each specified parcel of real property, the assessed value."

That ends the amendment except for the excission of the words on lines 5, 6, and 7 "exclusive of any dwelling occupied as a residence by him or by members of his immediate family," and, on lines 21 and 22, "other than a dwelling occupied as a residence by him or by members of his immediate family."

Mr. President, if I may explain the amendment, it was suggested by the Senator from Delaware [Mr. WILLIAMS] that in the case of real estate, it might be a real hardship for a person to make a declaration of actual value. It might be against his interests. It might be used against him in litigation or by tax authorities, and whatnot. So, since we are requiring identification of each parcel of real estate, we think the purpose will be served by merely having it listed in this way with the assessed value.

The PRESIDING OFFICER. Is there objection to the amendment? The Chair hears none, and without objection, it is so ordered.

Mr. BENNETT. Mr. President, as a member of the committee, I would like to respond to the proposed amendment and express my reaction to it and my interpretation of its effect on the standing of the Senate before the people of the United States.

Perhaps I should not say that if the Senate adopts the Clark amendment, it is obviously a rejection of the committee, because the Clark amendment was brought to the Senate before the committee was organized and before it was given the job assigned to it. The Senate rejected that amendment, and then appointed the committee. Now, after the committee has done its work, if we come in with our report and the Clark amendment is adopted, the Senate is telling us in effect that the committee has failed.

But I think, more seriously, the adoption of the Clark amendment represents a feeling by the Senate that it has no faith in itself and no faith in its Members. Anyone who wants to make a disclosure, under any circumstances and in any way, about his assets or his income or any other feature of his private life is perfectly free to do so. There is no prohibition against it.

It has been my observation—and I say it in all kindness—that I think many, if not all, of my colleagues who have decided to make a disclosure of their personal assets and income have done so because they thought it would help them politically. They think they would have a political advantage. Then, apparently, they are not quite sure about that, because they want to force their point of view on the rest of us in the Senate, maybe with a little bit of the fear that it may not be so good a political advantage and think it would be better to put the same burden on the rest of us.

It has been my observation that there is no political advantage or disadvantage one way or another. Over the years, Members of the Senate have disclosed their assets and their income. That disclosure appears on the page of their

hometown paper for a day, and in the CONGRESSIONAL RECORD for a day, and then is forgotten.

There are, however, in my opinion, some very serious moral factors involved in this attempt at forced disclosure of the essentially private lives and activities of Members of this body.

There are those who claim that this amendment would restore the faith of the American people in the integrity of the Senate. But to make that argument, they have to say, as the Senator from Pennsylvania did rather plainly say a minute or two ago, that they believe that the American people have lost their faith in those of us who serve in the Senate.

The effect of this amendment, in my opinion, is a joint and official declaration on the part of every one of us that we probably have something to hide and that the only way the American people can be protected is to force a complete revelation of all of the aspects of our financial and economic lives—a condition that is required of no other American.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. BENNETT. Yes, I yield.

Mr. LONG of Louisiana. Mr. President, this is a proposed amendment, as I understand it, to the rules of the Senate.

What right do we have, under the rules of the Senate, to require a Senator's wife to disclose her personal affairs? She has a right to have such matters as separate and apart as she may wish, even from the knowledge of her own husband. And what right do we have to require that one's brother or his sister, or his son or daughter, disclose their private affairs? They are not running for the Senate, and perhaps never will. What business is it of the Senate's what those people may own personally and privately?

Mr. BENNETT. This just demonstrates to me that we are dealing with something that is beyond our grasp.

If you assume that a Senator is crooked, and you also agree that he is smart, if he has an asset that he wants concealed, he can conceal it.

This is essentially a test of Senators' own moral standards, as I said at some length yesterday. If everyone of us is to be forced to reveal all the income and assets of himself, his spouse, his brothers and sisters, and his children, and we then go into the records of every corporation of which he may be an officer, or any trust of which he may be either a trustee or a beneficiary, pretty soon we have not only invaded the privacy of every Senator, but have also invaded the privacy of a lot of innocent people who have no connection at all with the Senate.

By forcing all of us to make a complete statement which is not required of anyone else, either in Government or private life, we label ourselves as guilty; and I wish to talk a little further about that. Does the Senator from Louisiana wish me to yield further?

Mr. LONG of Louisiana. If the Senator will yield further, I should like to ask one further question.

Is there not a difference between the situation that exists in the executive branch and that in the legislative branch, in that in the executive branch, in many instances, decisions must be made where the sole person who makes the decision can make it possible for someone to succeed or fail in obtaining a contract or other advantage from the Government?

Mr. BENNETT. The Senator is correct.

Mr. LONG of Louisiana. A Senator, on the other hand, has only one vote out of 100; and his job in the legislative branch is often only a part-time endeavor. Even if his one vote is successful in securing the passage of legislation in the Senate, it is still of no ultimate effect until a majority of the 435 Members of the House of Representatives have also voted favorably.

Mr. BENNETT. I am glad that the Senator brought that up. A great deal has been made of the fact that, in certain historical instances in the past, men, particularly those who have been invited to serve in the President's Cabinet, have been brought before the Senate and have had all the information about their private investments stripped away from them, largely, it has been argued, to avoid embarassing the President or hurting him politically.

But that does not continue. Men in important, policymaking jobs, while their confirmation by the Senate is required, are usually expected to give that information to the committee that recommends their confirmation; and the chairman of that committee can handle the information in any way he pleases. I do not know of any case where it has been made public, as by publication in the newspapers, as has been inferred; and persons who are appointed to jobs that do not require confirmation are usually asked by their superiors for a list of their assets, upon examination of which the superior will say, "You had better get rid of this, because it may become embarrassing either to you or to me," and the superior then locks the list up in his safe. One cannot go down, for example, to the Department of Defense and ask to be shown a list of all the personal property of the Secretary of Defense or the Secretary of the Army, or of any policymaking official under them.

Yet one of the arguments that has been used in support of such proposals as this is that we are trying to impose on others a standard we do not impose on ourselves.

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

Mr. BENNETT. I yield to the Senator from New Mexico.

Mr. ANDERSON. I am sure that the Senator from Utah will recall when, some years ago, John McCone was appointed Chairman of the Atomic Energy Commission.

Mr. BENNETT. That is correct.

Mr. ANDERSON. When the time for his confirmation came, he filed his complete financial report, and when it was discussed by former Senator Knowland and other members of the committee, we thought there was nothing in it except one or two particular items which might be questionable, amounting to about 5 percent of the total assets of Mr. McCone. When that matter was called to his attention, he said, "What will I do?"

I said, "If you want my advice, sell these two items."

A month later, he came to me and said, "Do I owe you any money?"

I asked, "What do you mean?"

He said, "I sold those two items, and they both subsequently dropped in price."

So the disclosure is not always a matter of embarrassment; sometimes it happens entirely differently. Not long ago the Senator from Washington [Mr. JACKSON], the chairman of the Committee on Interior and Insular Affairs, and the members of his very fine committee examined some people and felt there was sufficient reason why an appointment should not be approved, and the matter was worked out without embarrassment.

The Senator from Utah is a sound, solid businessman, and knows how these situations arise.

Mr. BENNETT. Mr. President, I appreciate that comment. Recently the President appointed a new Secretary of Defense, Mr. Clark Clifford. I ask Senators whether they read anything about any requirement that Mr. Clifford publicly state what his assets were. He did not do so. I believe I remember seeing a general statement that he had satisfied the President that he had no assets that were in conflict with his job; but we did not find the assets of Mr. Clark Clifford listed publicly.

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

Mr. BENNETT. I yield.

Mr. ALLOTT. Mr. President, I am interested in this colloquy, but I believe there is one important difference between members of the executive branch and the legislative branch which should not be overlooked. I have been a member of a committee with the distinguished Senator from New Mexico, when he was chairman of the Interior Committee, and as a member of the subcommittee which he heads, when we examined the affairs of people who were appointed, particularly in the Interior Department; and what the Senator says is entirely true.

The important difference is this, however: When the President picks Mr. Jones, we will say, to be a member of his Cabinet or to fill a high-ranking position in the Government, he may choose a man who is not even generally well known in his own State.

He might be very well known in his own professional area, and that may be the exact reason why the President chooses him; but he may not be generally known even in his own community.

On the other hand, no one can be elected to either House of Congress without being well known in his congressional district, if not throughout his State. So when a man announces, as in our case, that he wants to run for the Senate, he opens himself up completely and entirely to whatever questions, whatever statements, whatever innuendoes any member of the public might make—and God knows that includes an awful lot of crackpots.

I happen to feel strongly about this matter. I feel that a Senator has a right to retain some of his own privacy. I have

now run for statewide office five times. I have been elected each time with an increasing majority, both by number of votes and by percentage. And never in all of that time have I ever had anyone in a meeting or by letter or otherwise ask about the state of my finances. The truth of the matter is that if the majority of the people do not have confidence in the Senator from New Mexico, [Mr. ANDERSON] the Senator from Mississippi, [Mr. STENNIS] the Senator from Louisiana, [Mr. LONG], the Senator from Utah [Mr. BENNETT] or the senior Senator from Colorado, they simply will not elect him in the future, and they certainly will not return him to the Senate.

This points to the one essential difference that exists, and this is a very easy argument that is used because it appeals to the stupid. It is said that the people of the executive branch have to reveal what they have before they are appointed. It is said that Congress therefore should do the same.

The facts are that each and every Member of the Senate has already, and in some cases several times, laid himself out before the people of his State. The people of his State have had the opportunity to ask every question they wanted to ask. And if the man had not answered those questions satisfactorily, he would not be here. So, we have this screening process before the public itself which is not true with the executive branch, and herein lies the difference.

Mr. BENNETT. Mr. President, I thank the Senator. Mr. President, I return to this guilt concept. I say that this amendment requires each of us to make an essential confession that we may be guilty and that the only way we can reassure our friends is to spread all of the information about our economic life, what we own, and what our income is, before the people.

This is a reversal of the basic American concept on which our whole law rests. That concept is that a man is innocent until he is proven guilty.

The pending measure, however, states to us:

> You must prove you are not guilty by telling us everything before you can serve in the Senate.

To go back to another concept of guilt that has been customarily discussed over the years, particularly by my more liberal friends, by requiring such a disclosure, we would be reverting to the essential concept that was developed during the Joe McCarthy days—guilt by association. Why do I say that? Suppose that in my portfolio—and it is not a big one—I have a certain type of stock, and suppose a bill is pending on the floor of the Senate which may affect the whole industry of which the company in which I hold stock is a part. Somebody is going to say, "Well, BENNETT voted this way because he holds stock in this company which is a part of this industry."

That is guilt by association as plainly as anything can possibly be. And what is worse than that, it assumes that we in the Senate make our decisions on the basis of the lowest possible motivation; that we make them fundamentally in order to benefit ourselves; that we ignore the responsibility we accepted to our States and their citizens and to our country; and that we are here simply to show what we can do to use our votes to bring financial benefits to ourselves.

I think that the whole proposal is an unworthy attack on the essential responsibility of the Senate and its Members. I think that it places us in a position in which no other American is placed because it reverses the assumption of guilt or innocence. And I for one believe that the Senate should reject the proposal again as it has already done in one form or another several times in the past.

Mr. President, to sum up I think that a vote for the pending amendment would clearly reveal a lack of faith in the Senate as an institution and a lack of faith in his Senate colleagues on the part of the man who votes in favor of the amendment. And, as I said in the beginning, it would reveal a lack of faith in the committee because the Senate rejected this provision before the committee was appointed, and action now to agree to the provision would say that the appointment of the committee was a mistake, that its whole report is unworthy, and that we should proceed without the committee report and go back to this earlier guilt complex point of view which we have rejected.

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

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. BENNETT. Mr. President, I yield first to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, with all due deference to my friend the Senator from Utah, I cannot follow the last argument he made. It seems to me that what those who are proposing the amendment are saying is that the Senate ought to have another chance to reverse the vote of 46 to 42 by which it rejected the amendment last September when it was considering other legislation.

I do not feel in any way that the amendment is a reflection on the committee. I have nothing but praise for the committee. I think the committee did an excellent job.

There is a matter of close judgment on which the Senator from New Jersey and I differ with the judgment of the Senator from Utah. We agree with the judgment of one member of the committee, the Senator from Kentucky [Mr. COOPER].

I hope that no one will think that the Senator from New Jersey and I are attacking the committee and saying that it did not do a great job. I think they did a wonderful job.

Mr. BENNETT. Mr. President, I am happy to have a share in that general praise. However, if the pending amendment is agreed to, the whole report of the committee is gutted and its 2 years of work will be down the drain.

It reminds me of the old story they tell about the fisherman down South who had a fish in one hand and a knife in the other hand. The fish was squirming around and the fisherman said, "Don't wiggle so much, little fish. All I am going to do is gut you."

I think that is what is going to happen to the committee.

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

Mr. BENNETT. I yield.

Mr. CASE. Mr. President, this is a matter which I have been concerned about for 16 years now, and nothing that the Senator has said has shaken my confidence in the fact that we are on the right rather than the wrong track.

Of all the legislative bodies that I know about, municipal, township, committees, village boards, city councils, county governments, and State legislatures, I think that probably the Congress of the United States has the highest level of honesty and the highest standards and practice of responsibility. I think that it is a requirement of Congress up and down the line, all the way.

There are occasionally instances, and only occasionally, in which men have made from the prestige of their offices what I regard as completely improper financial benefits. And in some cases the financial benefits have even been purveyed. The man has not been seduced, but has offered himself—sold himself.

This is not a frequent occurrence in the Senate, I am very happy to say, and it is not a frequent occurrence in the House. However, it has existed in both bodies, and it is much more common than I like to believe in other branches of government and other legislatures of this country.

In fact, some of the opposition that I have received to my stand in this matter has been from friends of mine in politics who say, "What are you trying to do, kill us? What do you think we're in this game for?"

It is high time that we adopted standards that require the highest possible level of conduct in relation to possible conflicts of interests. And who will set the standard, except the Senate of the United States, the highest legislative body in the land? That is part of what we are doing, my colleague; that is part of what we are doing. We are not accusing each other or any individual of wrongdoing. But we are trying to establish a situation in which this matter will be automatically constantly called to our attention. I am convinced that it needs to be called to our attention and, even more, to the attention of the general public and to other legislative bodies.

So far as this being an unwarranted breach of privacy, this is a matter of balancing values. I hope my colleague will not repeat the suggestion that I am trying to have any unworthy motive in trying to pry into anybody's personal affairs. I do not give two hoots and a hurrah about the stock this gentleman used to have in the XYZ Motor Co., of Salt Lake City or anything else.

My own affairs, I expect, fall into the moderate category, and I am not embarrassed either way by this. But I do believe that, whatever the facts are, it will hurt nobody to lay them on the line. It will end a lot of suspicion, and it will set a standard for legislative probity that needs to be set in this country and, more, in many places other than the Senate of the United States. But we have the responsibility because of the position that we have the honor to hold.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. BENNETT. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, one thing I object to is the suggestion implicit in this—that Senators are guilty of some kind of misconduct and that it is improper for a Senator to own property or to have private investments. The inference is that it is the investments a Senator has or the property he owns which are responsible for his vote.

It seems that any time Drew Pearson runs out of anything to say, he runs through his old files and brings out the fact that the Senator from Louisiana owns an interest in some oil production in Louisiana, which I inherited. It is good for a column about once a year. He suggests that I vote for the oil and gas industry because I have an interest in oil and gas production.

The truth is that that industry happens to be the largest employer in Louisiana. If I were against the oil and gas industry, I suppose I could expect the strongest kind of opposition, because, after all, that industry involves a lot of jobs and a lot of investments in the State, from the farmers who own the land on which the oil is discovered, on up. But because a Senator's personal interest is parallel to the interests of his State, he must be upbraided about once a year, on the theory that his owning an interest in what happens to be the largest single industry in his State is why he votes for oil depletion, rather than because his State produces more oil for its size than any other State in the Union.

That type of thing is implicit in this type of situation. It would enable Mr. Pearson to go down and pick out information, any time someone votes—or someone who does not like the Senator can do it—and can say, "Here's why he voted that way. It didn't have anything to do with the merits of the issue. This fellow owns 15 shares of stock in a company involved in the matter and that's undoubtedly why the man cast his vote the way he did."

Contrary to such thinking, I believe every Member of this body votes in accordance with his deep conviction on the issues, and as a representative of the State and the people who sent him here. He discharges his duty to his country as the good Lord gives him the ability to see it in his own conscience.

If you vote for this kind of amendment, in my opinion, you are asking for the type of false inference to which I have referred.

Any time a Senator should, for any improper reason, for his own advantage or for his own account, help to pass a bill or help to defeat a bill, it seems to me, Mr. President, that he will come to a very unfortunate end. He should be and would be investigated. Any information of the sort that the Senator has in mind would be available to those who have the responsibility of investigating and suggesting what should be done. But then you would have a situation in which six men who are regarded by the Senate as six of its most reputable and outstanding Members—three on each of the aisle—would have occasion to look at the matter and to determine whether there had been any impropriety in a person's conduct.

A better way to judge someone's conduct, as to whether he was favoring his own financial interest in acting as he did, is to have the matter investigated by a committee of high-type men, selected by their colleagues because they are respected and admired.

I have seen a campaign in which each side accused the other of being a crook. I have seen a campaign in my State where both sides challenged the other to produce income tax returns, and each side went to work on the income tax returns, to convince the public that the other fellow was a crook, and it all seemed inconclusive.

People wisely decided to elect one man or the other based on what the men seek to do if elected, rather than based on what they earned, owned, or did not own prior to the election. It seems to me that is an improper way for the public to judge.

The members of the committee would be in the best position to judge if what a man owns is relevant and if he did something wrong.

Mr. MONRONEY. Mr. President, I have tried to follow this debate and have studied the amendment carefully. I have attended most of the meetings during the long period that the Committee on Standards and Ethics has been considering this matter.

This has not been a pleasant task. We had two cases to investigate and study. I believe we displayed as full and deep a concern in trying to bring about justice and fairness and responsibility to the task with which we had been entrusted by the Senate as any group could possibly do. We were blessed by having a great chairman, for whom everyone has the highest regard.

GREAT RESPONSIBILITY

The idea of writing a code of standards and ethics for the 100 men who have the responsibility of the Upper House, to make worldwide decisions, is, indeed, an important task.

We would have found it completely impossible to have brought out such a code that would have received the instantaneous approval of the 100 Members of the Senate. We worked for days and weeks, line by line, word by word, point by point, policy by policy, and tried to effectuate what we thought were the necessary safeguards of the ethical standards of this great and historic body and the task that we had.

We also tried to evaluate the human rights with which even the 100 Senators are endowed, the fairness with which 100 Senators are endowed, and the trust that we have, that practically all, if not all, are just as ethical as every one of the six who were passing upon them.

STANDARDS MUST BE FAIR

We did not enter upon this matter with a guilt complex of being too rich or being too poor, but rather to try to make possible a situation in which the public and the Senate could be satisfied that their interests were properly protected and that there would be an ethical standard written to which all could repair.

This is the report before the Senate. It has been changed often; it has been modified, considered, and debated within the confines of the committee without the benefit of fanfare or publicity. I think it has been considered more in the privacy of the committee, with respect to markup, than any other bill that has been brought before the Senate.

TIME TESTED POLICY

I think there has been suggested a good plan in taking the time-tested policy that the Senate committees largely have observed in connection with the confirmation of nominees. In our regular committee we have cross-examined them and asked them generally about business connections they had, their attitudes toward these jobs, and their standing in their profession and community. We have asked for a financial report to be filed with the committee such as we require here of every Senator.

We have not embarrassed in any way the man who comes to serve in the executive branch, although we know them only slightly; yet we know each other as we do the palms of our hands. Under this amendment we would be asking our Members to do far more than the hundreds and hundreds of people who are nominated for minor executive positions. These nominees are only requested to give us a revelation of their business activities, and to file with the committee a list of securities, income, and other private financial data, which in all fields of private service are held to be a confidential report.

TWO DIFFERENT STANDARDS

No one expects his opponent to run for office and file a copy of his bank statement on page 1 or a copy of his income tax return on page 1. However, this amendment provides different tests. There is involved here a situation where the candidate who has never been tested for the Senate or for the House of Representatives, who is running for his first office. His official life is not a public matter for years and years, as is the case with distinguished Senators who now sit before me in the Chamber today, nor has his honesty and integrity been tested and voted upon and ratified every 2 years in the case of Representatives and every 6 years for those who serve in the Senate.

People know rather well of the standing of the elected representatives, their character, their reputation, their business interests. It is always an issue in the campaign.

However, under the Clark amendment this would not apply to the candidate who runs and is unknown, but it would apply to every Member who is known. Yet the new candidate is not required to meet any regulation for filing of any kind.

Many Members of the Senate and of the House of Representatives have gone back again and again in elections to receive approval of their ethics, standing, and general reputation. I think this is an important thing.

LOSSES COULD BE HANDICAPS

We overlook another matter. The distinguished Senator from Pennsylvania is concerned that all the wealth should

be revealed. I would say to him that some of us hesitate to reveal how much of what we had when we came in has eroded through the years we have served. Or how we have abstained from making investments in oil prospects—I have.

Or how we have abstained from going into business enterprises that might have constituted a conflict of interest; or those who held real estate far too long that was perhaps inherited because the Member believed in the community from which he came.

When one starts to write down, and someone wishes to compare those figures, it will be found there will be not only a pity, but also a question of whether or not the person is smart enough to serve because the new balance sheet or net worth is not as great as people thought it should be. Therefore, it would have a backlash in that regard.

AMENDMENT QUESTIONED

I do not know what to do about the amendments that have been placed on the measure. I know one that we accepted with alacrity is fuzzy and we would now require the fair value or assessed value of property.

Mr. President, this is a carelessly drawn amendment because distinguished Senators know that practically every State in the Union has a different method of property assessment. In my State it is 50 percent.

If a person is heavy in real estate he would figure 50 percent under the amendment of the Senator from New Jersey, or if it is 100 percent he would file 100 percent.

Therefore, I do not believe this provision has been very carefully drawn.

Mr. CASE. The point of the amendment is that we are not trying to hurt anyone or place anyone in a position of making declarations against interest that would be used against him in other proceedings. Therefore, at the suggestion of the Senator from Delaware, and not upon our own initiative, but willingly, in the case of real estate, we changed the fair market value of whatever it is to assessed value, because the real point is not value so much as the kind of property and location of the property. Property, in the case of parcels and real estate, has to be described.

If the Senator wishes to change this language, fine.

Mr. MONRONEY. One could borrow money, as many persons do. One tries to give the bank a true evaluation. Very few banks would take an assessed value in States where the rate is 50 or 100 percent.

Mr. CASE. We are not trying to draw up a balance sheet of total assets and liabilities and discover how much a person may have. We are trying to indicate what he has so that those who run may read it—would know whether a person's public actions are likely to be in conflict with his private interests.

I think the question of value of property, except at it may relate to a description thereof in the case of real estate, is not terribly relevant.

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

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Does the Senator yield?

Mr. MONRONEY. I yield.

Mr. ANDERSON. Mr. President, I commend the distinguished Senator for the matters he has pointed out.

In New Mexico the assessment is 16 percent of value. That sort of scale could not apply.

Mr. MONRONEY. That was my point. It is not careful enough.

I shall give another point where this proposal seems to be hastily drawn. Many other Senators may be as concerned as I am with this matter.

There is supposed to be reported the fair market value of each asset held, but a residence is not allowed to be counted as an asset. Many of us have an investment in our residence that is substantial, although modest. This is an asset we cannot count but we must show as a liability the mortgage that is on that property, because the protecting clause with respect to "occupied as a residence," eliminates the counting of that as an asset on the statement but indebtedness on it is counted as a liability.

SONS' LIABILITIES, TOO

If one had five sons and they all owned their homes, as they would be likely to do, that is not counted here in the asset statement; but because they are members of the immediate family, the five mortgages would have to be counted as liabilities. One could easily show a negative figure between assets and liabilities if he had enough members of the family, sons and daughters, and counted as liabilities the mortgages on their homes; it would almost negate an average Member's total net worth after deducting these matters.

Mr. ANDERSON. As the Senator knows, it is set forth here that we were to list all liabilities and notes above $5,000.

There was an operator in west Texas some time ago who operated with all kinds of fancy mortgages. He had millions of dollars, borrowed from the public. Is there any way a person could know that that kind of situation was phony or not.

Mr. MONRONEY. I would not know.

Mr. ANDERSON. He had issued mortgages in all these areas. The liabilities, I believe, are very important to us.

Mr. MONRONEY. I agree. Now, if the Senator will let me refer to section C, he must report the source and amount of every capital gain realized. There is nothing in here to report expenses or losses on these matters of the previous year, or of the succeeding year. It is part of the public disclosure that we are asked to make. It is far more important, if we are trying to get the facts from confidential holdings, that the committee judge what is right, because that is from the Federal income tax returns, and under penalty of law. Thus we establish at least a net gain or a net loss in the report on a capital gain.

AMENDMENT IGNORES STUDY

We are not ignoring the report. We are saying that this is a matter which should be carefully considered by the committee. We have a report from the Committee on Standards of Conduct. I, for one, hope that we will choose six men, after this resolution passes, and let the present Members get off and let the new six men get on with the job.

I am sure that they will do a very fine job of carrying out the work the Senator from Mississippi [Mr. STENNIS] has done so well as chairman of the present committee, and which the other Members, myself included, have also done.

This does not avoid the financial reporting. It makes the report on all finances from the Federal income tax go where it belongs. That is what is important.

Instead of having a casually formed balance sheet mimeographed and sent out to a mailing list or in a press report; it is not necessary to do that. It is not necessary to put Members who have been endorsed by the public but the opponent, who has never been passed on by the public, is not required to file anything.

Mr. PEARSON. Will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. PEARSON. The point I want to make is the point to which the Senator referred, that the sponsors of the amendment and, indeed, the Senate, should know that when we began consideration of this entire code, we began with the subject of disclosure. I suppose it occupied most of the time of consideration by the committee. From time to time we got off into another field of inquiry, but inevitably we came back to this subject.

For what it is worth to the sponsors of the amendment and to the entire Senate, it was gone into time and again. It was the central and the principal point of the inquiry and discussion.

In doing that, let me refer to one other point: We looked as best we could, by research, into all of the activities in this particular field. I may stand corrected later on, but now I think it is close to the truth to say that throughout the country today, State legislatures have enacted codes of ethics. Our research uncovered that in recent years some eight, nine, or 10 States have enacted codes of ethics and conduct for their legislative members. Many States have single provisions or a conflict of interest statute, but a legislative code of ethics has been enacted in recent years in Massachusetts, New York, Texas, Louisiana, and other States, the names of which escape me at this moment. But, in every case save one, there is no open disclosure as proposed by the pending amendment. That, of course, is not to influence us one way or the other. But it is some evidence of the judgment that certain people have made in the consideration of this important question.

The sole exception is the State of New York. There, they provide that every person, every member of the legislature, spouse, or minor child, who has an interest in any property of the value of $5,000 which is subject to a regulatory agency of the State of New York must make a public disclosure.

I cannot cite the New York State law at this moment, but I have a copy of the

statute in my hand and I ask unanimous consent to have it printed in the RECORD.

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

M'KINNEY'S CONSOLIDATED LAWS OF NEW YORK, ANNOTATED, PUBLIC OFFICERS LAW, SECTION 73(6)

a. Every member of the legislature or legislative employee shall, on and after December fifteeenth and before the following January fifteenth, in each year, file with the secretary of the senate, if a member or employee of that body, or with the clerk of the assembly, if a member or employee of that body a written statement of

1. each financial interest, direct or indirect of himself, his spouse and his unemancipated and minor children in any activity which is subject to the jurisdiction of a regulatory agency or name of the entity in which the interest is had and whether such interest is over or under five thousand dollars in value.

2. every office and directorship held by him in any corporation firm or enterprise which is subject to the jurisdiction of a regulatory agency, including the name of such corporation, firm or enterprise.

3. any other interest or relationship which he determines in his discretion might reasonably be expected to be particularly affected by legislative action or in the public interest should be disclosed.

b. . . . Copies of such reports shall be open to public inspection in the office of the secretary of the senate and the clerk of the assembly. Each house may adopt rules to implement the provisions of this subdivision, insofar as they relate to members of the legislature and legislative employees.

Mr. PEARSON. Mr. President, I thank the Senator from Oklahoma for yielding to me.

PUBLIC REPORTING OF ALL GIFTS AND FEES

Mr. MONRONEY. Mr. President, I want to close in one moment, but there are some questions which keep coming back again and again.

One question is, What are we going to do about gifts? Obviously, gifts should be reported. It will strengthen the reporting of campaign donations and things connected in other ways with campaigns, which prohibit anyone employed by a Senator from actively soliciting campaign contributions, and provides that one man out of all the members of his staff can receive a fund voluntarily from someone.

But, on gifts, honoraria, and those matters, they should be made public. That is one of the great criticisms leveled at some of the activities of Members of the Senate in the field of gifts and receiving honoraria.

That is in the public domain. Everyone will see it in a public report.

On the matter of legal fees, retainers, and things of that kind, I am not a lawyer. I do not know much about it, but I do know that lawyers engage in the practice of law, that they write wills, and take care of clients for whom they may have done work for years. Obviously, I think it would be unfair to require public disclosure of every single fee they collect on the basis that one out of 10,000 might be tainted by a special interest of some kind. We require the reporting of all legal fees over $1,000, and that would be a matter that would be in the hands of the ethics committee.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield at that point?

Mr. MONRONEY. I yield.

Mr. CLARK. Those legal fees, however, are not made public, whereas honoraria are. I have not been able to understand why one should have to report honoraria but not legal fees.

Mr. MONRONEY. I am not a lawyer. The Senator from Pennsylvania is.

Mr. CLARK. Yes.

Mr. MONRONEY. A lawyer is entitled to any of his time to add to his income as a part of his former business, the same as a capitalist would be to earn dividends from his investments, or a businessman if he had a business, or a farmer. I think that is part of his right. We are asking to identify something special in the case of the lawyer, in that this is a reporting of legal fees, which has never taken place before.

Mr. CLARK. Is it not the right of every man to go out and make money by writing articles for magazines, or making speeches? Why is that a right which is not protected with privacy in the same way that legal fees are? In my opinion, none should be.

Mr. MONRONEY. I think that honoraria should be made public. I get a few—very few. I do not have very much success with my writing. It usually comes back. I would be kind of glad if I could report some income, though, on $5,000 or $10,000, say, on something I wrote for an eminent national magazine, such as those published in the home State of the distinguished Senator from Pennsylvania.

Mr. CLARK. I think that a lawyer would be equally as glad to receive a $10,000 fee from General Motors.

Mr. MONRONEY. I am not a lawyer. But we did discuss that point at some length, that there is a legal code among lawyers and they do consider these and other matters of confidence.

I have long since learned that we cannot change a long-prevailing precedent on the part of lawyers. Again, I say, I am not one, so I am not so well versed as I could be on that point.

Mr. CASE. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. CASE. To pursue this matter a little further, I think that, implicit in this whole business, is the fact that it is an effort to raise standards, and not merely to recognize current practices, even as a whole. Take the matter of lawyers' fees, or other sources of income. It is true that normally a lawyer's relationship to his client is confidential. What an average lawyer receives from his client in remuneration for services rendered is a matter of no consequence to anyone else. It is confidential. But, there are exceptions to that.

It does not shock me, because I am a lawyer, that this should be required to be made public, because if it would violate the confidential relationship between lawyer and client, then that means that Members of the Senate who would be insisting upon that relationship would have to stop practicing law. I think probably that would be a reasonable thing.

Mr. MONRONEY. Mr. President, at present there are 67 Members of the Senate who are members of the bar. They are well acquainted with the customs of lawyers, naturally. I will therefore leave it to them to defend that matter. But I certainly feel that the committee has at least put it where it belongs and that is in the hands of the Committee on Standards and Conduct, whoever they may be, the five Senators who will get the job after the pending resolution is adopted.

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

Mr. MONRONEY. I yield to the Senator from New Mexico.

Mr. ANDERSON. Is there any statement by the committee as to why this requirement is made of lawyers, and not of doctors? Should not a doctor, if he receives a $1,000 fee, have to disclose it?

Mr. MONRONEY. The theory was that businessmen would take their problems to senatorial lawyers, and in that way there would be some business advantage the lawyers would get for them. I think, in the case of doctors, we do not quite have the relationship of someone accepting a Senator as a doctor. He would select a non-Senator probably much quicker than a Senator, because the Senate might be in session late, and the patient might die while he was waiting for the Senate to adjourn.

Mr. ANDERSON. I think the Senator has made a good point. I think we pay a cheap price to lawyers. I am not a lawyer, but when I do pay a fee, I think it is not a high fee.

Mr. MONRONEY. Mr. President, before I close, I would like to relate an incident that took place in my early days as a newspaperman. It seems that in 1926 Congress had passed an income tax law, and on the floor passed a provision that allowed public inspection of everybody's income tax return.

On March 15, or whatever the date was, all the income tax returns filed in Oklahoma City or Philadelphia or Richmond or Seattle or Boston would be available for the public to come and inspect. Well, there was the longest line you ever saw. It took about all the wire services out of Washington to inquire and recheck whether they were the right figures. People stood in line at the Federal building. They called it Peeping Tom Day.

Believe me, 3 days after this demonstrated interest in an individual's having the opportunity to look at the income tax returns of everybody else—perhaps it was his landlord or his uncle or somebody he did business with—that provision was repealed within 1 week, because of the objections of vast numbers of the public to that law.

So, certainly we want everything dealing with the life of a Senator that could be in any way corruptive of his public duty to be under the surveillance—and in some cases under the complete surveillance—of the public. In other cases, where it was an intimate financial matter, a matter of someone's having too much or too little of the world's goods, I think the way the committee has chosen is the proper one. The committee handling the work will be in charge of

these vital matters that are intimate to the life and financial integrity, and, shall we say, the wealth the Senator may have, or how much he is losing in other cases.

I yield the floor, and I hope the Senate kills the amendment, which I think is not well drawn. I think there are many things in it which do not belong in the resolution.

Mr. STENNIS. Mr. President, will the Senator yield

Mr. MONRONEY. I yield.

Mr. STENNIS. I asked the Senator to yield. I am not trying to get the floor, and I have not asked for it, but I want to state that, so far as the Senator from Mississippi knows—and I have conferred with the Senator from Pennsylvania and the Senator from New Jersey—we are about ready to come to a vote, if it be the will of the Senate. That is not trying to hasten any Senator or cut off any Senator or limit his time.

For the information of Senators who may be interested, I believe we can dispose of the proposed amendment tonight or this afternoon at a reasonably convenient hour. I want a small amount of time near the end of the debate for the committee to sum up a few points. I make that announcement. I do not ask for a unanimous-consent agreement, but we are within striking distance.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. MONRONEY. I yield.

Mr. MAGNUSON. Here is one of the things that concerned me in the whole problem of people getting concerned about ethics. If I owned a farm and I reported the worth of that farm, whatever the value might be, and the amount I made on the farm during the year, and then I served on the Committee on Agriculture and Forestry, and voted for farm subsidies, would that be a conflict of interest?

Mr. MONRONEY. I hardly think it would be a conflict of interest. I think it would identify the Senator as being a farmer and as having received $x$ dollars in income from that farm. It might have been in wheat or cattle.

Mr. MAGNUSON. Would not reporting legal fees be in the same category as receiving fees in a different profession?

Mr. MONRONEY. I think it would.

Mr. MAGNUSON. Most members of the Judiciary Committee are lawyers. I think that is one criterion. I think both farming and the practice of law are professions, in a sense. I do not know why they always pick on lawyers, but apparently they do. There are other people who have businesses. It would be difficult to think of any business today which did not have, directly or indirectly, some Government regulation or activity in which it was involved. I cannot think of any business which would not be so involved. Perhaps we ought to enlarge this resolution, and not confine it merely to lawyers, but include farmers, business people, doctors, and everybody else.

Mr. CASE. Mr. President, I am glad the Senator from Washington brought out the point. I think he emphasizes the special nature of our position. The reason why disclosure is probably the only effective way to get at most of the possible areas of conflict of interest is that we are either asked to do something or asked not to do something. There is no phase of activity or no possible kind of interest we are not dealing with every day. Therefore, I think the best that can be done is to disclose what our situations are, and then leave it to our constituencies to decide whether there has been a conflict. I think that is behind the committee's proposal and, to an extent, our amendment.

Mr. MAGNUSON. I have been in politics long enough to know that the people back home know pretty well what you have.

Mr. CASE. They may suspect.

Mr. MAGNUSON. At one time a Governor of the State ran against me, and he kept insisting that I report my income tax return. I said I did not think that was necessary during my campaign. I did not do it until the day after the election. Then I did it, and the papers published it. I wanted to prove the point. I have not heard any more about it since.

The Senator from Oklahoma brought out another point. It is possible that some Senators could gain financially by being in the Senate. I doubt it. If there were only some way that we could have a little counterbalance here, if we are going to show our finances, to show how we lose by being Senators. Of course, it is each individual's choice. Most Senators would not have it any other way. They want to be public servants. I am sure that probably 90 percent of the Members of this body could make as much in their chosen profession and earn at least the same amount as they receive in salary or more. I am sure of that.

As I told the Senator from Oklahoma before, I have a conflict in interest in reverse. When I came to the Congress I had been an attorney for an airline for a long time, and I owned some airline stock, because I got paid in stock.

When I came to the Senate and became a member of the Commerce Committee, because we handled general aviation—the situation being no different, really, than that of a farmer on a committee which handled general agricultural bills—I thought, "Well, I will sell it."

So I did, at the then market price. I think the stock has been split several times since, and is now worth perhaps 20 times what it was then.

I am not saying that this is something to my special credit; it was something I should have done, and I felt so at the time. But I think that once in a while, when the Senate is put on the defensive, the American people should be told the facts. I am sure there are a great number of Senators—I would say perhaps 98 percent of us—who do give up something financially for the privilege of becoming U.S. Senators. We think it is worth it.

Mr. CASE. I think the Senator is absolutely correct.

Mr. MAGNUSON. I think that point has already been covered. The enhancement in value of any asset which occurs while one is a Senator is, I think, a proper matter for public interest. If, by reason of the fact that you have served in the Senate, you enhance your assets for some reason or other, that is a legitimate matter for inquiry.

But I think the people ought to realize, too, and I am sure many of them do, that most Senators—and I know a good deal about the financial situations of many of my fellow Senators—have given up many things, dollarwise, because they made the choice that they would rather be in the Senate. Anyone who thinks that is not true would only have to look at the intimate finances and assets of the Senators.

It is no doubt true that some Senators have investments which, in the course of the growth of the economy of the country, have become worth more during their service here. But that was nothing of their doing. It just happens that almost everything one might have owned 20 or 25 years ago—or, in my case, 35 years ago—has enhanced in value, sometimes doubling its value many times over. But that was not because the owner of the assets served in public office. It was due to the natural economic growth of the country, as a result of which the assets became more and more valuable.

If we do establish some provision for reporting, I am hopeful that there may be some means provided for looking at the matter from the standpoint of the overall effect of what it has actually meant, not necessarily to myself, but to many who have served in the Senate. It is their choice, and I feel it is very much worth while; but sometimes people who read about these matters do not go into the matter beyond the mere fact an asset may have increased in value.

A story was published the other day about various Senators who were worth $x$ number of dollars, the writer thought, and things of that kind. I do not know if that is a political detriment now. Of course, these days one has to be a millionaire to run for President.

Mr. CASE. At least.

Mr. MAGNUSON. Or perhaps a multimillionaire. Anyone who aspires to that office has to make a show of great wealth in order to place himself on the springboard.

But I am hopeful, regardless of how this vote comes out, that provision will be made for some means of acquainting the public with the fact that often Senators, as we all know, give up many financial benefits by virtue of the fact that they come to the Senate. As I have stated, it is their choice, and they believe it is well worth while.

Mr. CASE. I could not agree with the Senator more.

Mr. MONRONEY. Mr. President, I yield to the Senator——

Mr. STENNIS. Mr. President, if the Senator will yield, the Senator from Pennsylvania has indicated that he wishes to modify his amendment.

Mr. MONRONEY. Very well. Mr. President, I yield the floor.

Mr. CLARK. Mr. President, after the Senator from New Jersey and I indicated that debate on this amendment might disclose some areas where there was manifest unfairness, and asked that such areas be called to our attention so that we could propose modifications, one such modification has already been

made, dealing with real estate, and another one has just been called to my attention, involving a situation that might easily arise where a Senator was divorced, and his wife was given custody of minor children.

In that event, under the amendment as presently drafted, the Senator, who no longer had custody of his minor children, would nonetheless be required to reveal the trusts or other assets which those children might have.

In order to remedy that situation, which I think is unfortunate, I now suggest that the amendment be modified by inserting, on page 8, line 9, after the word "person" the following language: "Provided such person has legal custody of such minor child."

With the approval of my friend from New Jersey, I will modify the amendment accordingly.

Mr. CASE. I concur.

The PRESIDING OFFICER. The amendment is so modified.

Mr. STENNIS. Mr. President, may I have the attention of the Senator from New Jersey? I understand that the Senator from Iowa wishes to engage in a colloquy with the Senator from New Jersey?

I propose to make a unanimous-consent request, Mr. President, if I may have the attention of Senators.

As far as I know, we do not know of anyone else who has any extensive remarks he wishes to make on this amendment, and as far as we know it is now agreeable to vote.

Mr. PROUTY. Mr. President, reserving the right to object, has the matter been cleared with the minority?

Mr. STENNIS. Mr. President, I had understood that this matter had been cleared, in effect, with the minority, but I am now advised that the matter had not gone quite that far, so I withhold my unanimous-consent request.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. MILLER. Mr. President, I should like to ask a few questions of either the Senator from New Jersey or the Senator from Pennsylvania, to clear up my thinking on some aspects of the proposed amendment.

For one thing, at the bottom of page 2, in subsection (d), the amendment would require the source and the amount of each item of income received by or accruing to a Senator, for example.

Suppose that the Senator had received $5,000 as an income distribution from a trust. I assume that, in order to comply with this requirement, the Senator would list on the schedule sent to the Comptroller General's office $5,000 received from XYZ trust; would that be correct?

Mr. CASE. Yes; I think the Senator is quite right.

Mr. MILLER. Suppose that a Senator had received a payoff of $5,000 from someone doing business with the Government or one of the committees of which he was a member, but instead of having the $5,000 come to him, he said to the person he was dealing with, "Make the check payable to the XYZ trust," and that is what happens, and the trustee of the XYZ trust endorses the check and deposits the $5,000 in the trust account. Under the reporting system that I understand this amendment would require, all that the public could possibly know, or that anyone could possibly know, would be that the Senator concerned had merely received $5,000 from the XYZ trust.

If that is true, it seems to me that there may be a gap in the amendment. I should like to suggest to my fellow Senators that in my amendment No. 617, which runs to the resolution proper, I have sought to cover that type of a gap by requiring the filing of a copy of the Federal income tax return and amendments thereto and supporting documents made for the preceding year, in compliance with the provisions of the Internal Revenue Code, by each trust or fiduciary relation in which he, the Senator or employee covered by the resolution, or his spouse or their children, held a cumulative interest of 25 percent or more.

If that provision were in the pending amendment, there would be a further disclosure which could reveal the nature of the income—or at least provide a lead to be checked out as to the nature of the income—from the trust which, in the present state of affairs, would never possibly come to light. I was hoping that the Senator from Pennsylvania and the Senator from New Jersey might consider that point.

I would like to pursue this a little further. Suppose that a Senator or one of the Senate employees covered by the pending amendment should receive a $5,000 dividend distribution from the ABC Corp. I suppose that all that would be shown on the list forwarded to the Comptroller General would be, "$5,000 stock dividend from the ABC Corp."

Would that be a correct analysis?

Mr. CASE. The Senator means a dividend in cash on stock held by the Senator would be listed as a dividend received. That is correct. However, would the Senator continue with his point so that I can be a little more sure of what he intends.

Mr. MILLER. Suppose that a Senator and his wife or one of the Senate employees and his wife held all of the stock in the corporation, that it was a closely held family corporation. That fact would not be required to be disclosed.

Mr. CASE. The fact that he and his wife had received $5,000 dividend on the stock?

Mr. MILLER. No. As I understand it and as I read the proposed amendment, all that would have to be shown on the list sent to the Comptroller General would be "$5,000 income," and a notation that it represented dividends from the ABC Corp. It would not be required to show that it was $5,000 income received from dividends from the ABC Corp., the stock of which is owned by the reporting party and his wife.

Mr. CASE. I do not believe I get the point. There is a separate listing of assets.

Mr. MILLER. I know that, but I am referring to the income requirements in subsection (b) on page 2 of the pending amendment.

Mr. CASE. I would say that the amount and source of each item of income would be disclosed. However, if the Senator would continue to develop his point better, perhaps I would be better able to respond. I have not gotten the point yet.

Mr. MILLER. The first point is whether a man would be required to report $5,000 income from dividends from the ABC Corp., or would he be required to report $5,000 in dividends from the ABC Corp., the stock of which is wholly owned by the man and his wife.

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

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

Mr. MILLER. I yield to the Senator from New Jersey.

Mr. CASE. It would not make any difference. I would say that the man would be required to state it. However, I am not as sharp on tax law as is the Senator from Iowa.

Mr. MILLER. This is not a tax law matter. I merely want to know how far this disclosure goes on this type of reported item.

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

Mr. MILLER. I yield.

Mr. CLARK. Mr. President, my own curbstone answer, and I am not a tax lawyer, either—although I used to play around with it, I am not a great expert in the matter as is the Senator from Iowa who is one of the great tax lawyers in his State and in the Senate—is that it seems to me, as I understand it, the inquiry of the Senator concerns a deal being worked out whereby the party making the report would acquire income to the tune of $5,000, but would direct the other party engaged in the deal to pay the $5,000 to, let us say, the XYZ Corp.

Mr. MILLER. No. My good friend, the Senator from Pennsylvania, is talking of the first matter I raised. I think that has been answered to the satisfaction of the Senator from New Jersey and myself.

Mr. CLARK. I had better let the Senator from Iowa and the Senator from New Jersey argue about this matter. I do not understand what is being talked about.

Mr. MILLER. Mr. President, I have now left the question concerning the trust. I merely said on the colloquy concerning the trust that I hoped my friends the Senator from New Jersey and the Senator from Pennsylvania would consider a matter that I consider is a gap so far a trust is concerned.

Let us move now to a closely-held family corporation.

Mr. CASE. Mr. President, for the purpose of legislative history in the event the pending amendment becomes part of the resolution, so that the matter will be clearer and stronger than it is at the present time, I would say specifically that if money were coming to me, a Member of the Senate, and I directed that, instead, it be paid to my grandson or to a trust for someone else, I think it would still be a gift or income to me and would have to be reported as such. Therefore, I think there is no gap there.

Mr. MILLER. I would agree with my colleague. However, I do not believe that matter is involved in what I am trying to get across here.

Mr. CASE. The Senator is correct. However, I wanted to be sure that we understood each other on the first point.

Mr. MILLER. Let me get back to the first point. What I am trying to point out is that if there is an employee or a Member of the Senate who really wants to avoid the impact of the proposed code of ethics as envisioned by the pending amendment, all he would have to do would be to say to some person with whom he is dealing and with whom he has made an arrangement to avoid showing that he got a $5,000 payoff, would be to say, "Look. Don't send the check to me. Make out a check payable to the XYZ trust."

He would then get together with the trustee, who might be an old friend of his, and say: "When that check comes in, you endorse the check and deposit it in the trust account, and everything will be fine. Later in the year, you can send the check to me for $5,000. All I have to do is to put down in the report to the report to the Comptroller General, '$5,000 income representing income distributed from XYZ trust, and nobody has any knowledge or lead as to where this comes from.' "

Mr. CASE. Mr. President, I would say that the income is received when the money is paid to the trust and that it would have to be reported then. Therefore, I do not think that in fact a gap exists.

Mr. MILLER. The gap does exist. I am suggesting that the money would be reported, but when it is reported all that the public would know would be that the individual reported the receipt of $5,000 income from the XYZ trust. Unless we require the trust itself to report that income as represented by its annual Federal income tax return, where are we going to get a lead as to where that income might possibly have come from?

Mr. CASE. Mr. President, as I have said, the incident of the receipt of the income occurs when the money is paid to whoever receives it on the direction of the Member of the Senate.

Mr. MILLER. I would accept that.

Mr. CASE. And he would not meet the requirements of this rule merely by showing that he got, on some later distribution, that same amount of money from a trust.

It is a beneficial interest, it seems to me, clearly, and this would be an evasion. That matter is covered under definition of assets.

Mr. MILLER. I understand, and I agree. I think the Senator has covered the beneficial interest and assets very well.

We are now engaged in discussing the income reporting section of this measure. That is what bothers me. How, for purposes of what we are seeking to do here, is it going to be helpful if somebody merely puts down on the report filed with the Comptroller General that he received $5,000 income from the XYZ trust? It would comply with the requirements of the amendment, as I understand it, but I do not believe it would be worth anything at all from the standpoint of revealing the potential source which, in the example I cited, would be an unethical source.

Mr. CASE. The Senator from New Jersey can speak for himself, but I think the Senator from Pennsylvania agrees, and I think we would all agree that in the case the Senator from Iowa is proposing, there would be a receipt of income which would have to be reported at the time the money is paid to that trust, not later, and that the description of the receipt of the income would be income from XYZ bandits, or whatnot, received by the Senator, when the payment is made to the trust on his direction.

Mr. MILLER. I do not want to have my question get complicated on the question of when the income was received.

Mr. CASE. No, but from whom?

Mr. MILLER. Let us not complicate it on that.

I believe the Senator would be correct, from an income tax standpoint, in saying that at the time the money was paid to the trustee, it was income. But I am talking about when this is reported to the Comptroller General. As I understand it, all that the Senator would have to put down on that report is, "I got $5,000 from the XYZ trust."

Mr. CASE. That is where the Senator from New Jersey disagrees with the Senator from Iowa. The Senator in that case would not be meeting the rule unless he reported, "I got and ordered paid to XYZ trust so-and-so dollars from Yumitity Yump Contracting Co."

Mr. CLARK. I agree with the Senator from New Jersey.

I understand that the Senator did take this matter up with the Ethics Committee, and they take the same position that the Senator from New Jersey and I take.

Mr. PEARSON. I can say, in response, if the Senator will yield, that this is a misunderstanding, to this extent. There is an amendment pending, the Miller amendment, which the Senator from Iowa has described to the Senator from Pennsylvania in asserting that there is some loophole in the proposed amendment. I would not presume to speak for the committee or for the chairman as to whether that is not acceptable or to say anything in relation to it until it is submitted. But it is before us here in the form of an amendment, rather than before the committee—unless the Senator, in the inquiry we sent out, submitted this as a suggestion.

Mr. MILLER. I do not believe it was. But I would merely say that I have offered the same amendment on a good many occasions during the consideration of this type of problem.

What I am trying to do—I am just talking about the trust situation—is to make sure that when there is a reporting, it will be a meaningful reporting and it will enable the public or the Senate Ethics Committee to do something or to have a lead that would be meaningful.

I can understand how the trust situation might be complicated a little. The Member may be only a one-third beneficiary of a trust. He might have one-third, and the other two-thirds might be in the hands of someone else. Nevertheless, he tries to comply with this amendment by saying on his report to the Comptroller General, "I received $5,000 by check, dated so-and-so, from the XYZ trust."

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

Mr. MILLER. I yield.

Mr. CASE. I do not believe he has to have any interest in the trust to make it obligatory on him when the trust receives—not when he gets anything, even if he gets nothing from the trust later.

Under this rule—and it is a rule, and it would be interpreted in the spirit of our intentions—when the trust, upon his direction, receives any money at all that represents something payable otherwise to him, then I believe he has received income at that point. I do not believe it has to be a trust.

If I asked someone who owed me $10 for work I have done—in drawing his will or a deed or what-not—to pay it to the Senator from Kentucky, just out of love and affection for him on my part, I believe that would be the receipt by me of income at the time the payment is made to him, no matter what he does with it.

Mr. MILLER. I believe the Senator is on perfectly sound ground, and I would not disagree with him on that interpretation. But that, I suggest, is not what our problem is. Our problem is: How does he report that?

I point out that, according to the amendment, as I read it, all he has to do to satisfy the requirement is put down, "I received $5,000 of income as a distribution from the XYZ trust."

And he might even put down the number of the check from the XYZ trust. Any member of the public could take a look at it, or the Ethics Committee could take a look at it, and say, "Well, he got $5,000 income from the XYZ trust." And that is all there would be to it.

But if you would add to this requirement that a copy of the trust income tax return must also be filed, then I suggest to the Senator from New Jersey that we would have something meaningful, which would provide a meaningful lead at least in the case of an investigation. That is what I am suggesting so far as the trust is concerned.

Let me go on, if I may, unless the Senator from Kansas wishes to speak.

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

Mr. MILLER. I yield.

Mr. PEARSON. I just wish to say this: In the situation that the Senator from Iowa has described to the Senator from New Jersey, in which the trust has received compensation and then pays it out to the beneficiary and it shows on his income tax return as filed, pursuant to the Clark-Case amendment, and you do not have a complete disclosure, I say to the Senator that the committee, in providing for a limited disclosure, accepted the proposition that basic instruments would be filed and that thereafter questions would arise and the investigation of those instruments would lead to further investigation.

The committee has, and always will have, the power to call for income tax

returns from the Bureau of Internal Revenue.

So there is a point at which too many records can become involved. We provide for certain statements, as well as income tax returns. All those, I would say, are basic, fundamental instruments under a limited disclosure procedure and under a full disclosure procedure. They lead to other things, and you are not handicapped from pursuing any inquiry you want to pursue.

Mr. MILLER. I appreciate the Senator's comments.

So far as a beneficial interest in a trust is concerned, it seems to me that the amendment is quite adequate. My problem is, What about the income from a trust? There, I suggest, there could be a gap.

I have used only one of many examples that could cause trouble. I have used an example of an outright, brazen, unethical deal. But suppose a trust is operating a business, a manufacturing firm, and a deal is made by a Member of Congress because of his activities on one of the committees, as a result of which certain business is thrown to the factory that is being operated by the trust.

How is the Ethics Committee, or the general public going to have any knowledge about this, or even a lead, if all they find is that the net result is that during a particular year the Member received his share from the profits of that business by a $5,000 check from the XYZ trust? There is no constructive receipt in that connection.

I do not believe it will complicate matters very much to say, "If you have a 25-percent beneficial interest in a trust, or if you and your wife and immediate members of your family have a 25-percent or greater beneficial interest in a trust, then you will file a copy of the annual income tax return of the trust."

I should like, if I may, to move on to the corporation problem. Let us say that the member received $5,000 in dividends, cash dividends, from a corporation, the ABC corporation. As I understand it, according to item (d) on page 2 of the pending amendment, all the Member would have to do in his report to the Comptroller General would be to show $5,000 income from stock dividends from ABC corporation.

Mr. CASE. So far as that particular income statement is concerned, that might be correct. But I call to the Senator's attention the fact that in accordance with the provision on page 4, there will have been listed, either previously or at the same time, a statement of assets.

Mr. MILLER. Yes.

Mr. CASE. Which describe the corporation.

Mr. MILLER. Yes. And I repeat that I believe here, again, the amendment is very effectively drawn so far as the assets are concerned.

I can assure the distinguished Senator from New Jersey that if we are trying to have full disclosure, income may be much more important than assets, especially in a particular year.

The next matter I wish to clear up is whether dividends received from a closely held family corporation, let us say husband and wife, would be required to be disclosed under this amendment.

Mr. CASE. My interpretation is that I would not feel I had met the requirement unless I made full disclosure of the fact that this income came to me or the corporation wholly owned by myself and my wife.

The interposition of corporate entity which I wholly own with my wife, and the income, it does not seem to me, would prevent my obligation under this rule to show that I received that income, or that my wife and I received that income.

Mr. MILLER. I cannot understand why there should be any particular difficulty over this matter. There are many husband and wife corporations, which are very honorable businesses.

Mr. CASE. I do not say that there are not.

Mr. MILLER. If a Member or one of the Members of the Senate and his wife had been operating a corporation for a long period of time, I do not see why it would not be sufficient if they show they receive dividends. They probably receive dividends every year, and probably this year they received $5,000 in dividends from the ABC corporation. I do not see why they have to put down that they own the corporation.

Mr. CASE. In the case of a wholly owned or largely owned family corporation it would not be full disclosure unless that corporation were disclosed as a part of the report.

Mr. MILLER. I think there is a gap on this point.

Mr. CASE. The Senator must not have any feeling that we are resisting any amendments to change the matter.

Mr. MILLER. I think there is a gap on this point, although I am not sure that it is a serious gap.

However, I wish to get to what I regard as a serious gap. Suppose the husband and wife own a corporation which has a factory and as a result of the activities of a Member on one of our committees here certain business is drawn into that factory. At the end of the year the corporation decides to have a distribution of the profits in the form of stock dividends. Let us assume that the distribution is $5,000. As I read this requirement, all that would have to be shown on the Comptroller General's report would be the $5,000 stock dividend from the ABC corp.

If that is so, I think there is a serious gap here and that it could be filled by a requirement that where a husband or a husband and wife or their children hold for Federal income tax purposes a cumulative majority stock interest in the corporation, then they have to file a copy of the corporation's Federal income tax return. That would give the Select Committee on Standards and Conduct and the general public meaningful information.

As a matter of fact I would guess that both in the case of the trust and the wholly owned or majority interest family corporation it would serve as a deterrent from exercising this type activity. In my judgment that is the greatest virtue of all.

The reason we are here is that we hope whatever we do in connection with a code of ethics will never have to be enforced because it will be voluntarily complied with.

I have thought about this for a long time. I remember when the Senator from Pennsylvania [Mr. CLARK] had a similar amendment that he introduced 3 or 4 years ago. At that time we had quite a colloquy about the trust and the small family-held corporation. It was a matter where I thought there was a gap. Anybody who has practiced tax law knows how easy it is to divert income through trusts and closely held family corporations. The only way to grab hold of that fact is to require the filing of the tax returns on the trustee and the closely held corporation. Then, I think we would have adequate coverage. I am afraid we do not have adequate coverage.

This is one reason why I did not vote for this amendment when it came up before. I pointed out at the time we do not want the general public to think we are covering the gaps when we are not.

I do not believe this would require a great deal of difficulty. The reason I offer the amendment to the amendment simply is due to the fact that I feel very strongly there are gaps here.

I have a pending amendment with the committee report which would do the same thing. I would suggest, if this appeals to my friends, the Senator from New Jersey and the Seantor from Pennsylvania, all we would have to do would be to add the language of my pending amendment at the end of line 12, page 3. I think it would fit pretty well.

Where the language says on my amendment, page 6, "insert following at end of line 3" starting with the quotation, insert that language on page 3 at line 12.

I might point out one more matter. In their amendment they have well covered the interest in a partnership. All that my amendment would do, in addition to the trust and the corporation situation, would be to add the requirement for filing the partnership information return. Then, I think we have the income and asset situation covered.

The Senator from New Jersey and the Senator from Pennsylvania have covered the assets very well. All I am trying to do is help them cover the income as well.

Mr. CASE. Mr. President, will the Senator from Iowa yield?

Mr. MILLER. I yield.

Mr. CASE. The Senator is a patient man; he is a helpful man. He has improved our amendment greatly, and the Senator from Pennsylvania authorizes me to say for him and me and all of our pals that we accept his amendment and modify our amendment accordingly.

Mr. MILLER. I thank the Senator.

I hope this is agreeable to my friend from Mississippi.

Mr. CLARK. It cannot be agreeable to him. He opposes the amendment.

Mr. MILLER. I am talking about my amendment. If the amendment should fail, I would propose to pursue it with respect to the pending bill.

Mr. CASE. This is without prejudice to the rights of the Senator from Mississippi.

Mr. DODD. Mr. President, I wish to register my support for the amendment, dealing with the question of public disclosure, introduced by the senior Senator from Pennsylvania.

In arguing in favor of this amendment, I want to point out, at the outset, that I am not taking a new position—that I have, on the contrary, voted repeatedly for public disclosure every time the issue has been raised in the Senate.

Some of the reasons justifying disclosure have been recognized by the committee in the legislation it has presented on this point.

Basically its purpose is to prevent any conflict of interest or any suspicion that Members of the Senate may be involved in any conflict of interest.

Members of the Senate may in certain instances have financial interests in a corporation or a line of business which stands to benefit from legislation upon which he is called to vote.

Or a Senator may, as chairman of a committee, find himself involved in an investigation which may prove helpful or injurious to a business concern or line of business in which he has a financial stake.

Or a Senator might, with no evil motivation, establish contact with an executive agency on behalf of some constituent corporation. There is nothing wrong with doing this. Indeed, it is a necessary and proper part of our jobs. Those people who voice suspicion about every action a Senator may take to assist a business concern, simply do not understand that it is a vital part of a Senator's job to render every proper assistance to constituent companies in their dealings with Federal agencies.

I am confident from what I know of the Senate that the overwhelming majority of the Senators are men of scrupulous personal integrity. Indeed, I do not know of a single instance of conflict of interest involving a Senator.

However, we have to recognize that there is always the possibility of a conflict of interest; and we also have to recognize the fact that our failure to agree to financial disclosure has stimulated public suspicion about congressional ethics.

I do not believe that this suspicion can be allayed simply by requiring Senators to file sealed envelopes containing statements of net worth and their income tax returns with the Comptroller General. On the contrary, there is a grave danger that such handling of the situation would serve to increase public suspicions and promote speculation and gossip.

To allay suspicion and to promote public confidence in the Senate as an institution, it is essential that financial disclosures be made public.

The argument has been made that to require a Senator to publicly disclose his income and net worth in effect deprives him of his right to financial privacy and converts him into a second class citizen. I have to agree that there is much truth to this argument.

When a man becomes an elected public official, however, he must be prepared to forfeit a large measure of the right to privacy and certain other rights enjoyed by the average citizen.

I am not saying that all this is right.

In many respects, I think it is most regrettable.

I think it particularly regrettable, for example, that it has become virtually impossible for an elected public official to seek redress against unscrupulous newspapermen who may slander or malign him, because, as the law now stands, it not merely requires that you prove that a newspaperman has lied about you: it requires proof that the lies were told deliberately and maliciously. More often than not, of course, this is something that is virtually impossible to prove.

I am sure that it was not always so. But it is impossible to turn the wheels back. And I think we have to recognize that a climate of public and press opinion has now been created which makes it necessary for an elected public official to accept certain disadvantages as the price of office.

In any event, it is impossible to turn the wheel back. In my years, I have watched a growing tendency in the film industry, on radio and television, and in the press and in books to have us appear as knaves or fools. This tendency has grown apace in the country. We are fair game.

One of the most important things we can do for ourselves and for future Senators is to try to strike down this tendency. The best way would be for us to say, "Here is all the information. It is all made public. Come and take a look at it." I think that would be good for the Senate and good for the country.

The public clearly has the right to seek assurance that their Government conducts its business according to rigid ethical standards and that their elected representatives are not betraying their trust.

The public, therefore, has a right to know what a Senator's financial interests are.

They have a right to know whether Senators enrich themselves in the course of their office.

They have a right to know what income Senators have from salary, honoraria, gifts, interest in law firms or businesses, or trading on the stock market.

The amendment offered by the senior Senator from Pennsylvania does all of these things.

I would have liked to have seen the amendment tightened on one minor point.

While it requires Senators to file statements of net worth, it would exclude from these statements any residence or residences owned by Senators or the members of their immediate family. I would have preferred to see this exemption eliminated.

However, I do not wish to delay the proceedings further by offering an amendment to an amendment.

I hope Senators will give the Clark-Case amendment to the resolution their support and will adopt it.

AMENDMENT NO. 638

Mr. ANDERSON. Mr. President, the recommendations of the Select Committee on Standards and Ethics have brought an enthusiastic response from Members of the Senate. It is a comprehensive document reflecting close counsel and political impartiality with respect to the views that have been voiced over the years.

Senator STENNIS and members of his committee have covered a broad legislative domain. Since 1960 more than 200 bills dealing with various aspects of conduct and financial disclosure have been introduced in the House and Senate. That conveys to some extent the deepening concern that prompted the creation of this special committee in 1964. Its task has been an exhaustive one—to frame recommendations that will be acceptable to every Member of this body. This matter because of its personal nature offers no really ideal compromise.

Although I have not yet been very enthusiastic about some of the proposals suggested in the past for exploring the behavior of Members of Congress, I believe the Select Committee on Standards and Conduct has done its job well.

Several amendments may be needed to clarify certain provisions. Several other colleagues have questioned the provisions restricting Senate employees in their campaign duties which have always included solicitation of funds. It has already been brought out that certain staff members—the administrative assistants—are invaluable liaison with people in the home State. They are seen as an extension of a Senator's own commitment and are turned to frequently by constituents. This loyalty should not be jeopardized by requiring such an assistant to be removed from the Senate payroll to carry out such duties. Senator COTTON and others have already noted that retirement benefits would stop the day an employee leaves and he and his family would both be deprived of health and accident insurance 31 days after his name is taken off the payroll.

Mr. President, how can we who have come to rely on these assistants ask them to choose between their duties to us and the protection of their families? I think that we cannot and should not now put ourselves in such a position which suggests taking an assistant off the payroll as the only lawful way he can participate fully in the campaign. The Hatch Political Activities Act governing the participation of Federal employees in the executive branch has long recognized the special position of Senate staffs and officers and exempted them from undue restrictions.

Therefore, I propose an amendment to be inserted on page 5, line 13, after the period, the following:

> This prohibition does not apply to any assistant to a Senator who has been designated by that Senator to perform any of the functions described in the first sentence of this paragraph if such designation has been made in writing and filed with the Secretary of the Senate.

Mr. President, this amendment carries with it the original intent of this section with the additional provision that such public funds are being handled by a designated staff member whose identity and obligation to the public and his employer are a matter of public record.

I believe we should exercise caution in restricting ourselves too greatly in these matters. It has always been my view that personal conduct cannot be measured by a set of rules; that what we need is not more rules but a ruling spirit inside each person that would compel him to observe proper conduct whether or not any law is available.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. SPONG. Mr. President, I should like to commend the able Senator from Mississippi and his committee for their diligence and effort in providing suggested standards of conduct for Members of the Senate and officers and employees of the Senate. I believe, however, that the proposed rule XLIV relating to disclosure of financial interests should be amended to require that such disclosure be public. Therefore, I have joined the Senator from Pennsylvania [Mr. CLARK] and the Senator from New Jersey [Mr. CASE] in sponsorship of the amendment before us which would require that public disclosure be made a part of the pending resolution. We are seeking to adopt standards which will maintain the public confidence in representative government. As stated in the report of the select committee:

> The Senate must therefore require higher standards of conduct than those generally required in the market place.

I believe the pending amendment requiring public disclosure would help achieve this and accordingly shall support it.

Mr. MOSS. Mr. President, the Deseret News for March 16, 1968, printed an editorial regarding the ethics resolution now before the Senate. I subscribe to the admonition of the editorial and will vote for public disclosure.

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

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

ETHICS CODE INADEQUATE

As far as they go, the proposed new ethics codes for the U.S. Senate and House are an improvement—but only because something is always better than nothing.

Measured against what ought to be done, the new ethics codes don't go nearly far enough.

In the Senate, detailed but confidential financial reports, including federal income tax returns, would have to be filed annually by senators. Public disclosure would be limited to contributions received and to payments in excess of $300 for speeches, written articles, television appearances and similar activities. Campaign contributions would have to be used for campaign purposes and reasonable costs of running a senator's office. Senate officers and employes would be barred from handling campaign funds—a provision aimed at preventing aides from gaining power as Bobby Baker did—and would be restricted in their outside activities.

In the House, members would be required to disclose the source—though not the amount—of their outside income. The amounts involved would be filed in a sealed envelope for use in any subsequent investigation. Moreover, the code would bar House members from making personal use of campaign funds and from accepting gifts from vested interests.

By failing to recommend full disclosure of lawmakers' assets and income, the Senate and House ethics committees have muffed an opportunity to bolster public confidence in Congress.

The provisions for continued secrecy are based on a false premise—that congressmen are entitled to as much privacy as anyone else. But when a man offers himself for a position of high public trust, everything affecting his performance as a public servant becomes a legitimate subject for thorough public scrutiny.

According to the Senate Ethics Committee, full disclosure of a lawmaker's financial affairs would "invite abuses and engender serious problems." What abuses and problems? When George Romney recently make a full disclosure of his financial affairs, he won widespread praise—and rightly so.

Indeed, 15 congressmen published statements of their financial interests and the sources of their income last year, and many are doing so again this year, including Utah Senator Frank Moss, who has made such reports four different times. What problems—if any—have they encountered as a result of their frankness?

Instead of merely trying to cure congressional scandals after they have arisen, the Senate and House ethics committees should aim at prevention.

Moreover, the proposed codes leave untouched a number of abuses from use of the franking privilege to send thinly disguised campaign propaganda through the mails, to expensive junkets by lameduck congressmen.

In fairness to Congress, unethical lawmakers are few and far between. But it only takes a few to erode the public confidence in both the men who make the nation's laws and in the laws they make. For its own sake as well as the country's, Congress should hold itself to the highest standards possible.

Mr. STENNIS. Mr. President, I hope we may soon reach the point where we can vote on the amendment, either in the ordinary course of events or by an agreement to limit debate. For the time being, I note the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The VICE PRESIDENT. Without objection, it is so ordered.

## THE 52D SESSION OF INTERNATIONAL LABOR CONFERENCE—APPOINTMENTS BY VICE PRESIDENT

The VICE PRESIDENT. The Chair, under the provisions of Public Law 80–843, appoints the Senator from Texas [Mr. YARBOROUGH] and the Senator from New York [Mr. JAVITS] to attend the 52d session of the International Labor Conference to be held in Geneva, Switzerland, June 5 to 28, 1968.

## UNITED STATES-MEXICO INTERPARLIAMENTARY CONFERENCE—APPOINTMENT BY VICE PRESIDENT

The VICE PRESIDENT. The Chair, under the provisions of Public Law 86–420, appoints the Senator from Idaho [Mr. JORDAN] to attend the United States-Mexico Interparliamentary Conference, to be held at Honolulu, Hawaii, on April 11 to 17, 1968, to replace the Senator from Tennessee [Mr. BAKER].

## STANDARDS OF CONDUCT

The Senate resumed the consideration of the resolution (S. Res. 266) to provide standards of conduct for Members of the Senate and officers and employees of the Senate.

Mr. DIRKSEN. Mr. President, I ask for recognition.

The VICE PRESIDENT. The Chair recognizes the Senator from Illinois.

Mr. DIRKSEN. Mr. President, first I ask unanimous consent that I may yield to the distinguished Senator from New Jersey for a statement he wishes to make in connection with the pending amendment.

Mr. CASE. Mr. President, I ask unanimous consent that the amendment suggested by the Senator from Iowa [Mr. MILLER], which has been discussed, be made a part of the Clark-Case amendment at the place indicated.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

### UNANIMOUS-CONSENT AGREEMENT

Mr. DIRKSEN. Mr. President, yesterday I objected to any unanimous-consent agreement on this proposal, but I think we have reached that time now where probably we ought to vote within a given length of time. I think perhaps 1 hour and 30 minutes, equally divided, would be ample for all purposes. I think the Senator from Nebraska [Mr. CURTIS] and the Senator from Mississippi [Mr. STENNIS] would want recognition.

So I ask unanimous consent that the time on this amendment be limited to 1 hour and 30 minutes, to be equally divided between the committee and the minority leader.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). Is there objection?

Mr. DODD. Mr. President, reserving the right to object, is the request limited to this amendment, or to all amendments?

Mr. DIRKSEN. This amendment.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

Mr. DIRKSEN. Mr. President, I shall not detain the Senate too long, but I want to be sure that the distinguished Senator from New Jersey can hear the questions I raise concerning the amendment.

First of all, on page 3, line 6, the words "fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article," and so forth.

Yesterday I raised the question as to whether a political contribution is an honorarium.

Mr. CASE. Mr. President, it seems to the Senator from New Jersey that, in context, those things which we customarily regard as political contributions

for campaign purposes are not included as income. That would be my interpretation. If this amendment becomes a part of our rules, and I have to make a filing under it, I would not include it. I have not included—in my own voluntary filing—such contributions as income. I think the Senator has raised a good point.

Mr. DIRKSEN. I want to make sure the legislative history and legislative intent are very clear, because one can travel from here to Chicago to make an address. They offer one an honorarium in advance. One replies, "Well, I would rather not have an honorarium, because, in the first place, it becomes personal income and it is taxable. If it is all the same with you, you can give the same amount, but you can make it as a contribution to my campaign."

I want to be sure that that is a political contribution and that it is covered by the so-called Federal Corrupt Practices Act and not by some rule of the Senate.

Mr. CASE. I repeat what I said before to the Senator. That would be my impression. I would not want to give an opinion as to whether or not, under some circumstances, it would not be something that the tax people would construe as income if there were an obvious arrangement to avoid the income tax.

Mr. DIRKSEN. How can it be if the check says, "Pay to Joe Doaks' campaign, 1968"? The evidence on its face is there. It is a document. It is a written document. How would anyone go behind it?

Mr. CASE. I would feel the Senator would never find the matter questioned, but I can conceive of circumstances in which a lawyer, let us say, would say, "All right, I will do this big job for you. I don't want any money, but can you put a like amount into my campaign fund? In that way I will not have to pay taxes on it."

Mr. BENNETT. Mr. President, if the Senator will yield, I am not a tax attorney, but the question then turns on the right of the group before whom the Senator spoke to make political contributions. They may be forbidden under law.

Mr. DIRKSEN. But it may be a noncorporate group.

Mr. CASE. It might be a nonprofit group.

Mr. DIRKSEN. It could be any kind of group. It might be an assemblage of individuals.

Mr. BENNETT. If it is under the Corrupt Practices Act, I do not see any problem.

Mr. DIRKSEN. We use the word "honorarium" indiscriminately. My question is, What does it embrace?

Mr. CASE. My own interpretation is that we do not attempt to change matters of this kind, and ordinarily political contributions are not included in "income."

Mr. DIRKSEN. In the pending amendment, at the bottom of page 4, starting on line 24, is this language:

> No such report—

Meaning the report filed with the Comptroller General—

> shall be required to be made for any calendar year beginning before January 1, 1968.

And then this language:

> No report made for the calendar year 1968 need include any interest held—

Precisely what is meant by "any interest held"?

Mr. CASE. Again——

Mr. DIRKSEN. Does it mean ownership in real estate?

Mr. CASE. It does not mean interest in the sense of a fee paid for the use of money.

Mr. DIRKSEN. It means 100 shares of stock?

Mr. CASE. Yes.

Mr. DIRKSEN. Or 10 acres of land?

Mr. CASE. Yes. It means any kind of property.

Mr. DIRKSEN. The words are:

> No report made for the calendar year 1968 need include any interest held—

It may be large or it may be small, but we ought to know what it means.

Mr. CASE. It means any interest in property—any ownership.

Mr. DIRKSEN. It says "any payment received." A fee is a payment received. An honorarium is a payment received. A royalty check is a payment received. Do we conclude that those are not included and they would not have to be filed in a report to the Comptroller General?

Mr. CASE. We are talking about when the rule comes in effect, and that is the whole purpose of the section. We say the first report has to be made for the calendar year beginning January 1, 1968, and not before.

Mr. DIRKSEN. But it is a separate sentence:

> No report made for the calendar year 1968 need include any interest held, payment received, or liability owed before the date which follows by ninety days the adoption of this rule.

Mr. CASE. This sentence relates only to the report for the year 1968. It states, in regard to that, that it need be only for that part of the year which begins 90 days after the adoption of the rule. That is the purpose.

Mr. DIRKSEN. I want to point out to the authors of this amendment that it is proposed to file a statement regarding assets, which is not sworn to. Everything filed with respect to liabilities is not sworn to. Information as to the source and amount, as well as capital gains, is filed, and that information is not sworn to.

When the committee brought in its version of this ethics matter, it relied upon the income tax return, and the income tax return is sworn to. So these are just naked statements that are made, and one cannot be held for perjury if he does not include this or that, or if he shortchanges the report. He can do pretty nearly anything with it, because these are not sworn statements.

That is the first weakness in the amendment, if I were going to call attention to weaknesses.

The second weakness is this. A Senator's wife or his children or his inlaws are included in the so-called Case-Clark amendment.

Because it requires the fair market value of each asset held by him or by any members of his immediate family, or by him and any member of his immediate family jointly.

So there is your immediate family; and that includes your spouse.

For a hundred years, Mr. President, we have been laboring at the business of emancipating women in this country. It was 50 years ago that we amended the Constitution of the United States—by amendment No. 19—to give the vote regardless of sex. Thus we enfranchised women.

Since the common law days, we have been busy trying to take away the restrictions and limitations upon wives and spouses, because they could not own property solely, they could not have property of their own, it was all merged with that of the husband, under the common law; and for all this time we have been going along in this fashion.

Now it is proposed to say here, "Well, you are going to have to account for what your wife owns."

Mr. President, I do not know what she owns and I do not know how she got it.

"Well, you ask her, and see what kind of an answer you get."

She is a pretty independent person, and she is pretty smart, and she has her own methods and ways of doing whatever business she does. I frankly do not make very much inquiry. I wait for her to volunteer, to tell me if she wants to. But it is not my business.

If she wants to go into the stock market, I do not tell her what to buy. I am the greatest dub in the world about the stock market. The few times I bought a couple of shares of stock, I lost money, and I kept my hands off from then on. But she dabbles around a little now and then. I do not know the extent of it. Why should I be required to say to her, "I have got to account for it"? Was she elected to the Senate? Is that one of the qualifications of a Senator?

The Constitution says that the Senate shall be the sole judge of the qualifications of its Members, and that is as far as it goes, except to prescribe the age limit and a couple of other things. Tell me how I can go to her and say, "Mrs. D, give me a statement that I can file with the Comptroller General."

Suppose she says, "I will do nothing of the kind, because it is not the Senate's business." That is the right answer.

But that is what it is sought to do here, as to every asset, every liability, and every item of income. We file a joint income tax return. I do not know what portion is hers, but I do know we file it with some expert help, in order to make sure we do not pay more than we have to. That is the reason we use an income tax man. Everybody uses him. He comes up here, operates an office over in the old Senate Office Building, and gives us his advice. I could not put the thing together for the life of me. In the first place, I would not have time.

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

Mr. DIRKSEN. I yield.

Mr. HRUSKA. I assume, from the very eloquent fashion in which the Senator

addresses himself to this subject, that he has studied it carefully. I wonder whether, directing the Senator's attention to page 2 of the amendment, in subparagraph (c), whether or not the Senator has come to any conclusion about the proposed attempt to exercise jurisdiction over "any member of his (the Senator's) immediate family," for the purpose of disclosing the capital gain on transactions in real estate or real property, and all the other things.

By what possible stretch of the imagination can the Senate pretend to exercise jurisdiction, by the standing rules or standing orders of the Senate, or even by public law, over the members of a Senator's immediate family? I presume that would include his sons, his daughters, and his grandchildren. That is the immediate family, as far as I know.

Mr. CASE. To clarify this point, if the Senator will yield——

Mr. HRUSKA. I wonder a little bit about what basis for jurisdiction there would be in a matter of that kind.

Mr. CASE. If the Senator will yield, the term "immediate family" is defined later, on page 8. It includes the spouse and each minor child, and that is all.

On the substance of the question, and the point raised also by the Senator from Illinois as to this being an invasion of the privacy and the separate rights of the Senator's or employee's wife and perhaps even of the children, as suggested here, though they are minors only, I point out to the Senator that this is not unique. For example, under the Securities and Exchange Act and other regulations governing investment companies, complete disclosure of all interests of the officers and their spouses is required.

Mr. DIRKSEN. They do not have to serve as such.

Mr. CASE. Neither do we.

Mr. DIRKSEN. In that sense, no. But here it is sought to require, by this mandatory language, some information by way of implications as to our personal conduct as Senators. Here it is made to appear that unless a Senator accounts for everything his wife and family may have, assets, liabilities, income, and everything, he is in some way culpable. If he does not know anything about, or too much about it, how is he going to get the information?

If you cannot get it, Mr. President, suppose they ask for a sworn statement; how do you make a sworn statement? If it is not sworn, it is not the equivalent of the income tax form at all, that the committee is asking for.

The Senator from Pennsylvania laughs. I say this is not a laughing matter. I know how people feel. I meant it when I said I refuse to let you make me a class B citizen. The fact that I went out and got myself elected does not make me a class B citizen, and I do not propose to be one.

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

Mr. DIRKSEN. I yield.

Mr. CLARK. I apologize for having treated the Senator's eloquent indignation with levity. I should not have done so.



Mr. DIRKSEN. As far as lividity is concerned——

Mr. CASE. Levity.

Mr. DIRKSEN. That is the indispensable point I wanted to raise. How do you make a sworn statement? I do not know how you can. I would rather not try to fill it out, and ignore the so-called Comptroller General.

There is another point here. When does that report have to be filed? By the 30th of April, I think. Perhaps that is the date the House of Representatives picked out, but I believe it is not. But they went much further. Their bill, with all its provisions, would not become effective at all and will not be applicable until the 30th of April of 1969.

Since the committee did not consult with the Ethics Committee of the House of Representatives, I took the trouble to consult with some of the members of that committee, to make sure that I knew what I was talking about. They make their bill effective the 30th of April 1969.

I raised the question yesterday because it is so singular, it seems to me—perhaps this is a weakness in both measures—that they go along under one moral standard, and we go along under another.

Where do you get your competition for a seat in the Senate? I served 16 years in the other body, and every time I came over here and saw the liberal rules of debate, where, after 5 minutes the Speaker's gavel could not fall and shut you off, and you could stand as long as you had the energy and shoe leather and make yourself and your ideas known to the Senate, I would say to myself, "Oh, I pray for the day when I can go to the Senate, when I can graduate, after 16 long years in the House."

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

Mr. DIRKSEN. And so I did graduate, and I graduated by running against the majority leader of the Senate. That is where you get your competition.

Not that it bothers me, except to see that they now propose to operate under one banner, and we, running on parallel tracks, to operate under another.

Frankly, Mr. President, how do you explain that to your country? I do not know how you do.

Getting back, however, to the pending amendment, will the Senator tell me how a Senator is going to make out this report and file it with the Comptroller General if his wife says, "I am not going to tell you. This is my business."

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

Mr. DIRKSEN. We have lived 40 happy years together. And only a couple of months ago we had our 40th wedding anniversary. It just proves that love and harmony and sweetness of life still prevail in the Dirksen family. But she is her own boss.

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

Mr. DIRKSEN. I yield.

Mr. CLARK. I suggest that in the unlikely event that the Senator's devoted and loving spouse is unwilling to tell him what she owns, if the Senator were to report that fact to the public and to the Comptroller General, they would be very lenient with him, indeed.

Mr. DIRKSEN. What she says is that she knows what is in here. She says, "I am not a Member of the Senate, and the Senate has no control over me and my assets. And I do not propose to tell the U.S. Senate."

Is that a proper posture or is it not? We have spent a century emancipating women and giving them their rights.

Mr. CLARK. I think that question might be put up to the Senator's constituents. They might agree that she has every right to refuse to reveal that information.

Mr. DIRKSEN. That is open to all of them. I have never concealed anything from them. The real ethic is inside. And anybody can stand in any meeting anywhere at any time and say, "Senator, how much stock and how many bonds do you own?" They can ask me if they want to. And they can ask me how many oil wells and how much undivided interest in oil wells I own. And I can tell them, "Exactly none."

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

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. Mr. President, am I correct in my understanding that the amendment before the Senate deals only with disclosure of assets by Members of the Senate and not by those individuals who oppose a Member of the Senate for election?

Mr. DIRKSEN. The Senator is correct. Nothing is contained in here that would apply to an opponent who might pop up.

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

Mr. DIRKSEN. I yield.

Mr. CASE. Mr. President, to clarify that matter, the Senator from Nevada raised that question yesterday. And in a colloquy with the Senator from Pennsylvania, it was indicated that we would be happy to receive any suggestions for an amendment to that effect.

Mr. LAUSCHE. The amendment that has been offered by the Senator from Pennsylvania and the Senator from New Jersey states that only the Members of the Senate shall be suspect and that none of their opponents shall be suspect.

Mr. DIRKSEN. The Senator from Ohio is as right as rain.

Mr. LAUSCHE. The fact is that only Members of the Senate shall be required under the pending amendment to disclose the various factors required in the pending amendment.

I shall read from a memorandum that I have just picked up. I have been away.

The memorandum states:

The reports would contain the following information:

1. Fair market value of each asset, excluding family residences;
2. Amount and identity of each liability;
3. Source and amount of each capital gain;
4. Source and amount of each item of income, and each gift—other than gifts from relatives—over $100;
5. Association with a professional firm, identity of any client represented by the firm before a United States agency, description of services performed, and fees received—

I have been in public life for 30 years. I have never received one penny as compensation outside of my compensation as a public official.

I continue to read from the memorandum:

6. Association with business enterprise as an officer, director, partner or manager.

I have never been associated with a business enterprise as an officer, director, partner, or manager. Throughout my whole career, I have aimed not to earn a single nickel except out of my public service.

I continue to read from the memorandum:

Spouses and minor children would be covered, and transactions through a straw man would have to be disclosed.

Mr. President, I submit that I have no right and Congress has no right to invade the privacy of the life and the economic standing of the wife of a Congressman.

What right do I have to tell my wife what to do? What right does Congress have to say that a Senator's financial standing has a relationship to that of his wife?

I say to the Senator from Pennsylvania that I have never transferred one penny of my money to my wife.

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

Mr. LAUSCHE. I want to make that fact clear.

Mr. CLARK. Mr. President, will the Senator yield? The Senator referred to me by name.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

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

Mr. DIRKSEN. No.

Mr. STENNIS. I want to clear up a matter.

Mr. DIRKSEN. No. I would rather give up the floor.

Mr. STENNIS. I beg the Senator's pardon. No time is allowed under the unanimous-consent agreement for the Senator from Pennsylvania and the Senator from New Jersey. An error was made, and the time was put under the control of the minority and majority leaders.

I think that the Senator can speak on the committee's time.

Mr. DIRKSEN. He can do that.

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator.

Mr. LAUSCHE. I have had no relation of transferring property to my wife. I have had no associations with any legal firm of any character since I have been in public office.

My earnings have been related only to the salaries which I have received as a public official and honorariums, rather mediocre, as a public speaker.

The measure before the Senate would provide that my wife and my minor children—and I have none, so that it would not apply to me—must disclose their holdings. I cannot subscribe to that type of conduct by the Congress of the United States.

Mr. President, I have been in public office since 1932. My record is open. I have no one to fear. Why should I occupy a position different than any other citizen? Why should there be a prima facie case of suspicion of delinquent and criminal conduct concerning me when that same suspicion is not directed to other citizens of the Nation?

I have no hesitation about disclosing my account. However, I am not going to be put in the position of saying that every public official is a crook. I am not going to carry the burden and the shadow of those who indulged in this conduct and have that shadow thrown upon me. Mr. President, when my account is filed, it will show income in conformity to what I have said.

The income will be in a measure accentuated by dividends which are received. But no compensation as a director, no compensation as a lawyer. I have very meticulously followed the course of not having any relationship to a law office.

In conclusion, I wish to say, give me the same consideration you give to every other citizen, prima facie, that I am honest, and do not place upon me the burden of a presumption that I am dishonest and therefore have to file these reports which are suggested by the amendments now pending before the Senate.

Mr. DIRKSEN. Mr. President, there is no point in my taking more time. This amendment ought to be summarily rejected, and we ought to go back to the committee resolution that has been developed over a long period of time and perfected, because I have some amendments that I think are necessary for its clarification. And then we will not have struck the heart out of the committee bill and laid into the dust its labors over a long period of time. So the pending amendment, Mr. President, ought to be rejected.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, with the permission of the Senator from Mississippi, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. CLARK. Mr. President, the righteous indignation of the Senator from Ohio is, in my opinion, entirely irrelevant to the issue before the Senate in connection with the pending amendment. I do not imagine a single Member of this body would cast the slightest aspersion on the integrity of the Senator from Ohio—certainly, I do not; nor is there anything in this amendment which could in any way even remotely be construed as making the Senator from Ohio either a second-class citizen or a man against whom a presumption of wickedness exists.

I would hope that this amendment could be considered objectively, calmly, without undue emotion, in the light of what is good for the Senate's reputation as a great institution, of which we are all very proud indeed, the kind of institution which has been under recent attack, the sort of institution which, in my judgment and I believe in the judgment of the committee, too—for they have brought in some excellent rules, although they do not go as far as I would like—deserves protection.

It is no secret that practically the entire press of the United States is supporting strict and public disclosure of assets, liabilities, and other relevant data. Just as one little example of it, many Senators may have seen in the New York Times this morning an editorial entitled "Slow Start on Ethics."

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

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

SLOW START ON ETHICS

Since Congress has been notoriously and deliberately obtuse on the subject of ethical standards, the reports submitted to both houses last week have to be considered progress. But the report to the House is less than ideal, and the Senate committee's "important beginning" is hopelessly inadequate.

The chief merit of the code recommended to the House by a committee chaired by Representative Price of Illinois is that it provides for a substantial disclosure of members' assets and income. Public disclosure of income or capital gains from any single source would be required if the sum involved was more than $5,000. This threshold seems unnecessarily high, but at least the principle of disclosure would be firmly established.

More serious is the failure to ban testimonial dinners. Everyone knows that the people who attend such dinners for Congressmen are to a large extent favor-seeking lobbyists, businessmen and trade union leaders, who have received or hope to receive sympathetic treatment of their special interests. The noxious practice of the testimonial dinner has no place in the nation's political life.

The proposed Senate code drawn up under chairmanship of Senator Stennis of Mississippi makes only the smallest possible bow to the principle of disclosure. A member would have to make public the fees he received exceeding $300 from lectures, articles and television appearances, on the sound theory that this income is a by-product of public office. But what about the Senator whose income from legal fees and stock options may also be a by-product of his office? Each year Senators would have to prepare, in effect, a statement of net worth, but these statements would be kept secret in the General Accounting Office. There is no increased protection for the public in that curious procedure.

A majority of the Senate committee, although taking note of the evident evils in the practice, decided that it is permissible for members of the Senate to raise money from private sources to pay for travel, entertainment and office expenses. This decision is indefensible. It would be a serious step backward for the Senate to legitimize such funds. Senator Percy of Illinois a short time ago wisely abandoned such a fund because of the unfavorable publicity it aroused. This newspaper agrees with Senator Cooper of Kentucky, the committee's lone dissenter, that if such expenses are indeed necessary and legitimate, Congress should provide for their payment out of the public purse.

It is up to the members of the Senate to demonstrate more clarity and firmness on these issues than did the Stennis committee. As a starter, it is essential that the code be amended to require full financial disclosure and to forbid testimonial dinners and "office expense" slush funds.

Mr. CLARK. I hope that the Senate, in order to protect itself and its reputation, will support the pending amendment.

Mr. STENNIS. Mr. President, I yield 12 minutes to the Senator from Nebraska.

Mr. CURTIS. I thank the Senator from Mississippi.

Mr. President, I rise in opposition to the Clark amendment. I believe it would be very bad for the U.S. Senate. I believe it will encourage corruption. I believe it will punish the innocent.

If the Clark amendment is adopted, a secretary working on Capital Hill, who buys a house, will have to reveal publicly how much she owes. A secretary who——

Mr. CLARK. That is not true.

Mr. CURTIS. I think it is.

Mr. CLARK. You have to make at least $15,000 a year.

Mr. CURTIS. Plenty of them make $15,000 a year.

Mr. CLARK. Secretaries in your office, not mine.

Mr. CURTIS. I have competent help.

Mr. CLARK. Those figures are already listed in public.

Mr. CURTIS. No, they are not. There is no place where we require the employees of the Senate to make public all their debts. There is no law by which we require employees of the Senate to disclose their indebtedness. It may be incurred in helping a parent, or a relative through school, or for many other reasons. This amendment calls for the filing of an unsworn statement, to be made public.

I am convinced that the vast majority of Senators and employees are honest. I am afraid there is a minority, a tiny minority, that sometimes yield to a temptation to do something questionable. Those people will still operate under the table.

I sent word that I was going to ask Mr. CLARK some questions, and if Mr. CLARK is in the Chamber, I will ask him right now.

Mr. CASE. In the meantime, you may ask me.

Mr. CURTIS. No. I do not think you are qualified, because you were not a member of the committee.

Mr. CLARK, you were a member of the Rules Committee during the Bobby Baker investigation.

Mr. CLARK. The Senator is correct.

Mr. CASE. Mr. President, I call the Senator to order under the rule, and I ask that he proceed in order.

The PRESIDING OFFICER (Mr. BAYH in the chair). The Chair will give the Senator from Nebraska an opportunity to revise and state his remarks.

Mr. CLARK. I suspect, myself, that rule XIX, section 2, has been violated.

Mr. CURTIS. No. I think that an individual who is not a member of the committee is not qualified to testify to what took place in the committee. I stand on my original statement, and I object to these interruptions.

Now, in the case of Bobby Baker, they had an employee of the Senate who, by his own admission, accumulated over $2 million under the dome of this Capitol. We needed witnesses. And a motion was made to call Margaret Broome, who had been Baker's secretary, as a witness, to find out about it. The Senator from Pennsylvania [Mr. CLARK] voted against calling her. Why?

Mr. CLARK. Because in my opinion—I am going to be very careful about rule XIX, section 2—the Senator from Nebraska and one or two, but certainly not all, of his colleagues were engaged in a public relations witchhunt intended to discredit the innocent. I could not be a party to it. And may I add——

Mr. CURTIS. No, no.

Mr. CLARK. I am answering. I filed a dissenting report to the views of the committee because I did not think they did the kind of job which should have been done in connection with that investigation.

Mr. CURTIS. Well, you all of a sudden want everybody to disclose everything, and you did all you could to cover up wrongdoing.

Mr. CLARK. That is the Senator's opinion.

Mr. President, I rise to a point of personal privilege. I ask the Chair to admonish the Senator from Nebraska, and that, under rule XIX, section 2, he be required to take his seat.

Mr. CURTIS. And the Senator from Pennsylvania voted against calling Mr. R. J. Vander Zee.

The PRESIDING OFFICER. May we have order while the Chair consults the Parliamentarian?

Mr. CLARK. The Senator said I was guilty of condoning wrongdoing. That is a violation of rule XIX, section 2. I ask that the Senator take his seat.

The PRESIDING OFFICER. Will the Senator from Pennsylvania please state his request again; or, perhaps, the Official Reporter should read the statement to which the Senator from Pennsylvania referred.

Mr. CLARK. I should like the Official Reporter to read the statement which the Senator from Nebraska just made in which he said that I was guilty of condoning wrongdoing.

I ask that the time not be charged to either side while the Official Reporter is looking for the statement.

Mr. CURTIS. While the Official Reporter is looking for the statement, I ask that I be permitted to read the Senator from Pennsylvania's voting record in the Bobby Baker case.

The PRESIDING OFFICER. The Chair would like to get the request with respect to the previous point raised by the Senator from Pennsylvania. The Chair would like it clarified for the Senators as well as for the Chair.

The Chair directs the Official Reporter to read the statement of the Senator from Nebraska to which the Senator from Pennsylvania has referred.

The Official Reporter (William D. Mohr) read as follows:

> Mr. CURTIS. Well, you all of a sudden want everybody to disclose everything, and you did all you could to cover up wrongdoing.

Mr. CLARK. He said I did what I did to cover up wrongdoing.

The PRESIDING OFFICER. The Senator from Nebraska did, indeed, suggest that the Senator from Pennsylvania, according to the Official Reporter, did all he could to cover up wrongdoing.

Mr. STENNIS. Mr. President, I move that the Senator from Nebraska may be allowed to proceed in order.

Mr. CLARK. Mr. President, I object and I ask for a ruling on the question.

The PRESIDING OFFICER. It is the ruling of the Chair that the point of the Senator from Pennsylvania comes within the rule to which he referred. The motion is sustained.

Mr. STENNIS. Mr. President, I move that the Senator be allowed to proceed in order.

Mr. CLARK. Mr. President, I ask that the Chair put the question.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi. [Putting the question.] The motion is agreed to.

The Senator from Nebraska may proceed in order.

Mr. CURTIS. Mr. President, I wish to thank the distinguished Senator from Mississippi for his motion. I wish to apologize for any violation I have made of the rule.

I do wish to present the record in the Bobby Baker case.

It was necessary, if we were to expose wrongdoing or find out if there was wrongdoing, to have the testimony of Jessop McDonnell. He had been an assistant to Mr. Baker and perhaps could have furnished evidence. There was a motion made to call him. The Senator from Pennsylvania voted against it.

Matthew McCloskey could have given us some evidence. There was testimony that there was a meeting here in the Capitol. They discussed the bonding for the contractor when they built the D.C. Stadium with taxpayer money. There was a discussion about the division of the commission. The record shows an employee of the House got $1,500. The record shows Baker got $4,000 out of it.

We asked to call Mr. McCloskey. The Senator from Pennsylvania voted "no."

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

Mr. CURTIS. I will not yield.

Mr. CLARK. I thank the Senator for his unfailing courtesy.

Mr. CURTIS. Oh, that is all right. That is all right.

I fought to try to get to the bottom of the Bobby Baker matter. We never did. It brought a bad name upon the Senate. I dislike to have an unworkable proposal brought in here as an aftermath of that, one that will not put a stop to transactions that occur under the table, but which would say to the faithful employees of the Senate, disclose in public all your debts.

There are Members of Congress who will file an honest statement and they will be ridiculed because they do not have any property. There will be Members of Congress who will file an honest statement and be ridiculed because they have property. That is not a test for holding property.

I have a reason for bringing this record in here. I love the Senator from Pennsylvania. It is not that I want to hurt him at all. However, I do not believe that this proposal has anything to do with ethics. I do not believe it will make one single employee of the Senate ethical. I think it will hurt a lot of people. I think if there are some shenanigans going on by Senators, officers, or employees under the table, they will go on in spite of this proposal.

Some of us have read some of the voluntary financial statements published in the newspapers. They have not been very informative, to say the least. However, here we have a situation where an individual has brought shame and disgrace on the Senate by accumulating what he claimed was over $2 million.

Paul Aguirre was a business associate of Baker. A motion was made to call him as a witness. The distinguished Senator from Pennsylvania voted "no"; yet he comes in here today with an amendment that would tell everybody who works for the Senate, who makes over a certain figure, that he must disclose all his assets and all his debts.

Mr. President, no one here believes that will stop an evil person from doing something dishonest and undercover. Why all this change of procedure?

Warren Neil was another business associate of Baker. We wanted his testimony. The Senator from Pennsylvania voted "no." I am not surprised.

The PRESIDING OFFICER. The Senator's 12 minutes have expired.

Mr. CURTIS. Mr. President, I ask that I may proceed for an additional 5 minutes.

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 additional minutes.

Mr. CURTIS. Mr. President, there is a long list here. There is Nick Popich of New Orleans. The committee had evidence of many telephone calls between that gentleman and Bobby Baker. We needed him as a witness. The Senator from Pennsylvania voted "no."

On one occasion the very distinguished Senator from Kentucky [Mr. COOPER] moved that the Senator from Delaware [Mr. WILLIAMS] be called and that the Senator from New Jersey [Mr. CASE] and the Senator from New Hampshire [Mr. MCINTYRE] be called. The Senator from Pennsylvania was against it, in a case involving facts that were disgracing the Senate and bringing the public service into ridicule.

Mr. President, why bring in today something like this proposal as a remedy for wrongdoing?

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

The Senator from Nebraska, I understood, referred to Mr. Baker and, as I remember, Mr. Baker was an officer of the Senate.

I have read in the explanation of the amendment offered by Senators CLARK and CASE that it would "provide for mandatory public disclosure for Senators and Senate employees with an annual salary of $15,000 or more."

Will the Senator yield so that the authors of the amendment may explain why the officers were not included in this amendment?

Mr. CURTIS. I yield 1 minute for that purpose.

Mr. CASE. I thank the Senator. I am sure I speak for both the Senator from Pennsylvania and myself and all other sponsors of the amendment.

The term is intended to, and I am sure does, include officers as well as all other employees. The officers are employees.

Mrs. SMITH. Would the amendment include all Senate employees and all Senate officers?

Mr. CASE. All Senate employees and all Senate officers, and that includes also all employees of all Senators.

Mrs. SMITH. In other words, no exemptions for any Senate employees or any Senate officers?

Mr. CASE. Except those receiving less than $15,000.

Mrs. SMITH. It would not exempt any officer or any employee of the U.S. Senate receiving $15,000 or more?

Mr. CASE. That is correct.

Mrs. SMITH. I thank the Senator very much.

Mr. CASE. I thank the Senator from Maine for bringing out that point.

Mr. CURTIS. Mr. President, during the course of the Bobby Baker investigation, we needed the testimony of Mr. Walter Jenkins because there was testimony before the committee that he had a part in requiring Don Reynolds to pay $1,208 for TV time on a television station down in Texas because Don Reynolds had sold a $200,000 life insurance policy. We never did get the testimony of Walter Jenkins. The Senator from Pennsylvania opposed calling Mr. Jenkins. A subpena was finally issued for Jenkins, but he did not appear that day.

Two psychiatrists appeared and were examined all day, and at the end of the day the Senator from Pennsylvania joined in voting not to call Walter Jenkins.

There was another motion made that we make public the doctors' testimony as to why Mr. Jenkins could not come, and the Senator from Pennsylvania voted against that, too.

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

Mr. STENNIS. Mr. President, I yield 1 additional minute to the Senator from Nebraska.

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

Mr. CURTIS. Mr. President, I shall not take time to give everything in these volumes, and there are more volumes. I have a hard time understanding why the Senator from Pennsylvania is going to require every employee of the Senate and every Senator to make public all their debts, as well as assets, in light of his distinguished public record.

The Select Committee on Standards and Conduct has had a hard job. Perhaps there are those who think no report should be filed at all. Then there are those who say: "Let us expose all the assets of every person even though we know they are conscientious and honest and have chosen a middle course."

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

Mr. STENNIS. Mr. President, I yield 1 additional minute to the Senator from Nebraska.

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

Mr. CURTIS. That, I believe, is in the public interest.

I question the wisdom and the purpose of the amendment before us and I hope it will be defeated.

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

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

Mr. CLARK. Mr. President, I regret very much that the Senator from Nebraska [Mr. CURTIS] has seen fit to rake up the old, dead coals of the Bobby Baker investigation but it is necessary for me briefly to defend myself against his attack.

Bobby Baker has been convicted and sentenced to jail and is presently out on bail. The evidence which was brought forward at his trial was significantly contributed to by the investigations of the Committee on Rules and Administration, of which I was a member.

That committee filed two reports, both of which were unsatisfactory to me.

The first was on June 29, 1964, and I ask unanimous consent that my individual views, expressing my disapproval of the inadequacy of the report may be printed in the RECORD.

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

INDIVIDUAL VIEWS OF SENATOR JOSEPH S. CLARK

The committee, by a large majority, has voted to require Members of the Senate, and Senate officers and employees to disclose, to some extent at least, the existence of certain assets and professional connections. This, it is thought, will reveal any potential conflict of interest which might affect their public behavior.

The case for disclosure is a strong one.

First, there can be little doubt that if Baker had been required to reveal his financial holdings and business and professional connections he would, at some point, have been required by the Senate to dispose of them and devote himself exclusively to his job as secretary of the majority. It seems wise to adopt procedures which should prevent a repetition by others of his improprieties.

Second, there is little logic and no moral justification for requiring disclosure by officers and employees but not requiring Senators to disclose.

Third, the Senate has long been under severe public criticism for requiring nominees of the executive branch to disclose, and often to dispose of, holdings and professional connections while applying no such rule to itself.

Fourth, it is clear that the business, financial, and professional holdings and connections of Senators are pertinent information to which the public is entitled in judging the public actions of those sent to the Capitol to represent them.

Fifth, in the present public climate of skepticism respecting the integrity and public performance of the Senate, emphasized by the disclosures of the Baker case, but originating in the early days of the Republic and continuing intermittently ever since, it seems wise to take strong steps to rehabilitate the public image of the National Legislature and to establish beyond question the propriety of the public behavior of each of its Members.

But if we are to require disclosure we ought to see to it that the disclosure is adequate for the purposes intended to be accomplished.

While I have joined with the committee in voting to report this resolution to the floor,

I view it as merely a small and timid first step toward an adequate set of rules to guard against conflicts of interest of Senators and Senate staff members. I believe that far more comprehensive measures are warranted not only by the long, detailed, and thorough record which the committee has compiled in this investigation, but also by the very logic of the situation which vests in Members of the Congress, and to some extent in their aids and employees as well, great power to influence decisions affecting a myriad of business and financial interests.

Although I believe that a burden also rests upon the Members of the other body to deal similarly with their problems, two considerations have impelled me to the conclusion that it is imperative that the Senate act for itself now: (1) The disclosures which prompted the recent investigation were concerned primarily—although certainly not exclusively—with the Senate. These are improprieties which have taken place under our own roof. It therefore behooves us, whatever the other body does, to take effective action to see that they do not recur. (2) If these badly needed reforms are made conditional on concurrent action of the other body, then we shall have no reforms at all. It is now late in the second session of a Congress which has suffered more than most from legislative deadlock. Worse than that, this is a presidential year, and with the coming of the conventions the chance that anything more than the most routine legislation will be enacted is slim indeed. In such a case, no realist could hope for concurrent action by the other body this year. To require it is to require what is virtually impossible, and to doom these vital reforms. If we let this moment pass without taking prompt, comprehensive, and effective action, the damage done in the past year to the public image of the Senate may take decades to mend.

For these reasons I intend to offer on the floor of the Senate an amendment in the nature of a substitute for the committee resolution, which was proposed before the committee, but—most unwisely, it seems to me—rejected. The text of my amendment is set forth at the conclusion of these individual views. My proposal would strengthen and broaden the committee's resolution in these regards:

1. *Asset disclosure.*—The committee's proposal would require disclosure of the identity of business entities in which an interest is held, but not the value. My amendment would also require disclosure of the fair market value of the asset. The committee's proposal applies only to assets having a value equal to one-half of the annual salary rate of the person required to disclose. My amendment applies to each asset having a fair market value of $5,000 or more.

2. *Liability disclosure.*—In my view the holding of an obligation of a person in high public office is as much a lever for evil influence as the sharing of a business undertaking. Consequently, my amendment would require the disclosure of each liability in excess of $5,000 together with the name of the holder thereof, owed by a member, officer, or employee of the Senate, or by his spouse, or by him and his spouse jointly. There is no equivalent provision in the committee's resolution.

3. *Capital gain disclosure.*—A familiar means of passing a reward to one to whom a gift cannot be given is the "hot issue." By means of this device one in possession of information concerning a future dramatic rise in the value of a particular security can pass that information on to others, thus permitting them to take advantage of the surge in value and realize the profit through the low tax, capital gains route. In earlier days this was known as the preferred list. There is nothing in the committee's recommendation which would force disclosure of transactions of this sort if the securities had been sold prior to "reporting day": January 1 of the preceding year. My amendment, on the other hand, requires disclosure of both the source and amount of all capital gains realized during the year in any amount exceeding $5,000, by (1) the person required to report; (2) by his spouse, or by him and his spouse jointly; or (3) any strawman; that is, any person acting on behalf or pursuant to the direction of him or his spouse. But as with asset disclosure, matters relating to real property which is used as a dwelling occupied him or his immediate family are exempted.

4. *Income disclosure.*—There is no provision whatsoever for the disclosure of items of income in the commitee's resolution. This strikes me as a most grave, if not a fatal, defect, particularly if it is coupled with an asset disclosure provision which would, under the proposed new pay scale, exempt from the disclosure requirement for Senators assets worth $15,000.

My amendment would require the disclosure of the source and amount of every item of income in excess of $100 received during the preceding calendar year by the person required to disclose, his spouse, or by him and his spouse jointly. It expressly includes gifts, other than gifts received from a spouse or other relative, as well as fees or honoraria received for preparing any speech or article, whether in cash or in kind, as in free travel, subsistence, or entertainment. Income is given the broad meaning which it has under section 61 of the Internal Revenue Code of 1954.

5. *Disclosure of association with professional firm.*—The committee resolution goes part way toward meeting the problem of the Senator or Senate aid who maintains an association with a professional firm which engages in practice before an agency of the Federal Government, by requiring disclosure of the name and address of the firm. My amendment carries the rule to the logical next step by requiring disclosure also of the name, address, and principal business of any client of the firm for whom any services involving representation before a Government agency are performed, and a brief description of the services performed, together with a statement of the total fees which were charged for such services.

6. *Disclosure of financial condition and activity of spouse.*—The splendid cartoonist Lichty, in his "Grin and Bear It" which appeared in the Washington Post of May 26, 1964, depicted an address at a typical Lichty version of a woman's club meeting, being delivered by "Mrs. The Hon. Sen. Snort—On the Power Behind the Throne." The words in the caption were Mrs. Snort's: "The pressures of public office are indeed terrific and a wife must do all she can to help * * * such as letting the Senator put all his investments in my name."

By failing to make any provision at all for the possibility of evasion by this time-honored technique—which incidentally has inheritance tax benefits as well—the committee left a gaping loophole which renders all but worthless the other provisions of its resolution. My amendment is an effort to sew this loophole shut.

7. *Prohibition of joint ventures with lobbyists.*—In my view there are some business relationships which are so likely to be corrupting, or at least to raise reasonable if unfounded fears of corruption, that they should be prohibited outright. Chief among these, I would say, is the engaging in business ventures for profit with persons actively engaged in lobbying, or in counseling or advisory activities relating to the procurement of Government contracts. These activities would be prohibited by my amendment. There is no comparable provision in the committee's resolution.

8. *Accepting gifts from lobbyists.*—As I have noted, the committee's recommendation does not even contain a provision requiring the disclosure of gifts. My amendment does require the disclosure of gifts in excess of $100 from persons not in one's family. But in addition, it would seem to me to be wholly salutary to set a limit on the value of a gift which a Senator or a Senate aid might properly receive from a lobbyist. My amendment sets this limit at a most generous $100, which should surely be sufficiently high to permit the expression of a bountiful, if not scandalous, generosity on the part of persons in the business of influencing the passage of legislation.

9. *Testimony of Members of the Senate before committees.*—There is at present an unwholesome cloudiness in the Senate rules about the duty of Senators to appear and testify before Senate committees acting within proper jurisdictional bounds about matters regarding which they have personal knowledge. While the balance of opinion seems to be that no such enforcible obligation now exists, it seems to me most clear that it should exist, and that the procedures by which it can be made effective should be spelled out quite plainly in the Senate rules.

For this reason my amendment contains a new Senate rule XLIII, which would authorize any duly authorized committee of the Senate to request any Senator to come before it and give any pertinent testimony which it has reason to believe he can give on the subject matter under investigation. A Senator receiving such a request would be required to appear and give testimony, unless within 10 days he delivers to the chairman of the committee a signed statement to the effect that he is without knowledge of the subject matter under investigation.

There is no analogous provision in the committee's resolution.

10. *Moonlighting by Senate officers and full-time employees.*—The facts of the Baker case, as disclosed in the record compiled by the committee, are such as to cast grave doubt on the practice of permitting officers and full-time employees of the Senate to serve as managers or proprietors of business enterprises, to engage in a regular professional or consulting practice, or to maintain an association with a professional or consulting firm. My amendment would create a new Senate rule to prohibit moonlighting of this sort, in the absence of permission obtained by special leave of the Senate.

In addition, the substitute amendment which I propose would permit moonlighting of other sorts only on two conditions: (1) that the activity or employment is not inconsistent with the conscientious performance of the officer's or employee's official duties; and (2) that express permission has been given by the Member of the Senate charged with the supervision of the officer or employee. For the purposes of the rule, each Senator would be responsible for supervising his own staff; chairmen of committees would supervise committee staffs; the majority leader, the minority leader, and the Vice President would supervise their own employees; and the President pro tempore of the Senate would be charged with the supervision of outside employment engaged in by all other officers and employees of the Senate.

I point out that this new Senate rule would not prohibit various types of moonlighting by Senate officers and employees which seem to me wholly inoffensive, such as giving lectures, or writing books or articles. It would, however, require the disclosure of these activities to the responsible member of the Senate.

Even if there had been no Baker case, this rule would stand well recommended by the Biblical dictum that no man shall serve two masters. But in view of what the committee has brought to light about Bobby Baker's extensive financial operations, I believe the case in favor of the adoption of this rule is conclusive. Nevertheless there is no com-

parable provision in the committee's recommended resolution.

The amendment I propose would meet the minimum requirements of an effective disclosure procedure.

In my opinion the committee resolution does not.

Amendment intended to be proposed by Mr. CLARK, in the nature of a substitute for Senate Resolution 337, reported by Mr. JORDAN of North Carolina, relative to disclosure of financial interests and definition of prohibited activities:

*"Resolved,* That the Standing Rules of the Senate are amended by adding at the end thereof the following new rules:

"'RULE XLI

"'DISCLOSURE OF FINANCIAL INTERESTS

"'1. Each individual who at any time during any calendar year serves as a Member of the Senate, or as an officer or employee of the Senate compensated at a gross rate in excess of $10,000 per annum, shall file with the Secretary of the Senate for that calendar year a written report containing the following information:

"'(a) The fair market value of each asset having a fair market value of $5,000 or more held by him or by his spouse or by him, and his spouse jointly, exclusive of any dwelling occupied as a residence by him or by members of his immediate family, at the end of that calendar year;

"'(b) The amount of each liability in excess of $5,000 owed by him or by his spouse, or by him and his spouse jointly at the end of that calendar year;

"'(c) The total amount of all capital gains realized, and the source and amount of each capital gain realized in any amount exceeding $5,000, during that calendar year by him or by his spouse, by him and his spouse jointly, or by any person acting on behalf or pursuant to the direction of him or his spouse, or him and his spouse jointly, as a result of any transaction or series of related transactions in securities or commodities, or any purchase or sale of real property or any interest therein other than a dwelling occupied as a residence by him or by members of his immediate family;

"'(d) The source and amount of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received from any relative or his spouse) received by or accruing to him, his spouse, or from him and his spouse jointly from any source other than the United States during that calendar year, which exceeds $100 in amount or value; including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, or other facilities received by him in kind;

"'(e) The name and address of any professional firm which engages in practice before any department, agency or instrumentality of the United States in which he has a financial interest; and the name, address, and a brief description of the principal business of any client of such firm for whom any services involving representation before any department, agency or instrumentality of the United States which were performed during that calendar year, together with a brief description of the services performed, and the total fees received or receivable by the firm as compensation for such services;

"'(f) The name, address, and nature of the principal business or activity of each business or financial entity or enterprise with which he was associated at any time during that calendar year as an officer, director, or partner, or in any other managerial capacity.

"'2. Each asset consisting of an interest in a business or financial entity or enterprise which is subject to disclosure under paragraph 1 shall be identified in each report made pursuant to that paragraph by a statement of the name of such entity or enterprise, the location of its principal office, and the nature of the business or activity in which it is principally engaged or with which it is principally concerned, except that an asset which is a security traded on any securities exchange subject to supervision by the Securities and Exchange Commission of the United States may be identified by a full and complete description of the security and the name of the issuer thereof. Each liability which is subject to disclosure under paragraph 1 shall be identified in each report made pursuant to that paragraph by a statement of the name and the address of the creditor to whom the obligation of such liability is owed.

"'3. Except as otherwise hereinafter provided, each individual who is required by paragraph 1 to file a report for any calendar year shall file such report with the Secretary of the Senate not later than January 31 of the next following calendar year. No such report shall be required to be made for any calendar year beginning before January 1, 1964. The requirements of this rule shall apply only with respect to individuals who are Members of the Senate or officers or employees of the Senate on or after the date of adoption of this rule. An individual who ceases to serve as a Member of the Senate or as an officer or employee of the Senate, before the close of any calendar year shall file such report on the last day of such service, or on such date not more than three months thereafter as the Secretary of the Senate may prescribe, and the report so made shall be made for that portion of that calendar year during which such individual so served. Whenever there is on file with the Secretary of the Senate a report made by any individual in compliance with paragraph 1 for any calendar year, the Secretary may accept from that individual for any succeeding calendar year, in lieu of the report required by paragraph 1, a certificate containing an accurate recitation of the changes in such report which are required for compliance with the provisions of paragraph 1 for that succeeding calendar year, or a statement to the effect that no change in such report is required for compliance with the provisions of paragraph 1 for that succeeding calendar year.

"'4. Reports and certificates filed under this rule shall be made upon forms which shall be prepared and provided by the Secretary of the Senate, and shall be made in such manner and detail as he shall prescribe. The Secretary may provide for the grouping within such reports and certificates of items which are required by paragraph 1 to be disclosed whenever he determines that separate itemization thereof is not feasible or is not required for accurate disclosure with respect to such items. Reports and certificates filed under this rule shall be retained by the Secretary as public records for not less than six years after the close of the calendar year for which they are made, and while so retained shall be available for inspection by members of the public under such reasonable regulations as the Secretary shall prescribe.

As used in this rule—

"'(a) The term "asset" includes any beneficial interest held or possessed directly or indirectly in any business or financial entity or enterprise, or in any security or evidence of indebtedness, but does not include any interest in any organization described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code;

"'(b) The term "liability" includes any liability of any trust in which a beneficial interest is held or possessed directly or indirectly;

"'(c) The term "income" means gross income as defined by section 61 of the Internal Revenue Code of 1954.

"'(d) The term "security" means any security as defined by section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b).

"'(e) The term "commodity" means any commodity as defined by section 2 of the Commodity Exchange Act, as amended (7 U.S.C. 2).

"'(f) The term "dealing in securities or commodities" means any acquisition, transfer, disposition, or other transaction involving any security or commodity.

"'(g) The term "officer or employee of the Senate" means (1) an elected officer of the Senate who is not a Member of the Senate, (2) an employee of the Senate of any committee or subcommittee of the Senate, (3) the Legislative Counsel of the Senate and employees of his office, (4) an Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties, (5) a member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate, (6) an employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate, (7) an employee of a Member of the Senate if such employee's compensation is disbursed by the Secretary of the Senate, and (8) an employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate.

"'RULE XLII

"'PROHIBITED ACTIVITIES

"'1. No Member of the Senate or any officer or employee of the Senate may engage or participate in any business or financial venture, enterprise, combination or transaction with any person, firm, or corporation which is—

"'(a) engaged in any lobbying activity;

"'(b) engaged for compensation in the practice of rendering advisory or public relations services relating to the securing of contracts with the United States or any department, agency, or instrumentality thereof; or

"'(c) engaged in, or seeking to become engaged in, the performance of any construction, manufacturing, research, development, or service contract with the United States or any department, agency, or instrumentality thereof.

"'(2) No Member of the Senate or any officer or employee of the Senate may accept—

"'(a) at any time from any individual, entity, or enterprise which is engaged in lobbying activity any gift of money, property, entertainment, travel, or any other valuable consideration in an amount or having a value in excess of $100; or

"'(b) within any calendar year from any such individual, entity, or enterprise such gifts in an aggregate amount or having an aggregate value in excess of $100.

"'3. No officer or employee of the Senate may be vested with or exercise any authority or responsibility for, or participate in any way in any consideration of or determination with respect to, the allocation among Members of the Senate of any funds available for use to defray expenses incurred or to be incurred by any individual for or in connection with any campaign for the nomination or election of any individual to be a Member of the Senate.

"'4. As used in this rule—

"'(a) The term "officer or employee of the Senate" has the meaning given thereto by rule XLI; and

"'(b) The term "lobbying activity" means any activity undertaken by any person other than a Member of the Congress to influence directly or indirectly the introduction, pas-

sage, defeat, amendment, or modification of any legislative measure in either House of the Congress.

"'RULE XLIII

"'TESTIMONY OF MEMBERS OF THE SENATE BEFORE COMMITTEES

"'Whenever any standing, special, or select committee of the Senate or any joint committee of the Congress, which is engaged in any investigation within its jurisdiction has reason to believe that the testimony of any Member of the Senate may be pertinent to such investigation, such committee, with the approval of a majority of its members (including at least one member of the minority party), by written communication may request such Member of the Senate to appear before the committee to give testimony concerning the subject matter under investigation. Such Member of the Senate shall appear before such committee in obedience to such request unless within ten days after receipt thereof he delivers to the chairman of such committee a written statement, duly signed by such Member of the Senate, stating that he is without knowledge of the subject matter under investigation.'

"'RULE XLIV

"'OUTSIDE EMPLOYMENT

"'1. No officer or employee of the Senate shall engage in any business, financial or professional activity or employment for compensation or gain unless—

"'(a) such activity or employment is not inconsistent with the conscientious performance of his official duties; and

"'(b) express permission has been granted by the Member of the Senate charged with supervision of such officer or employee by this rule:

*Provided, however,* That in no event shall any officer or full-time employee of the Senate, without special leave of the Senate—

"'(a) serve in any managerial capacity in any business or financial enterprise; or

"'(b) engage in any regular professional or consulting practice, or maintain an association with any professional or consulting firm.

"'2. For the purposes of this rule—

"'(a) each Member of the Senate shall be charged with the supervision of each of his employees;

"'(b) each Member of the Senate who is the chairman of a Senate or joint committee or subcommittee shall be charged with the supervision of each employee of such committee or subcommittee;

"'(c) the Majority Leader shall be charged with the supervision of each officer and employee of the Majority, and the Minority Leader shall be charged with the supervision of each officer and employee of the Minority;

"'(d) the Vice President shall be charged with the supervision of each of his employees; and

"'(e) the President Pro Tempore shall be charged with the supervision of all other officers and employees of the Senate.

"'3. As used in this rule, the term "officer or employee of the Senate" has the meaning given thereto by rule XLI.'"

JOSEPH S. CLARK,
*U.S. Senator.*

Mr. CLARK. Mr. President, the second report was made on June 30, 1965. Again, I was of the view that the report was inadequate and filed supplemental views. I ask unanimous consent that a copy of those views be printed in the RECORD.

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

SUPPLEMENTAL VIEWS OF MR. CLARK

Although I endorse the committee's report of the results of its investigation, I am dissatisfied with its recommendations for remedial action. I do not dissent from these as far as they go, but I believe they do not go far enough. The investigation has given the Rules Committee and the Senate a penetrating insight into the dangers of conflicts of interest and improper business and financial transactions by Senate officers and employees. It has also demonstrated the ease with which vague rules and imprecise ethical imperatives can be evaded by persons of sufficient greed and ingenuity. The lesson of the investigation is that only stringent rules of financial disclosure, and the rigorous control of outside activities, can insure against a recurrence of the improprieties by public officials disclosed in this report. To the extent that the committee has failed to recommend such rules, it has failed in its primary task.

The committee has accepted the case for disclosure of financial interests by Senate Members, officers, and employees. It invokes, appropriately, the recent Executive order issued by the President, requiring disclosure by officials and employees of the executive branch, but its recommendation falls short even of that mild proposal. Specifically, it omits three categories of information from the list of disclosures it would require: first, the names of the reporter's creditors; second, his interests in real property or rights in lands, other than property he occupies as a personal residence; and third, the interests of his spouse, minor child, or other member of his immediate household. All these are now required of the Executive employee, and there is a strong case for requiring members, officers, and employees of the Senate, too, to disclose them. Once the case for disclosure is accepted in principle, it is illogical to require disclosure of business enterprises in which the reporter has an interest, while not requiring disclosure of any sources of indebtedness. The one is no less likely than the other to create a problem which the new rule is designed to eliminate: namely, a conflict of interest leading to possible public impropriety. Likewise, there is no good reason for excluding disclosure of real estate interests; and the omission of spouses' interests could render any disclosure rules meaningless, since a simple transfer of title from the principal to the spouse would make them inapplicable.

But even if the proposed new disclosure rule required as much information as the Executive order, it would be inadequate. The sources of income and of gifts are just as relevant to the question of conflict of interest as is the disposition of capital, yet they are omitted from the committee's recommendation. I would include both items in any disclosure rule, with a minimum requirement that all items of income and gifts exceeding $500 in value be specified. I would prefer that figure to be $100, just as I would prefer to have disclosure not only of the identity but of the amount of all financial interests.

A final defect of the committee's recommendation on disclosure is that it does not provide for the reported information to be disclosed to those who have the greatest interest in seeing it namely the electorate. In fact, it studiously insures that no one shall see the information, save the chairman of a committee which does not yet exist, after a majority vote of that committee. This empties the rule of almost all significance. The electorate has a legitimate interest in scrutinizing the private business and financial activities of its representatives. Senators should be ready to put their own stewardship, and that of the officers and employees for whom they are responsible to the test of inspection by a public equipped with all the facts. Business, financial, and professional holdings and connections of Senators are pertinent information to which the public is entitled in judging the public actions of those sent to Congress to represent them.

I shall offer in the Senate two alternative resolutions, as substitutes for the committee resolution, one of which meets all these objections, and the other some of them. I offered both in the Rules Committee, which defeated the first by a vote of 7 to 2 and the second by 5 to 4.

The most desirable course would be to enact a resolution requiring every Senator and every Senate officer and employee compensated at a gross rate in excess of $10,000 per annum to file an annual financial report, which would be available to the general public. The report would contain the following kinds of information:

1. Asset disclosure: The identity and fair market value of any asset having a fair market value of $5,000 or more.

2. Liability disclosure: The identity and amount of each liability in excess of $5,000, together with the name and address of the creditor. I propose this because debts, as much as assets, are potential stimulants to public impropriety.

3. Capital gain disclosure: The source and amount of all capital gains in excess of $5,000 realized in the preceding year by the reporter, his spouse, or a strawman acting for them. But as with asset disclosure, matters relating to real property which is used as a dwelling by the reporter or his immediate family are exempted.

4. Income disclosure: The source and amount of every item of income for the calendar year in excess of $100, including honoraria, expense money, and gifts other than those from a relative.

5. Disclosure of all these four categories of financial condition on the part of a spouse.

6. Disclosure of association with a professional firm which practices, on its own behalf or on behalf of another identified business, before Federal Government agencies.

A strict disclosure rule meeeting these requirements was proposed by me in the last Congress as a substitute for the disclosure rule recommended by the Rules Committee, but rejected by the Senate. The proposed rule on financial disclosure, with which I have already complied by means of an insertion in the Congressional Record, would provide as follows:

RULE XLI

DISCLOSURE OF FINANCIAL INTERESTS

1. Each individual who at any time during any calendar year serves as a Member of the Senate, or as an officer or employee of the Senate compensated at a gross rate in excess of $10,000 per annum, shall file with the Secretary of the Senate for that calendar year a written report containing the following information:

(a) The fair market value of each asset having a fair market value of $5,000 or more held by him or by his spouse or by him and his spouse jointly, exclusive of any dwelling occupied as a residence by him or by members of his immediate family, at the end of that calendar year;

(b) The amount of each liability in excess of $5,000 owed by him or by his spouse, or by him and his spouse jointly at the end of that calendar year;

(c) The total amount of all capital gains realized, and the sourcee and amount of each capital gain realized, in any amount exceeding $5,000 during that calendar year by him or by his spouse, by him and his spouse jointly, or by any person acting on behalf or pursuant to the direction of him or his spouse, or him and his spouse jointly, as a result of any transaction or series of related transactions in securities or commodities, or any purchase or sale of real property or any interest therein other than a dwelling occupied as a residence by him or by members of his immediate family;

(d) The source and amount of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received from any relative or his spouse) received by or accruing to him, his spouse, or

from him and his spouse jointly from any source other than the United States during that calendar year, which exceeds $100 in amount or value; including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, or other facilities received by him in kind;

(e) The name and address of any professional firm which engages in practice before any department, agency, or instrumentality of the United States in which he has a financial interest; and the name, address, and a brief description of the principal business of any client of such firm for whom any services involving representation before any department, agency, or instrumentality of the United States which were performed during that calendar year, together with a brief description of the services performed, and the total fees received or receivable by the firm as compensation for such services;

(f) The name, address, and nature of the principal business or activity of each business or financial entity or enterprise with which he was associated at any time during that calendar year as an officer, director, or partner, or in any other managerial capacity.

2. Each asset consisting of an interest in a business or financial entity or enterprise which is subject to disclosure under paragraph 1 shall be identified in each report made pursuant to the paragraph by a statement of the name of such entity or enterprise, the location of its principal office, and the nature of the business or activity in which it is principally engaged or with which it is principally concerned, except that an asset which is a security traded on any securities exchange subject to supervision by the Securities and Exchange Commission of the United States may be identified by a full and complete description of the security and the name of the issuer thereof. Each liability which is subject to disclosure under paragraph 1 shall be identified in each report made pursuant to that paragraph by a statement of the name and the address of the creditor to whom the obligation of such liability is owed.

3. Except as otherwise hereinafter provided, each individual who is required by paragraph 1 to file a report for any calendar year shall file such report with the Secretary of the Senate not later than January 31 of the next following calendar year. No such report shall be required to be made for any calendar year beginning before January 1, 1965. The requirements of this rule shall apply only with respect to individuals who are Members of the Senate or officers or employees of the Senate on or after the date of adoption of this rule. Any individual who ceases to serve as a Member of the Senate or as an officer or employee of the Senate, before the close of any calendar year shall file such report on the last day of such service, or on such date not more than 3 months thereafter as the Secretary of the Senate may prescribe, and the report so made shall be made for that portion of that calendar year during which such individual so served. Whenever there is on file with the Secretary of the Senate a report made by any individual in compliance with paragraph 1 for any calendar year, the Secretary may accept from that individual for any succeeding calendar year; in lieu of the report required by paragraph 1, a certificate containing an accurate recitation of the changes in such report which are required for compliance with the provisions of paragraph 1 for that succeeding calendar year, or a statement to the effect that no change in such report is required for compliance with the provisions of paragraph 1 for that succeeding calendar year.

4. Reports and certificates filed under this rule shall be made upon forms which shall be prepared and provided by the Secretary of the Senate, and shall be made in such manner and detail as he shall prescribe. The Secretary may provide for the grouping within such reports and certificates of items which are required by paragraph 1 to be disclosed whenever he determines that separate itemization thereof is not feasible or is not required for accurate disclosure with respect to such items. Reports and certificates filed under this rule shall be retained by the Secretary as public records for not less than 6 years after the close of the calendar year for which they are made, and while so retained shall be available for inspection by members of the public under such reasonable regulations as the Secretary shall prescribe.

5. As used in this rule—

(a) The term "asset" includes any beneficial interest held or possessed directly or indirectly in any business or financial entity or enterprise, or in any security or evidence of indebtedness, but does not include any interest in any organization described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 51(a) of such code;

(b) The term "liability" includes any liability of any trust in which a beneficial interest is held or possessed directly or indirectly;

(c) The term "income" means gross income as defined by section 61 of the Internal Revenue Code of 1954.

(d) The term "security" means any security as defined by section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b).

(e) The term "commodity" means any commodity as defined by section 2 of the Commodity Exchange Act, as amended (7 U.S.C. 2).

(f) The term "dealing in securities or commodities" means any acquisition, transfer, disposition, or other transaction involving any security or commodity.

(g) The term "officer or employee of the Senate" means (1) an elected officer of the Senate who is not a Member of the Senate, (2) an employee of the Senate or any committee or subcommittee of the Senate, (3) the legislative counsel of the Senate and employees of his office, (4) an official reporter of debates of the Senate and any person employed by the official reporters of debates of the Senate in connection with the performance of their official duties, (5) a member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate, (6) an employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate, (7) an employee of a Member of the Senate if such employee's compensation is disbursed by the Secretary of the Senate, and (8) an employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate.

This resolution is the one which I should prefer the Senate to adopt. However, past evidence suggests that such medicine may be too strong for the Senate to swallow. I am therefore proposing, as an alternative, a resolution based upon the committee's recommendation with certain provisions added to make it somewhat more effective. This rule would provide for the disclosure of creditors, of income and gifts, of real property interests, and of the interests of spouses, etc. It would also provide for the information to be seen by any member of the Select Committee on Standards and Conduct, rather than by the chairman after a majority vote.

The text of this proposed amendment to the Senate rules is as follows:

RULE XLI

REPORTING OF FINANCIAL INTERESTS

1. Each individual who at any time during any calendar year serves as a Member of the Senate, or as an officer or employee of the Senate compensated at a gross rate in excess of $10,000 per annum, shall file annually with the Comptroller General of the United States for that year a written report containing the following information:

(a) A list of the names of all corporations, companies, firms, or other business enterprises and partnerships—

(1) with which, as of the close of the calendar year, he is connected as an employee, officer, owner, director, trustee, partner, adviser, or consultant; or

(2) in which, as of the close of the calendar year, he has any continuing financial interests, through a pension or retirement plan, shared income, or otherwise, as a result of any current or prior employment or business or professional association; or

(3) in which, as of the close of the calendar year, he has any financial interest through the ownership of stocks, bonds, or other securities.

(b) A list of the names of his creditors, other than those to whom he may be indebted by reason of a mortgage on property which he occupies as a personal residence or to whom he may be indebted for current and ordinary household and living expenses.

(c) A list of his interests in real property or rights in lands, other than property which he occupies as a personal residence.

(d) A list of the sources of each item of income, and each gift (other than a gift received from any relative or his spouse) which exceeds $500 received by him from any source other than the United States during the calendar year.

2. (a) An interest or an item of income of a spouse, minor child, or other member of his immediate household shall be considered to be an interest of a person required to submit a statement by or pursuant to this rule.

(b) In the event any information required to be included in a statement required by or pursuant to this rule is not known to the person required to submit such statement but is known to other persons, the person concerned shall request such other persons to submit the required information on his behalf.

(c) This rule shall not be construed to require the submission of any information relating to any person's connection with, or interest in, any professional society or any charitable, religious, social, fraternal, educational, recreational, public service, civic, or political organization or any similar organization not conducted as a business enterprise and which is not engaged in the ownership or conduct of a business enterprise.

3. Except as otherwise hereinafter provided, each individual who is required by this rule to file a report for any calendar year shall file such report with the Comptroller General of the United States not later than January 31 of the next following calendar year. No such report shall be required to be made for any calendar year beginning before January 1, 1965. The requirements of this rule shall apply only with respect to individuals who are Members of the Senate or officers or employees of the Senate on or after the date of adoption of this rule. Any individual who ceases to serve as a Member of the Senate or as an officer or employee of the Senate before the close of any calendar year shall file such report as of the last day of such service, and such report shall be filed with the Comptroller General of the United States not later than 30 days thereafter. Whenever there is on file with the Comptroller General of the United States a report made by any individual in compliance with this rule for any calendar year, the Comptroller General may accept from that individual for any succeeding calendar year, in lieu of the report required by section 1 of this rule, a statement containing an accurate recitation of the changes in such report which are required for compliance with the

provisions of section 1 for that succeeding year, or a statement to the effect that no change in such report is required for compliance with the provisions of section 1 for that succeeding year.

4. Reports and statements filed under this rule shall be made upon forms which shall be prepared and provided by the Comptroller General of the United States, and shall be made in such manner and detail as he shall prescribe.

5. All reports and statements filed with the Comptroller General of the United States in accordance with this rule shall be kept strictly confidential by him and shall not be disclosed except that upon receipt of a request in writing from a member of the Senate Select Committee on Standards and Conduct, the Comptroller General shall deliver to such member of the committee an accurate copy of the report or statement requested.

In addition to my proposed rules of disclosure, I offered two other resolutions for the Rules Committee's consideration.

1. *Moonlighting.*—The committee decided to report out a modified version of my proposal to restrict outside activities of Senate officers and full-time employees. The defect of the reported version is that it merely requires that such activities be reported to the Member of the Senate charged with supervision of the officer or employee. It does not acknowledge that some activities—such as managerial service in a business enterprise, or a regular professional or consulting practice—are of such magnitude as should be approved by the Senate itself. Nor does it define precisely which Senators should be responsible for which Senate officers and employees. My resolution, set forth below, would require specific permission to be given by a specific Senator or, in certain circumstances, by the Senate itself.

2. *Prohibited activities.*—My resolution to prohibit outright certain outside activities was defeated in committee for want of a second. But it seems clear to me that there are some business relationships—notably joint ventures with lobbyists—which are so likely to be corrupting, or to raise reasonable fears of corruption, that they should be so prohibited. I need hardly emphasize that the Baker-Reynolds relationship was just such a one, and the incentive for much of Baker's wrongdoing. My definition of "lobbyists" for the purpose of resolution would embrace not only those registered as such, but anyone engaged in advisory activities relating to the procurement of Government contracts.

The texts of the resolutions which I shall offer separately to deal with these two matters are as follows:

RULE XLII

OUTSIDE EMPLOYMENT

1. No officer or employee of the Senate shall engage in any business, financial, or professional activity or employment for compensation or gain unless—

(*a*) such activity or employment is not inconsistent with the conscientious performance of his official duties; and

(*b*) express permission has been granted by the Member of the Senate charged with supervision of such officer or employee by this rule;

*Provided, however,* That in no event shall any officer or full-time employee of the Senate, without special leave of the Senate—

(*a*) serve in any managerial capacity in any business or financial enterprise; or

(*b*) engage in any regular professional or consulting practice, or maintain an association with any professional or consulting firm.

2. For the purposes of this rule—

(*a*) each Member of the Senate shall be charged with the supervision of each of his employees;

(*b*) each Member of the Senate who is the chairman of a Senate or joint committee or subcommittee shall be charged with the supervision of each employee of such committee or subcommittee;

(*c*) the majority leader shall be charged with the supervision of each officer and employee of the majority, and the minority leader shall be charged with the supervision of each officer and employee of the minority;

(*d*) the Vice President shall be charged with the supervision of each of his employees; and

(*e*) the President pro tempore shall be charged with the supervision of all other officers and employees of the Senate.

RULE XLIII

PROHIBITED ACTIVITIES

1. No Member of the Senate or any officer of employee of the Senate may engage or participate in any business or financial venture, enterprise, combination, or transaction with any person, firm, or corporation which is—

(*a*) engaged in any lobbying activity;

(*b*) engaged for compensation in the practice of rendering advisory or public relations services relating to the securing of contracts with the United States or any department, agency, or instrumentality thereof; or

(*c*) engaged in, or seeking to become engaged in, the performance of any construction, manufacturing, research, development, or service contract with the United States or any department, agency, or instrumentality thereof.

2. No Member of the Senate or any officer or employee of the Senate may accept—

(*a*) at any time from any individual, entity, or enterprise which is engaged in lobbying activity any gift of money, property, entertainment, travel, or any other valuable consideration in an amount or having a value in excess of $100; or

(*b*) within any calendar year from any such individual, entity, or enterprise such gifts in an aggregate amount or having an aggregate value in excess of $100.

3. As used in this rule the term "lobbying activity" means any activity undertaken by any person other than a Member of the Congress to influence directly or indirectly the introduction, passage, defeat, amendment, or modification of any legislative measure in either House of the Congress.

4. Nothing contained herein shall be deemed to prohibit the receipt of any bona fide campaign contribution.

I am unable to agree with any of the minority's recommendations. Two of these recommendations are substantive; the third merely provides for the application of criminal penalties for violations of the other two.

The substantive changes are far too broad, and in all probability would be unenforcible. One would forbid members, officers, and employees of the Senate from performing any professional services for compensation for any person having "an interest in any congressional legislation, or any person having any matter pending before any bureau, agency, or department of the Federal Government." To the extent that existing conflict of interest laws are inadequate to deal with problems of this nature, the disclosure rule which I have proposed should provide a more feasible deterrent to unethical practices, than the suggestion of the minority. It should be augmented, by the adoption of a prohibition against engaging in joint business ventures with lobbyists, which I have also proposed.

The other substantive change recommended by the minority, as it stands, would prohibit any Member of the Senate from seeking help from his own staff employees in connection with any matter related to the raising of campaign funds. Pending a thoroughgoing and badly needed overhaul of the system by which we have traditionally financed election campaigns—a reform which, incidentally, I have long advocated—it is most unrealistic to expect Senators to deny themselves the assistance of their staff in these political activities necessary for survival. Moreover, I can see no reason for prohibiting a Senator from making use of the services of his administrative assistant in connection with an activity which it is conceeded a Senator may properly engage in himself. I would, however, support a modified version of this recommendation which would provide that "all congressional officers and employees are prohibited by law from serving as treasurer, or temporary treasurer, of any political fund or funds. All congressional officers and employees are prohibited by law from distributing political funds."

JOSEPH S. CLARK.

Mr. CLARK. Mr. President, in both reports, the one in 1964 and the one in 1965, I proposed to the Senate some rules of conduct which included the substance of the pending amendment. Thus, I have been on record for the amendment now pending before the Senate for almost 4 years.

The failure to call witnesses referred to by the Senator from Nebraska resulted from a vote of 6 to 3 by members of the Committee on Rules and Administration. There are on that committee today, and were then, six Democrats and three Republicans. Each vote was a strict party vote. It was the opinion of all of the Democratic members—and we could have been wrong—that we had called all the relevant witnesses who were necessary to an understanding of the case. The Senator from Nebraska [Mr. CURTIS] was strongly of a contrary opinion.

Usually, but not always, I think he was joined by his Republican colleagues.

Under the chairmanship of the Senator from North Carolina [Mr. JORDAN], we felt that the investigation had dragged on month after month until well over a year, and it was also reopened, and had gone as far as it should.

I am quite prepared to take equal responsibility with my five Democratic colleagues for having voted not to call the witnesses referred to by the Senator from Nebraska [Mr. CURTIS].

Mr. ALLOTT. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. ALLOTT. This goes to the amendment which has been offered in describing the immediate members of a family. On page 8, the Senator describes, in subparagraph (h), the immediate family, when used with respect to any person, includes the spouse and each minor child of such person.

The question of the spouse has already been covered most brilliantly by the minority leader.

I should now like to propound a question to the Senator from Pennsylvania——

Mr. CLARK. The Senator refers to what part of my amendment?

Mr. ALLOTT. Subparagraph (h), page 8.

Mr. CLARK. Right.

Mr. ALLOTT. With respect to requirements in the State of Oklahoma, and perhaps in some other States, it is possible and it is common practice for those engaging in business—and there is a law to that effect—that a man may file a petition to have his children emancipated. He can do that for children at

least, I know, down to the ages of 10 or 12. I happen to have represented a man down there once, who had emancipated all his children. He had quite a large family. When they are emancipated, they can do business completely and wholly in their own names. A parent cannot control or negative their actions. If they sign a deed, that is their act.

How, under these circumstances, could this particular amendment change the law of Oklahoma and require a child who had been emancipated in the State of Oklahoma to file a statement of assets with the——

Mr. CLARK. I assume the Senator from Colorado is a far greater expert on law in the State of Oklahoma than I am, but I think my friend from——

Mr. ALLOTT. If the Senator would accept this as a fact——

Mr. CLARK. If the Senator will let me finish my——

Mr. ALLOTT. If it is wrong—I know it is not wrong—because I was in it.

Mr. CLARK. I would have to have approval of the Senator from New Jersey [Mr. CASE], whom I have not consulted yet. I would therefore suggest that we could easily handle this matter by amending the bill so as to insert, on line 8 after the word "each" and before the word "minor", the word "unemancipated". Would that not cover what the Senator from Colorado has in mind?

Mr. ALLOTT. Which?

Mr. CLARK. Page 8, line 8, at the end of the line, insert the word "unemancipated" after the word "each" and before the word "minor."

Mr. ALLOTT. Well, we could amend it that way, but the real question is whether we can amend the laws of the State of Oklahoma.

Mr. CLARK. I would not think that was the question at all. It is a question of what do we have to file. The laws of the State of Oklahoma would have nothing to do with it. What do we have to file under Federal law would be the question.

Mr. CASE. If I may be permitted to engage in this learned colloquy, because we are never in the Chamber for more than 10 minutes without learning something new——

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

Mr. CLARK. I yield 2 minutes to the Senator from New Jersey.

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

Mr. CASE. I do not think any amendment is necessary, because once a person is emancipated, under the laws like those of Oklahoma, Kentucky, and other States, he is no longer a minor. It is not our intention to invade any State jurisdiction. I would be quite content to leave it alone, which I think takes care of it.

Mr. CLARK. I would like to make the Senator from Colorado happy, and I would like to amend the amendment accordingly.

Mr. ALLOTT. I am not unhappy.

Mr. CASE. The Senator is going to vote against it, anyway.

Mr. ALLOTT. Under the definition, he is still a minor, whether the word "unemancipated" is included in the language or not.

Mr. CLARK. Mr. President, unless the Senator from New Jersey objects, I modify the amendment by inserting the word "unemancipated" before the word "minor" on line 8, page 8.

The PRESIDING OFFICER. The amendment is so modified.

Mr. LAUSCHE. Mr. President, will the Senator from Pennsylvania or the Senator from New Jersey answer some questions?

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I had promised the Senator from South Dakota [Mr. MUNDT] that I would yield him 4 minutes.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Dakota.

Mr. MUNDT. Mr. President, my reason for opposing the Clark-Case amendment is that it is totally and completely inadequate and is so loosely drawn it is almost as full of loopholes as a minnow net.

In fact, it would provide a false security for the people and many escape hatches available to those it should cover. I wrote a six- or seven-page letter to Senator JOHN STENNIS when he was appointed chairman of this committee. I said I thought there was some merit in this disclosure proposal, but I thought it should be honest and it should apply clear across the board to all governmental officials with similar responsibilities and similar duties.

If my friend from Pennsylvania would bring in a clear-cut piece of legislation which would provide that statutory requirement for Members of the Senate and its employees and officials, and Members of the House and its employees and officials, and members of Presidential commissions, who have much more temptation than do Senators in their individual capacity for right or wrong, on decisions of much more significance, because they belong to boards of six or seven or eight, and frequently, by one single vote, can determine whether one family will make a fortune from a television station, and another family cannot even get on the air; if it were provided that these requirements would apply to all those whose policymaking decisions or whose votes are as significant as those of a Senator, and if they would apply to every Federal judge, who, by his decision, can do right or wrong—and we have had some dishonest judges—then I would be the first to join in cosponsoring that kind of reform. That would provide for disclosure by law rather than just by pious resolution and it would cover all Federal officials who should be covered if the public is to be protected rather than flimflammed.

So I am not going to be a party, by my vote, to singling out the Senate, out of all the Federal officials and employees in Washington, and say that I pick out only 99 Senators and myself as being subject to temptation.

I do not want to be a party to stigmatizing the Senate by saying we have to fall within certain prescriptions and restrictions and mandates which are not applied to the House of Representatives, which are not applied to Federal judges, and which are not applied to members of presidential agencies, boards, and commissions, but simply imply that only we ourselves are so untrustworthy, among all Federal officials and employees, that specific mandates and prohibitions should be operating against us.

I think it would tend to make us the laughing stock of the country, and rightfully so.

Somebody has said there are a lot of rich men in the Senate. Maybe there are. I do not know. Somebody has said there are a lot of poor men in the Senate. Maybe there are. I do not know. I am not curious to find out. I know nothing about the voting behavior of Members of the Senate—and I have been watching them a long time—that indicates that rich men are any better or worse or have lesser or greater ethics than poor men, or vice versa.

It seems to me what we are asked to state is that we are so suspicious of each other, so lacking in confidence in each other, that we single out the Members of the upper House and say, "You have to have these restrictions. You have to operate in this goldfish bowl." But it is not necessary for members of commissions downtown, who pass on matters amounting to many million dollars each. Sometimes it is very difficult to ascertain why one family obtained the right to operate a radio station, but another did not, or why one decision should be favorably made for one airline, while another does not get that privilege. Yet members of those commissions have to make these decisions and to exercise their personal judgments.

Mr. President, if suspicion, if skepticism, is to be the order of the day, let it apply to all those in Federal Government who hold policymaking or decision-making responsibilities.

Give us the same requirements for every member of a board or commission downtown, for every Member of the House of Representatives. If we really want to clean up this town, I say to the Senator from Pennsylvania, come up with a legislative proposal of that kind, and I will coauthor and support it. But I am not going to vote to stigmatize the Members of the Senate alone.

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

Mr. MUNDT. I yield.

Mr. CANNON. I may say to the distinguished Senator that I have an amendment which I intend to propose that expresses the sense of the Senate to do what the Senator has just expressed. It would be the sense of the Senate that it should apply to Members of the House, members of the judicial branch, and members of the executive branch.

Mr. MUNDT. I shall support it. That is an honest, comprehensive plan to do something effective and realistic, and not something that seeks self-glory for some individual who says, "I am so pure. I trust myself. But I think the rest of my colleagues are dishonest and disgraceful." I deny that, whether one is rich or poor, and I do not care to find out which category is involved for every Senator.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, the Senator from New Jersey seeks recognition from the Senator from Mississippi.

Mr. CASE. Mr. President, we have time. I yield myself 2 minutes.

Addressing myself to the Senator from South Dakota, first, I would prefer the suggestion he makes. I would ask that the Senator from South Dakota become a cosponsor of S. 1104, a bill now pending, which does precisely what he suggests, applying to all those in both Houses, and also members of the executive branch, receiving in excess of $15,000 a year.

Mr. MUNDT. Including the judiciary?

Mr. CASE. I, myself, do not include them.

Mr. MUNDT. They should be included.

Mr. CASE. The reason for that——

Mr. MUNDT. I know those who are lawyers are partial to judges, but I am not a lawyer, and I want everybody included in this plan. If judges are included, I would have no objection.

Mr. CASE. I ask unanimous consent that the Senator may be added as a cosponsor, provided we can agree on that matter.

Mr. MUNDT. With the understanding that the judiciary is included, I would be glad to be a cosponsor. I do not agree with the lawyers who hold that judges have the morality and purity that nobody else in public life possesses.

Mr. CASE. Frankly, I have covered both this body and the other legislative body, and the executive. The standards of the judiciary have raised themselves in popular esteem. They were not always so. In some cases perhaps they are not yet. But, generally speaking, judges are above suspicion, and that is the way we should be. That is the purpose of the measure that the Senator from Pennsylvania and I are cosponsoring now.

Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. May the Chair address a question to the Senator from New Jersey? He propounded a unanimous-consent request. The Chair is at a loss as to whether he still wants to propound that request or under what conditions he would do so.

Mr. CASE. The Chair is correct. I did not give the Chair an opportunity to make a ruling.

Mr. President, I ask unanimous consent that the Senator from South Dakota may be permitted, after the point at which he and I are in agreement, to be a cosponsor of my bill, S. 1104.

Mr. MUNDT. I will give my answer now. If the Senator includes the judiciary, I am his partner. Otherwise I am not.

Mr. CASE. I am asking unanimous consent that the Senator may become a sponsor after we agree on that matter. I am very glad to get that support. We need support, and I am pleased to get a Republican supporter.

Now, on this point, we would prefer to have this a law and not a rule of the Senate, but this is what we are operating on.

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

Mr. CASE. We cannot, on this resolution, turn the proposition into a statute.

Mr. MUNDT. Will the Senator yield?

Mr. CASE. I yield.

Mr. MUNDT. The Senator is exactly correct. This is a resolution, and that is why I think we should not move hastily into action which is going to be regarded around the world as a stigmatization of the Members of the U.S. Senate and their ethics and morals without even approximately covering the waterfront or providing the teeth required by such disclosure provisions.

Let us meet the issue squarely by agreeing to such an amendment as the Senator from Nevada has offered, or by this new piece of statuary, this new statute the Senator from New Jersey proposes, which, I repeat, I shall be glad to cosponsor if he will add the judiciary.

I do not think any Senator ought seriously to consider voting now, in haste, on an amendment which is not very clearly understoood or interpreted, and which is full of loopholes. I guarantee that any Senator so inclined could find some brother, some uncle, or some cousin, or emancipate some child at the age of 14 and conduct any nefarious activities he pleases through that child. It is ridiculous and it would stand in the way of comprehensive, corrective, effective legislation.

Mr. CASE. Mr. President, I assume that the Senator is talking on somebody else's time.

Mr. MUNDT. So let us do it by legislation, as we should.

Mr. CASE. Mr. President, I yield myself 1 more minute.

We do not have that chance now. We do have a chance to accomplish, in a measure, the establishment of right principles; and, as far as we are concerned, our primary responsibility is for our own conduct.

The Senator talked about stigmatization, or some such word. I believe it would be in the highest degree antistigmatic of the Senate to refuse to recognize that everyone, and I do mean everyone in this country, is looking at us, and does expect us to take action toward full disclosure of our financial and other similar interests; and when we do have a chance to do that, I think we would be mistaken not to do so.

Mr. BENNETT. Mr. President, will the chairman yield me 1 minute?

Mr. STENNIS. I am happy to yield 1 minute to the Senator from Utah.

Mr. BENNETT. I wonder whether the New Jersey judiciary raised themselves to the high level which the Senator implies by being forced to disclose their incomes.

Mr. CASE. Mr. President, I do not hold myself out as a great legal historian, but I do know it is a fact that at one time judges were as corrupt as many people think the Senate is now.

I remember that Francis Bacon, I think when he was Lord Chief Justice of England, did not hesitate to take fees from both the wine merchants of France and the importers of England in a case in which they were opposing each other, on the general theory that if he took it from both sides, he could not possibly be prejudiced in favor of either. This is history.

Mr. BENNETT. Mr. President, the Senator is not answering my question.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. BENNETT. I ask the chairman for 1 more minute.

Mr. STENNIS. I yield an additional minute.

Mr. BENNETT. It is very obvious that there is no answer to my question, which was, Did the judges raise themselves to that high level by being forced to disclose their incomes, as some suggest Senators be forced to do? The answer, of course, is "No."

Mr. CASE. No. I think the answer is that over the years, because of the pressure of public opinion—and this was a self-elevation, if you will—the judges got into the habit and practice of disqualifying themselves in any case in which they had an interest, and this practice went all the way, so far that if a man had a single share or a few shares of stock in a company, and some great public action was brought against it, whether for antitrust violations, violations of the tax laws, or anything else, he would disqualify himself. I have seen that happen again and again.

When we come to the point that we will all voluntarily abide by that rule of the Senate which says that in the case of a conflict of interest on a matter upon which the Senate is called upon to vote, a Senator shall ask to be disqualified, then I will say we do not need it, that this proposed rule is a dead letter.

Several Senators addressed the Chair.

Mrs. SMITH. Mr. President, may I have 1 minute to ask the distinguished chairman a question?

Mr. STENNIS. I yield 1 minute to the Senator from Maine.

Mrs. SMITH. Mr. President, the authors of the pending amendment have answered a question by saying that there were no exemptions whatever for employees or officers. I should like to ask the chairman or the ranking minority member, in view of that answer, would they tell me what section the Chaplain comes under?

Mr. CASE. Is the Senator talking about this amendment?

Mrs. SMITH. I am talking about the resolution itself.

Mr. STENNIS. I beg the Senator's pardon. I thought the question was directed to the Senator from New Jersey. I yield the Senator another minute, and ask her to repeat the question.

Mrs. SMITH. Mr. President, the authors of these pending amendments answered a question of mine by saying the amendments covered all employees and officers of the Senate, and that there were no exemptions whatever.

I have looked through the resolution, and I cannot find the Chaplain mentioned anywhere. Would the distinguished chairman please tell the Senate what section the Chaplain comes under?

Mr. STENNIS. Mr. President, the committee resolution undertakes to cover all the officers and employees of the Senate, the committees, and the staffs whose salaries are $15,000 and above, except the Chaplain. He is an officer of the Senate, technically, but we did not include him.

Mrs. SMITH. Mr. President, will the distinguished chairman advise the Senate why there should be any exemption, if we are including all officers? Did he request that he be exempted, or was this a committee action?

Mr. STENNIS. No. I yield myself 1 minute. He did not make that request. It was a matter of bowing to the cloth. That is about all I can say.

Mrs. SMITH. Well, Mr. President, if we are covering officers, while I have great respect for our present Chaplain, I think we must look to the future, and it does seem to me that there should be no exemptions whatever. I would feel obliged, at the proper time, to offer an amendment, unless the chairman of the committee can give us some better explanation than he has given.

Mr. STENNIS. I thank the Senator for the second chance, but I do not think that I can take advantage of it.

I yield 3 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I served as a judge for 10 years, and throughout that career, I kept telling juries about the great virtues of our U.S. system of jurisprudence. I told them that in all instances, every accused is presumed to be innocent until proof beyond a reasonable doubt, in criminal cases, is brought against him.

The amendment of the Senator from Pennsylvania and the Senator from New Jersey completely upsets that philosophy of government with respect to one segment of our population. The amendment of the Senator from Pennsylvania and the Senator from New Jersey states that Members of the Senate shall be presumed to be guilty of misconduct until they have offered proof that they are innocent. I challenge anyone to throw castigation upon what I have just stated.

Ten minutes ago, I stated in the Senate that throughout my whole public career I have never collected a single nickel as a lawyer, I have never collected a single nickel as a member of a board of directors, and I have never collected a single nickel in any respect as distinguished from my salary as Governor, Mayor, Judge, and Member of the Senate.

I ask Senators by what rationalization we can put the Senate on a different basis of consideration from that on which we put the lowliest criminal in the Nation. We cannot do it and justify it. I have no hesitation about my position, but the amendment of the Senator from Pennsylvania and the Senator from New Jersey states, in effect, "Members of the Senate, you are presumed to be guilty of misconduct unless you exculpate yourselves."

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

Mr. LAUSCHE. May I have an additional minute?

Mr. STENNIS. I do not have more time to yield.

Mr. LAUSCHE. Will the Senator from New Jersey yield me an additional minute?

Mr. CASE. I yield half a minute to the Senator from Ohio.

Mr. LAUSCHE. I ask the Senator from New Jersey: If the wife and minor children of a Member of the Senate refused to give to the Senator the details of their assets and income, what would be the situation?

Mr. CASE. If I were put in that position, my answer would be that I would file a statement to that effect with the statement about my own financial transactions and assets. I would expect that the Senate would accept it.

Mr. LAUSCHE. But the amendment provides that the Senator shall file such a statement.

Mr. CASE. That would be a Senate rule, and it would be up to the Senate to enforce it.

Mr. LAUSCHE. The Senator concedes that if I were to tell a junior member of my family and my wife that they must file reports, and they refused to do so, they would be within their rights?

Mr. CASE. We are not talking about that; we are talking only about Members of the Senate. That is what I would interpret the rule to require.

Mr. LAUSCHE. Why would I be compelled to tell what they have done?

Mr. CASE. Because, as I have said, in similar cases, involving the Securities Act and related legislation, this is a quite common requirement and takes note of the fact that the family is generally a financial unit, and that their whole interest is what is significant.

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

Mr. LAUSCHE. Mr. President, I have one more question. Will the Senator yield me 1 additional minute?

Mr. STENNIS. Mr. President, I am sorry, but I have yielded all but a few minutes of my time.

Mr. President, may we have order?

The PRESIDING OFFICER. There will be order in the Senate.

Mr. STENNIS. Mr. President, the committee considered this proposal with great deliberation. However, we concluded that the Senate must move along and that something must be done on part of this problem, at least. And it has been a long, laborious undertaking that covered the waterfront.

We fully considered the Clark-Case proposal, every single phase of it, by comparison and in every other way. We believe that we came up with the resolution which offers the best type of a workable plan for a respectful disclosure by a Member or an employee of the Senate.

Skipping over the things that are required to be disclosed publicly, because they are semiofficial, at least, and going to the bedrock of this plan, the Senate will have in its very bosom a copy of a sworn income tax return prepared under all of the solemnity and requirements of law soon after the events occur. That information will be available for years and years for the purpose of any inquiry or consideration. It will be wrapped up in the best possible protection for the individual involved, be he an employee or a Senator.

Four out of six committee members recorded votes in favor of this procedure. There is then a chance to be heard before anything can be used against a person involved. So we believe that wrapped up in this procedure is something that is respectful to the individual, is a protection for the public if it needs it, and is a protection for the Senate if it needs it.

There is a practical way to get to the information at any time and see what the story is and search out what the leads are and the facts, if any, which are even suggested to be irregular.

That is the plan we believe after our deliberations to be the best in our judgment.

It is proposed here that we strip that section out of the proposal that is the bedrock on which many of the other proposals rest because they are interwound and intertwined around and together.

If we eliminate this section tonight, we would literally strip the entire resolution of the things that count and make it have meaning. It would mean that there would have to be a totally new start.

The Senate has had the Clark-Case proposal before it several times before and it has always refused to agree to it, even when there was no alternate proposal worked out. This time we have on the desk not only their proposal—and I speak with great deference to them—but also the plan that I have already referred to. And it is a workable, going concern, already on its way.

Defeat the pending amendment and I think that on tomorrow there will be a good chance to work on some of these other amendments. Some of them will be agreed to. Maybe some others will be modified. However, at any rate there will be a full chance for the Senate to make a judgment on the matter and write its decision in this resolution.

If we agree to the pending amendment, in my judgment the resolution would be left in a shambles. Nothing could come out of this matter any time soon.

We are not any wiser than any one else here. Of course not. However, in trying to patch together something that was fairly acceptable and workable and had substance in it, we have spent a great deal of time.

I know that everyone acts in good faith and makes every point in good faith. However, if we want to go forward, I think the committee has furnished the means by which to do so.

I do not like to use names, but I think that the Senate was hurt terribly by things that have happened right here in this Chamber by the acts of one of its officers a few years ago. Not enough was done about it. I am as guilty as anyone else, but I think we must move forward, and I think this is the only vehicle subject to further amendment that is ready and on the move.

If we tear this provision out of the resolution and replace it with the Clark proposal, there would not be enough left to travel on. It would be a dead duck, and a new start would be necessary.

For those reasons, and for the purpose of giving the Senate a further chance to work on a matter of substance here and modify it, as has already been suggested, with a good deal of merit in some of the amendments, I think I appeal now, let

us get down to action on something that counts and is pending before us, and let us move forward.

Mr. CLARK. Mr. President, I yield myself 2 minutes and reserve the remaining 2 minutes for the Senator from New Jersey.

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

Mr. CLARK. Mr. President, I, too, want to move forward. I share the views of the Senator from Mississippi. However, the way in which to move forward is to agree to the pending amendment, and not move backward by taking the committee proposal.

Nobody is clipping anything out of the resolution. Nothing could be further from the truth. The pending amendment strengthens the resolution and makes it a better resolution. It moves it forward faster than the committee would want to go.

I hope that the pending amendment will be agreed to.

After all this debate, some of which has been a little unseemly, some of which has been a little intolerant, some of which has not been in the best traditions of the Senate, we come in the end to a simple question of whether it is wiser to require public disclosure of assets or have a private disclosure of assets.

The Senator from New Jersey and those of us who support the pending amendment hope that the Senate will move forward and strengthen the proposal of the committee and agree to the pending amendment.

I yield back the remainder of my time.

Mr. STENNIS. Mr. President, I ask unanimous consent that I might yield 1 minute to the Senator from Oklahoma. I did not know he was in the Chamber.

Mr. CLARK. Mr. President, I ask unanimous consent that there be 1 additional minute allowed for each side.

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

Mr. MONRONEY. Mr. President, we are now to the point of voting whether we accept an informal, hodgepodge report, which is loosely and not carefully drafted, as the basis for our financial report, or whether we accept the sworn statement of the Federal income tax report, in the hands of the Senate's Committee on Standards and Conduct, as the basis for evaluating the financial returns. The one would be public, an informal report, and the other would be a report which the committee would have, the committee serving the Senate, a sworn statement upon which penitentiary penalties would be involved if anyone had misdeclared anything shown on that form.

Mr. CASE. With the Senator from Pennsylvania, my cosponsor, I wish to express the warmest appreciation of the service rendered by the committee—its chairman and all its members. However, I also wish to say that I am sure that within the committee this was a matter, as they have said themselves, which came up again and again and which worried them.

I believe that the only trouble with the committee's action is that they stopped worrying at the wrong time; and if they had done their stopping at a time when they were affirmatively in favor of disclosure, they would have made a far greater contribution than the great contribution they already have made.

The public will not be satisfied with this, Mr. President, and the Senate should not be, either.

I yield the floor.

SEVERAL SENATORS. Vote! Vote!

Mr. BENNETT. Mr. President, I ask for the yeas and nays.

Mr. CASE. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. CASE. If the yeas and nays are ordered.

The PRESIDING OFFICER. The yeas and nays have been been ordered.

Mr. CASE. I yield back the remainder of my time.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may proceed for one-half minute:

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

## ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, this will be the last rollcall vote tonight, in addition to being the only rollcall vote today.

I ask unanimous consent that when the Senate completes its business today, it stand in an adjournment until 11 o'clock tomorrow morning.

Mr. CLARK. Mr. President, will the Senator reserve that request? Under those circumstances, would the Senator move that the Committee on Labor and Public Welfare be authorized to meet tomorrow?

Mr. DIRKSEN: No, I would have to object.

Mr. McCLELLAN. Reserving the right to object, we do have the Senate Permanent Subcommittee on Investigations trying to proceed with the riot hearings. We have witnesses from Detroit. We were not permitted to meet this afternoon. We, of course, would be glad to conform to the will of the Senate. I should like to have permission for the committee to meet and proceed with its business.

Mr. MANSFIELD. I understand.

Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

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

## STANDARDS OF CONDUCT

The Senate resumed the consideration of the resolution (S. Res. 266) to provide standards of conduct for Members of the Senate and officers and employees of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from Oregon [Mr. MORSE]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Hawaii [Mr. INOUYE] and the Senator from Missouri [Mr. LONG], are absent on official business.

I also announce that the Senator from Idaho [Mr. CHURCH], the Senator from North Carolina [Mr. ERVIN], the Senator from Oklahoma [Mr. HARRIS], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. McCARTHY], the Senator from New Hampshire [Mr. McINTYRE], the Senator from Oregon [Mr. MORSE], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

I further announce that, if present and voting, the Senator from Georgia [Mr. RUSSELL] would vote "nay."

On this vote, the Senator from Idaho [Mr. CHURCH] is paired with the Senator from North Carolina [Mr. ERVIN]. If present and voting, the Senator from Idaho would vote "yea," and the Senator from North Carolina would vote "nay."

On this vote, the Senator from Rhode Island [Mr. PASTORE] is paired with the Senator from Florida [Mr. HOLLAND].

If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from Florida would vote "nay."

Mr. DIRKSEN. I announce that the Senator from North Dakota [Mr. YOUNG] is absent on official business.

The Senator from California [Mr. KUCHEL] and the Senator from Illinois [Mr. PERCY] are necessarily absent.

The Senator from Kentucky [Mr. MORTON] is detained on official business.

If present and voting, the Senator from Illinois [Mr. PERCY] would vote "nay."

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from California would vote "yea," and the Senator from North Dakota would vote "nay."

The result was announced—yeas 40, nays 44, as follows:

[No. 68 Leg.]

YEAS—40

| | | |
|---|---|---|
| Aiken | Dodd | Magnuson |
| Bayh | Gore | McGee |
| Bible | Griffin | McGovern |
| Boggs | Hart | Miller |
| Brewster | Hartke | Mondale |
| Brooke | Hatfield | Moss |
| Burdick | Hollings | Muskie |
| Case | Jackson | Nelson |
| Clark | Javits | Proxmire |
| Cooper | Kennedy, Mass. | Ribicoff |
| Cotton | Kennedy, N.Y. | Scott |

| | | |
|---|---|---|
| Spong | Williams, N.J. | Young, Ohio |
| Symington | Williams, Del. | |
| Tydings | Yarborough | |

NAYS—44

| | | |
|---|---|---|
| Allott | Fong | Montoya |
| Anderson | Fulbright | Mundt |
| Baker | Gruening | Murphy |
| Bartlett | Hansen | Pearson |
| Bennett | Hayden | Pell |
| Byrd, Va. | Hickenlooper | Prouty |
| Byrd, W. Va. | Hill | Randolph |
| Cannon | Hruska | Smathers |
| Carlson | Jordan, N.C. | Smith |
| Curtis | Jordan, Idaho | Sparkman |
| Dirksen | Lausche | Stennis |
| Dominick | Long, La. | Talmadge |
| Eastland | McClellan | Thurmond |
| Ellender | Metcalf | Tower |
| Fannin | Monroney | |

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mansfield, against.

NOT VOTING—15

| | | |
|---|---|---|
| Church | Kuchel | Morton |
| Ervin | Long, Mo. | Pastore |
| Harris | McCarthy | Percy |
| Holland | McIntyre | Russell |
| Inouye | Morse | Young, N. Dak. |

So Mr. CLARK's modified amendment (No. 623) was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STENNIS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## DESIGNATION OF THE SECOND WEEK OF MAY OF EACH YEAR AS "NATIONAL SCHOOL SAFETY PATROL WEEK"

Mr. RIBICOFF. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 72.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 72) to provide for the designation of the second week of May of each year as "National School Safety Patrol Week," which were, on page 2, line 3, strike out "each year" and insert "1968."

Strike out the preamble.

And amend the title so as to read: "Joint resolution to provide for the designation of the second week of May of 1968 as 'National School Safety Patrol Week'."

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

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

The motion was agreed to.

## STANDARDS OF CONDUCT

The Senate resumed the consideration of the resolution (S. Res. 266) to provide standards of conduct for Members of the Senate and officers and employees of the Senate.

AMENDMENT NO. 640

Mr. FULBRIGHT. Mr. President, I intend to propose an amendment to the pending resolution; but first I want to express my gratitude to members of the Select Committee on Standards and Conduct for the attention and devotion they have given to their work through many difficult months. The Senate and the Nation should be proud of this committee.

In this spirit of appreciation, Mr. President, I believe sincerely that rule 41, as proposed, can be improved by amendment. As recommended by the committee, this rule would impose certain duties and responsibilities upon officers and employees of the Senate and upon those designated as their "supervisors." These duties would be imposed to guard against improper "outside business, financial, or professional activities or employment by officers or employees" of the Senate.

Under the proposal, each Senator and the Vice President would be designated as the "supervisors" of employees in their respective offices. I fully accept this responsibility for the employees in my office—because I must share responsibility for their activities regardless of whether rule 41 is added to the Standing Rules of the Senate. But, Mr. President, the proposed rule means that there may be as many as 101 standards of propriety respecting the activities of employees in the offices of 100 Senators and one Vice President. With no disrespect for the committee, Mr. President, this reminds me of a current TV commercial which describes an extra long cigarette as one "silly millimeter longer—101."

I accept this prospect of 101 standards of propriety, because I would not expect someone else to judge my office employees; and I am sure that other Senators and the Vice President feel the same way. Employees of committees and subcommittees, however, present a different problem. I am the chairman of the Foreign Relations Committee. I do not personally select the employees of this committee, and I have frequent personal contact with only a few of them. The proposed rule would make me "supervisor" of committee employees and require me to permit or refuse to permit, by my own standard, outside activities of a scope and variety which may be very large indeed. If I had the time to devote to such a project, I could probably devise a system for and somehow arrange my time to accommodate an orderly discharge of this responsibility—but I have not the time and I am not sure it would be worth the trouble in any event.

According to the Senate telephone directory there are 46 committees and subcommittees having employees to be "supervised" by their chairmen. Thus, Mr. President, there may be as many as 46 different standards of propriety to govern the activities of these employees. Moreover, many of these committees and subcommittees have employees designated as minority staff director, or minority staff member, or minority consultant, or minority counsel, or assistant minority counsel, or minority clerk, or secretary for minority, or minority research assistant, or minority clerical assistant. Although none of the 30 employees of the Foreign Relations Committee are so designated, I assume that employees of other committees who have such titles were not selected by, and are not supervised by, the chairmen of the committees or subcommittees which employ them. Thus, there may be many more de facto "supervisors" of committee employees—thereby increasing the number of standards of propriety governing the activities of Senate employees.

In addition, Mr. President, the telephone directory lists nine joint committees which have staffs of employees. From time to time these employees may serve under the chairmanship of Members of the House of Representatives. The special situations of such employees may have been considered by the committee, but, unless I have overlooked it, they are not mentioned in the committee report. If, at times, such employees are receiving salaries "paid by the Senate" and are serving under the chairmanship of a Member of the House, I wonder whether the Standing Rules of the Senate properly may impose duties upon such a chairman. If not, I wonder whether proposed rule 41 excludes employees of joint committees.

For these reasons, Mr. President, I offer an amendment to proposed rule 41. I suggest that employees of Senate committees and subcommittees be subjected to the "supervision" of the Secretary of the Senate for the purposes of rule 41. The Secretary could promulgate a single procedure for requesting and receiving permission for outside activities, and he could apply a single standard for granting such permission. In doubtful cases, the Secretary could consult with the Member of the Senate to whom the employee reports or for whom he performs his duties. This Member of the Senate should be expected to take responsibility for final judgment regarding the propriety of the employee's activities, and should express this judgment in writing to the Secretary. My amendment does not address the special situations of employees of joint committees.

I raise this issue and offer this amendment in the hope that the Senate will recognize, first, the need to centralize some of the administrative burden embodied in rule 41; second, the need to minimize the number of standards of propriety which would otherwise be possible; and, third, the need to fix responsibility for approval of the few cases where outside activity might be construed to be "inconsistent with the conscientious performance of an employee's official duties."

Mr. President, I send to the desk an amendment to the pending bill, and I ask that it be printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

## CURRENT U.S. POLICY IN VIETNAM

Mr. MAGNUSON. Mr. President, members of the faculty and student body at Whitman College, in Walla Walla, Wash., have prepared a statement on the current U.S. policy in Vietnam. The petition was signed by 46 percent of the faculty and by 28½ percent of the students.

I ask unanimous consent that this statement be printed in the RECORD.

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

A STATEMENT ON VIETNAM BY MEMBERS OF THE FACULTY AND OF THE ASSOCIATED STUDENTS OF WHITMAN COLLEGE, MARCH 11, 1968

The Declaration of Independence affirms that the rights and responsibilities of gov-

ernment belong ultimately to the people, and the Constitution assures the people the liberty to engage in free and open discussion of national policy and purpose as well as of exercising their franchise in the polling booth. We believe that our obligation as citizens to exercise these rights and responsibilities demands that we now publicly express our non-concurrence with the present policy or our government in Vietnam.

We respect the spirit of patriotism, the courage, and the personal sacrifice displayed by the men of our Armed Forces; but we question whether our government is either wise or just in asking the nation's young men to lay down their lives in pursuit of its policy in Vietnam.

Some of us think that our government has misread the nature of the struggle among the Vietnamese.

Some of us regard the massive intervention of American troops as politically indefensible.

Some of us think that our involvement in Vietnam is both morally and legally indefensible.

Some of us think that we are not defending the freedom of the South Vietnamese, but imposing on them a military dictatorship.

Some of us think that the war has become so destructive, has caused intense suffering for so many, as greatly to discount the value of "victory" for either side.

Some of us believe that our present preoccupation in Vietnam is seriously limiting our ability to address the problems of our own society.

Some of us believe that in the process of waging this war we are corrupting ourselves—experiencing a tearing of conscience, an erosion of pride in our country, profound doubts about our sense of justice and humanity, the alienation of many of the nation's youth.

Some of us would prefer not to affirm all of these statements, but all of us concur in the desire to express our disapproval of the course our nation is pursuing in Vietnam and to call upon our President and the Congress to take new and determined initiatives toward a negotiated settlement of the Vietnam conflict. We recognize that the National Liberation Front and the government of North Vietnam share responsibility with us for the tragedy of this war; but we believe that our first responsibility as American citizens is to call upon our own government to take initiatives toward peace.

To this end we ask our government to cease bombing North Vietnam as a demonstration of American desire for a negotiated settlement; and to acknowledge that the National Liberation Front is representative of a significant segment of the South Vietnamese people and therefore has a legitimate claim to participation in peace talks and in the formation of a Vietnamese government.

We wish to emphasize our belief that such initiatives would be in the best interests not only of both North and South Vietnam but of own country as well.

Neither "peace at any price" nor "victory at any price" can be the motto of a people pledged to liberty and justice for all. In the name of such liberty and for the sake of such justice our forefathers pledged their lives, their fortunes, their sacred honor. It is not too much that we should sign our names.

## FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. SPARKMAN. Mr. President, just recently, Chairman Ray Randall, of the Federal Deposit Insurance Corporation, forwarded to all insured commercial banks detailed tables summarizing their 1967 operating results. Chairman Randall stated that the information being returned to the banks is part of the program of the FDIC to provide banks, bank supervisors, and others with more meaningful and useful data based on reports submitted to the Federal bank's supervisory agencies.

The American banker in an editorial on March 14 commended the FDIC for its action. The editorial pointed out:

The new system of information makes it possible for the management of all banks to operate in much more certain knowledge of what the other fellows are doing. What they do with that knowledge henceforward will be a better test of their skill.

The significance of FDIC's contribution is that it establishes a more rational frame of reference for the decisions of all bankers—and that is a fine thing for the industry, and for the whole society which it serves.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the RECORD.

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

SCORECARD FOR PERFORMANCE

A parallel channel to feed information out, as well as gather information in, has been installed by the one Federal agency that deals specifically with all the commercial banks in the country. The potentials are enormous, and at this point can only be guessed at.

"Banks will know more about themselves and the system now than at any time in the history of banking," asserted K. A. Randall, chairman, Federal Deposit Insurance Corp., at the news conference where the announcement was made. The new system for dispersal of knowledge is a regular report to every bank on its own performance, broken down in considerable detail, along with comparison data showing how the competition performed in the same state and in the same area.

While the reports will not go so far as to match up individual institutions on the same score card, they will make possible—indeed, inevitable—comparisons which can be powerful spurs to competition, and thereby powerful incentives to better service.

The scoring of performance is made possible by advances in computer technology, and in the FDIC's capacity to handle them; the data are drawn from the vast flow of information which banks have been providing the agency ever since it was founded, as the basis for their insurance. Essentially, the new system amounts to combining and repackaging of available information and its distribution to the local areas where it will be most relevant.

Each of the 14,000 banks insured by the FDIC will get a set of tables twice a year. They will include data on the individual bank's own performance, and comparative data on typical performance by other banks of comparable size in the same state, and even in the area within the state where that bank does most of its business.

There will be six tables sent to each bank—five of them containing detailed operating information on typical banks in the state and area, broken down into dollar amounts, ratio scales, and percentage changes, and one "personalized" table giving the same percentages and ratios of the particular bank getting that package of information.

FDIC insists that "there is no presumption that the ratios shown in the table represent either 'good' or 'bad' performance." And it observes in the same note accompanying the new tables that "there can be a number of reasons why your bank's operating results may differ from the average," and that for some banks the fact that the data on the sampling date "may not be typical for the rest of the year should be taken into account in interpreting the resulting ratios."

But it also states that "in spite of these qualifications, we believe that such comparisons may be a useful starting point in a bank's review of its operations and performance."

Indeed it will. And in spite of FDIC's warning, "Caution, Handle with Care," the new data are bound to set off chain reactions in many banks.

The norms will be there for instant reference, like par on a golf course, and departures from them will be obvious. Many, of course, will be susceptible to rational explanation; but the point is that it will be easy for management to spot those departures, and call for those explanations. Some may seek to outperform the averages in one sector or another; others may use the new information as a guide to trends, and deliberately choose to buck them or avoid them.

The new system of information makes it possible for the management of all banks to operate in much more certain knowledge of what the other fellows are doing. What they do with that knowledge henceforward will be a better test of their skill.

The significance of FDIC's contribution is that it establishes a more rational frame of reference for the decisions of all bankers—and that is a fine thing for the industry, and for the whole society which it serves.

## OUTFOXING THE ARMY: HOW DRAFTEES SCHEME TO SKIP VIETNAM DUTY

Mr. MILLER. Mr. President, there is published in the Wall Street Journal of today an article entitled "Outfoxing the Army: How Draftees Scheme To Skip Vietnam Duty." The article is worthy of the attention of Senators and the Department of Defense.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

OUTFOXING THE ARMY: HOW DRAFTEES SCHEME TO SKIP VIETNAM DUTY—THEIR PLOYS CONFUSE SYSTEM, KEEP THEM STATESIDE WHILE ARMY TRIES TO UNRAVEL DOINGS

A happy soldier is Pfc. Jack S. On a recent leave, his spleen was removed by a Chicago surgeon. Since the spleen would replace red blood cells if Jack ever got malaria, Army medics have assured him that its absence means he will never be sent to Vietnam.

There was nothing wrong with the spleen, a generally useless organ. The soldier was merely gambling—correctly, it seems—that its removal would guarantee that he would never go to Vietnam. The surgery was performed for a small fee by a doctor who opposes the war. He sent the bills for "emergency surgery" to the Army.

Not many young men would go as far as Jack did to avoid Vietnam, but soldiers increasingly are devising other exotic schemes to spend their two years' service in stateside posts. While ways to avoid the draft—like moving to Canada or feigning homosexuality—are more publicized, they tend to get a young man in trouble or to stigmatize him. But simply being drafted and then working to stay out of Vietnam seldom has legal or social ramifications—though some might question the morality of ducking combat duty.

Although military officials say they can't estimate how many soldiers are using their wits to avoid combat duty, the practice apparently is widespread. "Give me a guy with a college degree, a fast tongue and a poker face, and it's better than fifty-fifty I'll find a way for him never to go," says a personnel specialist at one base.

SEARCHING FOR AN ORPHAN

The ploys are many and varied. Perhaps the ultimate one was developed by a draftee

from Festus, Mo. The plan: Find an orphan in the Army who wants to go to Vietnam and have your parents adopt him. Army regulations say that only one member of a family can be in Vietnam at a time (unless the others volunteer), so the natural son wouldn't have to go. That scheme hasn't been tried yet, but several others have. These include:

The Christian Science Ploy. A 23-year-old Virginian received Vietnam orders and was told to report for pre-shipment inoculations. When he announced he had been converted to Christian Science and refused to take either shots or pills, he was waved away by frustrated doctors.

The Crazy Letter Ploy. A corporal from Brooklyn wrote letters to Sen. Robert Kennedy and Sen. Jacob Javits, Gov. Nelson Rockefeller, his Congressman and several other prominent officials, claiming he preferred suicide to Vietnam and pointing out the effects of his death on his mother. Two weeks later a Senatorial aide notified him his Vietnam orders had been canceled.

The Card-Burning Ploy. A basic trainee faked a picture of himself burning a draft card on the Berkeley campus and sent it to his commanding general with an anonymous note. A security check was ordered, and the soldier's two years were drawing peacefully to a close by the time the dust had settled.

The LSD Ploy. A glib Clevelander strolled into his post psychiatrist's office, claiming numerous LSD experiences had unbalanced his mind. Regular visits thereafter assured his stay at a Midwestern post.

THE DISAPPEARING ACT

There are others. One lad tried to remove every trace of himself from Army records—at his own post, at the Pentagon, at the Army computer center in Indiana—but he was caught when he was on the verge of success. A Fort Dix soldier applied simultaneously for a commission and a hardship discharge; it so confused things that he was kept right at Dix—where he wanted to be.

Confusion is the key to nearly every ploy. Army regulations are voluminous, and if your records get fouled up, you're in the clear.

Company clerks at Fort Benning, Ga., estimate that a sixth of the college graduates in their companies wriggle out of their Vietnam orders. The college graduate qualification is significant. These are the soldiers who are most likely to hold an administrative job, which is the best place to throw a monkey wrench into the works. Also, these men generally have the intelligence and poise to carry off a ploy.

"I can't wait until they start drafting grad students," says one Stanford graduate who loves to fight the Army, "and the whole Army is filled with people like us."

The Army is already filled with draftees; that's one reason the Vietnam-dodging works. Almost every successful ploy is based on paperwork: The reams of directives, reports and applications that define, grant and deny Vietnam eligibility. Not only are the clerks who handle these papers draftees, but their supervisors also are generally draftees or two-year-only lieutenants who occasionally are willing to look the other way.

Veteran Vietnam-dodgers assert the ponderous Army bureaucracy is easy to outfox. Arcane notations typed on a morning report by a cooperative clerk can grant overseas immunity, the code "7/2," for instance, means that a soldier is ineligible for overseas duty for various reasons. Not even a conscientious scrutiny could easily track down such fiddling with records.

For most soldiers, the crucial consideration is the margin between the time they have left in the Army and the 180-day minimum Vietnam tour. An effective ploy should fill as much of that period as possible.

Also, the Army doesn't like to send a man to Vietnam even if he has 180 days left if there is a chance it will have to bring him back right away. Soldiers capitalize on this by applying for special training important enough to keep the Army from shipping them overseas. Thus, an application for flight school can keep a man stateside up to 10 months waiting for his class to begin, at which time he "changes his mind" about wanting to attend.

The new ploys are being tried because the older, less sophisticated ones don't work any more. Asthma, bad backs, bad eyes and flat feet won't budge an Army doctor. A sergeant who shot himself in the leg is now recovered and on his way to Vietnam. Already there: A Pfc. who took every pill he could find before staggering into the overseas replacement depot at Oakland. Medics simply pumped his stomach and pointed him toward Vietnam.

Bribery also is out. Personnel clerks who will risk court-martial to help a friend of a friend disdain financial offers. Going over the hill won't help either. When he returns, the AWOL soldier is often dismayed to find he is sent to the front instead of the stockade.

Friendships are important in the modern-day ploy. It sometimes helps if a friendly clerk will alter dates on various forms for you. And it helps to know in advance that people in your specialty are about to be called to Vietnam; forewarned is forearmed, and you can change your job classification—say, from supply clerk to truck driver.

Why do the draftees plot their ploys? Most admit that fear of being killed or wounded or unwillingness to leave a comfortable situation are more important than pure political opposition to the war. But there is also an element of revenge.

"They forced me to join the Army," explains a Missouri youth now at Fort Knox, "and they can make me do anything they want. Now, I'm causing a little trouble for them."

## THE GOLD CRISIS

Mr. MILLER. Mr. President, in the Wall Street Journal of today the lead editorial entitled "Prodded by Disaster" puts the finger squarely on the problem with respect to our economic and gold crisis, which is only temporarily out of our system.

Mr. President, I ask unanimous consent that the editorial to which I have referred be printed in the RECORD.

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

PRODDED BY DISASTER

The gold crisis provides another telling example of the type of leadership the nation has come to expect from the Johnson Administration. It proved incapable of seriously attacking the problem until things got so bad an American businessman in Europe found he couldn't cash dollars to buy dinner.

The gold drain, after all, didn't start last week. It has been going on some time now. The actual importance of the problem, now so clear to nearly everyone, contrasts sharply with the low priority assigned to it for many years. Only when total collapse threatened did the Administration accept—if indeed it really has now—the need for painful domestic and international measures to protect the dollar.

To be specific, take the Administration's attitude toward the budget cuts Congress has quite sensibly set as a price for the President's tax increase bill. The week before last, the Administration was stoutly insisting that reductions of any magnitude were impossible. By the end of last week's run on gold, it started talking of appropriations cuts of $8 billion to $9 billion, which would translate into considerably smaller spending cuts in the coming fiscal year. President Johnson proclaimed that "some desirable programs of lesser priority and urgency are going to have to be deferred."

That, though the President naturally didn't say so, is what Representative Wilbur Mills and other key Congressmen have been telling him all along. They have observed that since spending demands on Government are roughly infinite, few things are so permanent as a temporary tax. Thus the leader who says a tax increase is necessary must also present an austere budget.

The Administration's response had consisted of denying the obvious by pleading a bare-bones budget. Subsidies for the supersonic transport, for instance, were increased only to $350 million in fiscal 1969 from $100 million in the current year. If that represents the Administration's notion of austerity in subsidizing business, imagine its standards of austerity concerning the social experiments of which it is so proud.

That particular foolishness may or may not be over, but the Administration's leadership problems are not. The legacy of its past talk even now saps its power to shape events. Despite the crisis, Congressional approval of a budget cut and tax increase package will not come easily. Mr. Mills, for one, is doubtful the newly proposed cuts are enough. Congress has already heard enough talk about austerity; this time it will want to see the color of the money involved.

The most serious mark against the Administration's leadership in the gold crisis, finally, is that everything was so utterly predictable. Ever since the British were forced to devalue the pound, certainly, there have been recurring threats and warnings about a speculative attack on the dollar-gold relationship.

The remedy has been equally clear: Getting the Federal budget closer to balance and clamping down on the wildly inflationary policies of the Federal Reserve Board. If the Administration had at the turn of the year proposed the spending cuts it now endorses, perhaps the crisis would never even have developed. Now that it is in full bloom, though, those same steps may not prove enough.

A single instance of such temporizing leadership is deplorable enough, but with this Administration it seems to have become a habit. Thus the whole record of its Vietnamese war is that of policy being shaped only by response to one crisis after another. In its general economic management, it rebuffed warnings of serious inflation even from the "new economists" until after the warnings had proved all too accurate.

In light of that record, it came as little surprise Monday that our Mr. Janssen reported that many within the Administration saw a "silver lining" in the gold crisis. They are thankful the crisis has arrived, because now it finally may be possible to do what should have been done all along.

That may be a silver lining, but it is also a sickening indictment of their own collective leadership. This Administration, it once again seems, can take the initiative only when prodded by impending disaster.

## STANDARDS OF CONDUCT

The Senate resumed the consideration of the resolution (S. Res. 266) to provide standards of conduct for Members of the Senate and officers and employees of the Senate.

AMENDMENT NO. 632

Mr. CURTIS. Mr. President, I call up my amendment No. 632 and ask that it be stated.

The PRESIDING OFFICER (Mr. HART in the chair). The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CURTIS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

Beginning with the word "All" in line 9, page 7, strike out all to and including the period in line 16, page 7, and insert in lieu thereof the following: "Except as otherwise provided by this section, all papers filed under section 1 of this rule shall be kept by the Comptroller General for not less than seven years, and while so kept shall remain sealed. Upon receipt of a resolution of the Select Committee on Standards and Conduct, adopted by a recorded majority vote of the full committee, requesting the transmission to the committee of any of the reports filed by any individual under section 1 of this rule, the Comptroller General shall transmit to the committee the envelopes containing such reports. When any sealed envelope containing any such report is received by the committee, such envelope may be opened and the contents thereof may be examined only by members of the committee in executive session. If, upon such examination, the committee determines that further action by the committee is warranted and is within the jurisdiction of the committee, it may make the contents of any such envelope available for any use by any member of the committee, or any member of the staff of the committee, which is required for the discharge of his official duties."

## ADJOURNMENT

Mr. LONG of Louisiana. Mr. President, if there is no desire on the part of other Senators to make statements at this time, I move, in accordance with the order previously entered, that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 20 minutes p.m.) the Senate adjourned until tomorrow, Thursday, March 21, 1968, at 12 meridian.

# EXTENSIONS OF REMARKS

## The Passing of Msgr. Francis Kowalczyk

### HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 19, 1968*

Mr. ROONEY of New York. Mr. Speaker, one of this country's finest statesmen, a patriot, and most revered churchman has passed away. I am sure that others in this body, including the gentleman from New Jersey [Mr. JOELSON], share with me the sorrow which comes from the untimely death of my warm friend the Right Reverend Monsignor Francis Kowalczyk. We shall mourn his departure not only because of the great personal loss of a longtime friend, but because of his great leadership and personal participation in countless patriotic and civic programs.

Monsignor Kowalczyk was born September 24, 1896, in Passaic, N.J., of parents who had come from the mountainous areas of Poland to establish their home in this country. Young Francis was not only given an American education, but he was constantly impressed at home with the responsibilities of good citizenship as an American and reminded of his rich Polish heritage.

He was graduated from St. Mary's College in Orchard Lake, Mich., in 1916 and from Immaculate Conception Seminary in South Orange, N.J., from which he earned his bachelor's and master's degrees. He was ordained as a priest on June 10, 1922. From this time until his death on March 8, a period of more than two score years, his life was devoted to his church, his country, and his people. He was particularly active in the interests and programs of American Polonia.

During those dark years when Hitler and his savage Nazis were subjecting the innocent people of Poland to such cruelties and privations, Father Kowalczyk devoted himself to aiding and protecting the thousands of Polish refugees escaping from the Nazis. Later he worked fervently with equal zeal to helping the refugees escaping from the same type of cruel subjugation by the Communists. For this great humanitarian work in behalf of the people of his parents' homeland, he was twice decorated by the Polish Government in exile in London.

Those of us who have labored over the years for improved immigration laws have all been grateful to Monsignor Kowalczyk and the American Polish Immigration and Relief Committee of which he was president, for continued support given us year after year.

The honors which this distinguished churchman received and the offices which he held are in themselves a glorious testimony of his consecrated service and his dedicated purpose.

Mr. Speaker, I call your attention to but a few of the items which indicate the magnitude of this fine man's contribution to his fellowmen:

On September 13, 1954, he was made domestic prelate of the Pope and on July 29, 1955, he was appointed apostolic pronotary.

He served as chief consultant of the Roman Catholic Diocese of Paterson, N.J. His interest in the veterans of Polish birth and parentage was manifested in his long service as chaplain of the Polish-American Association and chaplain of the New Jersey organization the Sons of Poland.

Because of his years of civic service in Polish-American organizations he was honored by being elected grand marshal of the annual New York Pulaski Day parade in 1961.

I shall miss my longtime friend whose advice and assistance have been of greatest value over many years. I shall always honor his memory and value the help he has given me. This is one great American whose deeds will long be remembered and cherished by his many benefactors who survive him.

Mr. Speaker, I know that there are many in this body who will want to join me in expressing our sympathy and extending our best wishes to Monsignor Kowalczyk's sisters in their sorrow.

## A Year of Growth for Wyoming

### HON. CLIFFORD P. HANSEN

OF WYOMING

IN THE SENATE OF THE UNITED STATES

*Wednesday, March 20, 1968*

Mr. HANSEN. Mr. President, 1967 was a year of economic growth for Wyoming. It was not a "boom year," but rather a year of solid and broad-based growth which will fuel future expansion.

It was only a relatively few years ago that we in Wyoming realized that we would have to work in a coordinated way at the State level to assure our future development. The year 1967 displayed some of the first fruits of that all-Wyoming effort.

A central role is reserved in Wyoming's economic development for the Wyoming Natural Resources Board. To date, the board's work in gathering data, coordinating plans for balanced growth, and getting the right people together at the right place and time has been well executed. Thus a sound future is assured in Wyoming.

I ask unanimous consent that the Wyoming Natural Resources Board's summary of 1967 economic activity in Wyoming be printed in the Extensions of Remarks.

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

A YEAR OF GROWTH FOR WYOMING, 1967

A careful study of the growth and development of Wyoming's economy during 1967 shows increased mineral production and exploration, expansion of companies operating within the state, entry of new companies onto the Wyoming scene and increased promotion of the state's natural resources added up to a favorable picture for the state in the last 12 months.

Mineral production in the state, according to the U.S. Bureau of Mines, reached an all-time high of $530.8-million in 1967, an increase of $6.4-million over 1966.

Wyoming is currently ranked 12th in the nation in over-all mineral production, first in the production of trona and bentonite, second in uranium and fifth in petroleum.

The oil and gas industry maintained its position of several years as the largest industry in the state. A total of 135,580,000 barrels of crude oil, according to the Federal Government reports, were produced in Wyoming in 1967. Total gross valuation of this crude oil was $349,796,000.

Natural Gas Production in 1967 was 254-million MCF, with a valuation of $37,592,000.

The state's oil industry experienced considerable growth during the year as a result of activity in the Northern Powder River Basin, discovery of the Recluse field and extension of the Kitty field.

ENTIRE STATE SHARES IN GROWTH

All sections of the state experienced growth during 1967. A recap of the major economic