

By Mr. MARSH (for himself, Mr. SATTERFIELD, Mr. SCOTT, Mr. WAGGONER, Mr. ABBITT, Mr. WAMPLER, Mr. HARDY, Mr. POFF, Mr. TUCK, Mr. DOWNING, and Mr. BROYHILL of Virginia):

H.J. Res. 1256. Joint resolution placing a limitation on the use of park lands of the United States and other public space situated within the District of Columbia; to the Committee on Public Works.

By Mr. TAYLOR (for himself and Mr. HARRISON):

H.J. Res. 1257. Joint resolution to commemorate the 100th anniversary of the establishment of Yellowstone National Park by providing for the national park centennial, and for other purposes; to the Committee on the Judiciary.

By Mr. BURTON of California:

H. Con. Res. 772. Concurrent resolution to create a joint congressional committee to be known as the Joint Committee on Health Affairs; to the Committee on Rules.

By Mr. CLARK:

H. Res. 1145. Resolution expressing the sense of the House with respect to the use of certain Government property; to the Committee on Public Works.

By Mr. HENDERSON (for himself, Mr. KORNEGAY, Mr. WHITENER, Mr. FOUNTAIN, and Mr. TAYLOR):

H. Res. 1146. Resolution expressing the sense of the House with respect to the use of certain Government property; to the Committee on Public Works.

By Mr. PODELL (for himself, Mr. EILBERG, Mr. HOWARD, Mr. WYDLER, Mr. DANIELS, Mr. MINISH, Mr. DULSKI, Mr. REES, Mr. PHILBIN, Mr. FRIEDEL, Mr. RESNICK, Mr. MOORHEAD, Mr. SCHEUER, Mr. GALLAGHER, Mr. HALPERN, Mr. WRIGHT, Mr. WALKER, Mr. RYAN, Mr. SCHWEIKER, Mr. CHARLES H. WILSON, Mr. PEPPER, and Mr. DONOHUE):

H. Res. 1147. Resolution that it is the sense of the House of Representatives that the

United States enter into an agreement with the Government of Israel for the sale of military planes, commonly known as Phantom jet fighters, necessary for Israel's defense to an amount which shall be adequate to provide Israel with a deterrent force capable of preventing future Arab aggression by offsetting sophisticated weapons received by the Arab States, and on order for future delivery, and to replace losses suffered by Israel in the 1967 conflict; 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. BATES:

H.R. 16914. A bill for the relief of Mrs. Vita Cusumano; to the Committee on the Judiciary.

By Mrs. BOLTON:

H.R. 16915. A bill for the relief of Jozsef Elek, Eva Elek (wife), Eva Elek (daughter), and Daniel Elek; to the Committee on the Judiciary.

By Mr. BROYHILL of Virginia:

H.R. 16916. A bill for the relief of the National Baptist Memorial Church of the District of Columbia; to the Committee on the District of Columbia.

H.R. 16917. A bill for the relief of James B. McGuire; to the Committee on the Judiciary.

H.R. 16918. A bill for the relief of Agostino Vazzana and his wife, Maria Stracuzzi Vazzana; to the Committee on the Judiciary.

By Mr. BURTON of California:

H.R. 16919. A bill for the relief of Proserpina Natividad Llanes; to the Committee on the Judiciary.

H.R. 16920. A bill for the relief of Kam Yee Ko; to the Committee on the Judiciary.

By Mr. CAHILL:

H.R. 16921. A bill for the relief of George A. Simons; to the Committee on the Judiciary.

By Mr. CELLER:

H.R. 16922. A bill for the relief of Evan Juan Fornilda; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 16923. A bill for the relief of Asunsion S. Castro; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.R. 16924. A bill for the relief of Francesco Parinisi; to the Committee on the Judiciary.

By Mr. KYL:

H.R. 16925. A bill for the relief of Yolanda Isabelle Platon; to the Committee on the Judiciary.

By Mr. REES:

H.R. 16926. A bill for the relief of Maria Halmal; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 16927. A bill for the relief of Catalino Boragay Flores, his wife, Teresita and children, Leesito and Thelee; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 16928. A bill for the relief of Amantino Santiago (Martinez); to the Committee on the Judiciary.

H.R. 16929. A bill for the relief of Liriano Benedicto Ortega; to the Committee on the Judiciary.

By Mr. ST. ONGE:

H.R. 16930. A bill for the relief of Pietro Giordano; to the Committee on the Judiciary.

PETITIONS, ETC.

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

301. The SPEAKER presented a petition of Clifford Karchmer, Princeton, N.J., relative to legislation on the organization of the executive branch of the Government, which was referred to the Committee on Government Operations.

EXTENSIONS OF REMARKS

The 1968 Political Platform of the Polish-American Congress

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. HELSTOSKI. Mr. Speaker, the Polish-American Congress, Inc., has outlined its objectives in a realistic approach to the problems of Eastern and Central Europe and the Polish people.

I have received a copy of this 1968 political platform from the California-Arizona division of the Polish-American Congress, and I feel that the objectives expressed in it should be brought to the attention of the Members of this honorable body, as well as to those who have access to the RECORD.

Mr. Speaker, under leave to extend my remarks, I introduce this document in the RECORD and commend it to the attention of my colleagues, as follows:

THE 1968 PLATFORM OF THE POLISH-AMERICAN CONGRESS

INTRODUCTION

The United States of America, the mightiest world power in the Twentieth Century, was built by the collective effort of pioneers and immigrants representing multi-varied cultural and historical heritages. From the

earliest days, Americans of Polish ancestry have contributed substantially to the growth of the imposing edifice of American civilization. Their contributions have not always been sufficiently recognized. Today more than ten million descendants of a millennium of political traditions based upon Western Christianity consider it their patriotic duty to fully participate, on an equal footing with Americans of other ethnic backgrounds, in furthering the development of our common American heritage at all levels of federal, state and local government.

The Polish-American Congress was organized in 1944 to act as the recognized voice of United States citizens of Polish ancestry. Speaking from profound experience and having extensive knowledge of East-Central Europe, we are convinced that the long-range aspirations of the Polish nation are in agreement with vital interests of American democracy. Therefore, we earnestly desire that our position be considered in formulating the guidelines of United States foreign policy concerning these areas; particularly with regard to two main issues:

1. FREEDOM FOR EAST-CENTRAL EUROPE

We fully appreciate the importance of United States' commitments in Asia. But, we shall not endorse a policy which turns the United States' back on our traditional allies in Europe. Isolationism is never the answer to setbacks of American foreign policy. Particularly with reference to Europe, isolationism facilitates the perennial expansionism of certain militaristic nations over the smaller, less powerful countries. This expansionism was typically exemplified by Hitlerite

Germany and Stalinist Russia when they entered the treacherous Ribbentrop-Molotov pact in 1939 to attack Poland and divide the country in a ratio of 54 to 46% between themselves. Stalinist Russia was then given more encouragement for its policy of aggression and annexation by the tragic decisions of Teheran and Yalta.

We fully realize that for humanitarian and pragmatic reasons East-Central Europe cannot be presently liberated either by war or a national uprising. However, we call upon the responsible public authorities in Washington to more effectively pursue a peaceful liberation of the whole region from the Soviet-imposed oppressive rule, to bring freedom not only to the thirty-two million Poles, but also the Byelorussians, Bulgarians, Czechs, Estonians, Hungarians, Latvians, Lithuanians, Rumanians, Slovaks, Ukrainians, and the remaining Jewish population which survived the German extermination. This requires a well conceived peaceful engagement of the United States in a gradual, thorough improvement of the general situation of these historical American Allies. These European countries were deprived of their political independence at the same time when national self-determination was being granted to most Africans.

As American voters, our support of any party platform or candidate, whether it be for the office of President, Senator, Congressman, or Governor, will be affected by their unequivocal position on the expectations of one hundred million Europeans behind the Iron Curtain who are supported by some twenty million kinsmen proud of their American citizenship.

2. THE DECLARATION CONCERNING PERMANENCY OF POLISH-GERMAN FRONTIER

In order to fulfill the role of our co-partner in the building of a just world order, Europe must be united not only in the loose cultural sense but also politically and economically. Such a new European structure must, however, preserve traditional national distinctions through an internationally guaranteed right for election of their autonomous governments. The military and economic rivalries enhance the rebirth of menacing tendencies towards supremacy of the more powerful nations over their weaker neighbors. The United States should undertake co-responsibility as the impartial guarantor of political independence of all nations in Europe within their just ethnic boundaries.

The unsettled territorial matters between particular countries have been a major obstacle to voluntary European unification. The main problem since 1945 has been the German claim concerning Polish lands east of the Odra-Nisa (Lusatian) rivers. According to the principles of international law, the Potsdam declaration signed by the victorious Big Three powers, after the unconditional surrender of Germany, leaves no doubt as to the finality of granting to Poland the Recovered Territories with Szczecin and Wrocław. It is the unfortunate postponement of the detailed field delimitation until the future peace conference that gives an opportune chance to German revisionism to question this frontier, which has been existing *de facto* for the last twenty-three years.

One of the most constructive opportunities for American foreign policy should therefore be an immediate declaration of the finality of the Potsdam decision in this matter because:

- This would best reflect the spirit of the Potsdam Agreement.
- The return of these territories to Poland is the sole recompense for the six million lives and for the horrible devastation caused by the German aggressors in the 1939-1945 period.
- It will be the most practical measure towards maintaining the Polish nation's traditional trust in American goodwill.
- It will deprive Soviet Russia of her monopolistic position as the sole guarantor of this frontier against the menace of the reborn German militarism.
- It will ultimately create a firm foundation for the gradual improvement of Polish-German relations.
- It will secure the existence of ten million Poles settled and born there, who have rebuilt these lands utterly devastated by the retreating Germans and the conquering Russians.

Consequently, American Polonia will actively support those candidates who commit themselves to the task of obtaining an unequivocal declaration that the Polish-German frontier has been unconditionally determined in Potsdam regardless of any eventual peace conference.

ADDITIONAL POSTULATES

Granting the over-all importance of the above two demands we Americans of Polish ancestry expect our government to expand and enliven our involvement with the Polish nation in economic, cultural and scientific exchange in a manner that could not be construed as an aid to the Communist rulers of Poland. While we recognize that all precautionary measures must be taken, when dealing with officials representing any government subordinated to U.S.S.R., we nevertheless deem it necessary to further increase mutual artistic and intellectual contacts.

Similarly the Polish currency frozen in our treasury should be used for humanitarian projects directly benefiting Polish people such as the "Children's Hospital" recently completed in The Krakow district. These

funds could also be utilized as a guarantee for possible private United States investments in Poland. Continuation of Poland's status of a "most favored nation" is essential to increase her trade volume with America and thus gradually decrease her economic dependence upon Russia.

In view of the many unpunished Nazi war criminals still at large, we demand most urgently, in the interest of justice, the extension of the German Statute of Limitations which expires in 1969, for an additional period of five years. Since most of those crimes were committed against the Polish and Jewish people, we demand that the pledge of the German Government of November 24, 1964, to find, prosecute and convict all Nazi war criminals, be fulfilled.

In the sphere of domestic politics, we demand that the number of qualified Americans of Polish ancestry in appointive Government posts at all levels (including Cabinet) be substantially increased to better reflect the actual weight of Polonia in this country of ours.

In view of the above, we urge all Americans of Polish ancestry to fulfill their obligations as citizens by registering and voting in all elections. We should become more active within the political parties according to personal preference. We should also become more interested and involved in the solution of public questions both domestic and foreign. We recommend the study of the qualifications of all the candidates for public office with a critical eye.

We affirm our unequivocal support of the Constitution of the United States and the Bill of Rights. We demand a better enforcement of equal rights for all American citizens so that no one group may usurp special privileges to the detriment of the constitutional rights of others. We stand firmly against defamation of any race, religion or national origin. In particular, we favor a revision of the discriminatory provisions in the existing Immigration Laws pertaining to the immigrants from Poland.

We recommend the support of qualified candidates whose programs are in agreement with our platform.

Polish-American Congress in California and Arizona: H. Westwalewicz, President; Dr. J. Lerski, Chairman of Political Commission; Z. Zakrzewski, Secretary of Political Commission; San Francisco, S. Sliwinski, Chairman; Phoenix, Ariz., J. Kiebowski, Chairman; San Diego, M. Kreto-wicz, Chairman; and Sacramento, B. Witkowski, Delegate.

Sioux Empire College, Hawarden, Iowa

HON. BOURKE B. HICKENLOOPER

OF IOWA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 30, 1968

Mr. HICKENLOOPER. Mr. President, Iowa is rightly proud of its fine institutions of higher education, both public and private, some smaller but with no less high standards of performance than those of larger State universities.

One of the newest of Iowa's colleges is Sioux Empire College, at Hawarden, Iowa. With the cooperation of the community and under the leadership of its president, Dr. George S. Reuter, Jr., and a working board, Sioux Empire College has made significant progress and has proved itself truly dedicated to filling an urgent need.

I regret that I was unable to attend the ceremonies of dedication of the

campus of Sioux Empire College on February 17, 1968. Several excellent speakers participated in the dedication, including the prominent Chicago attorney, John Ligtenberg, of the firm of Ligtenberg, Goebel, and De Jong.

In view of the wide interest in such institutions of higher education, designed for the needs of the community, I ask unanimous consent that Mr. Ligtenberg's remarks be printed in the Extensions of Remarks.

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

REMARKS BY JOHN LIGTENBERG AT DEDICATION OF THE CAMPUS OF SIOUX EMPIRE COLLEGE, FEBRUARY 17, 1968

I could not resist the invitation of President Reuter to attend this important event. For I was born in the land of the Sioux about 100 miles to the west. And at this place I am nearer home than for a long time.

Great changes have taken place. In the perspective of history, a century is only a moment. Yet it is only 117 years ago (1851) that the Sioux Indians finally gave up their claims to this region; and it is only 122 years since Iowa became a state.

There is hardly any place in the world that was a better place for the pioneers to settle. Iowa has a great share of the most fertile land on earth. You Iowans soon became prosperous enough to remember the saying that man shall not live by bread alone, and it did not take you long to start building schools and colleges, and ultimately, some outstanding universities.

The institution you have begun here is proof that the old ideals still burn brightly. Where, if not in Iowa, could you expect to find people who want to shape a college to the needs of their own community.

And if the spirits of the Sioux still people this prairie, they can at least know that their love for freedom, their courage, their untrammelled hearts have found embodiment in the people who live here now.

Hawarden, a city in this fertile valley, is a most excellent place for a new college. Ruth Suckow, a distinguished American writer was born here. If you need a literary patron, you have one ready made and homegrown at that. In the middle of the continent, you can expect to strike a balance between the East and the West.

You can hope to escape the excess of Berkeley, and, by the way, Chancellor Roger Heyns, UC-Berkeley, was born right here in Sioux County, Iowa, if I am not mistaken about his identity.

You can also hope for a chance to avoid some of the problems that vex the big cities. And there is just a chance that China or Russia will decide that nothing here is worth the cost of a bomb.

They would be mistaken, of course, for the most important thing about America is its spirit, and there is plenty of that here to reseed the whole world.

You have great drawbacks too. Your very position of security in midcontinent will tend to isolate you from the world. As an educational institution, you have a great need to be in the world, though perhaps not of it.

Long ago, an English poet, John Donne, pointed out that no man can be an island unto himself—that each one is a part of the main. And that is true of Hawarden and Sioux Empire College.

While seeking what is good in and for this community, the windows of this college must be open. Its antennae must be raised high to receive knowledge from all the world. The winds of learning must blow free over this campus we are dedicating today.

By the time this college reaches its age of majority, the 21st Century will be near. Does

any one have an idea of what the world will be like in the year 2000 A.D.? Will it still be Anno Domine, a year of our Lord?

We recently became a nation of 200 million. By then we are expected to go well beyond 300 million. If so, you can expect many invaders from the East. Will you be better prepared to meet them than the Sioux Indians in 1830-1840?

Will there be interplanetary travel? What language requirements are you going to have for applicants from Mars. Are you going to permit the girl students from Venus to wear their traditional costumes, or will you insist on mini-skirts, at least?

In other words, we may think of the Sioux Valley as our community, when all the time we already know that we belong to America, to all the Western World, to our Judeo-Christian culture, to the vast globe itself.

Even as we suffer torture in Vietnam—half a world away—do we not already have intimations that our destiny extends beyond this planet to the universe itself.

Is Sioux Empire College ready to meet its destiny? Are we ready and willing to build it for its ultimate purpose?

On a smaller river than ours here, a man sent from God commenced a new order for the ages. And on the U.S. Dollar are those words in Latin "Novus ordo seclorum." If our hearts are really in it, we can start something new here too.

The 35th Anniversary of Service to the Temple on the Heights and the Cleveland Community of Rabbi Rudolph M. Rosenthal

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. VANIK. Mr. Speaker, I wish to call to the attention of the House of Representatives the celebration this Sunday evening, May 5, 1968, of the 35th year of service of Rabbi Rudolph M. Rosenthal to the Temple on the Heights, B'nai Jeshurun Congregation and the Cleveland community.

My dear friend, Rabbi Rosenthal, has been one of the hardest working and most steadfast supporters of the dignity, human rights, and religious freedom of every American citizen.

He has been the shepherd of a devoted flock of his great temple for these many years. He has steadfastly and forcefully worked in religious counseling, teaching, and leadership in the great tradition of his religious teachings and the Judaic law. His sound and wise counsel for his congregants and for citizens throughout the Cleveland community have been a major contribution to the life of our people.

Rabbi Rosenthal has been imbued with the ecumenical spirit throughout his religious career. His vigorous work in bringing together men in groups of all faiths, creeds, and races has been exemplary. The honors which have been conferred upon him during his long and fruitful career attest to the love and devotion which is shown by everyone in our metropolitan area of Cleveland and by people from all parts of the country and of the world.

His honors have included degrees from Wilberforce University, Payne Theological School, Rio Grande College, Monrovia College in Liberia, Allen University, and Paul Quinn College. He was the first rabbi to be honored by these colleges. Rabbi Rosenthal was also honored by a host of other colleges and particularly by Philathea College of London, Ontario, with a degree of Doctor of Divinity and was proclaimed a fellow of the college.

He was the first rabbi appointed chaplain of the Cleveland Fire Department and is also an associate chaplain of the Jewish War Veterans Post No. 14, for which he has received numerous citations.

In 1967 Rabbi Rosenthal was named "Veteran of the Year" by the Joint Veterans Commission of Cuyahoga County.

He is a member of the Committee on Church and State of the Central Conference of American Rabbis, the Bureau of Jewish Education, Grand Jury Association, Ohio Mental Hygiene Association, the American Cancer Society; he is a member of the Wilberforce University Foundation and has also served as its treasurer.

Rabbi Rosenthal has served many times as an informal ambassador of goodwill during his extensive travels throughout the world. It has been because of his perseverance in developing knowledge of world problems that he has been able to return to our community and lecture on the problems of developing nations and interpret for the people of our community the problems and progress of the State of Israel.

I wish to extend congratulations and best wishes to Rabbi and Mrs. Rudolph Rosenthal and their family on this important occasion of his 35th anniversary of service.

It is our hope that we are lucky enough to enjoy the friendship and continued service of Rabbi and Mrs. Rosenthal for many years to come in our community and in our Nation. May God bless them both.

Textile Industry

HON. PAUL J. FANNIN

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 30, 1968

Mr. FANNIN. Mr. President, earlier this month, the American Textile Manufacturers Institute, the central trade association for our basic textile industry, held its annual convention in Phoenix. We in Arizona are proud of the fact that our State was selected as the site for the first meeting ATMI has ever held west of the Mississippi.

Although people generally think of the textile industry as being located in New England or the Southeast, the people living in the Western States have close economic ties with the industry which weaves, spins, and finishes the \$19 billion worth of textile products manufactured annually in this country.

Arizona grows some of the finest cot-

ton in the world, a crop worth as much as \$150 million in recent years. There are about 3,500 Arizona cotton farmers and another 15,000 Arizonians employed in cotton processing and distribution. In addition, Arizona ranks 13th among all our States in wool production. Arizona has a large stake in the textile industry, and the textile industry has a large stake in Arizona.

In his address to the 950 people attending the convention, Mr. Frederick B. Dent, president of ATMI, pointed out that much of the rest of the country also has an economic interest in the well-being of the textile industry.

Mr. Dent said that every State except Hawaii produces wool for the textile industry; that 19 States grow cotton; 22 have manmade fiber producing plants; and 42 have textile plants.

Because Mr. Dent did such an excellent job of explaining why all Americans have a vital stake in the textile industry, I ask unanimous consent to have a portion of his remarks inserted in the RECORD, at this point.

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

IF ANYONE SHOULD ASK

(Remarks by Frederick B. Dent, president at the 19th annual meeting of American Textile Manufacturers Institute, Phoenix, Ariz.—April 3, 1968)

Since enthusiasm and growth have become the hallmarks of our industry, it is only fitting that we have chosen Arizona as the site of our Annual Meeting.

Look at the record this state is compiling. In the last twenty years the population has grown 250%, personal income 630%, retail sales 500%, agricultural income 300% and manufacturing output 1,500%. It leads all other states in growth of manufacturing employment and bank deposits and is second in growth of non-agricultural employment and population.

They are converting arid desert lands to an industrial oasis where machinery manufacturing including electrical products is the greatest single employer of manufacturing personnel, followed by ordnance aircraft and parts, and where more people are moving into the area for reason of employment than any other.

Aside from the state's vigor, however, ATMI had an even more compelling reason for coming to Arizona this year.

All too often people think of the textile industry's scope as being limited to only a part of the country. We are considered historically an eastern industry, and the heavy proportion of our manufacturing facilities are located in the southeast. But the economic influence of our industry extends far beyond the eastern seaboard.

In fact, the industry, or its suppliers, or its leading customer, the apparel industry, can be found in literally every state in the Union. In one way or another, we can find links to textiles in Arizona and in New Mexico just as readily as we find them in South Carolina or Georgia.

For instance, in Arizona the number one cash crop is cotton, pumping as much as \$150 million into the state's economy in recent years. . . . Arizona is our country's fifth ranking cotton producing state, and one of only four which produces the lush, long American-Egyptian cotton. Much of this is grown right here in Maricopa County.

It is the 13th ranking wool producing state, growing more than 3½ million pounds each year.

There are some 150 apparel plants in Arizona, employing approximately 5,000 persons. There are about 3,500 cotton farmers and their families, and more than 15,000 who are employed in cotton processing and distribution. Textiles have a large stake in Arizona, and Arizona has a large stake in textiles.

But Arizona is by no means unique in this respect. For instance, we purchase wool in New Mexico, Colorado, Utah, Montana, Wyoming and Nevada worth more than \$37 million annually. . . . There are 457 apparel plants in these states ranging from 21 in Nevada to 215 in Colorado.

The sale of cotton and wool pumps about \$300 million a year into the economy of California, and there are more than 10,000 textile employees and 60,000 apparel employees in that state.

Every state in the country, except Hawaii, produces wool for the textile industry; 19 states grow cotton; 22 have man-made fiber producing plants; 42 have textile plants. The apparel industry has nearly 25,000 plants located in every state of the Union. They range from a top of 12,082 in New York to only one in Alaska.

If anyone should ask you who is involved in textiles, tell them:

The men and women working on 243,000 sheep ranches and 500,000 cotton farms who receive more than \$1 billion 200 million each year from the sale of their products to the textile industry.

The 950,000 men and women employed in our textile plants who share in an annual payroll of \$4½ billion.

The 1,390,000 employees of the U.S. apparel industry whose payroll exceeds \$5 billion per year.

The 90,000 employees of the man-made fiber industry, splitting a payroll of nearly \$650 million.

The construction workers and machinery manufacturers who will find an \$860 million market in textile industry this year.

The hundreds of thousands employed in the paper industry who annually supply textiles with \$240 million worth of their products.

The truckers who enjoy a \$100 million textile hauling market.

The power and fuel producers who rely on textiles for a \$420 million market.

Even the corn farmers of Iowa and Indiana whose product goes into \$31 million worth of starch consumed by the textile industry each year.

If anyone should ask you, tell them that each year the textile-apparel complex spends approximately \$30 billion for the products and services of other industries, and that about 15 million persons are relying on this complex, directly or indirectly, for a livelihood.

If anyone should ask who is involved in textiles, tell them what I have told you. Tell them that the textile-fiber-apparel complex is the largest employer of labor in the United States.

While you are telling them this, you might add that our Army, Navy, Air Force, Marine Corps and Coast Guard have a stake in textiles, too. The textile industry supplies an average of 200 yards of cloth for every man and woman in uniform. In all, some 25,000 textile items from socks to bullet-proof vests are used by the military.

Foreign nations also have a fat stake in U.S. textiles. They have applied American technological developments such as wash-and-wear, durable press, soil release, washable wools—to name but a few, and shipped them back into our home market. An example of American research dollars helping to stimulate competition.

Not long ago, I heard about a young man fresh out of medical school who was treating his first patient. The patient described all his symptoms, and the young doctor tried to

diagnose what was wrong. But he failed. His knowledge was too limited. He even went to a big city medical library and looked at the books, but he still could not figure it out. Finally, he went back to the patient, and asked, "Sir, have you ever had this problem before?"

The patient replied, "Why, yes."

"Well," said the doctor, "you have got it again."

Of course, we do not have the low wage import problem again; we have had it all along.

The cause has been a promiscuous foreign trade policy which has encouraged foreign-made textile products to come into this country in ever increasing volume. For example, during January 1968 the latest month for which statistics are available, the volume of textile imports reached the highest monthly level in history, virtually 1½ square yard for each American man, woman and child during that one month alone. . . . Furthermore, this level is 103% of the comparable month four years ago in 1964 which also happens to be the first year for which we have records including totals for cotton, man-made fiber and woolen products.

This import disease affects a broad cross-section of occupations in not only the textile industry, but all those industries which supply and serve textiles.

Unlike the young doctor in the story, however, we are quite familiar with this disease. President Kennedy diagnosed it in 1961, and recommended a 7-Point Program to cure it. Unfortunately, it has only been partially carried out.

In the last year, more than 250 Senators and Representatives have endorsed two bills prescribing International agreements which will hold imports of textile products to reasonable levels, and at the same time allow foreign producers a rightful share in our market and its growth.

In an impressive vote, one of these bills was approved recently by the Senate. Its action was a giant step along the road to recovery. It is our fervent hope that the rest of Congress will give this Legislation the consideration it deserves, and something will be done before the patient winds up a basket case.

Through inaction the textile industry could die of "Infectious Importitis". And, ironically enough, its shroud might be labeled "MADE ABROAD".

Once before in the past, Congress acted to relieve inequitable governmental burdens placed on the textile industry.

In 1964, the two-price cotton system was shelved. It had been in force 8 years and had come about as a result of a governmental program to reduce cotton surplus, and to build overseas market.

We will not soon forget the effect this system had, not only on the textile industry, but cotton agriculture. Mills were forced to cut consumption of cotton.

Adding to the injury of both the cotton farmer and the industry was the fact that the two-price system made it much easier for foreign manufacturers to sell in our own textile market. Cotton textile imports rose dramatically, boosted by cheap raw materials and cheap labor.

Last year our consumption of cotton increased one million bales above the level of 1963, the last two-price year.

As you know, the Legislation which brought back the one-price system, comes up for renewal next year. It was naturally heartening to hear the President's farm message in February urging its permanent enactment this year.

We urge the maintenance of a one-price cotton system. In fact a return to a two-price system would be viewed by the textile industry as a clear signal from the raw cotton industry and the government that they are no longer interested in expanding, or even

preserving domestic consumption of raw cotton.

Today we have considered some of the problems of the textile industry which must soon be corrected. We have reviewed some of the vast numbers of people who are depending on a solution to these problems.

But we must consider more than just America's involvement in textiles; we must consider the textile industry's involvement in America. Our concerns transcend the problems peculiar to our industry and focus as well on the problems affecting our nation. This industry can point with pride to areas in which it has made significant contributions toward the riddance of these problems.

It can show how it has complied not only with the letter but with the spirit of civil rights legislation in offering employment to qualified applicants without discrimination. It can show how it has spent and committed millions of dollars to combat pollution of our rivers and streams. It can show how it has spent millions more on scholarship programs; grants-in-aid and donations to institutions of higher learning to improve the level of education in its communities.

It can show it has recognized the needs and wishes of consumers by providing them with variety and quality at reasonable prices.

To these extents we are involved, but the burden is upon us to become even more involved. Our society is in ferment. Its very roots are threatened. The country is calling for dedicated leadership on a much more expanded base in order to restore traditional values and redirect national energies for growth and progress.

This is an election year. If we want good government, we must work for good government. We must give time, effort and money to those candidates who stand for good government.

We must exert our influence as leaders in our communities and companies to end the era of permissiveness that began in the 1930's. . . . An era in which proper discipline has escaped from the family, from our society, from our economy and our nation. . . . An era wherein national morality has waned seriously.

American business is the heartbeat that has always pushed our society and its citizens on to higher goals and achievements. . . . American business leadership has already ushered in this era of participation to assist in solving national problems. We must continue this.

Involvement, imagination, alertness and dedication are what is needed not just in Washington, but throughout the land. These are the true meanings of democracy which have been lost sight of in recent years.

As Theodore Roosevelt said:

"The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs and comes short again and again; who knows the great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best, knows in the end the triumph of high achievements; and, who, at the worst, if he fails, at least fails while bearing greatly."

We must communicate the urgency of the situation to our employees, associates and stockholders.

An aroused America with dedicated leadership in every community, with its eyes on the future—rather than on Washington—and its feet planted on traditional values will see that the problems of education, of employment and decay can be solved, that we can tax ourselves when confidence in expenditures has been restored.

Abraham Lincoln once said:

"When the people rise in a mass, in behalf of the liberties of the country, truly it may be said that nothing can prevail against them."

Thank you.

The Winner of the Veterans of Foreign Wars' Theme Contest in Rhode Island

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. ST GERMAIN. Mr. Speaker, each year the voice of democracy contest is conducted by the Veterans of Foreign Wars of the United States and its ladies auxiliary at which time some 35,000 school students participate for prizes which includes a \$5,000 scholarship.

The theme of this year's contest was, "Freedom's Challenge," and the winner from the State of Rhode Island was Miss Judith Snyder, of 277 Middle Highway, Barrington, R.I.

I believe that Miss Snyder's remarks are worthy of the attention of my colleagues. Therefore, at this time, Mr. Speaker, with unanimous consent, I insert into the RECORD the full text of Miss Snyder's eloquent theme:

FREEDOM'S CHALLENGE

To live or to exist, to prosper or to survive, to feel or to endure, to be recognized or to be trampled. This is the challenge which faces each and every individual—the challenge of freedom versus oppression.

As we walk along the winding path of life, we are sure to find many obstacles; but if this path leads to freedom and fulfillment, to liberty and justice, then we can endure. Our path of life is well trod and firmly established; but on its boundaries, and sometimes even blocking its way, we can see the twigs and branches of opposition. These are the hate groups, the extremists, the criminals, detractors, and subversives. These are the rocks and stones of poverty, ignorance, physical and moral cripples, and enemies from without. Yet somehow these obstacles are constantly being dealt with, and through the tangled mesh of branches on all sides of this path shines the light of freedom. With this light, we, as Americans and free individuals, are filled with the conviction that our nation is worth every sacrifice that we may be called upon to make.

The United States, a nation which has grown out of a wilderness; a nation which has never forgotten her flaming heritage—the heritage of a united people. The patriots, statesmen, and citizens of our country have never forsaken their ideals or convictions. They have striven for the fulfillment of the American dream and the dream of all free peoples everywhere—to have a united world and not just a United States.

Yet we are the fortunate ones. We have the privilege to live life as free individuals, to make our own decisions and to reap the benefits from our democratic society. But what about those who cannot bypass the obstacles on the winding path? What about those whose path is so narrow and so tangled that they are trapped and at a standstill? Their obstacles are not mere twigs or branches but whole forests—The Berlin Wall, the Iron Curtain, the barricades of oppression. It is our responsibility to see that the maze of doubt and hopelessness is removed from this path. Though it may take centuries to cut down the forest of oppression, we need not sit idle. For the torch of freedom continues to shine, and this shining light can penetrate even the blackest mesh.

We must never yield to the oppressors, we must never allow the obstacles to our path of life to mount up, to block our way, or to force us to step even for a moment off to the sidelines. For there we will become mired in the mud and will slowly

sink, helpless and unheard, into the swamp of oppression. We issue to all the plea for peace and the pledge of freedom. We pose a challenge to those nations whose torch of freedom has long since been extinguished and buried. We, of the United States of America, stand firm in our belief that we are a nation never to be excelled and never to be equalled.

The woods are lovely, dark and deep, but we have promises to keep, and miles to go before we sleep, and miles to go before we sleep."

So spoke Robert Frost and so, too, must we speak. For freedom is of the people, by the people, and for the people, and without the people it cannot stand. We must never forsake it, never mistrust it, and always believe in it; for without it, we are nothing more than a pebble on that infinite path of life. This is our country, our heritage, and our conviction, and let no force dare deprive us of it.

This, yes this, my fellow Americans, is freedom's challenge.

Changes in Eastern Europe

HON. WALTER F. MONDALE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 30, 1968

Mr. MONDALE. Mr. President, changes are following one upon the other in Eastern Europe. In Rumania, Czechoslovakia, and Poland protests of several kinds have drawn the attention of the world to the clear efforts at greater independence from Russia and better relationships with the West.

West European nations and England are taking advantage of these changes to increase their exports. Their benefit from the lack of American competition is a loss to our exports felt by American businessmen and by our balance-of-payments position.

A London Times editorial and news article describe the East-West trade opportunities as they are seen in Britain. I ask unanimous consent that an editorial published in the London Times of March 23, 1968, and a news article entitled "Communist 'Thaw' Could Transform World Trade" published in the London Times of Monday, April 1, 1968, be printed in the RECORD.

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

[From the London Times, Mar. 23, 1968]

TIME FOR BUSINESSMEN TO PUSH EASTWARDS

As a trading nation Britain can only succeed by pushing at doors, whether they are ajar or, seemingly, firmly shut against her. It is high time a firm shove was given to the door leading to the Eastern block. President de Gaulle is already doing what he can to pick the lock.

British trade can be expanded slowly and painfully along the traditional channels to Europe, the Commonwealth, the developing nations and the United States. Nowhere in dealings with these countries are opportunities likely to appear for a new British trade bonanza.

On the other hand the Eastern block is there, a fruit ready for the plucking. The first Western nations to enter into concerted multilateral trading arrangements on a substantial and regular basis with the East will be able to boast the greatest leap forward

in international trading in all the post-war years.

Last year Britain's imports from Russia were worth £123m. Exports to Russia of £63m. nowhere near redressed the balance. Imports from Poland were worth £56m. against £48m. exports; imports from east Germany £12m. compared with £13m. exports; imports from Hungary £9m. against £12m. exports; imports from Rumania £25m. against £9m. exports; and imports from Czechoslovakia £20m. compared with exports of £13m. This is small business between big countries; furthermore, the balance of trade is decidedly against Britain.

Britain admittedly has been working harder than most other Western nations in the East block market recently. The massive Polyspinners deal with Russia for chemicals and textile plants was directed in its financial aspects by the Export Credits Guarantee Department so astutely that Britain found herself a pacemaker for this kind of business between East and West.

What is needed now is real nerve in British Government and industrial circles to push that door to the East wide open. The time is propitious. Recent events in east Europe have all pointed towards new opportunities arising there for the business managers to enjoy much greater freedom in their trading with the West. The latest example is the statement by Jaromir Balcar, the vice-president of the Czechoslovak Chamber of Commerce, who has been leading an industrial delegation to Britain, that his country is looking towards full convertibility for the Czechoslovak Crown.

That has great significance for East-West trade. Even the most energetic British exporters to the East share serious doubts about ever managing really big business while the East-block currencies remain non-convertible and trade is constrained by the tram-lines of a series of bilateral agreements. But the Czechoslovak proposition opens up a new vista of multilateral trading in the widest possible sense across all Europe and into Russia as well.

Already the methods of trading between East and West have discarded much of their former formality. The monolithic state trading organizations of the East block have been effectively superseded by managers working to the profit motive once again and thus anxious to keep their trading arrangements in their own hands. Given freer currency arrangements suitable for multilateral trading, these new men of the East and British businessmen can together look towards trading horizons so wide that, as yet, they are still dreams.

[From the London Times, Apr. 1, 1968]

MICHAEL SHANKS SEES A BREAKTHROUGH IN EASTERN EUROPE: COMMUNIST "THAW" COULD TRANSFORM WORLD TRADE

Two spectres haunt the capitalist world today—the threat of a world monetary breakdown and the danger of a world trading recession. But, from an unlikely and hitherto little-noticed quarter, relief may be at hand. Capitalism may be about to get a substantial fillip from Communist east Europe.

Much has been written in recent months about the "thaw" in eastern Europe, now reaching such a remarkable culmination in Czechoslovakia. There has been a good deal of academic discussion about the problems of applying incentives, a free price mechanism and the profit motive to a fully-planned economy—and more recently there has been much interest in the west in the political and cultural aspects of the struggle for reform in these countries.

But there has been very little consideration what all this might mean for the future of world trade and investment. Yet I believe these consequences could be profound and beneficial.

Much of postwar economic history can be explained in terms of 10-year time-lags. The mass consumer spending revolution, which reached the United States in the late forties and western Europe in the late fifties, has now in the late sixties begun to reach eastern Europe (including the Soviet Union). These countries are therefore poised on the brink of the great upsurge in consumer spending and living standards, the breakthrough to affluence, which has transformed western Europe and Japan in the last decade.

If history repeats itself, therefore, eastern Europe could provide something of the same kind of expansionary impetus to the world economy that the west European "miracles" have already done—and at the same time provide a substantial new market for western capital and consumer goods which could at least help to offset the reduction in world purchasing power if the Anglo-Saxon nations succeed in ending their payments deficits.

Is this a real prospect, or a pipe dream? Certainly until a few years ago it looked as if political forces in the Communist world would prevent the natural process of evolution taking place.

But in all countries in the Soviet bloc, the strains of operating a controlled economy with the ending of scarcities and a widening range of consumer choice have been posing increasing problems—just as in Britain at the beginning of the fifties. The result was a growing misallocation of resources and a slowing-down in the rate of expansion through inadequate market orientation, seen at its worst in Czechoslovakia.

The eastern European countries have faced a second economic problem, too, which has grown increasingly irksome and with which we in Britain should have some sympathy. These countries desperately need the opportunities and the disciplines of a common market. This need applies particularly to the more advanced countries which cannot exploit the economies of large-scale production within the limits of their comparatively small home markets.

The only country in the group to which this limitation does not apply is the U.S.S.R.

Unless the Czechs, Hungarians, east Germans and Poles can find some way of establishing more specialized economies geared to international markets they are in danger of missing out on a whole range of modern industries from cars to computers.

The Communist authorities have not been blind to the dangers of autarky and the advantages of specialization, and they have tried to solve the problem by integrating the national plants of the countries concerned through Comecon. This has worked reasonably well for commodities and basic materials, but very badly for manufactures.

The reason is that under the Comecon system agreements to concentrate production in a single member-country are political decisions between governments and not a function of competition and market forces. No government has been willing except in special conditions to relinquish claims to a potentially important industrial activity—least of all those in a relatively under-developed condition and therefore most anxious to build up their industrial base.

The failure of Comecon, compared with the success of the west European Common Market, has incidentally rather alarming implications for the mooted European Technological Community.

For as Jean-Jacques Servan-Schreiber points out in *Le Défi Américain*, Europe cannot establish a viable technological rivalry to the United States simply by removing obstacles to internal trade *à la* Treaty of Rome. What will be needed is definite governmental agreements to concentrate research, development and production for a European-wide market in particular locations and countries. If Comecon is any guide, this will be a very slow and frustrating exercise.

For these reasons, partly internal, partly external, the postwar political-economic system of the east European countries has reached a dead end. In their efforts to find a way out of the maze, different countries have followed different routes. The Polish attempt to give priority to political and cultural relaxation has run on to the rocks because the country's leaders could not deliver the economic goods.

The Czechs, following a more Marxist logic, have given primacy to economic liberalization, and in doing so have demonstrated that to be effective economic reform must lead to political changes, if only because the existing politically appointed cadre of industrial managers lack the competence to operate a commercially oriented economy. In the planned economies of eastern Europe a change from sellers' to buyers' market, from production to marketing orientation, has explosive political implications. It involves a managerial revolution and in these countries political and industrial management are inextricably intertwined.

Where the Czechs have led, it looks as if the Hungarians and then the Poles must follow—and what then will happen to isolated east Germany? One of the first consequences is likely to be a liberalization of foreign trade relations and the evolution of a common market in some form between at least the more advanced east European nations perhaps including Yugoslavia. At the same time there will almost certainly be a marked increase in trade in consumer goods with the west. General de Gaulle's vision of a Europe united "from the Atlantic to the Urals" will have moved at least one step nearer to reality.

This, at any rate, is the direction in which market forces are pressing. There is a huge unsatisfied demand for western consumer goods, capital and know-how in eastern Europe. If the political barriers are removed, as now seems increasingly likely, the only remaining question—and it is a very big one—is whether the Communist countries will be able to pay for the imports they need.

This may be less of a problem than appears at first sight. Certainly these countries' shortage of foreign exchange today is acute. But if political confidence can be established they should be quite attractive outlets for capital investment. In almost every case they have very well-developed infrastructures and intelligent and well-educated labour forces with a strong technological element.

They should, in short, be good investments for western capital. Their need for outside capital is very apparent to these countries. There has been a sharp increase in recent years in know-how agreements and turn-key contracts (in Russia as much as in the smaller countries), culminating in plans for the establishment of complete assembly plants as in the Fiat and Renault agreements. Moreover, Czechoslovakia has let it be known that she is considering applying for readmission to the International Monetary Fund and for an international governmental loan. The prospect is intriguing. Will an I.M.F. team of Chicago-educated economists descend on Prague to vet the Five-Year Plan of a Czech Minister of Finance for capitalist orthodoxy? Well, stranger things have happened in recent years.

There seems at least a reasonable chance, in fact, that during the next few years we shall see a major increase in western exports to, and investment in, eastern Europe—and this process will probably extend also to the Soviet Union itself. This will not only provide a welcome stimulus to world economic development; it should also help to reduce international political tension, at least in the community of white peoples.

The caveat is crucial. If the forces of economic change and technology are reducing the gap between the white nations, Communist and non-Communist, they are, I fear,

widening the gap between these nations and the non-white, non-industrialized countries, Communist and non-Communist alike. The "North-South" divide is widening as a result of these forces.

Modern technology is increasingly providing manufactured substitutes for the traditional commodity exports of the developing countries and the rapid productivity increases in western farming (likely soon to be reproduced in the Communist countries, with the belated spread of fertilizers and the retreat from collectivization) is making inroads into the other traditional field of developing country exports.

In short, the traditional pattern of world trade is breaking down and we need to replace it with a new one in which the developing nations are enabled to export manufactured goods. Is there any sign of this happening? The dreary and apparently fruitless proceedings of the U.N. Conference on Trade and Development in New Delhi give little ground for optimism.

Murphy's Invitation to Violence

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. RARICK. Mr. Speaker, Patrick Murphy's statement that he would "resign" if he were instructed to order Washington, D.C., officers to shoot looters and arsonists in a riot should incense all Americans to demand his immediate ouster. He now constitutes a symbol of public unsafety.

First, he publicly gives notice that he is a quitter and will surrender to the criminal forces under fire.

Second, he already admits his complicity in the great loss of life and damage because of personal lack of courage and leadership to carry out his sworn duties to maintain law and order.

Third, he is notifying every citizen in the District and the Nation that he will perform no differently in any future attack on our Nation's Capital.

Fourth, he has just given the green light to every disloyal extremist, criminal, and Communist to take over Washington, D.C.; that all the next wave of looters and rioters need to avoid arrest is to be able to outrun the officers and escape the fury of the already outraged citizenry.

The American people can no longer sit idly by trusting leadership which telegraphs the surrender code.

We must get the cowards and weaklings off the front lines. It is time to put Americans in charge.

Our citizens and our police are entitled to full unbridled, unprejudiced leadership. All who profess conscientious objection, morality, and permit their personal whims to control their duty and responsibility must resign or be relieved as unfit when they threaten our security. At a crucial time like this we need law-enforcement officers—not information and tour agents.

Our leadership must be told that our police force, like our military forces in South Vietnam, must counteract violence and violent movements with counterviolence.

We have tried the pacifists' dream of persuasive talk and deterrent method and it has been proven wrong for 22 years.

In South Vietnam, we were curtailed because of the pacifist personal prejudice of McNamara. His ineptness cost the lives of 20,000 of our finest boys and over 100,000 casualties thus far.

Right now, Patrick Murphy, at the helm of our District Police, is a threat to our peace and security. He must go.

I include his statement from the April 26 Evening Star and other articles, as well as a report from the Connecticut Avenue Association:

[From the Washington (D.C.) Post, Apr. 26, 1968]

MURPHY: "I'd QUIT, NOT SHOOT"

(By Robert G. Kaiser)

Patrick V. Murphy, Washington's director of public safety, said yesterday that if he were instructed to order his police force to shoot looters and arsonists in a riot, "I would resign."

Murphy made his comment to the Downtown Jaycees in answer to a question. He also said he thought Mayor Daley regretted his "shoot-to-kill" remarks after he made them.

Murphy also told the Jaycees that there was some evidence of organized activity by rioters here. "We do not have strong evidence of organization," he said. "That is not the same thing as saying there was no organization. . . . I suspect there is some organization."

Informed sources revealed yesterday that Federal and local officials are working closely together to prepare for the campaign next month. City officials also are cooperating with representatives of the Army and the Justice Department to coordinate their accounts of what happened in the riot here.

The District government will soon release its report on the riot. The Justice Department is reportedly preparing its own report on the Federal presence here during the riot.

A similar document on the Federal role in Detroit's riot last year was referred to often by officials contending with the disorders here.

Mayor Walter E. Washington and Murphy met with Attorney General Ramsey Clark, Gen. Ralph E. Haines Jr., deputy chief of staff of the Army, and other top officials Wednesday. They reportedly discussed the riot and preparations for the Poor Peoples' Campaign.

[From the Evening Star, Washington, D.C., Apr. 26, 1968]

NO STRONG DATA FOUND ON ORGANIZED BURNING

D.C. Public Safety Director Patrick V. Murphy said yesterday that police officials "do not have strong evidence" of organized burning and looting during this month's rioting in the city.

"That's not the same thing as saying there was no organization," Murphy told a luncheon meeting of the Downtown Jaycees at the Burlington Hotel.

"I suspect there is some organization," Murphy said. He said the Police Department has had this under intensive investigation and that "we do not have strong evidence of organization."

The director noted that the FBI had been unable to find evidence of organization in the rioting that struck Detroit and Newark last summer.

Murphy made the statement in response to a question by a Jaycee about "rumors" of lists fingering shops that purportedly were to be hit by rioters. Murphy emphasized that false rumors make things "more difficult" for police.

Murphy also said that if he were ordered to shoot to kill or maim arsonists or looters—Chicago Mayor Richard J. Daley's riot solution—"I would resign" as police commissioner.

Murphy made this statement in response to a question as to how he would have reacted to an order from Daley if he were Chicago police commissioner.

Murphy also was asked if the police department would provide better protection in the future for businessmen if rioting were to break out here again.

Noting that the department normally has fewer than 500 police officers on the street at any one time, Murphy said "this is a free society" and not a police state.

AID THE PRESS IN MARCH, MURPHY TELLS POLICEMEN

D.C. Public Safety Director Patrick V. Murphy yesterday urged the city's policemen to "make every effort" to assist newsmen in covering the Poor People's Campaign, under guidelines issued by the police department earlier this year.

"The attention of the nation and the entire world will be focused on Washington during the coming weeks," Murphy said.

"We should consider that the role of the press in our free society is to fully inform the people of the events taking place in their Nations Capital."

The guidelines on department policies on release of information to the news media were issued in a general order by Police Chief John B. Layton earlier this year and have been "fully endorsed" by Murphy.

Murphy said that in view of the expected influx of additional newsmen into the city to cover the campaign, he has instructed police to honor all bona fide press credentials. These include credentials issued by officials of other jurisdictions as well as the cards issued to local newsmen by the Metropolitan Police Department.

The public safety director also announced that a special press room to accommodate newsmen covering the Poor Peoples Campaign would be opened tomorrow in Room 6054 of Police headquarters, located in the Municipal Center at 300 Indiana Ave. NW. Newsmen will be assisted by Gilbert Gimble, director of public affairs for the department.

In Layton's general order, the department reaffirmed a policy that it "is to engage in a positive program to furnish newspapers, radio, television and other news media with timely information pertaining to department matters."

The guidelines call for release of current information without partiality or delay which would favor any news agency. They seek the cooperation of the press in abiding by a "reasonable request" by police officials.

The order authorizes members of the department to release at the scene of incidents the names of individuals involved; descriptions, ages and addresses; factual data on incidents and any added information which would aid in the investigation of an incident.

It prohibits release of any information in rare instances when the law enforcement process or fair administration of justice could be hampered by premature disclosure.

The order specifically prohibits release of arrest record information, personal opinions about suspects, admissions or confessions, or information which would promote publicity for the persons releasing the data.

The guidelines instruct department members to take no action to discourage or encourage the media photographing or filming a person in custody. Photographs of suspects or policemen may be released only by order of top officials of the department.

Other information open to news media includes arrest books, complaint files, records of lost, missing or stolen property and personnel records of members of the department.

The order instructs police officials in command of details at the scenes of special events

or emergencies to make reasonable efforts to provide information to the press.

It says each detail commander should make himself reasonably accessible to the press or designate a subordinate official to act as his press liaison officer.

HOUSE PANEL MAY PROBE CAUSE OF RIOTING HERE

(By Robert K. Walsh)

The House Committee on Un-American Activities might try to determine whether subversive groups helped to start, encourage or take part in the recent civil disorders here, Chairman Edwin E. Willis, D-La., says.

As the committee resumed hearings yesterday on possible Communist or other subversive operations in rioting in America's cities during the last two years, Willis said: "We might look into the Washington riots."

But he emphasized that no decision has been made and that he did not know whether the committee eventually would conduct such an investigation.

Staff studies and a series of committee hearings during the last four months have centered on troubles in Los Angeles, Detroit and New York City. Yesterday's session dealt with Newark.

Capt. Charles E. Kinney of the Newark Police Department gave the committee much detailed information and records of individuals and organizations he said were active in Newark for several years prior to rioting there last summer.

In his preliminary testimony, he did not accuse any specific person or organization of having stirred up the Newark riots or of having been among the leaders during the disturbances. But in his testimony, he cited groups such as Students for a Democratic Society and militants such as Thomas E. Hayden, whom he described as "the white Stokely."

He said many of them were identified with left-wing or Communist-front organizations for several years.

Much of the material provided by Kinney was published previously in New York and New Jersey newspapers as a result of police and other investigations immediately after the Newark troubles.

Rep. Albert W. Watson, R-S.C., complained that few if any of the names of individuals or groups listed by Kinney were even mentioned or discussed in the report of the National Advisory Commission on Civil Disorders.

Watson also said he was particularly interested in Kinney's testimony that several of the individuals or groups got a strong foothold in recent years by "infiltrating and seizing control" of some parts of the anti-poverty program in Newark.

[From the Washington (D.C.) Post, Apr. 26, 1968]

COST OF RIOT TO CITY MAY TOP \$5 MILLION

(By Peter Millus)

Washington's riot cost the city government between \$5 million and \$6 million in overtime, extra services and lost tax revenue, Deputy Mayor Thomas W. Fletcher estimated yesterday.

Fletcher, who disclosed the figure during a House District Committee hearing on the city's \$38 million fiscal 1969 revenue bill, emphasized that the riot estimates are preliminary. "That's the very worst it could be," he said.

The 90-minute hearing switched from the subject of revenue to the riot several times. At its end, Chairman John L. McMillan (D-S.C.) told Mayor Walter E. Washington that he hoped the Committee could come up with a money measure that will meet the city's needs.

At the same time, he cautioned that the Committee may make some changes in the

tax and Federal payment package that the city has proposed. He did not elaborate.

Fletcher said the city's current estimate is that the riot will cost it \$1.7 million in tax revenue this fiscal year, and about \$1 million in the fiscal year beginning July 1.

About \$1 million of this will probably be in lost sales and excise taxes, he said, due to commercial disruption. Most of the rest will be in reduced property taxes, as a result of fire and other damage.

The riot's more direct cost, in overtime and extra services, will run about \$3 million, he said later. The government has not yet figured out how to make up this cost.

McMillan and Rep. B. F. Sisk (D-Calif.) both raised the issue of police restraint during the riot. When outnumbered in the early hours of the disturbance, police sometimes let looters get away rather than risk gunplay, possible bloodshed and escalation of the disorder.

The Chairman, noting that the revenue bill would raise city income, general sales and other minor taxes, noted that it is hard to explain to businessmen "paying more taxes and not getting protection."

Sisk recalled that the Committee questioned Public Safety Director Patrick V. Murphy at some length at a February hearing, and got assurances that the city was prepared for a disturbance.

Some people "felt let down" after the riot, Sisk said. "He (Murphy) didn't live up to to his billing."

Sisk also raised the possibility that next month's Poor People's Campaign could bring further loss of business and tax revenue. "It seems to me we could find ourselves substantially short," he said.

The Mayor acknowledged that "the matter of stabilizing not just business but our whole community is not an easy one," but suggested that the city is recovering.

Both McMillan and Sisk tempered their remarks with praise for the Mayor. The Chairman said he was "sure no man has worried more or tried harder to correct (the dislocations of the last few weeks) than Mayor Washington."

Kenneth C. Back, acting director of the Department of General Administration, told the Committee that the revenue bill would "bring District tax rates and burdens more into line with those in the nearby Maryland and Virginia jurisdictions," but would not "unduly burden District residents nor seriously jeopardize the competitive position of the District."

[From the Connecticut Avenue Association]
ORDER FROM THE WHITE HOUSE—"DON'T SHOOT LOOTERS"

On Friday, April 5, when negro rioters, looters, plunderers, and arsonists ran free to perpetrate havoc in downtown Washington, this interviewer spoke with four District of Columbia police officers. Three of them (high-ranking officers) were sufficiently well known to accept pledges that identities would remain undisclosed. The fourth, a private patrolman, indicated "I don't really care if you use my name," because he said he had already made plans to leave the force.

In summary, the following is, in part, information elicited from the four conversations:

DISTRICT POLICE WERE TOLD TO AVOID MAKING ARRESTS

Looters were told to be ignored—unless they were white!

Orders had come in briefings—sometimes with Safety Director Patrick Murphy present.

On Friday afternoon, police radio carried a message that President Johnson had personally requested avoiding a brush with negro rioters "whenever possible".

PATRICK MURPHY TO POLICE: "BE SCARCE"

Since his taking office, at the appointment of President Johnson, Safety Director Murphy has repeatedly let it be known that the White House wanted uniformed police to be

inconspicuous in the event of negro uprisings. "Be scarce" was the way instructions came down.

"DON'T SHOOT LOOTERS"—"DON'T USE BILLES"

Patrolmen on the beat, in every precinct in Washington were told not to use their guns in any manner to prevent looting, arson, or damaging of property. They were instructed to employ their night-sticks *only in cases of dire need for self defense.*

"STUPID TO DO BUSINESS IN WASHINGTON"

Quote from one of the officers interviewed: "The inference from the new police control is that anybody stupid enough to operate a business in Washington deserves to have his place looted and burned."

While the President issued his permissive orders from the White House, a woman of great courage issued a "shoot" order to the police of Prince Georges County, Maryland. Commissioner chairman, Gladys Spellman observed: "You can't fight violence with non-violence."

On January 17, 1968, told members of The Connecticut Avenue Association, in response to the question "What good will a college education do the policeman who has a bank robber at gun point?"

Mr. MURPHY. "It will help him understand why the man is holding up the bank."

We know we need a change . . . radical and drastic from the top down.

Wilderness Problems

HON. GEORGE McGOVERN

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 30, 1968

Mr. McGOVERN. Mr. President, I have enjoyed reading a splendid piece of interpretive reporting by Sid Moody, an Associated Press newsfeature writer, on our effort to create a wilderness reserve in the Nation.

Since proposals for 20 or more additional wilderness areas are coming before us this year, I believe the article will interest Members of Congress as an objective evaluation of the problems involved and the merit of preserving wilderness.

Our progress in creating a wilderness system is a great satisfaction to me, for it was my privilege to introduce one of the first wilderness proposals in the House of Representatives in 1957, when the movement was initiated in Congress.

I ask unanimous consent that Mr. Moody's article be printed in the Extensions of Remarks.

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

WILDERNESS: A KEY TO SURVIVAL?

(By Sid Moody)

In the beginning was the land, all there would be, then and forever: mountain and meadow, forest and prairie.

Man came later.

The Dust Bowl of the 1930s; the clawed scars of strip mines in the Kentucky hills of yesterday and right now; scummed rivers lethal to life; man has done it all.

Voices have been heard before; keep America's air fresh, her streams pure, her cities clean. Now there are those that warn: save the wilderness while some remains.

They argue for reasons of aesthetics, for traditional reasons of conservation. And for a newer one: that the virgin wilderness may

some day be man's ultimate chance for his own survival.

Some facts:

The land and water area of the 50 states totals 2.3 billion acres.

Of this, about 10 per cent remains as time has made it. The rest: cities, farms, highways, reservoirs, factories.

From this 10 per cent the United States will set aside large areas of wilderness. This was decided by the Wilderness Act of 1964.

But pivotal questions have not been decided: how much wilderness is enough: for aesthetics, for conservation, for, perhaps, survival? And what, to be sure, is a wilderness?

The act defines wilderness as "an area where earth and its community of life are untrammeled by man, where man himself is a visitor who does not remain."

The major land holders of the United States are the Bureau of Land Management, 452 million acres, about two-fifths of the nation, the Forest Service, 186.3 million acres, two-fifths of the nation's forests, the Fish and Wildlife Service, 28.5 million acres, and the Park Service, 27.5 million acres. The lands of the latter three agencies will be sites of the proposed wilderness areas.

The Forest Service, which allows multiple use of its lands including mining, grazing and logging, has, nonetheless, set aside 15 million acres as wilderness and primitive areas in a program begun in 1924.

By the act, however, these lands will have to be restudied as well as proposals of the other agencies and receive congressional approval.

The Forest Service has studied wilderness areas totalling 1.9 million acres so far and has designated one million to be presented to Congress. The Park Service is studying 57 areas ranging in size from 5,000 acres, the minimum under the act, to 100,000 acres, including such national parks as Isle Royale in Lake Superior and Lassen in California. Fish and Wildlife is considering about 90 refuges ranging from the huge 1.8 million-acre Kenai Moose Range in Alaska to the 5,900-acre Great Swamp refuge in New Jersey.

Last month President Johnson sent Congress the first actual proposals for official designation: 24 areas in 13 states totaling almost one million acres.

Making a capital "W" wilderness out of a wilderness, is, however, a thorny business. The Forest Service has proposed a 142,000-acre San Rafael Wilderness in the Los Padres National Forest in California. The Wilderness Society, a conservationist group that treads more softly but as determinedly as the Sierra Club through the nation's forests, claims the wilderness should include several thousand additional acres the Forest Service insists is vital for fire control.

The Park Service, too, has difficulties with its friends and foes. There are those, even in the department, who feel, stridently, that national parks should remain as primitive as possible. Few roads. Few lodges. None of the mob scenes that descend on Yosemite on summer weekends, littering the valley with trailers, beer cans and film wrappers.

Yet national park attendance, 130 million in 1966, rises about 10 per cent yearly.

What should be the over-all policy of the Park Service which welcomes many thousands to its Washington Monument and tens, if that, to the summit of its Mt. McKinley?

It tries to strike a mean of the greatest good for the greatest number—without impairing the virginity of the park. But does that mean all trails should be blacktopped, as some are, to keep the tourists off the greenery? Should Yellowstone's bears be behind bars looking out, or should the people be, looking in?

Fish and Wildlife would like to create a Wilderness in Michigan in a refuge that is the nesting ground for the Kirtland Warbler. But to provide optimum nesting character-

istics for the little bird, the area must intentionally be burned over periodically. Which contradicts the definition of a wilderness under the act. What to do?

Surely, said a Forest Service planner, to the average man in the street a drive down the Blue Ridge Parkway in Virginia may be as much wilderness as he will ever see. Or ever want to.

"But at the same time there is a deep personal comfort to almost every one knowing that somewhere out there is a rugged land that is hard to get to but is there, unspoiled. Maybe some day he'll go, maybe not, but it's there."

"Man is a part of nature," said Interior Secretary Stewart Udall. "He needs Great Swamps and Yellowstones and Alaskas. They are his tie to the earth. The more we build a pressure cooker society, the more we need the wilderness as an escape valve."

"Maybe 50 years from now we'll be thanked more for what we didn't build than what we did," said an aide.

Suppose at some future day man finds he has tipped the balance of nature too far. Suppose he finds that he needs the seed, the animal, the unadulterated genetic resources that are the bases of his evolution? And suppose they are gone, or hopelessly distorted?

Then, indeed, may he cry ah wilderness.

It is to prevent the possibility of such a dead end that a growing number of conservationists are looking to the wilderness as a gene "bank." If, for some reason, man needs a bighorn sheep or a sequoia or the delicate harmony of a forest acre, it will be there, in the wilderness.

Plea for Flood Control and Reclamation

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. SISK. Mr. Speaker, this week the people of California will appear before the Public Works Subcommittee of the Committee on Appropriations to plead their cause for flood control and reclamation. To some of the cynical critics of the Congress, and to some of the more ardent advocates of a number of the various programs designed to help the poor, reclamation and flood control seem likely places in which to apply the economy ax.

I well recognize the need for paring. The administration has already cut far more deeply into reclamation and flood control than I would have them do. However, as we approach our deliberations on this subject in this most crisis-stricken year, I would urge the members to keep one thought in mind.

There is no magic source of funds with which to pay for programs for the poor. Every dime that goes into the programs for the poor must come from the taxpayers of the United States—just as do the funds that go into our public works projects. If income from Federal taxes dwindles, it automatically follows that the programs to help the poor—along with all of our other domestic programs—must be cut back. Even deficit financing has its limitations, a fact of which we are all painfully aware.

Although a great many of us are prone to give Government bureaus and public officials much of the credit for the growth and strength of our country, the fact of the matter is that our strength

depends upon the productive capacity of our people, for without the ability to produce, we have little to offer either ourselves or the world.

For this reason, as we approach our deliberations on the public works appropriations, it seems to me that we must view public works not solely as a drain upon the Federal Treasury but also as an important factor in our country's production capability, and hence as a source of taxes to enable us to carry on the humanitarian programs which I deem so necessary.

Last month it was my privilege to be present for the dedication of the San Luis project in my district. As many of you know, I made San Luis almost a full-time job around here for a long time until we got it authorized, so this project is near and dear to my heart. At the dedication of San Luis, the Secretary of the Interior made some remarks which I feel demonstrate the important relationship between our public works program and our country's productive capacity.

The Secretary pointed out:

This project will result in an increase in the production of about 128 million dollars a year in food products for our Nation's dinner tables.

As a result of the increased farm activity, an additional 4,500 full-time farmworkers will be hired at an average annual salary of \$5,000. In addition, contract farming operators will hire the equivalent of another 4,900 year-round workers. Wages paid for this farm labor—both permanently employed and contractor employed—will total about \$77 million a year.

Local processors of this new production will hire about 10,200 full-time employees and pay them \$51 million a year in wages. Another \$52 million will be spent on processing supplies, which make the economic effect of the new project felt all across the country, and another \$34 million will go into miscellaneous expenditures.

None of these factors, Mr. Speaker, touches on the obvious direct benefit of these projects, which is the creation of additional public works jobs which our country desperately needs at this time. At one time in the construction of the San Luis project, one major contractor was paying \$35,000 a day in wages, which is not an insignificant payroll in the area which suffers persistent unemployment problems.

Mr. Speaker, the San Luis division of the Central Valley project is in the proposed Federal budget for approximately \$30.5 million, barely half of what the California Water Commission felt justified and recommended to the Bureau of the Budget last September. The commission, after due deliberation, recommends \$42.8 million, an increase of about 40 percent above the budget figure but still substantially below what the people of our district and the State commission feel is needed. I heartily concur in this recommendation and I would urge my colleagues to consider three factors in weighing the question of how much to appropriate for the Westlands Water District distributing system.

First of all, even now the construction is falling considerably behind the timetable proposed when the project was au-

thorized and this is causing losses to people in the area who had planned their operations on the basis of the earlier timetables.

Second, every year of delay runs the cost up due to inflationary factors.

Third, every year of delay further postpones the day when the repayments to the U.S. Treasury begin. As you know, the repayment of the cost of the distribution system does not start until the distribution system is completed.

I also urge, Mr. Speaker, that the committee give it approval to the proposal of the Westlands Water District to advance to the Bureau of Reclamation the sum of from \$5 million to \$7 million to be used in furtherance of the construction of its distribution system.

In this connection, I would stress the importance of the committee indicating its approval of this proposal in advance of the report on the public works appropriation program as a whole. The reason for this, of course, is that every day of delay diminishes the benefit to accrue to the United States and to Westlands from the advance of these funds. I would also earnestly request that the Congress not reduce the Westlands appropriation in the face of the willingness of the district to advance these funds. The construction is so far behind now that nothing should be done to impede further progress.

There is additional factor in one part of the San Luis appropriation—the portion relating to the Pleasant Valley Canal and pumping plant. For many years the city of Coalinga was unique among cities in that there were three water faucets at every sink instead of two—one for drinking water and two for hot and cold nondrinking water. The reason for this is that the water pumped from the underground was so bad it could not be used for cooking and drinking, and drinking water had to be brought to the city in tank cars and run through a separate water system.

Subsequently, the city of Coalinga built one of the first municipal desalinization plants in the world.

Another plant was subsequently built and the capacity of both of these plants has now been exceeded.

Coalinga, in addition to having a problem providing enough water for its domestic needs, also faced a major economic problem in the continued depletion of the oil fields upon which its economy depends. One possible way of substantially extending the life of the oil fields, and thus sustaining the economy of Coalinga for many years to come, was to institute a secondary recovery program under which steam would be injected into the oil fields.

But to do this, additional supplies of water are needed, and a new municipal water system is necessary. Under the Economic Development Act, the city of Coalinga was allowed a grant of \$2.7 million, contingent on matching by the local people. A few months ago, the people of Coalinga overwhelmingly bonded themselves—by a majority of more than 90 percent—for the \$2.7 million local matching money.

They are now proceeding apace with their domestic water supply program, but everything is contingent upon the de-

livery of additional sources of water through the Pleasant Valley unit of the San Luis project. For this purpose the Bureau of Reclamation's budget for next year includes \$7,070,000. It is my earnest hope that the committee and the Congress will appropriate these funds.

Finally, Mr. Speaker, I would close by pointing out that in carrying out the one-man, one-vote mandate of the Supreme Court, the State Legislature of California reapportioned the district I represent in such a way that after this current term, Madera County will not be a part of the congressional district I have represented since 1955.

I will leave to my colleague, Hon. HAROLD T. JOHNSON, the burden of the responsibility for pressing the case for Madera County for Hidden and Buchanan Dams in the public works appropriation. Let me say only that I feel that the funds requested in the budget are totally inadequate.

In the cases of Hidden Dam on the Fresno River and Buchanan Dam on the Chowchilla River, the water agencies involved have reached agreements with the Bureau of Reclamation governing their repayment contracts, so there will be no question of the local interests' willingness to participate in the costs of these projects.

I urge that the Congress increase the amount proposed for Hidden Dam from \$400,000 to \$1,800,000, and that an item for Buchanan Dam be added to the budget in the amount of \$1,100,000. These two projects should move along together, as they have from their inception, and there should be no further delay.

Riot Aftermath

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. BROYHILL of Virginia. Mr. Speaker, as I stated earlier, I am including three articles in the RECORD today.

The first is a letter to the editor which appeared in the Washington Post of April 29. It is written by a merchant who was threatened because of his race, looted, denied adequate police protection, and forced to surrender the source of his livelihood.

The second is a feature story by a Post reporter, entitled "Negro Militants Force Immigrant To Close His Grocery Store." It tells how a Jewish refugee from Nazi Germany was again subjected to anti-Semitism and racism—this time in the National Capital of the United States.

The third article, which appeared in the Detroit Jewish News, describes anti-Semitism in the District of Columbia and asserts that the madness of burning and looting here is a part of a plan, not accidental.

The articles, in full, follow:

[From the Washington (D.C.) Post, Apr. 29, 1968]

CLOSED BUSINESS

I had a liquor store at 1542 7th st., nw., which was badly damaged and looted in the

April 5 disorders. Now that the city has returned to normal, I had planned to reopen on Monday, April 22. Upon arriving at my store on Friday morning, April 19, I found it had been broken into again, this time through a 12-inch brick and cinderblock wall. I called the police at 9 a.m., to get some assistance in preventing a recurrence of this and as of 6:30 p.m., I had not seen or heard from a policeman. I am a law-abiding citizen who pays more than my share of taxes, being in the liquor business, and I can't get protection for my life or property. I have been threatened numerous times while cleaning up the mess the rioters made of my store. Twice they told me, "Don't bother, Whitey, we're gonna burn it anyway," and "Don't bother, man, it's gonna be a long, hot summer."

While cleaning what little merchandise there was left in my store, soda, matches, cups, bags and approximately 40 cases of beer, an inspector from the ABC Board came into the store and all the work had to stop while he called his boss to see if it was all right for us to salvage what little there was left. The ABC Board, along with the police, have made life miserable for the businessman. They (the ABC Board) have made it very difficult for the retailer in distress to return merchandise to wholesalers for storage or credit. I am sure the laws are not so inflexible as to strangle the businessman and help the lawbreaker. Today I closed my doors for the last time.

DAVID PHILIP RUDDEN.

SILVER SPRING.

NEGRO MILITANTS FORCE IMMIGRANT TO CLOSE HIS GROCERY STORE

(By Claudia Levy)

When Henry Walczak says he's living on borrowed time, he's not talking about the black militants whose pickets have forced him to close his 14th Street market. He is thinking instead of Poland and Russia, of World War II and the Minsk ghetto.

"The Germans couldn't kill me," he says. "I was lucky."

But at 56, Henry Walczak faces the loss of his P & G Market without the faith that has kept him on top of his trouble in the past. Short, with powerful arms, a ruddy Slavic complexion and direct blue eyes, he says he was until two weeks ago, "the boss" at 3404 14th st. nw.

When one casual customer, who later turned up as a picket for a group called "Build Black," told Walczak "we'll chase you out—we won't need you," Walczak scoffed at him. Sundays, the storekeeper said, neighborhood men who were his friends during the week would drink and boast of how he was going to be forced to move.

But he was known to help people out and claims that in his five years near the corner of 14th and Monroe Streets the small store had never suffered a break-in or a holdup.

"They respected him," says his wife. She is a one-woman Greek chorus to his narrative, emotional, her eyes worried. She has never felt secure in the store and it is her husband whom the neighborhood knows better.

The P & G, one of the few white-owned businesses on the east side of that block, lost its front window, its more valuable stock and several machines to the looters earlier this month. Walczak feels the presence of tenants on the second floor helped save the place from being burned. He was able to reopen soon after.

He says after the riots subsided he assured several local residents that as long as he was there they were not going to starve.

But two weeks after the trouble broke out, his militant customer was back, this time with friends, carrying a hand lettered sign reading "No more mom and pop stores." Walczak says the man, whom police identify as a member of "Build Black" from a few doors away, stopped people as they tried to

enter the store. Presently, the store was devoid of customers.

The police came, but say the man was only picketing and not subject to arrest. Next day, the picketer was back, but Walczak had already begun to move out, despite an offer from the 10th Precinct for round-the-clock surveillance.

"I didn't have any other choice. I told the police 'your intentions are good, but there's nothing you can do.'"

He may try to open another store outside the District, but his lease has a year to run. He will probably start looking for a job, he said, just as he did when he immigrated here after the war. He has two sons, both students.

The Walczaks feel their prices were no different than the other independents, all highly competitive but unable to match most chain store prices. But they say anti-semitism is a traditional attitude along 14th Street.

"A little kid, three years old," Mrs. Walczak measures the distance off the floor, "she comes in and says her mother told her to go buy candy at the white Jew store."

"I'm not a racist," says Walczak. "I was raised to believe in people. But I'm not coming back. They told us it's not over yet."

[From the Detroit (Mich.) Jewish News, Apr. 26, 1968]

GRAVE CRISIS IN WAKE OF RIOTS: "JEW STORES" VICTIMS OF EXTREMISTS' ATTACKS

(By Milton Friedman)

WASHINGTON.—Black Power extremists have revealed that there is a method in the madness of burning and looting. Their stated intention is to make so-called ghetto areas of the District of Columbia and other communities "Judenrein" (free of Jews)—an aim of Hitler.

Fanatics have disrupted meetings in which responsible leaders, white and black, sought to plan a cooperative reconstruction of the inner city. One such meeting, convened by D.C. authorities, heard an extremist denounce white merchants with the public charge that "no one puts the touch on the black man like the Jews with their 300 per cent interest." A concept of Negro nationalism was advanced with implications for every city where a Negro ghetto exists. "This land will belong to its people . . . We can't live with the white man who gyps us . . . Let them go to their suburbs . . . We drove the moneylenders out of the temple before and we can do it again."

At another meeting here, the militants took over and actually ordered all white participants out of the room. Advocates of "Black ownership" proclaimed that white-owned enterprises will be burned "again and again and again."

Since approximately one-half of the mercantile and property damage sustained here was suffered by Jews, concern is felt by Jewish businessmen. But an even deeper fear pervades the whole spectrum of Jews devoted to integration and human equality. It is apprehension lest the government appease Black Power segregationists to the extent of creating two nations, one white, another black.

Jason Silverman, regional director of the Anti-Defamation League, has stated that a grave crisis has developed in the wake of the riots. It is his view that Jews are dedicated to an open society based upon integration and brotherhood. But black fanatics are denouncing the "Jew stores" while white extremists urge police state measures against Negroes.

The concept of Negroes controlling the business life, education, housing, and other aspects of ghetto neighborhoods has been accepted by the government. The U.S. Small Business Administration has announced that it will defer "disaster area" loans in D.C. until long-range plans are made for an inner city acceptable to Negroes. A master redevelopment plan is being drafted by one govern-

ment-subsidized Negro group, Pride, Inc., that would give Negroes control of all business, social and political activities in the area. Pride has demanded that disaster loans to burned-out merchants be suspended until the black control plan is completed.

Moderate Negro spokesmen, like the Washington representative of Dr. Martin Luther King's Southern Christian Leadership Conference, have avoided all reference to Jews. But he tended to explain the burning as a blow against "exploitation" and a form of "instant debt reduction." He said there was great "anger and venom" among Negroes against proprietors of stores that sell appliances, clothing, jewelry, etc., on credit.

The "Blackman's Volunteer Army Liberation" does not mince words. The enemies of the black people are "Zionist Jews," according to handbills distributed here.

Not all Negroes go along with such nonsense. One Negro businessman told an extremist that "You don't own anything on this street but your big mouth."

Federal authorities in Washington are adopting policies on the ghetto that will be reflected nationally. The tendency now appears to attempt to cool down the riots by accepting the premise that Negroes can decide the fate of white businessmen who operate in colored neighborhoods. This trend is troubling to advocates of civil rights. They see a danger in the increased separation of the two races.

Commission on Health Science and Society

HON. WALTER F. MONDALE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 30, 1968

Mr. MONDALE. Mr. President, in introducing my joint resolution for the creation of a Commission on Health Science and Society (S.J. Res. 145), I stressed that many health science breakthroughs raised serious legal, philosophical, and public policy questions. I discussed heart transplants and also outlined my concerns about recent genetic discoveries.

The response of physicians, scientists, theologians, and others has been almost unanimous in support of the creation of the Commission. The reason has been clear: These issues are of concern to the professional community; and responsible members of that community join me in thinking it important to have full public discussion of the issues before our minds are made up for us by default.

In an article published in the Saturday Review of May 4, 1968, a world-famous teacher, lecturer, and critic, Joseph Wood Krutch, discusses the most fundamental question raised by recent DNA discoveries—the nature of existence itself. I ask unanimous consent that Dr. Krutch's article, entitled "Is Life Just a Chemical Reaction?" be printed in the RECORD.

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

IS LIFE JUST A CHEMICAL REACTION?

(By Joseph Wood Krutch)

(NOTE.—DNA has been synthesized, and optimists speak of the imminence of creation of living organisms in a test tube. Does this mean, then, that man is only a piece of matter?)

Like most laymen, I am quite prepared to take on faith the announcement of such startling scientific achievements as the synthesizing of DNA. Some reporters have overstated the accomplishment. The fact that the DNA core of a virus has been artificially reproduced in a laboratory, for example, does not mean that "life has been created in a test tube"—viruses are not living and cannot reproduce themselves, but rely for reproduction on living cells, which they invade and somehow seduce into making more viruses. But the purveyors of popular science say this is a quibble: The virus is an in-between thing, and it is only a question of time until the synthetic creation of life.

Sometimes I wish I could be more skeptical about such announcements. But the time is long past when there seems any excuse for skepticism. We may still have good reason to doubt that the benefits of the new discoveries and inventions will be as unqualified as we are told they are going to be. But that the scientists have done the improbable things it is said they have done nearly always turns out to be a fact. In at least one important case, the practical demonstration preceded the explanation. Hiroshima went up in flames before we were asked to believe any of the seeming improbabilities connected with atomic fission or the presumed fact that it had something to do with such metaphysical concepts as the impossibility of determining at the same time both the magnitude and position of a subatomic particle.

A century after Bacon explained just how and why the future would be in the hands of the technicians, it was still possible for the literary man to ridicule the pretensions of the scientists. Jonathan Swift pretended that they were engaged in such enterprises as the extraction of sunshine from cucumbers—for use the next winter. Others proposed a voyage to the moon by goosepower. The "projector," as he was then called, was always a figure of fun. He was ridiculed in a whole chapter of *Gulliver's Travels* and represented in *Hudibras* by a Puritan inventor who not only knew all about the moon but was responsible for such practical applications of science as:

"A PLANETARY GIN

"Which rats would run their own heads in,

And come o'purpose to be taken
Without the expense of cheese or bacon."

This last invention seems to anticipate our own electric, or perhaps even electronic, insect traps.

Within the memory of persons yet living, anyone who professed an interest in mechanical flight was an obvious crackpot, and the satiric poem "Silas Green and his Flying Machine" was a favorite Friday afternoon recitation in the schools where pupils of the same age now learn to develop highly sophisticated projects to be exhibited at a science fair.

Edward Gibbon said that what he feared was not the alleged vices of the priesthood but their virtues, and if we now have reason sometimes to fear the scientists it is not because they can't do what they threaten to do but because they probably can. If there really are two cultures, then there is no doubt that the one which was dominant almost to the end of the last century is now completely submerged by the other.

According to the opinion held by some biophysicists, the most recent researches into the chemical nature of DNA and its dominant role in the processes of living matter break down the final barrier between the so-called living and the so-called unliving. Thus Professor Robert L. Sinsheimer, professor of biophysics at the California Institute of Technology, recently stated his convictions at follows:

"Man becomes ever more surely a part of life, and in the process life has become ever more surely an integral part of nature. As

we have penetrated the processes of the living cell, as the domains of mystery have receded, it becomes ever more clear that all of the properties of life can be understood to be simply inherent in the material properties of the complex molecules which comprise a cell. And thus that seemingly qualitative gap—self-evident to the most naive—between the living and the nonliving has in our time been bridged. Life is but a property of matter in a certain state of organization, and, given an organization which can reproduce itself, then adaptation and natural selection and, consequently, evolution will be as inevitable a process as is the action of the Second Law of Thermodynamics. . . .

"I do not pretend to understand how to bridge the seeming gap between matter and conscious sensation; but I suggest that having bridged one seemingly qualitative gap will give confidence to those who will bridge the next. In time we will come to understand the molecular and organizational basis of memory and emotion and intellect, and we will comprehend the strange spectrum of sensations and the dimensions of consciousness."

This statement was made in October 1966, before DNA had been synthesized and before the test tube creation of a virus had been announced. Professor Sinsheimer was, therefore, indulging in prophecy. But these prophecies have been partially fulfilled, and it may be true, as other distinguished biologists have said, that vitalism, at least in its classic form, is dead.

We may, to be sure, raise a few feeble objections. When Professor Sinsheimer admits that he doesn't know how the gap between matter and conscious sensation can be bridged, he is making a pretty important admission, and, by his own definition, an electron microscopic photograph of something that looks like a small chain of beads doesn't quite constitute a second Genesis, especially since viruses are known to be incapable of independent reproduction. But none of these objections is very strong. What the scientist says he has done or is about to do I find myself usually somewhat reluctantly accepting.

But even if we accept the conclusion that there is no longer any reason for doubting that a bridge has been built between living matter and inanimate matter and that the former can be described in physical and chemical terms, there still remain unanswered questions. What is far more important is that questionable deductions are often made.

Perhaps the general nature of these unanswered questions and dubious deductions could be summed up by saying that they all come down to a dogmatic "nothing but," which disregards certain realities no less obvious than those supposed to support it. All reality, so it is said, is material. Man is *nothing but* a machine. Life is *nothing but* a chemical reaction. Consciousness is *nothing but* an epiphenomenon soon to be explained away in physical or chemical terms. The fact remains that when it became known a generation ago how matter can be transformed into energy and how atoms seem endowed with some strange sort of freedom, then to say that everything is material and mechanical could no longer mean what it did when our understanding of matter and mechanics was in terms of Newton's billiard-ball universe. In fact, to say that everything is material does not really mean anything at all.

Yet the layman, even more often perhaps than the scientist, does tend to think that it still means what it would once have meant, including the implied assumption of universal predestination. But as Sir James Jeans declared more than a generation ago, one result of the new physics is that "there is now, for the first time since Newton, room in the universe for something besides predictable

forces." Much more recently, Theodosius Dobzhansky has pointed out the evidence that both the biological and the more recent man-directed evolution include "elements that counteract determinism and suggest the beginning of freedom."

Nevertheless, a recent book by Professor Paul Shepard, *Man in the Landscape*, makes a statement typical of many such. Struggling with an attempt to define "the living" in terms that will enable him to avoid many of its most obvious characteristics, he writes: "The most satisfactory definitions and descriptions are in physical and chemical terms of events and processes which, occurring in a certain harmony, produce what we call life"—or, as Polonius said, "For to define true madness, what is't but to be nothing else but mad?"

Did anyone ever think of his own life in such terms? For whom do they constitute "the most satisfactory definition or description"? Not, certainly, for those of us who find our lives most satisfactorily—i.e., most meaningfully—described in terms of pleasure or pain, interest or boredom, love or hate, and all of those other phenomena which depend upon that consciousness which will remain for us the most important consequence of being alive, even if it is ultimately dismissed as *nothing but* a chemical reaction.

It is not surprising that those devoted to the "nothing but" philosophy are so anxious to devise a "nothing but" definition of consciousness which will enable them to get rid of it, since consciousness remains the chief stumbling block for those who would deny any significance to everything which once seemed to establish a discontinuity between the animate and the inanimate. In the past, many, including Thomas Henry Huxley, have denied that we can reason or will and have insisted that we only seem to do either, while the wheels grind out an inevitable predetermined decision. But even they found it impossible to deny that consciousness exists, and those who find this admission embarrassing can say only that instead of being the most significant phenomenon of the living organism it is actually the least significant.

Dean E. Wooldridge wrote in *The New York Times* of October 4, 1964:

"If future investigation continues to disclose consistent interrelationships between the physical conditions of the brain and the qualities of consciousness, it is hard to see how consciousness can escape ultimate acceptance as a property of certain organizations and states of matter. Then the consciousness would be no longer a question of metaphysics but part of the realm described by the physical laws of nature."

"It would be hard to imagine a development of more far-reaching importance to science and philosophy. Yet it could come as a consequence of the exciting work now underway in the laboratories of the brain research scientists."

With that last paragraph no one is likely to disagree, but great dangers are inherent in an attempt to think of human beings, not in terms of the pleasure and pain, the happiness and misery, of which they are capable, but only as mechanisms governed by what some mechanists call not "consciousness," but "secondary feedback"—as it is called by, for instance, Karl Deutsch. The only way to safeguard against such dangers consists not in denying the validity of all physical and quasimechanical descriptions of the living processes, but in refusing to accept the "nothing but" conclusions.

Fortunately, there are scientists—quite as competent and quite as eminent as their opponents—who insist upon the inadequacies of the "nothing but" position. George Gaylor Simpson, in *American Scholar* [Summer 1967], quoted an unidentified biophysicist as saying that "the detailed working of the living organism is amenable to exploration by physical and chemical probing and

that "the properties of living organisms are *totally* comprehensible in chemical terms." Professor Simpson replied that though no biologist today could object to the first two clauses of this statement, the last confirms the diagnosis of monomania. Or, as the McGill biologist N. J. Berrill once put it: "If mind and spirit grow out of matter they are nonetheless what they have been thought to be. It is our conception of matter which needs revision."

To me it seems that what many regard as a dilemma ceases to be such when one considers it in connection with the paradoxes of modern physics and modern biology. On the one hand, biology seems to demonstrate that life is one of matter's potentialities rather than something independent of the material. On the other hand, modern physics has discovered characteristics and potentialities of matter which were previously unsuspected and are incompatible with old-fashioned materialism. The obvious conclusion seems to be that the old dualism which presupposes two ultimate realities—the animate and the inanimate—must be replaced by a monism which sees them as two aspects of the same single, all-inclusive reality. As Julian Huxley has said, "If we take the monistic or unitary naturalistic view demanded by evolutionary logic, matter and mind cease to appear as separate entities."

For this world view there is, of course, the nineteenth-century term "monism," but the view itself was stated by Giordano Bruno some 400 years ago. In the 1920s Will Durant summed up Bruno's philosophy in the following words, which make Sir Julian Huxley's statement seem almost an echo, though Bruno was only making a brilliant guess at something for which Huxley finds evidence:

"All reality is one in substance, one in cause, one in origin. . . . Every particle of reality is composed inseparably of the physical and the psychic. The object of philosophy, therefore, is to preserve unity in diversity, mind in matter, and matter in mind; to find the synthesis in which opposites and contradictions meet and merge; to rise to that highest knowledge of the universal unity which is the intellectual equivalent of the love of God."

Of course, Bruno got burned at the stake for this and other heresies, but they are not of the kind most dangerous today. But if vitalism is dead, so, too, is materialism.

Job Training Is First Step Out of Ghetto

HON. WILLIAM L. SPRINGER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. SPRINGER. Mr. Speaker, I attach herewith an article from the Chicago Tribune of Thursday, April 18, 1968, entitled "Job Training Is First Step Out of Ghetto," by Eliot Janeway, consulting economist. Mr. Janeway has hit the nail on the head in this article both in the questions he asks Harold Sanders, retired vice president of the Union Oil Co., of California, and Mr. Sanders' answers. Job training—next to education—is the single one most important factor in getting people out of ghetto circumstances. I am sure my colleagues would be interested in reading what has been said by Mr. Janeway and also the discussion between him and Mr. Sanders. The article follows:

JOB TRAINING IS FIRST STEP OUT OF GHETTO

(By Eliot Janeway)

NEW YORK, April 17.—Before the assassination of Dr. Martin Luther King anyone who

suggested that any issue might become more troublesome to Americans than Viet Nam would have been laughed at. Today, no one who talks about anything commands a hearing unless he begins by assigning priority to the turmoil in America's cities. Nevertheless, the more the problem of the cities and of the ghettos in the cities crystallizes as a moral and a social problem, the more it emerges as an economic and a financial challenge.

No veteran manager of American corporate financing speaks with greater authority in America than Harold Sanders, retired vice president of the Union Oil Company of California. During the years when money was a giveaway, his financial management was the butt of criticism for overborrowing at long-term at under 3 per cent—cannily, as it turned out—in anticipation of the new era of uneconomically high interest rates, onerously tight money, and inflating capital requirements. Many years ago, as a public service, he accepted membership on the board of directors of a Negro savings and loan association in a neighborhood near the Los Angeles tinderbox known as Watts.

JANEWAY. Has your Broadway Federal Savings and Loan been losing savings?

SANDERS. With 70 per cent of our savers being easterners, we could hardly expect not to. We have been, and are, losing a lot of money to the east. Brokers there are advertising that they can put money away at 6½ per cent. We don't know exactly where the money is going, but it's being bid away by eastern brokers.

JANEWAY. Do you think that this trend may encourage the home loan bank board to permit you to raise your rates?

SANDERS. I hope so. But if we begin to pay out 6 or 6½ per cent, our loan rates, of course, will have to go up correspondingly—to, say, 8½ or 9 per cent. After all, today while we're paying only 5 per cent, we're having to charge 7.2 per cent, and this leaves us with pretty slim pickings. The effect of a move up to 8½ or 9 per cent for mortgage money would be that our low-income savers in this area would be financing the buying of plush homes by the rich residents of Beverly Hills and other nearby high-income areas. It will be an ironical situation, with ghetto residents financing their upper-crust neighbors. But certainly nobody in Watts or in contiguous areas could afford the mortgage payments, including insurance and taxes, based on such high rates.

JANEWAY. Have any of the devastated areas in Watts been rebuilt?

SANDERS. There hasn't been much progress, mainly because property insurance is so hard to get. Without a federal reinsurance program of some kind, it seems unlikely that much of anything can be done. The result, of course, is a vicious circle: With business men unable to get money with which to rebuild, the people in the community who depended on these businesses for employment are left without jobs. Our savings inflow is reduced, which leaves us less able to make mortgage loans even to those applicants who can qualify for loans. This association was established to service this community. Now that it's become a depressed area, however, we've been getting some criticism from Washington for making loans. But Negroes are excellent credit risks, provided they have jobs and money.

JANEWAY. What do you think is the ultimate answer to the ghetto problem?

SANDERS. The place to tackle the problem, I think, is job training. I would certainly favor enactment of a tax incentive measure to encourage private businesses to provide job training for youngsters—similar to the proposal that I understand Sen. Vance Hartke [D., Ind.] is about to introduce. And I'd even go above his proposed 7 per cent credit—perhaps to 10 per cent. In general, I think that all youngsters at the "deprived" levels—whether white or black or in between—should be encouraged to learn skills

and trades. In today's market, the so-called blue collar skills command a premium in income. And as these earnings benefits are passed on to the next generation, the overall economic level of ghetto residents can't help but rise. It's too much to expect that all these people, talented tho they are, can all become doctors and lawyers tomorrow. I can't help but doubt the economic practicality, in face of the present money squeeze, of so many youngsters committing themselves to liberal arts and junior college courses. The training from such courses is useful only for jobs in government, which is cutting down, or in teaching—as if there were no danger that our government-subsidized arts colleges may run out of money, too.

Symposium of the Mexican-American Student

HON. PAUL J. FANNIN

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 30, 1968

Mr. FANNIN. Mr. President, recently a symposium of the Mexican-American Student was held at Phoenix College, Phoenix, Ariz. Mr. Eugene A. Martin addressed the assembled students with a most comprehensive presentation on behalf of Gov. Jack Williams.

Mr. Martin's speech sums up many of the ideals and goals for which we in the Southwest have been striving as we seek to arrive at better and more harmonious relations among all our people.

Mr. President, so that other legislators with substantial numbers of constituents of Mexican heritage may have the opportunity to study Mr. Martin's remarks, I ask unanimous consent that they be printed at this point in the RECORD together with an account of the proceedings at the symposium.

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

SPEAK OUT

(Presentation by Eugene A. Martin at the Symposium of the Mexican-American Student, Phoenix College, April 19-20, 1968)

Mr. chairman, ladies and gentlemen, it is a great honor for me to be here representing the Honorable Governor Williams. I truly regret, for your sake, that a previous commitment made it impossible for him to be here in person. He would have enjoyed nothing better than to have been able to add some of his own statements of philosophy and words of encouragement to the wonderful things which you have already said during the course of this symposium. As you may know, Governor Williams lived in Sonora, Mexico during his childhood days. He learned to speak Spanish almost before he learned English. He knows and understands our culture and folk customs very well. And he has asked me to extend to all of you—a hearty welcome and congratulations for this wonderful effort.

Dr. Vega, you must be given, in the first place, a very special mention of recognition. What you have accomplished here, will undoubtedly go down in the annals of Arizona history as an important first—a significant first—in the area of motivation for self-improvement of the new generation of Mexican Americans.

Yet, like an old pro—as the coach behind a team, as the director of a play, as the choreographer, the person who is least prominent to the public eye—I know that you join

Governor Williams, Senator Fannin, Senator Goldwater, Mrs. Sarah Folsom, Mayor Graham, Senator Victor Pesqueira, and the rest of the professional adults, in giving first credit and first claim to recognition, to these wonderful young speakers who really were the ones that made it possible for all the rest of us to participate.

I must say that in the many many conferences and conventions which I have attended, I do not believe I ever read or heard a theme that was so "apropos" to the issues of the day. I can think of nothing which is needed more by the Spanish-speaking community than "To Speak Out."

No media, be it television or radio or the newspaper, can do justice to this need, that is, as well as when the speaking out is done by you, the young people of our generation.

We are at "the take-off point", as someone has said. We are ready, by every reasonable appraisal, to take our place as full participating members in the mainstream of American society. But as we ourselves must be preparing, so are we preparing for the generation behind us, and all succeeding generations that they too may follow in our footsteps.

Our job must be to speak out; to pave the way by changing attitudes; to respect the rights of others; to be tolerant; to be patient; to realize that all cannot be gained in one day. Even so, every day will bring new successes even though they may seem small.

Our job shall be accomplished by speaking out because to speak out involves a variety of approaches.

If you should ask "what does 'to speak out' mean to me?" This is what I would tell you.

1. First and most important, if you are to speak out, is to strive for an education. Finish your four years of college. Education is speaking out. Your BA degree speaks out for you. Even though you will not remind the public that you have a college degree, they will know; they will have heard. Your successes will speak out for you. Parents will use your name to inspire their children. Your name itself will speak out as the status symbol which they need.

Education will make you a professional. Whether you become an accountant or a teacher, an engineer or a lawyer,—whatever profession you select—that choice becomes a loud voice among your peers, your elders, and most importantly, the young generation behind you.

2. Speaking out does not mean getting on a soap-box and shouting at people. Speaking out assumes a number of responsibilities: You must know yourself and know your subject.

Knowing yourself is the first pre-requisite because this leads you to assess your strengths and your weaknesses. Knowing your strength gives you courage to improve on your weaknesses. As you, then, work to become a fully integrated individual, your perspectives broaden, and you gain an inner feeling of self-support; your convictions crystallize. Your morale is up; you are sure of yourself; and you are ready to expound your own convictions with courage.

Convictions are not opinions. An opinion may be an unfounded notion that crosses your mind in the spur of the moment. You may change your opinion in the light of new facts or other influences. But convictions are much deeper. They are almost a part of your whole character. They are acquired or formulated as a part of your whole philosophy, culture, and customs.

Unless you were a student of the problems of the Mexican-American and were well versed in the literature which is available about the Mexican-American, I dare say that you were not ready to speak with the conviction of an authority.

Now, however, after two days you have been exposed to a number of concepts and propositions. Your mind must now analyze

what you have heard, it must chew on it a while and digest it. You will weigh some things against others. You will decide what to accept and what to discard. This is true of the suggestions on points of philosophy as it is of the suggestions on courses of action. Even if these are given to you in the form of a resolution, and voted on by a body of people, ultimately it must be through the medium of your own convictions that you will translate these concepts and repeat them as you speak out to others.

But have you learned enough with what you have heard here? Is this the total of what there is to learn? Or will you accept this symposium as a chorus of voices speaking out to you asking you to prepare; to read; to study; to question; to investigate; to observe; to dig-in; to rifle through the library stacks in search of more detail and more knowledge? Unless you accept this as a challenge to be well prepared before you speak, you may do an injustice to yourself and those whom you hope to help. Failing to have a full understanding of the problems and a large body of resource material behind you to support your claims are the best steps to failure.

You will know yourself better if you seek information and read what has been written about the subject. You must make judgments on—if what has been written is substantially correct or if it is biased and distorted. Given the body of information which has been presented to you here, and assuming that you are preparing to go forth—to speak out—in behalf of the Mexican-American community, you should raise these questions among yourselves:

What do I know about Mexican culture? About Spanish culture? About the influences of Greece, Rome, and the Moors in Spain? About the influences that affected the Spanish language? What happened to the Mayan and Aztec cultures? Are they the predominant cultures in Mexico today? If not, what is the predominant culture of Mexico? What is a Mexican? What is a Mexican-American? Are they the same? How do they differ? Can a Mexican be an American simultaneously? What is our proper name: Mexican, Mexican-American, Latin-American, Spanish-American? What about *Mejicano*? What about the Language? Which is more important, English or Spanish? Which should we learn first? Does it make a difference? What culture do you live in? Is it a Mexican culture or American culture? Am I pure Spaniard or pure Indian? Or am I a *mestizo*? How far back can I trace my ancestry? on the Spanish side? on the Indian side? What features of my Mexican culture are of Spanish origin? Which are of Indian origin? Am I proud to be a Mexican or am I proud to be an American? Do I distinguish between pride in cultural heritage and family bloodlines, and pride in the political allegiance and national origin? What is our direction in the United States? What is our national purpose? Have we formulated any national policy? What are our national goals? What about our politics? Can we be Mexican Democrats or Mexican Republicans? Or are we just Democrats and Republicans? Why are the preponderance of our registered Mexican American voters in the Democrat party? Why so few Republicans? Have you read party philosophies? Do you know why we have tended to forget Lincoln? Whose philosophy do we accept: Jefferson's, Hamilton's, Jackson's, Roosevelt's, Johnson's? What are our short term goals? Our long term goals? Do you believe in integration? in assimilation for all races? Is the Mexican a race? What does "raza" mean? What is the difference between integration and assimilation? Why have we not accomplished either of the two more quickly? What should be our long term goal, integration or assimilation? What about the melting-pot theory of American society? How does it affect us? Have we blended in? What about a multi-

cultural society? What about the Mexican war? How did it really come about? Etc., etc., etc. There are thousands of questions. Now what about you? Are you ready to speak-out?

My answer is yes? But my point is that the more questions you are able to answer, with conviction, the better will be your ability to speak-out. Know your subject and yourself and you shall be ready.

3. Speaking out, therefore, takes many forms: It means reading; it means studying; it means writing; it means participation. Speaking out means enthusiasm, and courage and willingness.

It means being an American. It means working hard, earning a living, raising a family, paying taxes and griping. Success in America means being heard, being taken into account. It means competition. All of these mean speaking-out.

But the basis for it all is practice. If you practice doing all these things you will truly be the voice of the Spanish-speaking community.

We need only to speak—to speak out. Be it orally or in print or through our everyday deeds.

We need to build; we must not destroy. We must not degrade each other, something which we are prone to do, sometimes. We must not destroy ourselves by petty jealousies. We must not declare a war against the society which we are striving to adopt. A hostile physical war would be self-defeating.

4. Speaking-out means an awareness, also, of the problems about us: Health problems, education problems, welfare problems, family problems, employment, unemployment, the dropout, the truant, housing problems, ghetto problems, riots, destruction, hatred, violence, civil disobedience.

An awareness of all these conditions helps you to articulate the needs in terms of solutions or recommendations. It means sitting at conference tables discussing the issues and negotiating. It means knowing how to compromise. It means knowing the American way: This means acceptance, participation, being in the mainstream.

5. Speak out, then, loud and clear. Raise your voice because you are sure. Know your subject; know yourself.

As I read through your program agenda I am impressed with those who have joined the ranks of public speakers: Please stand as I read your name. Miss Gloria Leyva, (Mr. Ross Clemenger), Mr. Rafael Arvizu, Mr. Richard Martinez, Miss Maria Alvarez, Mr. Salomon Balenegro.

You are making your contribution to society early in life. For this early beginning you will receive public recognitions soon. Public recognitions are the rewards for service to the public.

When services are rendered with unselfish devotion, and when those services excel beyond the ordinary or the mediocre, then public acclaim brings you to the front stage to speak out in behalf of the people.

In effect that is why we have these individuals whom we now refer to as the dignitaries—those who have received public acclaim many times. There was a day not too many years ago when these other people were asked to stand for the first time and be recognized publicly. One day in their life they had a first time also. A master of ceremonies called out their name: Paul Fannin, Sarah Folsom, Barry Goldwater, Arnulfo Trejo, Robert Dye, John Nichol, Victor Pesqueira, Milton Graham, Jack Williams, Jose Vega.

After long years of practice these individuals are now professionals in the field of public speaking—speaking out—as you have begun to do today. Congratulations, Dr. Vegas, for bringing all of these dignitaries together.

I wish you (the professionals and the neophytes) and the members of the audience success and best wishes in behalf of Governor Williams.

The International Financial Crisis

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. CURTIS. Mr. Speaker, an article in the April issue of *Business in Brief*, a publication of the Chase Manhattan Bank, reviews the problems of the dollar and shows how close we have come to possible collapse of the international financial system.

The March crisis resulted from an endless series of deficits in our balance of payments, excessive spending at home and abroad, and domestic price inflation. According to the bank, it is now up to us to restore faith and confidence among our major trading partners in order to achieve a workable international system.

Although politically painful, the article notes that we need to reduce overall spending, increase income taxes so as to close at least half of the prospective Federal budget deficit, reconsider the U.S. commitments around the world, and refuse to take the path of further controls and restrictions on trade in order to alter trends that have been destructive of domestic economic stability and that have become intolerable to the international community.

It is time to abandon deficit spending, which is acceptable only in a recession, and return to a sound fiscal policy. Domestic inflation limits our export opportunities and simultaneously tends to pull imports into the United States. Fiscal restraint should be applied, especially now that serious price increases are assured in 1968 by recent wage developments.

Under unanimous consent I submit this article from *Business in Brief* in the *RECORD* at this point:

THE INTERNATIONAL FINANCIAL CRISIS

Many U.S. tourists abroad on March 15 had a unique and disturbing experience when they tried to change dollars into local currencies. Fortunately, the refusal by foreigners to honor the once-mighty dollar was temporary. But the mere fact that it happened at all shows how far we have moved toward possible collapse of the international financial system—a system that has served the world extremely well.

It is important to recognize the true source of the March international financial crisis. It was not the speculators who caused it. Their behavior is only an inevitable symptom of the basic malady. The continuing difficulties of the United Kingdom helped to stimulate the speculative fever. But the real source of the problem lies in the economic behavior of the United States. We have:

Run a seemingly endless series of deficits in our balance of payments. Furthermore, correction of this condition has received low priority, and attempts to deal with it have been superficial;

Embarked on a series of major spending programs at home and abroad, without making provision to pay for them;

In consequence, begun to experience a rate of domestic price inflation that now aggravates all of our major economic problems and makes their solution more difficult.

Reestablishment of a viable international monetary system requires that firm steps be taken to correct all of these conditions.

The world has abruptly and very clearly made it known that neither halfway measures nor promises will be adequate substitutes for concrete action.

The recent agreement to terminate support for the London gold pool and restrict the bulk of remaining monetary gold to transactions between central banks was probably necessary, in the circumstances. It was essential to buy time in some way because the United States (and the UK) could not solve long-standing economic problems over a single weekend. But this was only the first big step toward reestablishing order. Now the United States must act decisively to overcome the current state of disrepair in its own financial condition.

More palliatives—such as further controls—are not likely to do the job. Controls deal only with the surface manifestations of basic problems. Unless the source of the trouble is removed, controls only delay the day of reckoning. The recent crisis, which occurred in spite of the imposition of severe controls on U.S. investment abroad, shows that the world at large is no longer willing to regard such steps as sufficient.

Faith and confidence among the major trading partners are the keys to a workable international system. With faith and confidence, there are probably many systems that would function well. Without these essential qualities, there is no system that will work for long. The problem then, is to restore faith in the willingness of the United States to abide by the rules—in particular to pay its way—and to restore confidence in the U.S. dollar.

Restoration of faith and confidence will require a series of politically painful but long overdue actions by the U.S. government. We need:

A considerable reduction in overall spending plans. To be most effective, this will require a searching review of the priorities that determine spending on various federal programs. This is perhaps the toughest assignment because all federal programs acquire dedicated political constituencies. But some programs must be reduced, not only to help close the fiscal deficit but also to provide funds for necessary new programs to deal with domestic problems, such as those of our cities.

An increase in income taxes large enough to close at least half the prospective federal budget deficit. A temporary 10% surcharge would be large enough to accomplish this objective, provided substantial progress were made on reductions in spending. But further escalation in the Far East, or failure to reduce less essential spending, could force a larger tax increase. In any case, the surcharge approach seems best.

Comprehensive reconsideration of U.S. commitments around the world, encompassing military programs, foreign aid and private spending abroad. It is impossible to point to any one aspect of the U.S. balance-of-payments deficit and say, "this is the culprit." This is true even for Vietnam. But the accumulation of balance-of-payments deficits (17 in the past 18 years) proves that in total we are spending abroad more than we can afford.

A clearly expressed refusal to take the destructive and self-defeating path of further controls and restrictions on trade. Blanket attempts to solve our problem by import controls would only invite retaliation and lead to a downward spiral in world trade. Besides, any attempt to make other nations pay the price for our own economic misbehavior is hardly appropriate for the richest nation on the earth.

Some of this is painful medicine. But it is, after all, long overdue. And it is a necessity to alter trends that have been destructive of domestic economic stability and that now have become intolerable to the rest of the international community.

It is understandably difficult for the ordi-

nary U.S. citizen to accept the need to face tough fiscal decisions at home because of problems with the balance of payments. The purely external facts are not so hard to grasp. For nearly two decades, we have been spending more abroad than we earned. Our creditors—chiefly Europeans—are alarmed because our short-term liabilities now greatly exceed our short-term assets. So we have been asked to slow down—to come closer to paying our way abroad on a current basis. Enough individuals have had the same kind of experience with their own creditors for the simple analogy to make sense to them.

But why raise taxes and cut spending? What does that have to do with the international monetary system? The answer lies in domestic price trends and their connection with the growing federal deficit.

Prices have been rising at a rate of about 3% a year since late 1965. Recently, the pace has picked up and further acceleration appears inevitable given our present economic policies.

Not coincidentally, federal outlays began to rise sharply at about the same time—in late 1965—increasing by 14.1% in fiscal 1966 and 17.7% in fiscal 1967. The proposed budget calls for further increases of 10.8% in fiscal 1968 and 6.0% in fiscal 1969. The latter estimate is clearly optimistic under present policies. Vietnam has accounted for less than half the increase since 1965.

Federal revenues have fallen far behind federal spending. Without the proposed surcharge, the federal deficit will be about \$22 billion in fiscal 1968 and about the same in fiscal 1969—even if there is no further unscheduled escalation in the Far Eastern conflict.

Federal deficits are acceptable during recession, or when the economy is consistently underusing its resources. But in the circumstances of the past few years, with the skilled labor force always close to full employment (even during the 1967 mini-recession) the only effect of such deficits is economic overheating and hence price inflation. Thus, a return to responsible fiscal policy is clearly in order even from a purely domestic economic point of view. And the foreign holders of dollars have an equally clear interest in improving the trend of U.S. prices. The value of their vast holding of dollar assets is eroding at a rate of 3%—4% a year, with no end in sight unless U.S. budgetary policy is changed.

Furthermore, our friends abroad can see that the rising U.S. price trend is rapidly pushing the day when our balance of payments can truly balance further into the future. Domestic inflation seriously limits our export opportunities and simultaneously tends to pull imports into the U.S. This squeeze has already played a major role in cutting our normally big trade surplus almost in half in just three years. Excluding exports financed by aid, the U.S. actually had a trade deficit during the last quarter of 1967.

There is no set of reasonable policies that could abruptly bring the trend of rising prices to a halt. A big price increase during 1968 is virtually assured by recent wage developments. But immediate and determined fiscal restraint would move the nation a long way toward the day when a stable price level will once again support sound economic growth and a growing, favorable balance of trade.

The Fiscal Crisis

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 30, 1968

Mr. THURMOND. Mr. President, the Greenville, S.C., News on April 22, 1968,

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published a knowledgeable editorial on the Nation's fiscal status. Written in Washington, D.C., the editorial was prompted by the remarks of William McChesney Martin, Jr., before the American Society of Newspaper Editors.

Mr. Martin, who is Chairman of the Board of Governors of the Federal Reserve System, warned of an impending financial crisis if immediate and effective steps are not taken:

It is imperative that the United States start paying its bills, or it will suffer a severe recession and possible devaluation, which means severe and sudden inflation and loss of popular buying power.

We are becoming so used to crisis that while one great problem dominates the front pages, we are likely to ignore the existence of another. Today our Nation faces three great problems: the growing trend toward violence and disorder in our cities, the problem of resisting Communist expansion in Vietnam and elsewhere, and the fiscal crisis which is threatening our already uncertain financial stability.

The financial crisis, while presently off the front pages, still deserves our careful study and attention. I ask unanimous consent that the editorial, entitled "Time Is Running Out on Fiscal Crisis," be printed in the Extensions of Remarks.

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

TIME IS RUNNING OUT ON FISCAL CRISIS

WASHINGTON.—William McChesney Martin Jr., chairman of the Board of Governors of the Federal Reserve System, the nation's central bank, is neither a doom-sayer and fear-monger nor a politician.

He is a deeply concerned man whose dedication to his national financial responsibility is causing him to tread on some political toes.

When Mr. Martin says, as he has repeatedly for several months, that the United States is in a dual—domestic and foreign—financial crisis and calls for an end to deficit budgets at home and to deficits in the balance of payments abroad, he admits he is stepping somewhat out of his non-political position.

But his alarm over the trend, which he says could come to the worst in 18 months, forces him to do so.

We quite agree. As he addressed the American Society of Newspaper Editors and answered questions for an hour or more, he thoroughly documented his case and justified the action he has been taking, even the grave warning that the nation is in the direst financial crisis it has been in since 1931.

That, some of our readers will recall, was the year President Roosevelt closed the banks until panic subsided over the forced closing by default of one financial institution after another.

Mr. Martin, who is well known in this area through friendships he made while a trainee (he had been the youthful president of the New York Stock Exchange) at Camp Croft, made several redeeming things clear:

—He is talking about a financial crisis, not a business crisis. He traced the recent history of the "gold crisis" and pointed out that there have been several; the highly publicized one in March was simply a sort of showdown among the United States and the other monetary powers.

The difference between now and 1931 is that back then there was a business depression and deflation (money was scarce) and now business is good and there is inflation (money is more plentiful but will buy less)

and there are more and better ways to cope with the situation.

The crisis exists mainly because of a lack of confidence in the value and stability of money. Much store is set by federal economists on the steady growth of the "Gross National Product" as a yardstick for measuring the economy—and justifying deficits. The GNP is the sum total of personal and corporate incomes, federal spending, value added by manufacturing and a number of other factors.

But the GNP is misleading as a measure of sound conditions and healthy growth, mainly because of the rising deficits and the inflationary tendency. The United States is headed for an \$800 billion GNP this year, but the gains in the GNP are being offset, last year and this, by a loss of about 50 percent through price increases.

Productivity is up only 3 percent, while recent union wage settlements have averaged about 6 percent. This produces automatic inflation through price rises.

Federal budget deficits which, unless action is taken, will be running on the order of \$30 billion annually by next year, with interest on the national debt running at about \$15 billion annually, plus the balance of payments deficit, is the primary cause of inflation at home and loss of confidence in the dollar.

In all of this, the United States is following the same path which forced Great Britain to devalue its money and suffer the consequences. Mr. Martin is said to be the first administration official to hold up the possibility of devaluing American money.

But what he says confirms what we have been thinking and writing for weeks and months—and we have held up the "unthinkable thought" of devaluation as a reality. The brutal truth is that the United States, for so long an envied "creditor nation" has become a "debtor nation."

What these things amount to, especially in international monetary affairs (and the domestic economy and the value of the peoples' money are directly related to the world money market), is that world confidence in the ability of the United States to manage its financial affairs has been shaken. As the necessary action is delayed, that confidence is being rapidly eroded still further.

Mr. Martin puts it this way: "It is imperative that the United States start paying its bills, or it will suffer a severe recession and possible devaluation, which means severe and sudden inflation and loss of popular buying power."

Mr. Martin says that he has been told by the men who manage the world's central banks that the United States must "put its house in order" and demonstrate that it can manage its financial affairs, or the whole world may be forced to a general devaluation of money. In that event, the people, especially those who are supposed to be helped by high domestic federal spending, will suffer.

All that has been done up to now has been mere stopgap measures, temporary props to gain time for the United States to reduce spending and cut its balance of payments deficits. Mr. Martin says many Congressmen are mistaken in thinking the increase in interest rates on borrowed money last week will get them off the hook on the tax increase.

We reiterate our position that substantial reductions in spending must precede or accompany any tax increase. We referred above to an \$800 billion gross national product for this year. Federal spending right now is running at the rate of nearly one-fourth of that.

Mr. Martin stated in somewhat different words a principle we have been putting as a question in connection with this topic. He said the United States in this situation is facing the supreme test of a democracy whether it can collectively accept the reduced federal benefits to establish a trend toward a balanced budget and pay its bills abroad.

Our question has been:

Can a self-governing people sufficiently discipline itself, in the face of temptations freedom offers, to accept the responsibilities it must bear if it is to survive as a democracy?

Mr. Martin, we are glad to note, is optimistic. He thinks the United States can meet the test and, while the hour is late, there is still time.

Ex-Mayor John Grogan Serves Country as International Delegate

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. DANIELS. Mr. Speaker, one of the most distinguished and versatile citizens in the 14th Congressional District of New Jersey is the Honorable John J. Grogan, president of the Marine & Shipbuilders International Union, a member of the executive council of the AFL-CIO, county clerk of Hudson County, and Democratic Party leader in the city of Hoboken where he served for many years as mayor.

Just where Johnny Grogan gets the energy to do the things he does is one of the great mysteries of northern New Jersey. I can think of no one who does as many things as well as he does.

At this time, he is in Teheran representing the United States at the International Conference on Human Rights, a task he has performed on many occasions during the last 20 years.

A recent article published on April 18, 1968, in the Jersey Journal, a newspaper published in my congressional district, describes some of the activities of this great labor statesman. I call it to the attention of all Members of this House.

The article follows:

HE'S THE NEWS: EX-MAYOR JOHN GROGAN SERVES COUNTRY AS INTERNATIONAL DELEGATE

"Our job is to show other peoples we are interested in helping, not dominating them."

Hoboken's John J. Grogan, a veteran of various world conferences since 1948 as a representative of the United States, stated that objective remains unchanged.

Grogan, Hudson County Clerk, president of the Marine and Shipbuilding Workers' Union and former mayor of Hoboken, is preparing to take off Sunday for Teheran, Iran, where he will be one of three United States delegates to the International Conference on Human Rights. He was named by President Johnson to attend the conference, which will be in session from Monday to May 13 under United Nations sponsorship.

Grogan will be serving under W. Averill Harriman, a U.S. "roving ambassador." Harriman, chief of the delegation, is an old acquaintance of Grogan who served under him 20 years ago at a world conference in London and Paris while the Marshall Plan was being set up.

The county clerk has served as a U.S. delegate under Presidents Truman, Eisenhower, Kennedy and Johnson to various world conferences. In addition to the 1948 meeting, he attended the World Labor Conference in Geneva in 1954; an economic and labor session in Japan, 1962, and the British Trade Union Council, Brighton, England, 1965.

Ironically, while the labor conference was proceeding in Geneva, the conference called to end France's war with the Communist Vietnamese in 1954 was also in progress.

Grogan observed some of the proceedings at the time.

What impressed him most about President Kennedy?

"He was a real brilliant, down-to-earth conversationalist," Grogan recalled. "He made every person he met feel more important than the most influential person in the country."

Grogan said that President Kennedy had a way of conveying his appreciation for any service performed for him. The person thanked would leave with the belief he performed a personal favor for the President.

"That's true of President Johnson, too," Grogan noted.

At all international conferences, our delegates try to present the United States' position of trying to help rather than dominate other countries, he explained.

Grogan, who has served as a union official, an assemblyman (1943-47), Hoboken commissioner (1947-53), the city's mayor (1953-65) and as a member of various federal advisory commissions, believes most people are basically the same.

"The biggest people you meet are just as easy to speak to as the people you meet coming out of church," he observed.

However, he has notified that representatives of "the free countries speak freely" while those from Communist lands are more guarded in their conversation and appear distant in their attitude.

Grogan, 54, has traveled far from his native Hoboken on several occasions. In circling the globe, he has visited the major countries of Europe as well as Thailand, India, Israel and Jordan.

As president of the shipbuilders' union, he has taken an active role in fighting Communism and totalitarianism here and abroad. He has also advocated a strong merchant marine and navy.

A World War II U.S. Army veteran, Grogan is married to the former Eileen McNulty, radio and television recording star. They have two children, James and Patricia, both in their 20s.

He believes there is some hope for a comparatively peaceful world.

Food-for-Work Amendment to Food-for-Peace Act

HON. GEORGE MCGOVERN

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 30, 1968

Mr. MCGOVERN. Mr. President, I have been concerned about the progress that is being made in expanding the use of American farm commodities to relieve hunger and to promote economic development in the poverty areas of the world.

According to estimates of the President's Science Advisory Committee, the number of persons in the world who do not get enough to eat to fill their stomachs regularly, has increased by some 90 million in the past 10 years, to a total of half a billion. The number who are malnourished—who may get their stomachs filled regularly but with food too poor in quality to maintain health and growth—is estimated to have increased by about 300 million to a total of more than a billion and a half.

Yet the present level of food-for-peace shipments is being held down to about \$1.5 billion annually in total value, a

level which was reached in the first year of the Kennedy administration.

FARM PRICES LAG BEHIND

There is another aspect of the lag in food-for-peace shipments that also gives me great concern. Farm prices and farmers' incomes have not had the support and strengthening that they should. The experience of the past 2 years bears particularly on this point. Late in 1966, and throughout 1967 and up to the present time, unexpectedly large supplies of grain in this country and in the world have had a depressing effect upon farm prices. A moderate increase in the quantities of food grains exported as food for peace would help greatly to maintain more adequate farm price levels. More food has been and is now needed, yet increased volumes have not been offered. American farmers, and the poor and hungry in many friendly countries around the world, are the losers.

I recognize, of course, that the cost to the U.S. Government of food-for-peace shipments is and has been a critical obstacle to enlarging this program to dimensions that are more in keeping with world needs, more in keeping with its benefits to the United States, and more in keeping with the legitimate expectations of our farmers. With increasing pressure on the Federal budget, the present situation appears to signify further restraints upon the volume of food-for-peace shipments. The consequences, of course, would be continuing hunger and economic stagnation for large numbers of people, and continuing weak prices for America's farmers.

INCREASED FOOD SHIPMENTS PROPOSED

It was in this setting that a most interesting proposal has been presented in hearings of the Senate and House Committee on Agriculture and Forestry during recent weeks:

It is proposed that private investors could be induced to cover the added dollar costs that would be required in order to ship greater quantities of food for peace.

This suggestion was offered by Robert G. Lewis, until recently an official in the Department of Agriculture with responsibilities for farm programs, Commodity Credit Corporation storage, pricing, and sales operations, international trade, and economic development. Mr. Lewis is now a private consultant in Washington.

The basis for this proposal is really quite simple. Under our existing farm programs, the Federal Government is obligated to pay costs amounting to 60 percent or more of what it would cost to provide additional quantities of food for peace, even though the actual commodities are never produced. The Department of Agriculture has estimated that the cost of diversion programs is 60 percent of what it would cost to export an equivalent volume of commodities under the food-for-peace program. Mr. Lewis' estimates indicate that the cost of diversion payments amounts to a somewhat larger percentage, in some years as high as 75 or 80 percent and even a full 100 percent of what it would cost to have the food produced and exported for use in the food-for-peace program.

WOULD REDUCE FOOD-FOR-PEACE COST

Whatever the case may be, the problem is simply to find some way whereby the gap can be closed, some way to cover the 40 percent or less of the total cost of food-for-peace shipments that would be added to the budget if food is produced and used in that way, as compared to the cost of paying farmers to divert cropland in order to avoid the production of an equivalent volume of the commodities.

Most food-for-peace commodities are sold to the importing countries for local currencies which become the property of the U.S. Government. In most countries, we have all the local currencies that can be used for our Government's expenses and so on.

Mr. Lewis suggests that the U.S. Government sell, at a discount to private investors, the additional local currencies that would be received for additional shipments of food. Only a small percentage of the face value—40 percent at the most—would need to be realized in order to enable the U.S. Government to recover its additional cost of paying to export the commodity, as compared to paying farmers for not producing equivalent quantities of the commodities.

USE RESTRICTED TO PROVIDING JOBS

The primary object of the food-for-peace program should be to provide better nutrition to the hungry people in the developing countries.

This plan would focus more positively and more directly upon that objective than the existing title I operations. The private investors who buy local currencies at a discount would be restricted to using them primarily for paying wages and salaries to people who would be otherwise without jobs.

This would be a true food-for-work program. It would create jobs, so that people who otherwise would be unemployed or seriously underemployed could buy enough food and clothing for themselves and their families.

In most of the countries having large populations of hungry people, there is an almost unlimited need for the kind of work that unskilled labor can do—for roads, for waterworks, for sanitation facilities, for schoolhouses, and the like. Materials are available locally almost everywhere, materials that are suitable for the simple public works projects that are the needed first step for economic progress to begin. This food-for-work plan can bring more of the potential abundance of American farms together with huge populations of hungry people in many corners of the world, in a way that will create new wealth, that will create the new capital facilities that can serve as a foundation for further economic development.

MONETARY AUTHORITY UPHOLDS PLAN

Mr. President, I have asked for an expert judgment of this plan from the Senior Specialist in International Economics of the Legislative Reference Service in the Library of Congress. He is Dr. Howard S. Piquet, internationally recognized as one of the world's foremost monetary and fiscal authorities.

I now have a reply from Dr. Piquet, and I am delighted to report that it is

his conclusion that the food-for-work plan proposed by Mr. Lewis would serve both to reduce the budget cost to the United States of its overall farm adjustment programs, and to improve the balance of payments of this country.

In addition, Dr. Piquet finds that the plan would have no adverse effect upon the balance of payments of the importing country, and that if the currencies to be transferred under the plan are spent as proposed for the purpose of stimulating production and economic development, "The effect on the—importing country—budget would be favorable."

Dr. Piquet notes that the sale of U.S.-held foreign currencies at a discount might result in creating a system of multiple exchange rates. This, he points out, would be inconsistent with the principles of the International Monetary Fund, of which the United States is a member. However, as Dr. Piquet points out, "this is a matter of economic foreign policy rather than of budgets and the balance of payments."

I have discussed this possibility with Mr. Lewis, who points out that it should not be difficult to administer the program so as to avoid any objection from the IMF. The true object is to discount the cost of labor in the importing country, so as to create more jobs and greater food consumption. The monetary transactions that would be involved are simply a means to that end, and not the end in and of themselves. The desired result is the same as would obtain through the use of a combination of grants with currency transfers at the normal exchange rate, to pay wages and salaries in approved types of labor-intensive projects. This is comparable to existing foreign aid operations which meet with no objection from the IMF. In fact, the proposed program could be operated on this basis without serious inconvenience if it should become necessary.

Mr. President, because of the significance of Dr. Piquet's analysis of this proposal, I ask unanimous consent that his letter to me be printed in full at the conclusion of these remarks. I also ask unanimous consent that the statement by Mr. Lewis proposing the food-for-work provision be printed in the RECORD.

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

THE LIBRARY OF CONGRESS,
Washington, D.C., April 12, 1968.

Senator GEORGE S. McGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR McGOVERN: This letter is in reply to yours of March 18 in which you ask that I review the proposal of Mr. Robert G. Lewis under which the Administration would be authorized to enter into agreements with importing countries to permit the United States to sell, at competitive rates part of the local currencies that it receives in payment for imports of "food for peace" shipments.

You ask for my judgment with respect to the merits of the proposal from the point of view of monetary and fiscal policy. Accordingly, my analysis is confined to these aspects and is not addressed to the merits of the proposal with respect to world food needs, or to what Mr. Lewis refers to as the "cost barrier" to increased U.S. food shipments.

No consideration is given to the desirability of bringing together the world's two great surpluses—hungry people and unmarketable farm commodities. To the extent that this goal is achieved the effect on the entire world economy would be favorable. This is not primarily a matter of budgets and balance-of-payments deficits.

Neither do I comment on the fact that the sale of U.S.-held foreign currencies at a discount might result in creating a system of multiple exchange rates, which would be inconsistent with the principles of the International Monetary Fund, of which the United States is a member. This is a matter of economic foreign policy rather than of budgets and the balance of payments.

To the extent that Mr. Lewis's contention is correct, namely, that the sale of foreign currencies held by the United States would reduce the cost of U.S. farm programs, the result on the U.S. budget would be favorable.

The following analysis considers the probable effects of proposed local currency sales on the domestic budgets of the countries concerned and on their balance-of-payments positions. First are shown the effects of food transfers at the present time, when local foreign currencies held by the United States are not available for sale to private individuals or firms for use within the recipient countries.

It is then assumed that the foreign currencies (using Indian rupees to illustrate) are sold to Americans for limited uses. In the third case it is assumed that the rupees are sold to non-Americans and non-Indians, who are assumed to be Germans.

CASE I. TRANSACTIONS AT THE PRESENT TIME

The U.S. Government purchases food from American producers, with dollars, and ships it to India. The Indian Government pays rupees for it, and the rupees are held by the U.S. Government in India.

Budgetary effects

(a) *In the United States:* The expense side of the Federal budget is increased by the cost of the food purchased. The cost is offset only to the extent that the U.S. Government uses some of the rupees to pay for services in India for which it would otherwise have to use dollars such as expenses in connection with its Embassy operations. In India these expenses are small relative to the quantity of rupees held.

The effect on prices in the U.S. is upward because Government funds are being used to buy the goods that are exported, without any offsetting importation of foreign merchandise.

(b) *In India:* The expense side of the Indian budget is also increased by the cost of the food purchased with rupees, while the effect on the Indian prices is downward. Rupees are being withdrawn from circulation with no corresponding decrease in the supply of goods.

Balance-of-payments effects

(a) *In the United States:* There is no balance-of-payments effect unless it is assumed that India would have purchased the same quantity of food through commercial channels in the absence of PL 480 program, in which case there is a loss of dollar earnings.

(b) *In India:* No effect, unless it is assumed that India would have purchased the food, with rupees, through regular commercial channels in the absence of a PL 480 program, in which case there is a decrease in the outflow of funds.

CASE II. ASSUMING THAT U.S.-HELD RUPEES IN INDIA ARE SOLD TO AMERICANS

Budgetary effects

(a) *In the United States:* Since American purchasers obtain title to the rupees by paying dollars to the U.S. Government, the

Government recovers part of the cost of the food originally shipped under PL 480. To this extent the effect on the U.S. budget would be favorable.

(b) *In India:* The proposal provides that purchasers of the rupees would have to spend them in ways that will stimulate production, employment, and economic development in India. In the first instance, the expenditure of the rupees will be inflationary, but since the expenditures are for the purpose of stimulating production and economic development, the inflationary effect will be offset by increased production.

In effect, the rupees that the Indian Government paid for American food under PL 480 programs would be channeled back into the Indian economy for productive purposes. The effect on the Indian budget would be favorable. Of course, if the rupees are spent for other than productive purposes, the effects would be inflationary.

Balance-of-payments effects

(a) *In the United States:* No effect, because no international financial transaction is involved. The American purchasers gain title to the rupees in India by buying them with dollars from the U.S. Government.

(b) *In India:* No effect, unless it is assumed that India would have imported the production goods resulting from sale of the rupees, even if there were no such sales.

CASE III. ASSUMING THAT THE RUPEES ARE SOLD TO NON-AMERICANS AND NON-INDIANS, SAY TO GERMANS

Budgetary effects

(a) *In the United States:* Since the rupees are sold for cash there would be the same effect on the U.S. budget as if they were sold to Americans. That is, there would be a favorable budgetary effect.

(b) *In India:* Favorable, as under Case II. It makes no difference to India whether the rupees are bought by Americans or by Germans, as long as they are spent in India for productive purposes.

(c) *In Germany:* There would be no direct budgetary effect since purchase of the rupees is a private transaction.

Balance-of-payments effects

(a) *In the United States:* The effect would be favorable because the Germans, in order to acquire the rupees, would have to buy dollars with Deutsche Marks, which would increase the flow of funds from Germany to the United States.

(b) *In India:* No direct effect since there has been only a change in the title to the rupees, from Americans to Germans.

(c) *In Germany:* There would be a net minus in the German balance-of-payments because Germans would transfer funds to the United States to purchase the rupees.

Almost 65 percent of all the foreign local currencies held by the United States on June 30, 1967 were in India, the United Arab Republic, and Pakistan.¹ Holdings were as follows:

[In thousands]

India	\$258,832
United Arab Republic	112,003
Pakistan	47,093
Latin America	39,869
Africa	60,187
Yugoslavia	28,158
Vietnam	18,132
All other	79,472

Total 643,746

Yours sincerely,

HOWARD S. PIQUET,
Senior Specialist in International Economics.

¹ From AID Operations Report, June 30, 1967, p. 144.

A PROPOSAL FOR EXPANDING THE USE OF FOOD FOR PEACE

(Statement of Robert G. Lewis, Washington, D.C., on legislation to amend and extend Public Law 480, the food-for-peace program, before the Senate Committee on Agriculture and Forestry, Mar. 14, 1968)

Mr. Chairman and Members of the Committee, I am Robert G. Lewis. Since 1961 I have held various positions in the Department of Agriculture relating to farm programs, international trade, and economic development. Recently I completed a special consulting assignment with the Agency for International Development in which I studied food and agricultural problems at first hand in India. I am now a consultant on these subjects in private practice in Washington.

I have a proposal to suggest today which, I believe, would make it possible for the United States to make significant and simultaneous progress against four major goals of national policy. In short, I believe it would be possible for the United States:

1. To increase its shipments of needed farm commodities under the "Food for Peace" program;

2. Thereby to strengthen the demand for and prices of farm commodities;

3. Without increasing the overall net costs to the Government; and

4. With the realization of some immediate hard-currency return on additional sales of farm commodities, thus improving the balance of payments of the United States.

I am now engaged in a study of the Food for Peace program. I have been commissioned jointly by a group of farm organizations, commodity producers' associations, and farm commodity trading firms, to seek to develop proposals through which the use of farm commodities as "Food for Peace" can be increased. My study is not yet complete, and I have not made my report to my clients. Therefore, I do not purport to speak for nor to represent anyone but myself in offering this proposal.

Before getting to the proposal itself, I would like to review briefly the extent of world need for increased food consumption, and the interests of farmers in the United States in securing an expansion of the Food for Peace shipments.

Half a billion people on earth today—nearly one out of five—need more food than they can get to eat. These hungry people, plus twice as many more, adding up altogether to half the human race, need to have more high-quality food in their diets in order to overcome the health-destroying, energy-depleting effects of malnutrition.

The main obstacle to using more of America's abundant food resources to meet this need has been the cost to the United States Government.

At present, "Food for Peace" shipments are sold for the currency of the importing country, or for long-term credits payable in dollars over periods as long as 40 years, and some are donated outright. The importing country currencies that are paid for the food can be spent only within the importing country, and in the main only by the U.S. Government. The commercial trading firms that export the food are reimbursed by the U.S. Government in dollars for the value of the food shipped, and the U.S. Government takes possession of the foreign currencies. In some countries, large amounts of these currencies in excess of the needs of the U.S. Government are kept "frozen" in its bank accounts within the importing country, unused and unusable.

In these circumstances, it is somewhat cheaper for the U.S. Government to reduce its food production by paying farmers to withhold some of their cropland from production than it would be to ship the equivalent additional quantities as "Food for

Peace". At present these payments to reduce farm production amount to 60 per cent or more of what it would cost the U.S. Government to provide an equivalent quantity of the commodities as "Food for Peace" to hungry people overseas.

COST BARRIER HURTS U.S. FARMERS

The whole Nation's interest in human compassion, and in world economic and social development, is damaged by the "cost barrier" against making greater use of "Food for Peace". Although the farmers' interests are more specific and more direct, their stake merely parallels that of the general public.

Recent experience has shown how this "cost barrier" reduces the scale of "Food for Peace" shipments, with the parallel result of price and income disadvantages to U.S. farmers. The "cost barrier" is probably the central reason that the slump in farm prices in late 1966 and in 1967 was not reversed by shipping greater quantities of food to hunger areas. More food was needed, and more was wanted, and more could have been used constructively. There was famine in the world for the first time since World War II, threatening millions of human lives in India. But the unexpectedly large grain supplies were permitted to burden the commodity markets, thus depressing farmers' prices and incomes in the face of vast unmet real needs for food.

The delayed action effect of this "cost barrier" needs to be explained for a full understanding of how it promotes the shrinkage of "Food for Peace".

If the wheat and corn and sorghum grain and soybean oil that burdened domestic and world markets in 1967 had been drawn upon for increased "Food for Peace" shipments, reserve stocks would have needed to be rebuilt in 1968. The government cost is less to let the 1967 surplus remain to hang over the market, and to pay farmers to withhold more of their cropland from production in 1968. Moreover, this also allows the cost to be postponed. The lower-cost and later-cost road is usually the path of least resistance, and that is the route that is more likely to be followed in government, regardless of what Administration may be in power. The peak of \$1.9 billion in the value of "Food for Peace" that was shipped from the 1956 crop has never been equaled since. Large-scale programs to pay farmers to withhold cropland from production have been favored since then for controlling surpluses.

This has been a route that spirals downward, relatively if not absolutely, for the farmers and for the hungry. "Food for Peace" shipments are becoming smaller in relation to world need, in relation to total U.S. farm production, in relation to total U.S. Government spending. Farm prices are lower in relation to farmers' costs and in relation to total national income. And as long as the "cost barrier" stands against greater use of "Food for Peace", the path of least resistance probably will continue to lead toward resisting the needs of the hungry, toward constricting the use of "Food for Peace".

BREAKING THROUGH THE COST BARRIER

If a way can be found to break through the "cost barrier", the down-spiral in the use of American farm products as "Food for Peace" can be reversed.

Suppose that shipping more "Food for Peace" in 1966 and 1967 would have saved money for the government, instead of adding to its costs. The path of least resistance for the government then would have been to say "Yes" instead of "No" to the hungry, and to the farmers. The government's innate bias toward the low-cost choice would have coincided with and reinforced all the other considerations that argued for expanding the shipments of "Food for Peace". It would have shifted the initiative toward exporting more

food, and away from the choice of preserving burdensome stocks so as to minimize the government's replacement costs. Human hunger could become a far more active factor in demand, which it ought to be. The opportunity to make "soft currency" sales would have the same kind of appeal, although in smaller degree, than regular commercial business does.

And for the long run, supplying a bigger market today will generate a still larger market for tomorrow. If only "Food for Peace" can break through the "cost barrier", it can turn the farm and food economy onto an upward spiral, toward a future in which demand will rise in closer harmony with rising human need, and in which "Food for Peace" can play the larger role in world economic development that recent studies indicate it can and should.

I wish to propose an amendment to Public Law 480 that would make it possible for the United States to ship larger quantities of "Food for Peace" without increasing overall costs to the government.

The key principle of my proposal in that ways are devised whereby the U.S. Government could recover at least the additional costs that would be required for shipping farm commodities for use in hungry countries overseas, as compared to the costs of payments to farmers to not produce an equivalent volume of the commodities.

This is not as difficult a feat as it might seem to be. The key fact is that the U.S. Government, under the Farm Act of 1965, is already obligated to pay 60 percent or more of the cost of potential "Food for Peace" shipments whether they are ever produced or not. Uncle Sam needs only to get as little as 40 cents or less on a dollar's worth of "Food for Peace" to break even.

The estimate of 40 cents as the break-even point, as compared to the cost of paying farmers not to produce, is from the Department of Agriculture. My own investigations, as shown in the tables at the end of this statement, indicate that the break-even point may be considerably lower.

The United States is a great trading nation. Surely it is not beyond American ingenuity to devise ways by which food can be sold in a hungry world when its cost can be as little as 40 cents or less for a dollar's worth!

THE PROPOSAL

That a new type of transaction be authorized under Title I of Public Law 480, through which:

The local currency proceeds from sales of farm commodities would be sold by the U.S. Government, at competitive rates, to private individuals or firms, for restricted uses within the importing country.

The purposes for which the use of such currencies would be permitted would be specified in the Sales Agreement between the governments of the importing country and the United States. General objectives would be to avoid disruptive effects upon the economy of the importing country, and interference with usual marketings of farm commodities within the importing country by the U.S. and other exporters.

As a general rule, the uses which would be permitted would be those which would result in substantial increases in employment in the importing countries. (New consumer buying power that is generated by creating jobs for the unemployed and underemployed in poor countries is used primarily to buy food, and a little clothing. This increased demand for food would be offset directly by the food imported, so that the overall economic impact would be non-inflationary.)

The agreed purposes would stress also economic development, capital formation, and export development, thus contributing directly to the long-run ability of the country's

economy to pay for its imports on fully commercial terms.

At present, Title I of P. L. 480 authorizes sales of farm commodities for local currencies, but such currencies cannot be re-sold to private individuals or firms. It also authorizes sales on long-term credit with provision for repayment in dollars over periods of up to 40 years.

Unlike either of these present methods, this proposal would enable the U.S. Government to realize some immediate return in dollars or other hard currencies on concessional sales of surplus commodities.

This would improve the balance of payments situation of the United States to the extent that the local currencies that were offered for sale would be purchased by investors from other countries.

Moreover it would enable American citizens to make investments in developing countries without affecting the U. S. balance of payments adversely.

JOB NEEDS FOR THE HUNGRY

The need to increase employment is of such critical importance in most of the less-developed countries that it deserves the principle emphasis in our international economic policies.

Providing jobs for their enormous and swiftly-growing populations is the most immediate and most urgent problem of the underdeveloped countries.

In many of the populous less-developed countries today, as many as one-half or more of the working-age population have no jobs, or are so severely underemployed that they produce and earn almost nothing of value.

These huge hungry populations of unproductive, illiterate people often are regarded by the rest of us as a "burdensome surplus". This all-too-common fault is the twin brother of another familiar failing, which judges our real and potential abundance of food in this hungry world to be also a "burdensome surplus".

The truth is that this vast human resource, now mainly wasted, affords the greatest realizable opportunity that exists in the underdeveloped countries. There is in all of these countries a tremendous need for the kind of work that unskilled "common labor"—can do—construction of elementary public capital of all kinds: Waterworks—for irrigation, household use, and industry; Sanitation facilities; Roads and bridges and culverts; School buildings, and so on. All of these facilities can be constructed by labor-intensive methods, using materials that are available locally and at low cost in most areas.

And the people are willing to work, for wages barely high enough to enable them to buy enough to eat and to feed their families and a little clothing to wear.

Their hunger is the true barrier against productivity and progress. There are hundreds of millions of working-age men and women in the world who do not get enough to eat to enable them to work effectively or to think creatively. The visitor to India or Pakistan can see them everywhere, squatting in the dust of city streets as they ply their pitiful and unremunerative retail trades, or plodding in their fields almost as thoughtlessly and unimaginatively as their bullocks and buffaloes. Malnutrition dulls their wits and stifles initiative, enterprise, and invention. In the best of seasons they earn barely enough to sustain life at an animal level. And they are producing a new generation of human beings who are stunted physically and retarded mentally by malnutrition, who are alienated socially and politically and psychologically from the hopes of the human race.

Shortage of food is the real barrier also that prohibits their governments from employing them in public works projects to

construct the public capital—the roads, bridges, waterworks, schoolhouses, and so on—that would provide the needed basis for their countries' economic development. There simply isn't enough food in these countries to meet the demand that would result if large numbers of additional people were put to work. To put it bluntly, the shortage of food forces economic planners to choose, by default or by neglect if not by design, to leave millions of their people in idleness and low-level activity because they won't eat as much that way as if they had real jobs at hard labor.

FOOD-FOR-WORK AMENDMENT

I suggest that this amendment be called the "Food for Work" amendment. It would bring together the world's two great "surpluses"—of hungry people, and of unmarketable farm commodities—to generate productive human work. And it is human work and its products that are the true key to economic development, to progress, even to peace on earth.

This "Food for Work" amendment would give to the U.S. Government program administrators both a mandate, and a license, to engage in more aggressive efforts to sell American farm products. It would provide for a kind of reciprocal bargain-sale trading scheme, in which we would exchange our "surplus" food for whatever of the most value we could realize from the products of the less-developed countries' "surplus" of hungry, unskilled people.

Partly because of tariffs and other barriers to trade, the underdeveloped countries can't put their unemployed and under-employed people to work to earn enough to pay us the full price for our extra food and fiber, notwithstanding the urgency of their need. But possibly they can earn enough to pay something—perhaps enough to bridge the gap between what we'd have to pay our farmers for producing less next year, and what it would cost us to ship them the extra food and fiber this year. Perhaps they might be able—after a while if not immediately—to pay even more than the break-even difference in costs.

The United States cannot sell its "surplus" food and fiber at the full price. But our country needs to get only 40 cents at the most on the dollar's worth in order to "break even" as compared to our present cost obligation.

If, for example, American investors—or Frenchmen or Germans or Englishmen or anyone else—can be persuaded to pay only as little as 40 per cent at the most of the face value of local government bonds for financing public works projects in the developing countries, then the United States Government could furnish "surplus" food and fiber to make such projects possible, without adding to its regular budget costs. And the hard currency realized by the United States through sale of the bonds—or of the local currencies that could be used to buy the bonds—would directly improve our balance of payments.

Whatever private investors would be willing to pay above the 40 per cent-or-less break-even point would enable the United States Government to cut its regular budget costs and to improve the balance of payments all the more.

SUGGESTED USES FOR LOCAL CURRENCIES

The exchange of "Food for Work" under this proposal should be conducted for the most part within regular commercial marketing channels. It should be a goal of American economic development policy to promote the development and strengthening of commercial market systems in the developing countries, and this proposal can make an important contribution to doing so. The local currencies that are paid to the U.S. Government for food should be sold to some-

one who will use them to pay wages to mainly-unskilled laborers, who would spend their earnings in the marketplace primarily for the purchase of food and clothing. In India, according to United Nations studies, families whose earnings are at the "common labor" level spend 90 per cent of their incomes for food.

Here are some illustrations of the kinds of uses that should be permitted of the local currencies to be sold to private investors at competitive rates:

For the purchase of bonds issued by the municipal or other governmental units of the importing country for financing labor-intensive public works, including basic public capital such as roads, water and sanitation facilities, school buildings, and the like.

For specified types of business investment within the importing country, particularly such as would result in generating maximum employment of labor in the construction or operation or both of new facilities. As a usual rule, investments of local currencies purchased under the proposed program would need to be accompanied with some dollar or other hard currency investment as well.

For the purchase of specified labor-intensive goods for export to the United States and other markets.

For use by tourists for purchases of goods and services in the importing country in addition to the amounts they normally would spend.

For use by students from the United States to cover all or part of their room and board and other consumption expenses while attending colleges or universities or engaging in research work in the importing country.

NEW SALES METHOD NO "CURE-ALL"

It needs to be stressed that the new method proposed here for selling food and fiber under P.L. 480 is by no means claimed to be a substitute for other farm adjustment and foreign aid programs, nor even for the present sales methods authorized in Title I.

This is merely an extra tool—a tool that shows much promise for contributing to the tasks of feeding the hungry, and of stabilizing and improving the American agricultural economy. A general framework of farm adjustment program will be needed for some time to come.

Nevertheless, the only real hope there is on earth for the farmers of America to escape from the price-depressing burdens of "surplus" agricultural production capacity is for the enormous and swiftly-growing populations of the less-developed countries to get jobs and buying-power.

Shifting the "farm surplus" from the commodity warehouses, where it was visible during the 1950's, back into vast acreages withheld from active production, does not escape its depressing burden upon farmers' prices.

The experiences of 1966 and 1967 proved that. The "surplus" above ground was gone. But the "surplus" below ground squelched the farmers' hopes for prosperity.

This "Food for Work" proposal will, in the short run, remove the "cost barrier" against action to expand farm commodity exports when short-run supplies become a depressing burden on prices. In the long run, it will promote economic development and buying power for food and fiber, while enabling suppliers of American farm products to get in on the ground floor in the growing new markets.

This special interest of America's farmers coincides with the national interest of the United States. As the world's greatest food and fiber exporting nation, the United States has no economic goal that is more vital than to promote the creation of jobs for the enormous and swiftly growing populations of the less-developed countries.

IMPORTING COUNTRIES MAY RESIST

It is only fair to say that there is likely to be resistance to the proposed "Food for

Work" transactions from some of the less-developed country governments.

Unfortunately, not all governments place high premiums upon providing jobs—or even food—for their poor citizens. Not all governments truly sympathize with the goal of economic development and progress for their people.

Some governments would prefer to go on as they have in the past, selling into their domestic markets the food and fiber that is imported under Title I, and using the proceeds for meeting regular expenses of their governments, instead of raising the needed revenues through taxes. Objections on such grounds should be accepted only rarely, if ever, by the United States negotiators.

Some developing country governments might balk at allowing their currencies to be sold at a discount even for strictly limited purposes that would not undermine the value of their currency for normal trade. United States negotiators, in such situations, should apply their best talents as salesmen to persuade the potential buyers of the benefits that such transactions would accord to the country and its people.

There may be misapprehensions about additional imports of "Food for Work" on the part of local farmers, or the governments of other farm commodity exporting countries. However, the fact is that the proposed "Food for Work" transactions would result in no real disadvantage to other farmers, because these transactions would create directly the additional demand for food and fiber that would absorb the added supply. The proposed "Food for Work" transactions, in fact, would be considerably easier to defend from criticism on such grounds than the present "Food for Peace" operations.

ADVANTAGES FOR ALL CONCERNED

To summarize, this proposal would make it possible for the United States to ship larger quantities of "Food for Peace" without increasing the overall costs to the government.

This would achieve these outstanding advantages:

The U.S. balance of payments would be better off, because some immediate return in dollars and other "hard currencies" could be realized from Title I sales of American farm commodities.

U.S. taxpayers would be better off, because smaller government expenditures would be sufficient to maintain a given level of farm prices and incomes.

U.S. farmers would be better off, because, at a given level of government expenditures, the demand for farm commodities could be increased, and farm prices and farmers' incomes would be strengthened accordingly.

U.S. farmers would be better off also because the proposed program would help to build permanent commercial markets for American farm products. If American farm products are kept out of these developing markets through the operation of diversion programs, market development will proceed much more slowly, and farmers in other countries will enjoy a "head start" in serving them.

(The government payments to farmers for diverting cropland from production are substitute income, which merely replaces, in

whole or in part, the income that the farmer would earn from the land taken out of production if instead he were to grow and to market a crop.)

The hungry countries would be better off, because they could obtain additional quantities of needed food, thus making it possible for their now-undernourished citizens to work productively, and to prevent the physical and mental retardation of their children that is now being caused by malnutrition.

The farmers of the hungry importing countries, and of other food and fiber exporting countries, would be better off, because the program would insure that there would be an immediate increase in food and fiber consumption to off-set the increase in food and fiber imports, thus protecting normal markets and price levels while reducing the world's "surplus".

The whole world would be better off, because total world consumption of food and fiber would be increased, thus improving the level of human physical and mental health and well-being, and increasing the amount of productive work done to promote economic development. This alone can lead to real ability-to-pay on commercial terms for future food and clothing and other needs.

10-YEAR CHANGES IN TOTAL AND HUNGRY POPULATIONS

Region	Millions of persons		Increase	
	July 1955	July 1966	Millions	Per cent
Less-developed world:				
Latin America.....	187	253	66	35
All Asia, less Japan and mainland China.....	824	1,059	235	28
Mainland China.....	602	710	108	18
Africa.....	248	318	70	28
Total, less-developed regions.....	1,861	2,340	479	26
Total, less-developed regions excluding mainland China.....	1,259	1,630	371	30
Estimated number of persons hungry (not sufficient food quantity), excluding mainland China.....	252	326	74	30
Estimated number of persons malnourished (not adequate food quality), excluding mainland China.....	755	978	223	30
Economically developed world:				
Northern America (United States, Canada).....	184	217	33	18
Europe.....	407	449	42	10
U.S.S.R.....	198	233	35	17
Japan.....	89	99	11	9
Oceania.....	14	18	4	28
Total, developed regions.....	892	1,016	124	13
World totals:				
Population.....	2,753	3,356	603	22
Estimated number of persons hungry (not sufficient food quantity).....	413	503	90	22
Estimated number of persons malnourished (not adequate food quality).....	1,300	1,600	300	22

¹ Population data for mainland China are from official United Nations sources. Unofficial estimates for 1966 range from 70,000,000 to 950,000,000.

Sources: Population Reference Bureau, Washington, D.C., and The World Food Problem, Report of the President's Science Advisory Committee, vol. II, The White House, May 1967. (Estimates of hunger and malnourishment, based on the latter, are imprecise.)

ADEQUACY OF NUTRITION BY LEVELS OF INCOME, RURAL SOUTH INDIA, 1958

Item	Status of 77 percent of rural population of south India		Approximate level of income of common laborers in public works	
	(A)	(B)	(C)	
Per capita expenditures for food per month:				
Rupees.....	0-8	8-11	24-34	
Dollar equivalent.....	0-1.06	1.06-1.46	3.19-4.52	
Calories consumed per capita per day.....	1,120	1,560	2,530	
Daily per capita, reference standard, calories.....	2,300	2,300	2,300	
Protein consumed per capita per day (grams).....	31	45	72	
Daily per capita, reference standard, protein (grams).....	60	60	60	

ADEQUACY OF NUTRITION BY LEVELS OF INCOME, RURAL SOUTH INDIA, 1958—Continued

Item	Status of 77 percent of rural population of south India	Approximate level of income of common laborers in public works	
	(A)	(B)	(C)
Per capita consumption as percent of daily per capita, Reference Standard:			
Calories.....	48	68	110
Protein.....	51	75	120
Family (6 persons) expenditures for food, per month:			
Rupees.....	0-48	48-66	144-204
Dollar equivalent.....	0-6.38	6.38-8.78	19.14-27.12
Total family (6 persons) income per month, assuming 90 percent used for food at incomes under Rs100 per month:			
Rupees.....	0-53	53-73	160
Dollar equivalent.....	0-7.05	7.05-9.71	21.28
Increase in calories consumed above lowest income level (col. A) (percent).....		39	126
Increase in protein consumed above lowest income level (col. A) (percent).....		45	132

¹ Or more.

Sources: "The World Food Problem," vol. II, report of panel on the world food supply, President's Science Advisory Committee, the White House, May 1967, p. 43-44. World food budget, 1970, Economic Research Service, U.S. Department of Agriculture, October 1964.

COSTS TO U.S. GOVERNMENT OF PAYMENTS TO FARMERS FOR WITHHOLDING CROPLAND FROM PRODUCTION, COMPARED TO EXPORTING EQUIVALENT QUANTITIES OF WHEAT OR FEED GRAINS UNDER TITLE I, PUBLIC LAW 480, 1962-66

	1962	1963	1964	1965	1966		1962	1963	1964	1965	1966
Total acres diverted under Government programs (millions).....	64.8	55.7	54.9	55.9	62.5	Total cost to U.S. Government to export feed grains at ratio of 2 corn to 1 sorghum under title I, Public Law 480 (dollars per metric ton).....	\$49.51	\$50.70	\$52.68	\$54.20	\$54.09
Total payments to farmers on condition of diverting cropland from production, excluding wheat certificates (millions).....	\$1,440	\$1,382	\$1,541	\$1,638	\$2,341	Production of feed grains on all diverted acres, assuming 2/3 national average yields of grain crop diverted or of most productive grain alternative (million metric tons).....	47.9	42.5	42.9	51.4	56.8
Total cost to U.S. Government to export wheat under title I, Public Law 480 (dollars per metric ton) ¹	\$83.38	\$88.89	\$86.69	\$73.84	\$76.66	Cost of payments for diversion per metric ton of assumed production of feed grains.....	\$30.06	\$32.52	\$35.92	\$31.87	\$41.21
Production of wheat on all diverted acres, assuming yields of 2/3 national average (million metric tons).....	29.5	25.5	26.2	27.3	29.8	Cost of payments for diversion as percent of cost to export feed grains.....	61	64	68	59	76
Cost of payments for diversion, per metric ton of assumed production of wheat.....	\$48.81	\$54.19	\$58.82	\$60.00	\$78.56						
Cost of payments for diversion as percent of cost to export wheat.....	59	61	68	81	102						

¹ Export prices f.o.b. gulf ports, No. 2 HW (ORD) wheat, 1967 World Wheat Statistics and Review of the World Wheat Situation, 1966-67, International Wheat Council, 28 Haymarket, London, United Kingdom, plus export payment, as reported by USDA.

Source: U.S. Department of Agriculture data.

OPERATING RESULTS OF GOVERNMENT-FINANCED FARM COMMODITY EXPORTS AND ACREAGE DIVERSION PROGRAMS, 1955-68

Year	Acres idled by farmers as basis for Government payments (millions)	Estimated yield of grain from idled acres if grown and harvested (million metric tons) ¹	Market value at farm if crop of grain had been harvested from idled acres (millions) ²	Payments to farmers agreeing to not produce crops on idled acres (millions) ³	Value of U.S. farm commodity exports under Government-financed programs, fiscal year ending June 30. ⁴
1955.....					\$835
1956.....	13.6	8.0	\$405	\$261	1,339
1957.....	27.8	15.0	654	654	1,919
1958.....	27.1	19.6	864	810	1,209
1959.....	22.4	11.3	464	324	1,227
1960.....	28.7	15.9	625	367	1,283
1961.....	53.7	41.4	1,762	1,104	1,503
1962.....	64.7	48.5	2,101	1,440	1,570
1963.....	55.7	42.5	1,825	1,382	1,480
1964.....	54.9	42.0	1,901	1,541	1,518
1965.....	55.9	52.0	2,230	1,638	1,697
1966.....	62.5	56.6	2,785	2,341	1,616
1967.....	39.9	39.4	1,661	2,001	1,578
1968 ⁵	55.8	59.5	2,977	2,231	⁶ 1,499
Total ⁷	560.8	451.7	20,254	16,094	⁸ 20,273

¹ Computed at 2/3 of U.S. average yields per acre during year of each crop to which reductions in acreage harvested are attributed, and of projected yield for 1968. An equivalent based on average yields of corn during year is shown for acreage diverted from cotton; and an equivalent based on average yields of oats during year is shown for "other cropland" diverted primarily from tame hay, and some soybeans, flaxseed, dry edible beans, rice, and tobacco.

² Estimated yield times U.S. average price per ton received by farmers for corn at the farm during the year, and projected price for 1968 equal to actual prices received by farmers for corn in 1966. Prices of the various grains, including the price of wheat less certificates, usually average close to the price per ton of corn.

³ All payments to farmers conditioned on their agreement to withhold designated farmland from production during the calendar year (corresponds generally to crop year). Wheat certificate payments are excluded because they may be paid even if no diversion requirement is in effect.

⁴ ERS-Foreign 202, and ERS-Foreign 206, Economic Research Service, U.S. Department of Agriculture.

⁵ Data for 1968 based on or inferred from announced U.S. Department of Agriculture intentions and projections, particularly press release USDA 12-68, Jan. 2, 1968. Payments under feed grain and wheat programs are assumed to equal payments made for diversion from corn and sorghum, and for wheat, respectively, in 1966. Cotton program payments are assumed at 80 percent of 1967.

⁶ Official data not available for fiscal year 1968. Projection for 1968 based on applying 5-percent reduction reflected in budget estimate to the total for the previous year.

⁷ Minor discrepancies in totals are due to rounding.

Source: U.S. Department of Agriculture data except as noted.

PRODUCTION, WORLD TRADE, ADDITIONS TO STOCKS, AND RESULTS OF MEASURES OF THE UNITED STATES TO CONTROL SURPLUSES IN GRAINS, 1960, 1965, AND PROJECTIONS TO 1980

[In millions of metric tons]

Year and item	United States	World
1960:		
Production ¹	178.0	827.0
World trade ²	29.5	66.3
Additions to stocks ³	11.8	12.2
Production avoided ⁴	15.9	
Total annual world grain surplus equivalent ⁵	28.1	
1965:		
Production ¹	179.0	881.0
World trade ²	49.4	107.0
Additions to stocks ³	-20.9	-26.5
Production avoided ⁴	52.0	
Total annual world grain surplus equivalent ⁵	25.5	
1980:		
Production ⁶	315.0	1,381.0
World trade ²	110.0	175.0
Additions to stocks ³		62.8
Production avoided ⁴	61.2	
Total annual world grain surplus equivalent ⁵	124.0	

¹ World Agricultural Situation, ERS, U.S. Dept. of Agriculture, Washington, D.C., Feb. 20, 1968.

² Ibid. Exports of wheat and feed grains only. Annual exports of rice and other food grains are small, amounting to only 2,000,000 to 3,000,000 tons, and are not reported in this series.

³ Ibid. and Agricultural Statistics 1967, U.S. Dept. of Agriculture. "Additions to stocks" is the amount of increase (or decrease) in carryover into the succeeding year.

⁴ Based on U.S. Dept. of Agriculture sources. Assumes 3% of national average yield of grain crop diverted or most productive grain substitute crop, on total cropland withheld from production in Government programs.

⁵ Sum of world "Additions to stocks" and "Production avoided" during year. This reflects the total world grain production capacity for the year that is in excess of current demand for market and for food aid.

⁶ World Food Situation, FAE Report No. 35 ERS, U.S. Dept. of Agriculture, Aug. 22, 1967, table 9.

⁷ Ibid. Amount shown in tables 9 and 10 as excess of world production over world consumption is assumed to be added to world stocks. Data shown are from the "Rapid Improvement in Production" alternative basis for projections to 1980, inasmuch as it is based on a 4-percent annual increase in grain production in the developing countries, which was cited as the policy goal of the U.S. Government in administration testimony on the food-for-freedom bill in 1966. No attempt is made to allocate a share of this projected world grain surplus for 1980 to the United States. However, only the United States and Canada have carried out programs to withhold annually produced stocks from immediate marketing, (except for "pipeline" stocks) and only the United States has paid farmers to withhold cropland from production.

⁸ The projection for 1980 of "Production avoided" is computed as 3% of the projected national average production per acre of grain, based on table 9, World Food Situation, ERS, U.S. Dept. of Agriculture, Aug. 22, 1967, times the acres assumed to be withheld from production in 1980. The acreage withheld from production in 1980 is assumed to be the difference between the 186,000,000 acres projected harvested acreage of grain for 1980, and the sum of the averages for 1961-65 of harvested acreages of grain plus acres diverted under farm programs.

FOOD-FOR-WORK AMENDMENT PENDING

Mr. McGOVERN. Mr. President, I had intended to offer an amendment to the Senate bill to renew and extend Public Law 480, the food-for-peace act, when it came before the Senate Committee on Agriculture and Forestry. Unfortunately, I was called to a conference in the Vice President's office to discuss a rural electrification matter of great importance to farmers in South Dakota at the time the bill was up for final action before the committee, and did not have an opportunity to do so.

However, the House committee has approved an amendment which would authorize a limited trial of the food-for-work proposal. That amendment, in H.R. 16165, would create a new subsection (p) in section 103 of the Agricultural Trade Development and Assistance Act of 1954, as follows:

(p) Assure convertibility at such uniformity applied exchange rates as shall be agreed

upon of up to 50 per centum of the foreign currencies received pursuant to each agreement by sale to United States or purchasing country contractors for payment of wages earned in the development and consummation of works of public improvement in the purchasing country.

It is my hope that the House will approve this provision when the bill comes before it, and that the Senate will concur.

This amendment will not obligate the U.S. Government to additional outlays of funds. It will simply provide a new tool that can be used—if circumstances warrant, and I submit that the evidence is overwhelming that they do—to sell larger quantities of American farm products. It is a new tool that offers us a promise of reducing net farm program costs. It is a new tool that offers an opportunity to improve the balance of payments, to realize some immediate hard currency return on additional sales of farm commodities. It is a new tool that would greatly strengthen the ability of the National Government to bolster farmers' prices, without the need for adding to budget costs, when supplies are larger than expected and become a depressing burden on the market.

Bombing Delays Are Killing Americans

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 1968

Mr. SIKES. Mr. Speaker, it would appear that the Communists have no real interest in meaningful negotiation and that the time has come to resume bombing North Vietnam. It has been nearly a month since the President took a long step toward peace, making concessions far beyond any that the United States has previously made, in an effort to end the war. During that time, the Communists have done nothing to show good faith. Their only response has been to haggle about the place to start the talks.

In the meantime, they have obtained a rich harvest of benefits. Equipment and supplies are pouring south at an unprecedented rate. An estimated number of 10,000 trucks a day are moving into the battle zone with needed logistic support for Hanoi's hard-pressed troops. An estimated 500,000 to 600,000 of their people are freed from the necessity of repairing bomb damage to roads, bridges, and factories and are now being used to step up the production and movement of supplies. Every day that this situation continues means the deaths of more Americans. The rapidly improving supply situation, plus a constant flow of new forces means that allied forces will be harder pressed to win on the battlefield and victories will come at higher cost in casualties.

All of this is typical of the Communist negotiations. They negotiate only as a means of victory. They negotiate to gain concessions they cannot win on the battlefield. But the significant fact is they have not even begun to negotiate. They

intend to drag out U.S. patience to the very last degree.

We can win the war in Vietnam if our forces are freed to fight as they were trained to fight and with full use of the equipment the American taxpayer has provided. If the bombing is resumed and it should be unless there are immediate signs that the Communists mean to negotiate, our military forces should be freed to win this war and with whatever means they think best and in the shortest possible time.

War News Falsified

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. RARICK. Mr. Speaker, certainly the constitutional fathers' intent of freedom of the press did not include freedom to rewrite the facts to suit a minority cause.

Edward Sloane's story about the traitorous action of wire services in rewriting war stories and "doctoring" them to suit their sadistic purposes is shocking.

The story from the April 15 Manchester, N.H., Union Leader follows:

WAR NEWS IS "DOCTORED"

(By Edward J. Sloane)

(NOTE.—Correspondent's give-away details were filled in by home office based in New York, explanation shows.)

Jim Lucas, the incisive and respected correspondent of the Scripps-Howard newspaper chain, back from Vietnam, shocked a large audience of concerned citizens. He was speaking to a group in Arlington, Va., in the suburbs of Washington, about the newspaper business, and some of the things that are dangerous about it—for you, the gentle reader and your son.

Specifically, here is what Mr. Lucas said, at a meeting open to the public, at the American Legion hall in Arlington:

"I saw just the other day, a story in the New York Times by a youngster I've known in his prime, whom I've known to be a responsible war correspondent, Joe Treaster (columnist's note: Joseph E. Treaster, New York Times reporter in Vietnam.)

"Joe gave details of our disposition, of our weaknesses, of our strengths, of our morale problems, it would take the enemy two months to collect, and, this was accompanied by a map (columnist's note: Hue) which gave in great detail our disposition and what we knew about their dispositions.

"It's... just... It's appalling! It's... You can't believe that a thing like this could be done. I was particularly shocked because I know this youngster and I've since found out General Sidle (columnist's note: Brig. Gen. Winant Sidle) General Westmoreland's press officer, called Joe in, and he gave him hell, and he threatened to expel him from the Theater (Vietnam).

"And Joe produced his carbons, and this isn't what he wrote.

"All of this was inserted... back in New York..."

(Columnist's note: at this point, Mr. Lucas' audience broke into scattered gasps of "Oh... No!")

"So the kid was in the clear on that. These are some of the things we got to go with..."

Mr. Lucas had other things to say that evening, but this revelation was considered a high point by many suburbanites who were

present, and before they went home, about half of them signed a petition to the President of the United States that a kind of Office of War Information be established soon. After all, we are in a war against an armed Communist power supported by Russia and China, and, we should have newspapers like the New York Times as much on our sons' side as possible in the days to come.

Gov. Warren Knowles Speaks on Natural Disasters

HON. JOHN W. BYRNES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. BYRNES of Wisconsin. Mr. Speaker, under leave to extend my remarks, I am pleased to include the timely and thoughtful speech of Wisconsin's Gov. Warren P. Knowles at the Governor's Conference on Natural Disasters, in Madison, Wis., March 6, 1968:

It is a pleasure for me to welcome you to this Conference on such a Spring-like day—particularly since we know it is still winter.

However, to those of us in the serious business of disaster preparedness, the coming of spring is viewed with mixed feelings. This is particularly true for many of you who reside in the flood danger areas of the State.

If we needed any incentive or reason for the many disaster preparedness programs we are engaged in today, we only have to look back as far as the last spring, or that of 1965. The 1965 floods should especially stand out in our memory because at that time relatively little had been accomplished to prepare for a disaster of such magnitude.

Many of you may recall that at the first natural disaster conference two years ago in Madison I stressed the need and importance for government and community leaders to "take the initiative" in the development of disaster preparedness measures.

Since that time, I've watched with great interest the extensive planning and physical efforts being made at all levels of government in this respect. The challenge is being met, and government is fulfilling its responsibility to lead the way. This was very apparent during the 1967 flood operations which contrasted sharply to those in 1965. A well coordinated program of assistance to the stricken areas was achieved in comparison to the more-or-less "Play it by ear" type of operation in 1965.

Prior to 1966, State and Local Civil Defense efforts were almost totally geared to the preparation of our citizens and communities against the possibility of a nuclear attack against the United States. Planning for such emergencies as floods, tornadoes, fires and other peacetime disasters was negligible, and we paid the price for it. Federal programs in Civil Defense and the money to carry them out were designed totally for nuclear defense programs, and anything done in the natural disaster field was strictly a bonus. Only recently has the Federal Government taken a more active part in peacetime disaster planning.

I might say, at this point, that I'm in no manner minimizing the importance of our national emergency preparations. These programs are being pursued in Wisconsin as vigorously as ever, as well they should be.

We at the State level are continuing to improve our capability to assist local government during any major crisis. There have been many accomplishments since we met last. Most significant, probably, has been the establishment of six new Civil Defense Emergency Operating Centers in the recently constructed State Patrol District Headquarters

buildings at Madison, Wausau, Waukesha, Eau Claire and Spooner, and in the existing facility at Fond du Lac. This joint effort by the State Division of Civil Defense and Motor Vehicle Division provides facilities long needed for emergency operations. It allows us to effectively coordinate State assistance in all types of major disasters. In addition, a new State Primary Emergency Operating Center is now under construction in the Hill Farms State Office Building. This new operational capability offers more tangible proof of how well we are progressing in our emergency preparedness efforts.

Earlier this morning, you saw further evidence of progress. I'm referring to the recently developed State Tornado Alert and Warning Plan. The mechanics of the plan, as you saw by the fine demonstration, are relatively simple but could save many lives.

Several communities have already developed such a system. To those that have not, I urge that serious consideration be given to doing so. Wisconsin ranks 17th nationally in tornado frequency and during the last ten years has averaged 18 confirmed tornadoes per year.

In most instances, effective community disaster programs depend heavily upon the use of volunteers to supplement regular emergency services. In smaller communities, volunteers may be required to carry the load fully. It is for this reason that state-wide Civil Defense Training and Education courses are being made available to all localities. One trained worker during an emergency may be more valuable than ten who are untrained. I urge you to both solicit and support these courses in your communities. Don't wait until after disaster strikes. What you should have done won't help you then.

We've come a long way in our disaster planning effort since the 1965 flood and tornado emergencies, but much more remains to be done. We don't expect you to do it alone. Every assistance possible will be given by my office, that of Bruce Bishop's, and by the several other State agencies that have responsibilities in this field. Of this you can be certain.

But one thing we can't be certain of and something that concerns us all is the world problem today and the ever-present threat of possible nuclear involvement in some military conflict.

Our National Defense budget is 43% of the total Federal budget and reflects the trend of the present administration towards heavier overseas involvement in Asia and elsewhere in the world. The problem of our commitments in Vietnam and the present method of handling this conflict is not a subject for discussion here. But it does directly relate to Civil Defense. There must be some correlation between expenditure for active defense and that for passive defense. And, this Conference would only be a phantom if we were not to really look at all aspects of disaster potential.

In viewing a budget of over 80 billion dollars requested by the President for national defense, we find that only 77 million dollars is for passive protection of our own people here in the United States. Of the total defense budget, less than one-tenth of one percent reflects a concern for the survival of the civilian population. This is an expenditure of about 35 cents per person per year for Civil Defense.

Unlike the defense budget that each year escalates and increases proportionately with international involvement, a Civil Defense program would cost heavily at the outset—but once shelters, command centers and equipment become operationally real, only annual maintenance and updating costs would be involved.

I sincerely hope that Congress, too, takes a good look at the defense budget in light of not only our foreign commitments but also security requirements of our civilian population at home.

I'm certain that you found this morning's presentations by the flood and weather experts here today most beneficial. I see by the agenda that this afternoon you will have the opportunity to participate in discussion workshops. I hope you will take this opportunity and share your ideas and methods with others so that all may benefit and become more proficient in this vital business.

Fundraising for Jobs—the OIC Way

HON. WILLIAM L. SPRINGER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. SPRINGER. Mr. Speaker, if we have learned nothing else in recent years, we have learned that the poverty problem cannot be solved by massive Federal programs. I believe this is becoming generally recognized as it becomes increasingly evident that Federal spending must be curtailed, as we become aware of the danger of spending ourselves into a disastrous depression.

Still the poverty problem remains acute. Millions of our fellow Americans lack sufficient income to live decently. Paradoxically, this situation exists at a time when employment is at an alltime high, when there is actually a shortage of the skills needed by our industrialized society.

I am not suggesting that the Federal role in solving this problem is not a major one. Within the necessary budget limitations, Federal funds will continue to be necessary, particularly in the fields of education and manpower training. But we must get away from the idea that only the Federal Government has the concern, only the Federal Government has the will, only the Federal Government has the know-how, only the Federal Government has the resources, to assist these people in climbing the economic ladder. This is simply not so.

Thus, the recent founding of an Opportunity Industrialization Center in my hometown of Champaign, Ill., was a matter of great interest and satisfaction for me. OIC's—there are now 60 of them throughout the country—aim at training unemployed and underemployed persons in the basic skills so badly needed in our economy.

The Champaign News-Gazette and its affiliated radio station WDWS started a "get involved and give" campaign on Sunday, April 14, toward a goal of raising \$100,000 to finance the OIC program in Champaign County. Within the first few days more than \$8,000 was contributed.

I heartily commend the two Champaign clergymen, the Reverend James Offutt, pastor of the Mount Olive Church, and the Reverend Galen Miller, pastor of the Church of the Brethren, who initiated this program following a visit to Philadelphia, Pa., where the Nation's first Opportunities Industrialization Center was established. I also commend Mrs. Maralen Stevick Chinigo, president of the News-Gazette, Inc., her husband, Michael Chinigo, publisher of the newspaper, and Larry Stewart, manager of WDWS, as well as their able staffs, for their generous and inspiring support of this effort.

Under leave to extend my remarks I include the following article and front-page editorial from the Sunday, April 14, issue of the News-Gazette with two feature stories by Bonnie Blankenship on the origin and philosophy of OIC's. Miss Blankenship's articles should be of special interest to my colleagues who may find this plan adaptable to their own districts:

NEWS-GAZETTE, WDWS LAUNCH FUND DRIVE FOR OIC

The News-Gazette and Radio Station WDWS today are launching a local "get involved and give" campaign.

Through facilities of The News-Gazette and WDWS, local and area citizens will have an opportunity to share in a vital project—the Opportunity Industrialization Center.

OIC is a new venture.

It is a skills training program aimed at providing unemployed and underemployed persons with basic, marketable skills.

Capable workers are acutely needed in today's work force to assure a viable and productive economy.

And the needs of those wanting basic training and motivation so that they can obtain and hold jobs, are equally great.

"The News-Gazette and WDWS are proud to be a part of this new community undertaking," Michael Chinigo, publisher of the newspaper, said Saturday.

"We invite all our readers—in all age groups to share in this goal."

In announcing full use of the two news media in the goal of helping raise \$100,000 to finance the OIC program in Champaign-Urbana, Chinigo, and Mrs. Chinigo, who is president of The News-Gazette Inc., pledged that this will be a "grass roots, all-community effort in which all local and area residents are invited to participate."

Every contributor to the OIC—whether the gift is a dime, a dollar, a five spot or more—will in effect "become a 'shareholder' in this non-profit, civic job training and incentive enterprise," Chinigo said.

Every person making a contribution will be recognized in this community effort.

"To start the ball rolling, many News-Gazette and WDWS employment today are making contributions to the fund.

"As cash gifts come in from men, women, youths, school youngsters—the name of every contributor will be published in the columns of The News-Gazette."

Each day, this newspaper will carry a list of givers (amounts will not be publicized), a tabulation of day-to-day receipts and the cumulative total on hand for the fund will be published.

Sharing in sponsorship of the fund-raising move to support OIC will be Radio Station WDWS.

"Strong promotional backing will be given during the day and night broadcasting hours of WDWS, including interviews, background information on OIC, spot plugs and other supports for the drive," Larry Stewart, WDWS manager, said.

What is the Opportunities Industrialization Center?

Will it work in our community?

What will it do?

News stories in The News-Gazette have followed progress of the proposed movement, now established and starting to function, during the past three months.

Initial impetus came from two Champaign clergymen, last December, following a visit to Philadelphia, Pa., where the first of such centers was established.

These ministers, Rev. James Offutt, pastor of Mt. Olive Baptist Church, and Rev. Galen Miller, pastor of Church of the Brethren in Champaign, later received strong support and enthusiasm from the idea from clergymen in the Champaign-Urbana Ministerial Assn.

and from several leaders in local business and industrial circles.

For sometime, many employers have found it difficult to hire young workers because of their insufficient education, disadvantaged environmental backgrounds, or lack of motivation to take their niche in the mainstream of society.

The ratio of unemployable and underemployed persons is highest among the Negro population, but the same conditions exist to some extent among the jobless or under-trained sector of the white population and other minority groups.

Recently, a large number of local businessmen and employers who are members of service clubs here, heard the purposes and history of OIC explained by one of its leaders in Philadelphia.

Eaton Collins, addressing the local clubs, said the Opportunities Industrialization Centers are "an alternative to the dole."

OICs—there are now more than 60 of them operating in cities throughout the nation—are described as offering "feeder programs" for industries and business firms in need of workers with basic skills in a number of job categories.

The Philadelphia Center claims "90 per cent work retention of its trainees," Collins said, and "has saved millions of dollars by removing individuals from the welfare rolls."

Along with daily reports on the OIC fund-raising drive, The News-Gazette will present a series of articles detailing how the centers function and how plans are shaping for an OIC program tailored for the Champaign-Urbana community.

Rev. Offutt has been named temporary executive director of the Champaign-Urbana OIC.

A board of directors has been selected.

An office has been established at 808 N. Fifth, C.

Members of the steering committee are now engaged in steps to get the OIC program rolling as quickly as possible.

Money is now the big need.

You . . . we . . . all of us can be shareholders in this vitally important economic enterprise.

OIC can be the vehicle for expanding job rosters, filling job-gaps, realizing self-dignity for many potential young and adult workers, and raising the standard of living in Champaign-Urbana for hundreds of individuals and families.

Workers, management and owners of The News-Gazette and WDWS, supporting the OIC fund-raising drive, join today in inviting everyone to "get involved and give."

IT IS TIME TO NAME NAMES

We have chosen this day, The Day of the Resurrection, to launch an appeal to every individual in the Twin Cities and in the area which makes up Champaign County. Every individual regardless of race, color, or creed.

Today the News-Gazette and Radio Station WDWS undertake a drive to raise funds which will be used to train and prepare our less fortunate brothers, both black and white, who want to work but cannot because they do not have the know-how they need to get and hold jobs open to them.

We have more than one thousand unemployed in our community literally crying for help.

They are extreme cases . . . bordering on despair.

The kind of despair no community can afford.

It is significant that they want to work.

It is imperative that we make it possible for them to become gainfully employed. Productive labor will give them one basic freedom: freedom from want. And it will give them that self-respect all men seek.

This last Friday, many Americans remem-

bered the Redeemer Crucified, and many other Americans remembered the beginning of Passover . . . the deliverance of Jews from slavery in Egypt.

We hope all Americans remembered too that last Friday was the anniversary of the beginning of the Civil War . . . fought to make our black brothers free.

In the many centuries since the Exodus and the time of Moses, the Jews have suffered greatly. Yet full equality is still denied them in some parts of this world.

And, as the crashing and crushing realities of the past fortnight unhappily underscored, two hundred years of injustice and inequity suffered by our black brothers still have to be righted.

Of the various forces and factors which have made the Jewish saga of survival, one basic ingredient stands out: the readiness of the more fortunate Jews to help the less fortunate Jews find gainful employment.

We agree with our Jewish brothers that this is the path we must tread for everyone's salvation. And we admit that they have inspired us to undertake this fund raising drive.

The Resurrection, which we celebrate today, means rebirth, a new lease on life.

A new lease on life is precisely what we are asking you to all help give to the one thousand and more who are wanting to learn what it takes to get and hold the jobs open to them in a forward moving nation . . . which has too long forgotten too many of its people and left them far behind . . .

On page three of today's News-Gazette you will read about what we like to call "The Philadelphia Success Story."

Philadelphia, where the Liberty Bell still rings to remind us of our beginning, is also the city where an "Opportunities Industrialization Center" was first created.

An Opportunities Industrialization Center does exist in Champaign-Urbana.

The News-Gazette and Radio Station WDWS will turn all the money you contribute, and we contribute, to this Center which we regard as a priority effort deserving your and our fullest support.

Our black brothers, in our area, have been wondering, as they have elsewhere in America, whether they had any friends and, if they had them, they have been wondering where these friends are.

We think the time has come to identify the friends, both white and black, of our less fortunate brothers, both black and white.

We feel it is time to name names.

Names of those who care.

For that reason our fund raising will be different.

We want all to contribute as much as they can.

But we will not print the amount of individual contributions.

We will print every name, of every giver, man, woman or child.

We will identify—and we ask contributors to furnish the information—each contributor to the fullest possible degree.

We invite volunteers to collect in stores, businesses and schools and to carefully list the names of each given, and the business or school connection.

What we are seeking is a massive expression of concrete friendship and love by the more fortunate men, women and children of all races, colors and creeds, for their less fortunate brothers.

We want to publish thousands of names.

We are confident that those who do care will be legion.

We know we live in a good community.

We are certain the number of contributions will demonstrate just how great this goodness is.

This is an extreme situation. It demands and merits an extreme remedy. Our and your crash effort.

We are a small community.
But greatness is not measured by size.
We feel that, like Philadelphia, we can
provide an example for others to follow.
The time is come.
Stand up. Give. Be counted!

**OIC PHILOSOPHY IS SIMPLY STATED: BELIEF
IN MAN**

(By Bonnie Blankenship)

The Opportunities Industrialization Center has a philosophy.

OIC believes in man.

OIC believes in man's unlimited possibilities for good, his improbability, and his right to a good life, regardless of color, creed, family background, or any circumstance or misfortune of life.

This way of looking at things affects the program of the job training center, and affects the relationship of the teachers and administrators with the trainees.

OIC holds that man should be treated with respect. His dignity is not to be violated because of his appearance, personal history or present condition.

OIC insists that its trainees be treated as the adults they are. Everyone can learn, though at different speeds and under differing conditions. It is the obligation of OIC personnel to assist the learner in finding and adjusting to his most favorable learning environment.

OIC realizes that men differ widely in their social and cultural traits, and that no set of these characteristics can be judged inherently superior or inferior.

A positive, constructive outgrowth of the Civil Rights Movement, OIC's services are most available to the poor, the unemployed, the defeated and the socially rejected.

To the extent that OIC establishes rapport with the victims of poverty, and renders real assistance to them, to that extent does OIC accomplish its mission.

Those who wish to enter the world of work must understand the rules and practices which govern business and industry. Helping trainees understand those rules and practices is one of the biggest responsibilities of OIC.

OIC'S ORIGIN, HOW IT OPERATES

(By Bonnie Blankenship)

The nation's first Opportunities Industrialization Center in Philadelphia, Pa., was born of street riots, gang killings, and massive unemployment in one of America's worst slum areas.

Recognizing inactivity and frustration among youngsters as a major cause of juvenile unrest, Dr. Leon Sullivan, pastor of the 4,500 member Zion Baptist Church, began a Youth Community and Employment Services program in 1952.

In the first five years of its operation, the program interviewed more than 7,000 young people a year.

Of this yearly number, only a thousand were placed in various jobs.

The problem appeared to be twofold. For one thing, the employment program was unable to break the color barrier in the business and industrial world of Philadelphia.

With the cooperation of 400 Negro ministers, Dr. Sullivan began a "selective patronage" operation.

Each Sunday, the group of ministers would report to their congregations the names of any companies with which employment negotiations had broken down.

Until further notice, their people simply stopped buying the products of that particular company.

One of the first companies selected was a bakery whose products were ordinarily consumed by thousands of Negroes each day. The boycott lasted only a few days, and the company has since become a supporter of Philadelphia's OIC program.

Rev. James Offutt, temporary executive director of the local OIC program, emphasizes that the boycott in Philadelphia took place before the idea of a job-training center was advanced.

The use of a boycott has never been recommended or needed in establishing any of the other 90 OIC centers throughout the nation.

Champaign County business and industry have been receptive to the proposed program of OIC, and there is no doubt that the two will work cooperatively to secure jobs for trained, capable graduates of OIC, Offutt indicated.

The "selective patronage" effort in Philadelphia continued for some time. However, it became increasingly apparent that simply making jobs available was not enough.

As Eston Collins, field representative of OIC, told members of the Champaign Rotary recently, working regularly and getting a paycheck proved too much of a novelty for some workers.

They would get paid on Friday, and not go back to work until the next Tuesday.

They did not understand, or feel bound by, the necessary rules which govern the world of work.

Others lacked the training necessary to hold a job once they were placed on it.

Thus, in 1962, Rev. Sullivan spearheaded a drive to establish a training school to equip disadvantaged youth with a marketable skill. The effort was to be the most ambitious and more successful program of its kind ever attempted by a community group.

In order to obtain community support, Dr. Sullivan and his aides conducted a door-to-door selling and solicitation program, persuading the indigenous community of the usefulness of the school, and seeking their financial aid.

That effort raised \$102,000.

Philadelphia corporations contributed \$250,000, and the Ford Foundation contributed \$200,000.

The city rented OIC an abandoned police station for \$1 a year.

Business and industry offered not only money, but equipment.

During that summer of 1963, OIC workers asked craftsmen and technicians familiar with the workings of industry to meet at Zion Baptist Church.

Before the summer was over, more than 300 people, both Negro and white, had volunteered their services in training the unskilled.

On January 26, 1964, before a crowd of 8,000 people, the Opportunities Industrialization Center, Inc., was formally dedicated in Philadelphia.

So the training program began.

But again a basic discovery was made. Many of the trainees were sorely deficient in such basics as reading, writing and arithmetic and could not, therefore, communicate adequately or handle the relatively simple arithmetic required by many jobs.

Thus was born the Feeder Program.

Important Words by Eric Sevareid of CBS

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. HÉBERT. Mr. Speaker, I have had the privilege of knowing Eric Sevareid over a span of many years and have long recognized his great ability and capacity.

On Thursday, April 25, 1968, I was pleased to hear his broadcast, which must take its place at the top of the list

for sound, scholarly, and objective reporting, carrying an impact which must be felt by all of us.

If only those who cause the trouble in this country today would pause and understand the role history has always played in ultimate decisions, we would be a better and more peaceful nation.

I commend for your reading these most important words by Eric Sevareid of CBS and the Walter Cronkite news program:

**CBS EVENING NEWS WITH WALTER CRONKITE
(EXCERPT)**

SEVAREID. This looks like an appropriate day to conjure up an imaginary argument between what might be called contemporary conviction and what seem to be the lessons of history.

Contemporariness says a minority of college students, as at Columbia University today, are rebelling because they are intolerably oppressed and suppressed. History says this is the freest, most patiently listened to, college generation on record. History adds that it is precisely in periods of great intellectual freedom that revolutions are usually generated, the bloody-minded French Revolution included. Contemporariness, in the form of one Columbia professor today, says that the use of mass force and violence by these student seekers after the good, the true and the beautiful, is part of an educational awakening. History says it is the deadly enemy of education, part of the process of destroying the university's special, protected freedom, as witness the condition of many Latin American universities today, where students can do anything except get an education.

Contemporariness says that police leniency during mass riots and destruction in the cities saves lives and keeps communications open between authority and the protestors. History says ponder this carefully, because if the leniency leads to even greater riots far more lives will be lost in the end, the communication will cease altogether, and authority will be forced to use the iron hand. History is pretty certain that any given community will prefer tyranny to anarchy if it comes to that choice, because in a state of anarchy, everyone is helpless.

Contemporariness says, as Senator Robert Kennedy said again today, that the root causes of crime are poverty, unemployment, hunger. History says that is much too sweeping a statement, that with full employment England and Russia, among various other nations, have more crime than before, that some very poor nations like Spain have rather little crime, that thousands of organized criminals are more likely to die of gluttony than of hunger.

Contemporariness says it has brand new lessons to teach history about human behavior. History says it will be happy to keep an open mind on this, but will be surprised if it turns out to be true.

Gold Rush

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. BERRY. Mr. Speaker, there is a desperate need to revise the present U.S. export-import policy to give a valid assessment of cash imports as opposed to cash exports instead of the present policy which includes all imports. Under the present reporting system all exports are

included as cash exports even though some are sold for local currency which cannot be taken from the country.

Even under this system of computation, the Department of Commerce has been forced to admit a trade deficit last month of \$157.7 million. This dire situation demands one of two alternatives—we must either limit imports or stop redeeming dollar credit with gold.

So long as foreign exporters can pick up our inflated dollar bills and then turn them in for gold at \$35 an ounce, imports are bound to mushroom. With our present "gold rush," it is high time we face the facts with sufficient courage to solve the problem.

The Dollar and the Ruble

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. CURTIS. Mr. Speaker, the April 29, 1968, issue of the Wall Street Journal has a lead article on the U.S.S.R. and the ruble. The main point is that the ruble has no value in international trade. Thus, Soviet foreign trade has to be carried on by the barter system—swapping Soviet-made goods for desired imports.

This lack of international value of the ruble has come about because the U.S.S.R. wants it that way. The ideology of the U.S.S.R. requires a planned economy with the state holding all power over economic decisions on what is produced, who buys it, and at what prices. Thus, the ruble must be made nonconvertible. Otherwise, if foreigners acquired rubles, they could freely choose which Soviet products to buy, upsetting Soviet planning.

But barter arrangements are complicated to arrange and often desired products cannot be obtained through barter. Thus, the U.S.S.R. is interested in obtaining as much hard Western currency as possible to finance imports it feels important. Not much comes by way of trade with the United States—the U.S.S.R. only sold \$41 million worth of goods here in 1967. But there is also gold the U.S.S.R. can sell for Western currencies. The U.S.S.R. is estimated to have a gold stock of some \$2.5 billion but the Soviets have not sold any gold for Western currencies since 1966. Why? Evidently, they feel the United States will raise the \$35 an ounce price at which it buys and sells gold. A substantial increase in the price of gold would give the U.S.S.R. billions of dollars of additional purchasing power in the West much more quickly and easily than barter deals or hard-to-come-by exports to the West.

Thus, Mr. Speaker, several important issues are raised by this article:

First, the nature of U.S.S.R. economic system prevents the free exchange of goods and services.

The trend in the United States over the past several years in this direction—restrictions on lending and investment overseas, the interest equalization tax among others—make one wonder how far the current administration plans to go.

Second, the single greatest boost the

United States could give to the economy of the U.S.S.R. would be to let the U.S. economic house get so far out of order that we have to raise the price of gold. This would put billions of dollars in purchasing power in the hands of the U.S.S.R. overnight. But this is a real possibility unless this administration takes the steps necessary to reduce the size of the Federal deficit, control inflation, improve our balance of payments through nonrestrictive measures, and restore confidence in the dollar. If firm steps are not taken, we may find wage and price controls internally, and the international use of the dollar firmly controlled. Is this what the administration wants? If not, the administration must immediately reduce spending, which is the single most important act it could take to reduce the deficit, control inflation, improve our balance of payments, and restore confidence in the dollar and the U.S. economy. If these steps are not taken, economics in this country may have real reason to be known as the dismal science.

The article follows:

FUNNY MONEY: SOVIETS CHOOSE A FATE FOR THE RUBLE THAT UNITED STATES FEARS FOR THE DOLLAR—TO INSULATE THEIR ECONOMY, RUSSIANS MAKE CURRENCY VALUELESS OUTSIDE U.S.S.R.—THE PRICE: TRADING BY BARTER

(By Ray Vicker)

Tourists swarmed into Valletta, Malta, from a cruise ship recently for a day of sightseeing and shopping—only to find that neither horsecab drivers nor storekeepers would take their money. A persistent few returned to the ship, bought postcards, wooden carvings and other curios in the vessel's shop and sought—generally fruitlessly—to trade them for cab rides and souvenirs ashore.

Another example of European suspicion of the dollar during last month's U.S. gold crisis? Hardly. The tourists were Russian. The currency the Maltese wouldn't take was the ruble. And there wasn't any crisis. The only reason this sort of situation doesn't arise all the time is that most traveling Russians know better than to try to spend rubles outside their own country.

For the position of the ruble almost precisely illustrates the fate U.S. financial officials are struggling desperately to avert for the dollar. Some elements of that position:

Officially, each ruble is worth 0.987412 grams of gold. Actually, its gold value is zero; it can't be exchanged for gold.

A BIG DISCOUNT

Outside Russia, the ruble can only rarely be exchanged for other currencies—and then at a startling discount from its official value of \$1.11 in U.S. money. Banks in Switzerland and in Munich in West Germany sell rubles for 24 cents each. They find few buyers.

Even in the Communist world, hardly any non-Russians want rubles. Red countries in Eastern Europe prefer to take payment for their exports in gold, dollars, other Western currencies, commodities—almost anything but rubles.

Soviet foreign trade, in consequence, has to be carried on primarily by the primitive system of barter. Russia pays for Rumanian wheat with iron ore and for Polish coal with airplanes. In dealing with the West, Soviet foreign traders may ship commodities to Spain, take payment in sherry and then swap the sherry for British chemicals.

For any Western country, a currency that was useless externally would be at the very least a deep embarrassment. For the U.S.,

long used to having the dollar serve as the standard of value against which all free-world currencies are measured, it would be the ultimate financial disgrace.

THAT'S HOW THEY WANT IT

But for the Soviet Union, the situation is nothing of the sort. The ruble hasn't lost its international value; under communism, it has never had any. The reason, basically, is that the Kremlin doesn't want it to have any. And if that seems incredible to American dollar defenders, the difference in the two approaches accurately measures the chasm between Soviet and Western economic systems.

As interpreted in Russia, Communist ideology requires a planned economy, with the state holding at least ultimate control over all decisions on what is produced, who gets to buy it and at what prices. It's true that Moscow is experimenting with a liberalization of this system, allowing some state enterprises more freedom in making production and price decisions. But it has no intention of giving foreign capitalists any say in that process.

That, to the Russian mind, means sharply restricting both the number of rubles a foreigner can acquire and what he can use them for. The alternative, in Soviet terms, is unthinkable: What would become of the state plan if foreigners, including capitalists, could acquire rubles freely and use them to buy whatever Russian goods they chose at prices they would insist on bargaining over?

So the Soviet Union has made the ruble a "nonconvertible" currency. It can't be exchanged for gold because the Russian government won't sell any gold to redeem rubles (though the USSR has rich gold mines). Foreigners can buy rubles through official channels only if they come to Russia as tourists or on business—and then they can't legally take the rubles back home with them.

A COAT OF ARMS

Thus, about the only rubles reaching the West are the handful brought out of Russia in the attache cases of departing diplomats. These rubles have little value except as a curiosity: A piece of yellow-green paper engraved with a hammer and sickle, the denomination printed in all 14 languages used in the USSR and a Cyrillic-alphabet declaration that the bill "is covered by all the wealth of the USSR and should be accepted throughout the Soviet Union."

(It had better be accepted at face value throughout the Soviet Union. The Kremlin maintains the ruble's domestic value chiefly by controlling wage-price decisions, but harsher means are used, too; ruble black-market dealers who deviate from the official exchange rate can be imprisoned up to 15 years. Flagrant cases can be—and in the early 1960's occasionally were—punished by death.)

Despite the Russians' general unwillingness to let rubles go abroad, they have created a special ruble they would like Red nations in Eastern Europe to accept. This "transferable ruble" is intended to facilitate trade with the other seven members of Comecon, an organization trying to build a Communist common market in Eastern Europe.

But this ruble is "transferable" only between Russian and another Comecon member such as Czechoslovakia—not even between Czechoslovakia and a third bloc member, such as Hungary, let alone a Western country. So it is only a sort of IOU that a Comecon country can use to buy whatever goods the Russians want to sell, at prices the Russians set.

That use has little or no appeal for countries rebelling against their old role as Soviet satellites. Czechoslovakia, for instance, has shipped Russia goods worth more than the Soviet goods it has received in return, so the

USSR has credited it with a big sum of transferable rubles. To the Czechs' new nationalistic Communist regime, that credit is next to worthless. They don't want the Russian goods they could buy with the transferable rubles, they can't use the ruble credit to buy anything from any other country and Russia is paying no interest on the transferable-ruble debt.

To give the credit some value, Ota Sik, chief Czech economic planner, has called on Russia to make the ruble convertible into Soviet gold—which the Czechs could then use to buy goods in the West. The Russians are unlikely to heed his plea, though it's possible they might grant some loan aid. But rejecting the convertible ruble won't help the Kremlin's efforts to hold Czech loyalty.

The complications that the lack of a convertible currency gives rise to in Russia's trade with the West are widespread. Currently, Italy is interested in buying \$3 billion worth of Russian natural gas on a 25-year contract. The Soviets need pipe to build a line to Italy from their wells, and they have proposed that Italy supply the pipe in part payment for the gas.

THE USES OF CASH

Making the amount of pipe involved, however, could tie up the Italian steel industry for years on a single order. So the deal is hanging fire—and may be lost to the Algerians or the Dutch, who are eager to sell gas to Italy for cash rather than for pipe. If the Russians had a convertible currency, of course, they could buy pipe from other countries for cash, then sell the gas to Italy for cash.

Soviet-Western trade, nevertheless, is increasing faster than world trade generally. Two factors are responsible. One is the zeal of some Western countries and companies to open what they see as a vast new market in Russia.

Many companies in West Germany, France, Britain and Italy now offer the Soviets goods on easy-credit terms, often with the backing of their governments. Other companies are willing to barter. Ford Motor Co.'s British subsidiary has just given Rory Gotley, one of its executives, a fulltime job arranging barter deals. He will trade Ford cars for Russian lumber, Hungarian wine or whatever else the Soviets and their allies will sell—and then try to find somebody to whom Ford can sell these products.

FONDNESS FOR THE DOLLAR

The other factor in the trade buildup: Russian traders aren't too proud to use Western currencies to arrange deals they can't swing for rubles. In particular, they are making growing use of the dollar.

The Russians don't get many dollars by trading with the U.S.; in 1967, Soviet exports to America were valued at a relatively trifling \$41 million. But enough dollars are floating around Europe for the Russians to be able to demand payment in dollars from Spain, say, for goods shipped to that country. They may then use the dollars to pay for goods they buy somewhere else. And Moscow Narodny Bank Ltd., a London institution owned by the Soviet government, actively solicits deposits of Euro-dollars (dollars owned by people or companies located outside the U.S.), which it then uses to finance East-West trade deals.

Are the Russians embarrassed by this reliance on a currency whose recent problems, according to the Soviet newspaper Pravda, "reveal the unhealthy state of the economy of . . . the United States"? Not a bit; they're rather inclined to boast about their dollar operations. "We are one of the largest Euro-dollar dealers in London," brags Nikolai Vasilievich Nikitkin, chairman of Moscow Narodny Bank.

GOLD HOARDERS

The Soviets once financed their foreign trade partly with gold, too. Sometimes they

paid directly in gold for Western goods (including wheat bought from the U.S. some years ago, other times they sold gold in London for Western currencies that were then used to finance trade deals. But the last known Soviet gold sale was in 1966. Since then the Russians have hoarded all their substantial gold production (there aren't any figures on that output, but Western estimates are that it totaled \$245 million last year, raising the total Soviet gold stock to about \$2.5 billion).

The apparent reason: The Russians are confident the U.S. Treasury will soon be forced to raise the \$35 an ounce price at which it buys and sells gold—a price that governs all other gold quotations. While this would devalue any dollars the Russians might be holding to finance their trade, the Soviets would gain far more than they would lose from any such move. The increase in the value of their gold stock would give them billions of dollars worth of additional purchasing power in world markets. Also, paying for Western goods in gold would be far simpler than arranging complex barter deals or scratching to come up with dollars.

That prospect is one of the reasons American policy-makers are so grimly determined to avoid devaluing the dollar if at all possible. To put it mildly, they don't like the idea of handing the Russians, through a weakening of the American currency, a position in world trade that the weakness of the Russians' own currency now denies to them.

"It would be ironic," says one American official in Europe, "if we spent nearly \$30 billion a year in Vietnam, plus up to 500 lives a week, to contain communism, only to give Russian communists a tremendous monetary victory through gold revaluation."

Teacher and Pupil

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. GROSS. Mr. Speaker, the following letter to the editor of the Washington Evening Star, April 20, 1968, demonstrates more meaningfully and poignantly than 10,000 words that the proper relationship between teacher and pupil cannot be measured in terms of classrooms and textbooks:

A BOY AND A DEAD BIRD

SIR: It was just a dead bird that the little boy brought home.

"What shall I do with it?" the child asked anxiously.

I started to say: "Go throw it in the garbage can." But something about the boy's face stopped me. I realized it was probably his first experience with death, so I said I'd get something to dig with and maybe we'd better bury it.

The little boy and I wrapped the bird in fresh white paper and took turns digging a hole with an old tablespoon we found. Something more seemed needed so I remarked to the child that I had read in the Bible that not even a sparrow falls to earth without our Heavenly Father knowing it. Thus ended the bird's funeral, or so I thought.

A few hours later, while walking on the deserted play-ground, I happened to look down at the little mound of fresh dirt and there found a tiny cross made of two sticks and tied together with black thread.

The hope of eternity which the child had for himself he would not deny even to a little bird.

ANNE E. LEIGH,
First Grade Teacher.

David Graf: Teacher of the Year

HON. CHARLOTTE T. REID

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mrs. REID of Illinois. Mr. Speaker, earlier today I had the privilege of attending a special ceremony at the White House at which the President paid well-deserved tribute to the national teacher of the year.

The Teacher of the Year Award has been sponsored annually since 1952 by Look magazine in cooperation with the Council of Chief State School Officers. Criteria for selection include sound professional education and successful teaching experience. They include as well such personal qualities as love of children, skill in human relations, intellectual ability and wide cultural interests, emotional maturity, and community participation—in general, being an active citizen and helping to make children become better citizens. The teacher selected to receive this honor each year represents the thousands of dedicated educators throughout the Nation who contribute so vitally to our way of life.

I am proud to say that the 1968 teacher of the year comes from the Land of Lincoln and the 15th Congressional District of Illinois which I have the privilege to represent in the Congress. He is David Graf, 51, coordinator of the diversified occupations program of the Sandwich High School, Sandwich, Ill.

Mr. Graf has been a lifelong resident of the community in which he teaches, except for several temporary periods of absence—one of which was when he worked his way through the University of Illinois, where he was not only a scholar but an athlete—excelling in both football and basketball. Then, too, during World War II he served with distinction in the tank corps under Gen. George S. Patton, Jr.—returning to civilian life with a Purple Heart and two Oak Leaf Clusters, the Bronze Star for bravery, and the Croix de Guerre for valor. There were also short absences while teaching or doing graduate study elsewhere—and while he may have had a successful career in architecture, which is another of his many interests, he has found challenge and fulfillment in teaching and working with young people.

The diversified occupations program at Sandwich High School is a unique "earn and learn" program structured not only to the needs of the individual student but the community and society in general. Indeed, it is a program which other schools throughout the country might well emulate. Not only does Mr. Graf provide the leadership for this special program which he helped to establish, it also reflects his basic philosophy of living—that every person has something of value to contribute to the world—and that every human being can have a meaningful and satisfying life.

Briefly, the sandwich "DO" plan is a cooperative enterprise in which the business, industrial, and professional establishments of the town collaborate with the high school. Local firms offer part-time employment and practical on-the-

job experience for students, who learn the technique in Mr. Graf's classroom. But the task involves much more than teaching. Its success depends as much on skillful matching of student aptitudes and interests with occupations, of maintaining the confidence of businessmen who participate, of having the enthusiasm to inspire young students at 7 a.m. classes. These young men and women learn and work at a variety of trades and train for many occupations. Some even band together to build new homes—complete from the basement up—using plans worked out in Mr. Graf's versatile classroom. When completed, the house is sold, and the enterprising young men perhaps go to college. Those who do not pursue higher education, however, leave high school with skills that will insure them well-paid employment as technicians—and those who enter college make better grades because of the discipline of technical training they received in high school. Drop-outs are virtually unknown. No matter in which direction they go after graduation, the "DO" students find that thanks to Mr. Graf, new doors of opportunity have been opened.

But opening doors of opportunity extends beyond David Graf's academic role. As a matter of fact, a civic project for which he was initially responsible is appropriately called the Open Door. It is a workshop for mentally retarded men and women who, under the supervision of neighborhood volunteers, do assembly work for local manufacturers. Not only do they benefit from the therapy of work and the understanding guidance they receive, they earn their own livelihood—and local firms benefit from their assistance. The Open Door began in the basement of the Graf home with a small group of retarded children. Later, the community raised funds to build the present modern workshop which, by the way, is dedicated to David Graf and was opened last year.

A colonel in the Army Reserves, Mr. Graf also was graduated from the Command General Staff School at Fort Leavenworth, Kans., in 1960 and returned there for 5 years as an instructor during the summer months.

As a teacher of vocational education and industrial arts, it is readily understandable that he often receives offers to devote his talents to the more remunerative field of industry. Undoubtedly there have been times during his 29 years of teaching that he has been tempted to leave his profession for better pay in the private sector, but he always decided that the need for bridging the academic and business worlds was a more challenging one—that teaching is the environment best suited to "human engineering"—something sorely needed in our modern society.

We in Illinois are immensely proud of our educational system, and it is an outstanding school system because we have dedicated and forward-looking teachers like David Graf. I think, too, that those of us here in the Congress who must ponder the problems of poverty in our society, of better education, of school dropouts, and disturbing trends in a rapidly changing technological world, have

a special appreciation for the tremendous contribution which this one man—David Graf—has in his quiet and patient way made toward a better life for the people of his community and his Nation—a contribution which he continues to make daily.

I know I speak for everyone in the city of Sandwich, the 15th District, and the entire State of Illinois in saying that we are deeply proud of the recognition he has received—and I am sure that all of you as well join with me in extending heartiest congratulations.

Law and Order in Our Nation

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. BROYHILL of Virginia. Mr. Speaker, Michael L. Shockey, 211 East Howell Avenue, Alexandria, Va., is a senior at George Washington High School in that community. On April 13, he attended a meeting at which I was the principal speaker and on which the subject involved maintaining law and order in our Nation. He was so much concerned about this problem that he asked the principal of his school if this matter could not be further discussed as part of the school activities.

The principal, Dr. Parlier, agreed and arranged for a "Law Day" discussion on May 1 and asked Michael to make one of the presentations. Michael has done such an excellent job in preparing a brief speech on this subject I felt it would be proper to call it to the attention of all Americans:

LAW DAY REMARKS

(By Michael L. Shockey)

Fellow Americans, we have come together today to discuss "Law," and to define it as the whole body of rules which set forth a principle laid down or accepted as governing conduct, action, and procedure of all our people.

The basic laws were given to man by God through Moses, and history proves that whenever a nation moves very far from these laws, that nation is doomed.

It is the nature of man to rebel against authority. A baby's cry indicates his rebellion against coming into the world and to his parents' wishes. The juvenile delinquent, the hippy, and the early marriage are indications of this rebellion. The freedom marchers are seeking additional liberty, but the civil disobedient, the looter, and the robber are going beyond this rebellion—to law breaking, infringing upon the rights of others, which must result in punitive action.

No nation which does not enforce its laws can long endure. The vast majority of us here, and in this nation, are law abiding citizens who despise the law breakers, the bank robbers, the murderers, and the cheaters.

We live in America, the greatest country on earth. We want to improve it, not destroy it, for America is indeed the land of promise for all of us. Let us stress obedience to the laws of our land and to the rules of our school. Let us, as Americans, support our police and demand that the courts punish the criminal. Let us help our teachers, our deans, and our Principal conduct this school with pride so that this institution of learning can give us what we need to take our rightful places in society.

Let us contact the elected representatives of all our people and tell them which programs are important, so that they may follow an orderly process of law and legislation, which is beneficial to the under privileged and to others as well.

Red Cross Continues Service Star Program Begun by N. R. Calvo

HON. DONALD E. LUKENS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. LUKENS. Mr. Speaker, it was my pleasure recently to receive a clipping from a very good friend of mine, Mr. N. R. Calvo, who for 2 years has been distributing the service star decal to the servicemen of our country.

Nunzio, as his friends call him, has long been an active member of the American Legion and presently serves as an outstanding citizen in Ohio.

It is a great deal of pleasure to print in the CONGRESSIONAL RECORD a news story presented March 29, 1968, in the *Unione* in Pittsburgh, Pa.

Mr. Calvo has instituted a wonderful program and I hope many will profit from reading this article and will institute similar programs in their own areas.

The article follows:

RED CROSS CONTINUES SERVICE STAR PROGRAM BEGUN BY N. R. CALVO

CLEVELAND, OHIO.—For the last two years the Greater Chapter of the American Red Cross has been distributing service star decals to families of men in service. These stars are displayed in windows of homes and cars to show that someone from that family is serving his country. You will recall that during World War II, service stars were a familiar sight in windows of homes throughout the country.

The idea for bringing back the service star resulted from a letter to the editor of the *Cleveland Press* by N. R. Calvo which was published December 30, 1965. Calvo is a member of Avanti Amerita Lodge No. 133 of Cleveland. In this letter he stated that the custom of displaying the service star should be revived. The Red Cross picked up the idea and launched the project in March 1966, at which time Mr. Calvo was presented with a frame that included the first service star decal off the presses, his original letter to the editor was felt to be a wonderful way to display a symbol of support and confidence in our American servicemen away from home and to profess our pride in the job they are doing for our country.

Another project N. R. Calvo is engaged in is the collection of old eyeglasses which he sends to New Eyes for the Needy, a nonprofit organization which redistributes them to needy people throughout the country and abroad. Sun glasses are sent to tropical countries and leper colonies. In less than three years, Calvo has collected and reforwarded more than 6,900 pairs of spectacles for this worthwhile cause. A portion of this total has been contributed by members of his lodge, Avanti Amerita, for which he wishes to express public thanks. Should anyone else care to send old or discarded eyeglasses, sun glasses, or old jewelry, they may do so to N. R. Calvo, 2346 Payne Avenue, Cleveland, Ohio 44114. He will reforward these to New Eyes for the Needy.

Aside from his interest in ISDA and Avanti Amerita, Calvo is commissioner of Soldiers Relief for Cuyahoga County (Cleveland, Ohio) and active in veteran affairs in that

city and a member of several veteran organizations.

Space: Down to Earth

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. CHARLES H. WILSON. Mr. Speaker, I would like to bring to your attention an article that appeared in the January issue of *Edge* magazine. In this article, "Space: Down to Earth," Dr. T. W. Adams, senior policy analyst with NASA and currently a congressional fellow in the program jointly sponsored by the U.S. Civil Service Commission and the American Political Science Association, discusses the implications the space age has for our day-to-day living.

To many Americans, the space age is a remote concept conjuring up images of astronauts and rockets. But the space age is not merely an era for spectators. The technology which has given us the satellite has also produced many labor-saving "miracles" to be enjoyed here and now by us "earthlings." This excellent article, "Space: Down to Earth," tells us how.

Mr. Speaker, I include this interesting article in the RECORD:

SPACE: DOWN TO EARTH

Men in bulky space suits climb into mechanized cells. Millions glue themselves to TV sets as the countdown begins—an hour, 30 minutes, 15, 60 seconds, 25, 5, 4, 3, 2, 1. With a whoosh the departing rocket brings millions, for a few brief moments, into the making of history.

The Space Age is here. Rockets. Lasers. Weather satellites. Sputniks. The race to the moon. Radiation. Life on other planets. That's what people talk about and hear about and read about and write about. But most of the time for most of us life is right down here—on earth. Not with the first man on the moon. Life, in its multiplicity of detail, continues to be so dally. Sure, at school there's new math for first grades and more science (the earth is pear-shaped these days, not round as it was for a few centuries, or flat as it was for hundreds of years before that). Dad gripes about higher taxes. And Mom wants a new stove, one of those self-cleaning jobs. Congress is debating again, budget appropriations for agencies in alphabetic bureaucracy. Prophets of doom decry automation which will turn us into robots. High school seniors are caught in the nagging anxieties of choosing a career and a college. Our cities are caught in the turbulent tensions of civil unrest. But the Space Age seems to be a news picture of pock marks on a lighted surface that, the caption says, is the moon.

ON THE EDGE OF TOMORROW

Dr. T. W. Adams has a different perspective. He lives on the exciting edge of tomorrow. He is young, intense, extremely articulate. He is Senior Policy Analyst for the National Aeronautics and Space Administration, NASA. He can take the Space Age out of orbit and bring it down to earth—to the here and now as well as into tomorrow.

The Space Age isn't just Apollo heading toward the moon. It's Mom's new stove. It isn't simply a weather satellite sailing through the night sky. It's billions of dollars of crops saved that can help the world food shortage. It isn't only a physicist engaged in pure research in an isolated laboratory.

Thomas W. Adams, Ph.D., used to teach political science at Arizona State at Tempe. Now his job is to explore the impact of space

age science and technology on human life. As he puts it, he deals "with the area of science and public policy." In the midst of physical scientists, the "hard" scientists, he is a social or "soft" scientist, and he has found that the two breeds have a lot in common. Edge sent John Kerr to Washington to talk with Dr. Adams. You might call it an interview but it was more than that.

Dr. Adams listed the bonuses of technical development while he loaded his pipe from a can of tobacco on his desk. The list was impressive. "The Pipe, for instance. A huge business. This pipe uses a space-developed graphite liner to make it cool and to dissipate heat. The materials used in self-cleaning ovens are some of the space developments. So are the freezer-to-oven cooking dishes. The nonferrous metals industry has gotten a real shot-in-the-arm from the space program."

Warming to his subject, Dr. Adams explained the direct economic benefits of the space program. He mentioned the sixteen manned and 509 unmanned flights in terms of their having spawned over two billion dollars in new construction throughout the country. Jobs for as many as 400,000 workers in 20,000 companies have affected the economy of states like California, Texas, and Florida.

THE BIGGEST SPIN-OFF INVOLVES PEOPLE

That's an impressive list of bonuses. But it all deals with things. What about people? "The biggest spin-off bonus, some think, is a management technique called systems analysis," Adams answered.

From systems analysis will come a capability to do social programming that up to now has been impossible. Systems analysis was developed to cope with the massive and complex tasks of defense and space programs.

"You can say with a weapons system that this one will deliver so much fire power and cost so much," Dr. Adams explained. "But how do you measure the quality of life? What is poverty? These things are hard to measure."

"NASA made a first step with a project sponsored by our Policy Division. It came out in a book called *Social Indicators* by Raymond Bauer, a Harvard Business School professor.

"The President can give an economic State of the Union address, you know, because he has the data. He can't give a social State of the Union message. We have statistics on crime and health. But what about the people who aren't antisocial or sick, the normal people?"

"We turned this study over to the Department of Health, Education and Welfare (HEW). They set up the Bell Panel, a group of distinguished social scientists, to find meaningful ways to measure these areas and collect statistics. This work has tremendous implications for life right here on earth."

We challenged Adams on this point. It seems that everyone wants to justify everything these days on the basis of some kind of payoff. Even our highway system is "for defense." Our aid to schools is called the National Defense Education Act. "That," Dr. Adams replied with a smile, "was the key point. That is exactly where *Social Indicators* is so valuable. We think we can measure some of these areas to show the 'payoff'."

"Today, for example, you'll have trouble selling the poverty program until you can put some measures on it: that it is going to cost this much to rehabilitate so many people. Capitol Hill (Congress) wants facts; they're tired of appropriating money on faith. Some of the complex tools coming from the space program, like systems analysis, are going to be amazingly valuable in bringing new social programs through Congress."

NASA, then, isn't way out in space. It's involved with new techniques that will ultimately be affecting people here on earth. NASA is "not turning its back on earthly problems." Dr. Adams cited the huge impact of the space age on education, not only in

universities but in elementary and secondary schools. He mentioned teaching aids to introduce the new science at earlier ages.

THE NEED FOR GOALS

But can you have this sort of a system operating without setting up some sort of goals? And who is to set goals? You have to have a direction, individually or collectively. Who, Adams was asked, sets the direction?

Adams had an answer.

"Some people object to the idea of a government setting goals. This causes criticism." But the fact is that under President Eisenhower our government did set up sixteen goals. These, Dr. Adams pointed out, were later ratified by both President Kennedy and President Johnson. "The problem is funding them. There isn't enough money to develop each goal simultaneously so we have to set up priorities." Space is considered a primary goal, above things like housing, pollution, transportation. Space is almost on a par with national defense as a top priority goal to develop the nation. "This is what causes criticism. Some people feel space doesn't deserve such a high priority."

Dr. Adams equates science and technology with power in the world today. He quoted James E. Webb, Administrator of NASA, who has pointed out that without development in science and technology our nation won't be at the international negotiating table where the big decisions of ten, twenty, fifty years from now will be made.

Here, for example, is one place where the world-wide problem of starvation can be helped. With weather satellites to forecast trends, food crops can be saved. The sea can yield its harvest to benefit mankind.

CAN MAN ADJUST TO A SPACE AGE?

But how about man's adapting to this changing world? The things Dr. Adams was predicting call for great changes in man's thinking and acting. "Can man adjust?"

Dr. Adams believes so. "We shall have to get used to change and uncertainty as a fact of life. But man has always adapted to change." To prove his point he traced briefly the social history of man: in the jungle he did everything for his family; by moving to villages and cities he had to give up some "inalienable rights" by allowing the state to take over specific aspects of life such as protecting his family. "The city, as a means to escape the jungle and be civilized, represents a tremendous change."

Adams continued, "Perhaps new services that government hasn't done before will free man to do something else. Increased leisure time, for instance, may mean that government must supply more recreational areas."

"Not long ago many people thought man could never adjust to less than a twelve-hour work day without falling apart. But we adopted the eight-hour day and survived."

But what of the fears of some people who are worried that the changes will be for the worst? What if we are simply becoming faceless masses with everyone alike and automated like robots?

MEN WON'T BECOME MARSHMALLOWS

"I disagree completely!" Adams replied with conviction. "I don't see the future of mankind to be an homogenized marshmallow."

"I believe Norbert Weiner, father of cybernetics (the science of automation), said the most demeaning thing for a man to do is something a machine can do better. Science and technology will open up opportunities which will allow people to express their individuality. We shall be more free to do the important things."

Dr. Adams went on to say that he believes the role of government is to strike a balance between corporate security and individual expressions. Science and technology should not enslave man. "It is going to emancipate him to the point of allowing him to express himself in ways that heretofore weren't heard of."

Is man capable of handling this new freedom? Today's high school senior can become anything he wants within his intellectual limits. His parents didn't have such free choice.

"That's right," Adams answered. "The process of change is difficult but the result—a new occupational freedom for youth—is beneficial. It enhances their individuality and personal contribution. But occupational choices are only one area that the Space Age is expanding. Young people have new leisure choices and, most important, new mobility choices."

The space age is bringing a totally new concept of place. People have a new sense of community. Being able to work and live thousands of miles from where you grew up is one part of it.

"Community is no longer the city or state. It is regional and world-wide. Hopefully this means people will discover they have common interests. The world, after all, is only a place. There are other places. In science and technological programs we have stopped speaking of national or regional engineering. We are talking planetary engineering."

"The satellite is no respecter of boundaries created by man. It circles the whole planet. We hope the satellites will bring shared values, common identity, common meaning among people living on the planet."

SOCIAL CONCERN MOTIVATES SCIENTISTS

"Today's scientists are a new breed. They are spirited in pushing back the frontiers of ignorance but simultaneously are interested in what this means to themselves, their families, their world. The social implications that come with scientific achievement can wreak so much tangential havoc that the goal is overwhelmed by other situations. People in 'hard' science today are concerned about the social, political, economic and moral consequences of what they are doing."

In the past scientists and theologians have gotten together to talk and discovered they were speaking different languages. They didn't communicate. Can this communication barrier be broken down?

Before he answered, Dr. Adams stressed the fact that NASA as a government agency, is concerned only with its role as spelled out in the Space Act and directives of Congress and the President. To answer John Kerr's question he could only speak as an individual, not as a representative of the agency. He himself is an active Presbyterian layman.

SCIENCE AND RELIGION: AGENTS OF CHANGE

"Along with science and the rest," Dr. Adams said, "the Church and theology can be one of the change-agents. We are changing, there is no doubt about that. The spiritual side of man is required to be developed to give him an anchorage whereby this psychedelic array of time-place phenomena flashes by him, but he is still secured to something. Man needs anchorage, identification and reference groups."

Dr. Adams believes that theology and the Church must understand the human implications of science and technology. The Church, he feels, must help people through counselling and understanding the kinds of pressures that people are under because of science and technology. "The Church can bridge the human gap. Man doesn't need to explain everything. He can accept change if he knows there is stability along with it."

"Reconciliation is the traditional task of the Church. The churches must work in the area of reconciling a man's known life with the area that is not known to him."

Dr. Adams seems to be saying that this is God's world and, as such, a grace-filled world. Even though a force may be unknown to us now, it is still God's force and therefore filled with good possibilities.

Dr. Adams went further. "The space program uses nothing but the forces of nature. There is nothing heretical, antireligious, or

threatening to religion in the space program or in science and technology in general. We use every God-given element (the forces of nature) and combine this with man's genius—which is also a God-given element—and use it in a way that benefits man."

Lawyers for Rioters

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 30, 1968

Mr. THURMOND, Mr. President, many people are expressing increased concern about the role of Federal antipoverty agencies in the escalating civil violence in this country. A recent editorial in the State newspaper discusses one such agency which has been particularly active in Newark, N.J. This agency—legal services program—provided free legal services for rioters in Newark and other cities.

According to this editorial:

The director of the Legal Services Program in Newark harangued a crowd for nearly an hour outside the stationhouse where his cable clients was being detained . . . The riot started moments later when Lofton's angry audience bombarded the police station. When it ended, two days later, 25 persons had been killed.

Later, this same individual was appointed to a special commission which investigated the riot and found no evidence of an organized insurrection.

As one of many such incidents where Federal antipoverty personnel have been involved in serious civil disorders, this deserves the attention of the Congress. Mr. President, I ask unanimous consent that the editorial, entitled "Lawyers for Rioters," published in the State newspaper, of Columbia, S.C., of April 2, 1968, be placed in the Extensions of Remarks.

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

LAWYERS FOR RIOTERS

From New Jersey comes the word that counsel for cable John William Smith, whose arrest last July touched off the Newark riots, has filed charges against the arresting officers. The police are charged with kidnapping, assault and battery, and attempted murder—the result, allegedly, of their taking Smith into custody by force when he resisted arrest.

But this is not the worst of it. Counsel for Smith is none other than Oliver Lofton, director of Newark's Legal Services Program, an antipoverty agency of the federal government. LSP lawyers likewise have petitioned U.S. district courts in Newark and Philadelphia to put local police departments into the hands of federal receivers as a means of eliminating "police brutality."

LSP, a target of bar association criticism around the country, began as a modest effort at providing legal redress for indigent clients. The idea was to bring civil suits against unscrupulous merchants, loan sharks and slumlords. But the LSP has turned its attentions increasingly to criminal matters, in particular where extremists have taken on the police.

Lofton himself is credited by Newark's police director with a leading role bringing about the riots. The lawyer harangued a crowd for nearly an hour outside the station house where his cable client was being detained, the police official told congressional investigators. The riot started moments

later when Lofton's angry audience bombarded the police station. When it ended, days later, 25 persons had been killed.

Lofton's involvement did not keep Governor Richard Hughes from appointing him to the special commission that investigated the riot.

This commission found no evidence of an organized insurrection. And investigator Lofton continued to look after the legal interests of the rioters he was investigating.

Nor is Newark the only city in which LSP lawyers provided free legal services for rioters. The Office of Economic Opportunity's own LSP director, Earl Johnson Jr., told the American Bar Association last August that the Newark experience "has been repeated in almost every city where riots have broken out."

Such activity in behalf of rioters and other criminals does not come cheaply. The LSP operates 850 offices in 48 states, including South Carolina. Last year the program cost \$27 million, and \$36 million is budgeted for fiscal 1968.

The South Carolina LSP offices (which are not to be confused with private legal aid groups or with the proposed public defender program are located in Columbia, Charleston and Greenville, and a move is reputedly underway to fund a statewide operation. It is a move the state can do without. What is clearly demanded is a critical review of the whole LSP concept of using public funds, not in behalf of the public, but in behalf of those who work the public's ruin.

"Wholesome Fish" Legislation

HON. WILLIAM H. BATES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. BATES, Mr. Speaker, as you know, the city of Gloucester, Mass., is famed throughout the world as an American fishing center. Accordingly, the recent policy statement adopted by the Gloucester Fisheries Commission with respect to the so-called wholesome fish legislation has, I believe, special significance and importance.

In seeking to disseminate that policy statement as widely as possible, Gloucester's Mayor Joseph F. Grace, and Fisheries Commission Executive Secretary Salvatore J. Favazza published the statement in a folder entitled "Yes, 'Wholesome Fish' Legislation—But." In introducing the policy statement, they pointed out:

The Gloucester Fisheries Commission is a body politic and a public instrumentality sponsored by the City of Gloucester. The Commission is composed of the mayor and twelve persons appointed by him of whom two are members of the City Council, and at least five are connected with the production, processing or employment phases of the industry. It is empowered to investigate, advocate, and recommend measures for the promotion, preservation, and protection of the Gloucester Fishing industry.

With the notation that it was unanimously adopted by the commission, the policy statement is then printed as follows:

The Gloucester Fisheries Commission favors "Wholesome Fish" legislation.

The commission recognizes that such legislation is due the American consumer, and that such legislation offers a great opportunity to the fishing industry.

The Gloucester Fisheries Commission fa-

vors industry inspection by the U.S. Department of the Interior (U.S.D.I.)

The U.S.D.I. is ideally qualified to undertake mandatory inspection of the United States fishing industry in view of its past experience with the voluntary fish inspection program and its awareness of the problems of the fishing industry, such inspection to parallel U.S.D.A. inspections of the meat industry.

The Gloucester Fisheries Commission favors identical standards for both imported and domestic fish.

With 80 per cent of all groundfish consumed in the United States imported, and 52 per cent of all edible fish consumed in the United States imported, the adoption of lower standards for imported fish would both unfairly handicap the domestic industry and deceive the American consumer.

The Gloucester Fisheries Commission favors the designation of Gloucester, Mass. as a port of entry for imported fish products.

The commission favors such designation as Gloucester is presently the largest importer of edible fishery products in the Northeast, importing more than 10 per cent of all United States edible fishery imports and more than 50 per cent of United States groundfish imports.

The Gloucester Fisheries Commission favors a realistic approach to establishing "Wholesome Fish" standards to minimize the financial blow to the domestic industry.

The commission urges the federal government to provide financial assistance, both loans and grants, to all segments of the fishing industry to aid in meeting the new standards, noting that unnecessarily high standards for the admittedly obsolete United States fishing fleet might well force a great many older vessels out of business.

Ho Chi Minh's Little Helpers

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. RARICK. Mr. Speaker, as our peace-seeking leaders attempt to woo Ho Chi Minh to peace negotiations, the Communist dictator's little helpers in our country march to affect public opinion to try and give the Communists more leverage at any peace talk.

If there are those who are duped into thinking this is the way to halt wars, they are mistaken.

They should take their seditious parades to Hanoi and work on their boy, Ho Chi Minh. Perhaps someone should tell them Ho is not Santa Claus.

The liberty-loving American people, and the boys who have served, will want to remember these people and their leaders.

I include the AP and Evening Star accounts of April 28 of the disloyal little band in the RECORD:

[From the Washington (D.C.) Evening Star, Apr. 28, 1968]

WAR PROTEST GROUP MARCHES IN RAIN
(By Barry Kalb)

A column of war protesters filed solemnly past D.C. Selective Service headquarters yesterday, deftly maneuvered by the police in and out through the traffic and the crowds of a gray and moist Saturday in downtown Washington.

Almost 350 adults and children began their march at Franklin Park, 14th and K Streets NW, proceeded through the downtown shopping district to the interest and amusement

of shoppers and motorists, passed the draft headquarters at 916 G St. NW, with hardly more than a sideways glance and filed slowly through the wet streets back to the park for a rally.

The march was preceded by a funeral drummer and a black cardboard coffin that carried a sign asking, "Who makes the choice?"

BALLOONS AND SIGNS

The marchers carried red and blue printed signs and bright balloons—sold by a goateed, enterprising hawk who plastered them with "peace" signs—and if it hadn't been such a dull, wet day, the whole scene might have made a colorful picture.

The protesters marched in conjunction with an "International Day of Protest," sponsored locally by a coalition of peace and civil rights groups organized by the National Mobilization Committee to End the War in Vietnam.

Similar demonstrations were scheduled all over the country.

The marchers here were met by 11 pro-war pickets as they passed the draft headquarters, including one man who cracked corny jokes into a bullhorn. Nobody seemed to take the protesters very seriously.

A woman standing in the doorway of a shoe store on 14th Street spit on the marchers as they passed.

U.S. WORKERS IN LINE

The group included a large contingent of federal employes wearing yellow, hand-lettered badges. The soft rain caused the waterpaint on the sign they carried to run.

At the park, Monroe Freedman, a professor of law at George Washington University, said the Vietnam war is being carried out by the United States in violation of the U.S. Constitution, the United Nations charter and the Sato treaty.

Etta Horn, vice chairman of the National Welfare Alliance, said, "So many of our black boys are dying in that country—but they haven't had a chance to live in this country."

Jan Bailey, local head of the National Black Anti-War Anti-Draft Union, said, "They tell us we're living in a free democracy. But black people have never known democracy, only hypocrisy."

[From the Washington (D.C.) Sunday Star, Apr. 28, 1968]

LOYALTY, PEACE PARADES STAGED

Thousands of Americans participated in anti-war demonstrations and Loyalty Day parades across the country yesterday. Fist-fights and scores of arrests marked back-to-back parades and rallies in New York City.

The anti-war demonstrations climaxed a two-day nationwide protest against the Vietnam war and racism. The Loyalty Day marches, annual events in many places, were sponsored by veterans' groups.

In New York City, thousands of persons marched to a Central Park "stop the war" rally to hear speakers, including Mrs. Martin Luther King Jr. Sponsors of the antiwar rally said 100,000 to 150,000 attended; newsmen estimated the crowd in Sheep Meadow at 40,000.

The annual Loyalty Day parade, which sponsors said drew 8,000 marchers and which newsmen said drew 5,000, broke up about an hour before the Central Park rally began and ended about 10 blocks south of the Park. The parade was a memorial to the late Francis Cardinal Spellman.

POLICE PREVENT CLASH

There was no major confrontation between the protesters and the paraders. Police prevented one possible clash when they stopped a radical peace group of about 400 from staging an "anti-imperialist" march up Fifth Avenue along a route that might have crossed the Loyalty Day parade.

Fistfights broke out in the park between a small group of youngsters carrying Ameri-

can flags and another group carrying Viet Cong flags.

Police said 143 persons were arrested.

Mrs. King spoke to the crowd from what she said were notes prepared by her late husband, who had been scheduled to address the rally.

She read "Ten Commandments on Vietnam" which she said her husband wrote. They included: "Thou shalt not believe in a military victory, Thou shalt not believe in a political victory, Thou shalt not kill."

LINDSAY AT BOTH

Mayor John V. Lindsay appeared at both the Loyalty Day parade and the anti-war rally.

"One can easily differ with government policy in Vietnam and yet give full faith and credit and backing to the armed forces and soldiers who are there fighting, risking their lives and their families," the Republican mayor, a frequent critic of President Johnson's Vietnam policy, said at his Loyalty Day appearance.

At the anti-war rally, Lindsay said: "I'm here to reaffirm my opposition to the conduct of the war."

"What our country needs now," he said, "is an agreement that the war must be stopped and peace restored."

Most of the arrests occurred as police prevented the "anti-war imperialist" march planned by small, vocal groups identifying themselves as Youth Against War and Fascism, Red Guards, the U.S. Committee to Aid the National Liberation Front, and Free School Students for a Democratic Society.

Philadelphia: An estimated 8,000 persons marched in a Loyalty Day parade while about 1,200 participated in an anti-war rally sponsored by the Philadelphia Mobilization Committee.

Los Angeles: The Peace Action Council sponsored a sidewalk anti-war march which drew about 1,200 and ended with a rally on City Hall steps. The marchers were denied a parade permit so could not walk in the street.

Seattle: Some 3,000 persons marched through the downtown streets to the former world's fairgrounds where about a dozen young men burned what they said were their draft cards. About 60 persons marched in support of administration policy. There was no violence.

Similar demonstrations were held around the country.

The Rev. William Sloan Coffin told the central park crowd to continue resistance to the Johnson administration's Vietnam policy, United Press International reported. Coffin, Yale University chaplain, is under indictment on charges of advising students to avoid the draft.

"We must not resist for the sake of resistance, but for reconciliation," Coffin said.

San Francisco: More than 2,000 demonstrators—protesting the draft, the war and racism—marched from Golden Gate Park to a rally at Civic Center Plaza where former world heavyweight boxing champion Cassius Clay, retired Rear Adm. Arnold True and Fred Halstead, presidential candidate of the Socialist Workers party addressed the crowd.

Pittsburgh: A morning Loyalty Day parade was followed without incident by a march staged by about 1,200 anti-war demonstrators. One brief scuffle occurred when a Marine who said he was just back from Vietnam grabbed an American flag from one of the demonstrators.

Boston: Several hundred persons gathered in Boston Common for an anti-war rally. There was no violence and only one arrest—for disturbing a public assembly.

Cincinnati: A crowd estimated by police at 1,400 staged an orderly march in downtown Cincinnati, then gathered for a rally. The interracial march, called "March for Peace and Justice at Home and Abroad," was held in honor of King and Noel Wright, a student killed in recent rioting.

United's Selection of General Electric Engine for Airbus Will Aid Nation's Economy

HON. WILLIAM H. BATES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. BATES. Mr. Speaker, United Air Lines' selection of General Electric Co.'s CF-36 turbofan engine to power its McDonnell-Douglas DC-10 airbus certainly is good news for American industry and employment in this country, and it will do much to assist the United States with its balance-of-payments problem.

As many Members of this House know, General Electric and Rolls-Royce Ltd., of Britain, have been competing for the multimillion-dollar airbus engine contracts. In March, my good friend Congressman ROBERT TAFT, Jr., of Ohio, acting on reports that the Federal Government had sanctioned purchase of Rolls-Royce engines for the airbus, called upon the Department of Transportation to confirm or deny the reports. He pointed out that the Government should keep hands off any commercial venture, and he warned that selection of the foreign engine manufacturer could further upset our precarious balance-of-payments situation.

The Secretary of Transportation gave his assurance of complete Government neutrality in the placing of airbus engine orders, and on March 20, 1968, Congressman TAFT predicted that "American technical know-how and efficiency" would win contracts to supply airbus engines.

Along with several of my colleagues, I joined Congressman TAFT in the effort to keep the Federal Government out of negotiations for airbus engine contracts. While we are naturally delighted with the selection of General Electric to provide engines for the DC-10, it was not our purpose to influence selection of the airbus engine manufacturer. It was rather an attempt to insure an open, competitive situation, which we hope existed in Lockheed's selection of the Rolls-Royce engine to power its L-1011 version of the airbus.

The following portion of an article in the Wall Street Journal of April 26, 1968, provides some interesting facts and figures on this airbus matter:

UNITED AIR LINES ORDERS AIRBUSES FROM McDONNELL—VALUE PUT AT SEVERAL BILLION DOLLARS OVER NEXT DECADE—GE ENGINES ARE SELECTED—FIRST ORDER IS \$465 MILLION

(By Todd E. Fandell)

CHICAGO.—United Air Lines assured McDonnell Douglas Corp. of production contracts, probably worth several billion dollars over the next decade, by deciding to purchase that company's version of the medium-range, tri-jet "air-bus."

Initially, United will order 30 McDonnell Douglas DC10s at a price of about \$15.5 million each including engines, or a total of \$465 million, George E. Keck, United president, told the annual meeting. In addition to the firm order, United also is taking options on an additional 30 aircraft, Mr. Keck said.

At a press conference following the meeting, Mr. Keck and David S. Lewis, president of McDonnell Douglas, disclosed that United's

DC10s, as well as those ordered in February by American Airlines, will be powered by General Electric Co.'s CF-36 turbofan engine. Cost of the engines for the first 30 planes will be \$64 million, Mr. Keck said, indicating an average price of \$710,000 each.

Following the United announcement, an American Airlines spokesman in New York said American "thinks highly" of the GE engine but hasn't yet signed a contract with GE. In February, American announced a program for acquiring up to 50 DC10s.

United's decision ended weeks of speculation over whether McDonnell Douglas would actually commit itself to production of the DC10 or whether it would bow out leaving the field largely to Lockheed Aircraft Corp. which already had received sufficient orders to assure production of its version of the airbus, designated the L1011. Boeing Co. is a more distant contender in the hotly competitive three-way battle for airbus orders from the commercial lines.

DEFINITE GO AHEAD

Mr. Lewis said McDonnell Douglas, with United's order in hand, will give a definite go-ahead to produce its DC10. Without yesterday's United order, the plane definitely wouldn't have been built, he said. American Airlines was the first carrier to announce its airbus selection when it placed a firm order Feb. 19 with McDonnell Douglas for 25 planes and options for 25 more. But it was the only prior order for the DC10, Lockheed having subsequently landed contracts from five other buyers.

In St. Louis, James S. McDonnell, chairman of McDonnell Douglas, expressed confidence that the DC10 "would capture a substantial share of the large world-wide market for this new type of aircraft." He said the company's Long Beach, Calif., commercial-transport staff "has been moving ahead rapidly with detailed design and development" on the aircraft. The aircraft also will be assembled in Long Beach.

Mr. McDonnell asserted that the airbus program would assist the U.S. with its balance-of-payments problem during the next decade through expected overseas sales. Overseas backlog of the company's DC8 and DC9 aircraft totaled \$1,118,000,000 on Dec. 31, he noted, and \$1,082,000,000 worth of these planes already had been delivered abroad.

United's decision produced a strong reaction yesterday in prices on the New York Stock Exchange of the two aircraft producers most directly affected. McDonnell Douglas was the day's most active issue, closing at \$51.125, up \$3.25 for the day. Total volume was 346,400 shares.

LOCKHEED HOLDS LEAD

Lockheed, which continues to hold the lead in the air-bus race, with orders for a potential 172 planes compared with McDonnell Douglas' possible 110, fell \$2.50 to \$57.375 a share and made the most active list on turnover of 84,100 shares. General Electric, which stands to win engine contracts totaling hundreds of millions of dollars because of United's selection, rose 87.5 cents to \$93.375.

McDonnell Douglas also had been active Wednesday in anticipation of the United decision, rising \$3.125 a share on volume of 148,500.

Boeing, which yesterday issued a terse statement saying it intends to "continue with design and developmental efforts on a smaller size companion airplane" to its 747 jumbo jetliner, rose 62½ cents to \$71.25. Boeing didn't specify whether the design of such an aircraft would follow the specifications outlined for its entry in the air-bus competition, or whether it would be aimed at a different segment of the market for giant jets.

The American and United orders, alone, assure McDonnell Douglas of almost \$1.7 billion in DC10 sales volume. In addition, with the company committed to production,

some smaller carriers are generally expected to follow United's lead. Mr. Lewis said he estimates the total potential for the air bus as "easily a 1,400-plane market." Announced orders and options to date total 282.

United's selection of the DC10 at the \$15.5 million price "should make American very happy," Mr. Lewis said, because of an agreement with American to match any lower DC10 price in future contracts. The announced price at the time of American's order had been \$16 million a plane. Delivery of the first plane to each of the two carriers is scheduled to be made on the same date in August 1971, Mr. Lewis said.

Lockheed's first orders for the 1011—for 50 planes (including 25 on option) from Eastern Air Lines, 44 (including 22 on option) from Trans World Airlines and 50 (including 30 now and 20 later) from Air Holdings, Ltd., of Britain—carried a price of about \$15 million a plane. Two other orders, for 24 planes from Delta Air Lines and four from Northeast Airlines, also had a price tag of \$15 million a plane.

Competition for the air-bus engine also has been heated. Rolls-Royce Ltd. of Britain won out with the Lockheed version and, until United's selection, still was in the running to provide the power plant for the DC10. Mr. Lewis said he was pleased with the selection of the American-built engine for United and American airplanes. Sources close to United indicated they were sure balance-of-payments considerations played a role in the decision-making process.

Mr. Keck described that process as "the most difficult decision we have made on aircraft in a long, long time." The decision followed six months of "all-out intensive study" by United of all three air-bus versions, including Boe's 747-300, he said.

Ohio Pays \$1.40 for Each "Federal" \$1

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. DEVINE. Mr. Speaker, an editorial in the Columbus, Ohio, Dispatch on April 22, 1968, points out how much the citizens in the great State of Ohio contribute to the Federal Treasury and how their money is discounted by Washington bureaucrats.

People should recognize the caption "Federal money" is a myth, as the Government is not a producer, merely a distributor.

The editorial follows:

OHIOANS PAY DEARLY TO BE GOOD PROVIDERS TO NATION

Ohio, like the other prospering states in the Union pays a steep price for the federal money that is fed back into its operation.

Prosperity, under the rules of the game laid down by the Washington bureaucracy, becomes a very provocative condition approaching the dubious honor noted by the man who was being ridden out of town on a rail.

For every dollar the federal government releases in grants-in-aid to the administration of Ohio's affairs, taxpayers in the state paid \$1.40 into the U.S. Treasury. This is a usurious surcharge for taking our money, handling it and doling back what Washington deems necessary to keep us functioning.

The figures have been examined covering federal fiscal year of 1967. In that time \$15 billion were disbursed in grants-in-aid. Ohio taxpayers in that period paid \$801 million for aid programs into the federal coffers. The state got back \$572 million.

There is a disparity between what we pay and how much is given back to us that is growing at an excessive rate.

In fiscal 1966, for instance, Ohio's contribution to federal aid funds was \$675 million while \$549 million came back in grants.

The total imbalance is not apparent in these figures which rise quickly to the surface. It must be kept in mind that most of the federal grants-in-aid money is distributed on the stipulation that recipients produce matching funds. So this increases one side of the equation.

Public funds come by one route or another from the individual citizen whether through his direct taxation or from his absorption of hidden-taxes that are passed back to him in the flow of commerce.

First demand on the people's money is being made by the costs of the Vietnam War. The second greatest levy goes to support the federal program for economic opportunity. Both of these areas are open for reexploration as we view them. Both have elements of recklessness and visionary impracticability in them from which the beset taxpayer deserves at least a modicum of relief.

Emergency Loan Relief for Farmers

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. ROUSH. Mr. Speaker, today I am introducing a bill which has already received the endorsement of a number of Members of the House of Representatives who realize the plight of many of our farmers today.

This bill would call for the transfer of \$30 million from the Commodity Credit Corporation to the Farmers Home Administration. The transfer would be in the form of a loan repayable from future appropriations to FHA.

National disasters, affecting many parts of our country last year, served to deplete and diminish FHA loan funds making some emergency transfer of funds an absolute necessity, if our farmers are to survive; if we would assure them of our interest and concern for their problems, which are the problems of all of Americans who rely upon the foods and fibers farmers produce.

This bill is designed to provide needed financial assistance. I am happy to join with Congressman HATHAWAY and the other Members of Congress who have made this effort to come to their support. I am hopeful that this legislation will pass rapidly and will make additional emergency funds available in time to be of help.

In Indiana, 76 counties are designated for emergency loans because of the severe damage to last year's corn and soybean crops due to excessive rains and freezing temperatures at harvesttime. Some crops could not be harvested; some sold at low prices.

Figures furnished by the Farmers Home Administration show that 197 emergency loans had been made in Indiana as of April 12 in the amount of \$1,499,170. Moreover, some 351 more requests are either in process or are expected. I know myself of a case in which a farmer had his request granted, only to find out that the funds had been depleted.

This legislation, then, is essential to sustain our farmers in this crisis.

Akron, Ohio, Industry Attacks Unemployment Problem

HON. WILLIAM H. AYRES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. AYRES. Mr. Speaker, in these days of great concern for not only the unemployed but those of our young people just entering the labor market, it is heartening to find that private industry is devoting its efforts towards solving this problem.

Industry in Akron is always in the forefront of such efforts. No industry is more conscious of the welfare of all of our citizens than the rubber corporations. For many years, they have devoted as much attention to the training of future and present employees as they have in research for improved products.

Recently that very fine writer, John E. Beaber, of the Akron bureau of the Cleveland Plain Dealer, wrote a story for that newspaper about the training methods of the Firestone Tire & Rubber Co., and its training program in the marketing and distribution fields. That article follows:

FIRESTONE, OTHER FIRMS ARE SOLD ON WORTH OF DISTRIBUTIVE EDUCATION'S PRODUCTS
(By John E. Beaber)

AKRON.—The Firestone Tire & Rubber Co., like many other companies, sees a glowing future for distributive education (DE), the school business training program for students in marketing and distribution fields.

DE is a school-oriented program in which a student studies sales and merchandising subjects in class and then takes on-the-job training for which he is paid.

Increasing numbers of companies are employing DE students and aiding the Distributive Clubs of America (DECA), Club for DE students.

The Firestone Tire & Rubber Co. was one of the first companies to assign a full-time executive to work with the program. H. Kenneth Gambee is coordinator of Firestone's DE effort and has assignment.

Firestone joined the program in 1966. Today several hundred DE students are employed in the company's stores and in other jobs.

John J. Desmond, Firestone's assistant director of training, is a member of the national advisory board of DECA and has seen firsthand its effect on new sales people traveled to 30 states in his coming into his company.

"The students see through DE that the free enterprise system provides them with the right to fall, or the right to be successful. It all depends on them," he said. "For the company, the program is one more excellent source of fulltime employees."

Started in 1947 with 800 students in 17 charter states, DECA has grown with industrial assistance to 73,000 students in 49 states. Ohio is a charter state.

Gambee predicted that by the 1970s, membership will have increased to 370,000. It is expected to reach 100,000 this year.

National companies, recognizing the importance of the program, continue to lend their help in growing numbers. The national advisory council next year will include representatives from 60 companies, or twice the number of companies as this year.

"DECA is just a program where a student

leaves school and goes to work for class credit or paycheck," Desmond said. "It helps a student find himself and he learns the need for further education. Members of DE continue to work after school and during the summers."

DECA has two divisions—one for high school students and another for those in junior colleges, community colleges, technical institutes and other vocational-technical schools.

Mr. Speaker, Mr. H. K. Gambee, coordinator of this Firestone Rubber Co. program, in answer to an inquiry of mine, has given the following details as to Firestone's participation in this training effort. I believe all of these efforts should be encouraged. The remarks of Mr. H. K. Gambee follow:

In June of 1966, we embarked upon a local program of having a Distributive Education high school student working in each of the Firestone stores in the Akron area. These students were drawn from Copley High School, Kenmore High School, and Conventry High School. The results were excellent and at that time, through the Sales Education and Training Department, we embarked upon an enrollment of high school seniors in this cooperative program throughout the entire United States.

We are now in our second year of support of this program and at the present time, we have several hundred of these young people working on a cooperative basis in Firestone stores throughout the United States. We intend to implement this program and extend its use to every possible community where there is both a Firestone Store and a Distributive Education Program.

Firestone has joined approximately 60 other nationally known organizations in their support of these clubs and our company is represented on the National Advisory Board of DECA, Incorporated.

In visiting many of the states, personally, I have found that the DECA Clubs provide a very fine outlet for these young people to experience leadership and competition in the field of retailing. This adds a little luster to the actual school program as these club activities augment the fact that most of these young people are away from the school in the afternoon working at these various retail establishments known as "Training Stations". Therefore, this provides an activity to which they can belong and which augments their actual retail training in a retail establishment, such as a Firestone Store.

We feel, sincerely, that the great fields of marketing and distribution are enhanced by the training that these young people are receiving in the Distributive Education Program.

As you know, some of the funds supporting the Distributive Education Program is provided by the Department of Health, Education and Welfare under the act of 1963. Our use of this program along with the other major supporters is making a meaningful contribution to the growth of these young people and certainly gives added depth to the training of these young people in the meaning of "Private Enterprise".

Parity Yardstick Still Sound

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. ZWACH. Mr. Speaker, I was interested in reading the editorial in the Des Moines Register of April 16, and the accompanying remarks by my colleague

who inserted this editorial into the RECORD.

The tone of both clearly shows that the present parity "scoreboard" is not now advantageous to those who earlier sought to gain by monthly exhortations on the downward sliding parity ratio.

The parity yardstick has been useful as a measuring device of the comparison of costs of production and the price the farmer receives for his production. It is now widely known and accepted by all farmers for that purpose. All farmers can understand that 73 percent of parity means that they are receiving less than three-fourths of their fair share of the U.S. economy.

It will continue to remain useful until some better yardstick or comparative tool can be perfected. Any attempt now to change this yardstick will be challenged immediately by those who must balance their farm business accounts monthly. It is far easier to criticize the use of parity from the position of already receiving full parity of income than from the position of living and working where there is less than full parity.

Report to Constituents

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. ANDREWS of North Dakota. Mr. Speaker, like other Members of this body, it is my custom from time to time to send to my constituents a report regarding my activities in the Congress and my views on current problems facing our Nation. I am mailing such a report today and I place it in the RECORD at this time:

Nearly every day, I receive several letters that start out in this manner:

"I am aware it is important that spending be held down this year, but I believe more money should be used to..."

Almost everyone, it seems, has his own ideas about what government projects or programs are essential and these views are generally supported by legitimate, factual arguments. This points up the difficulties of establishing spending priorities, especially at this time when there are so many demands on the Federal Treasury.

Most folks recognize, of course, the necessity of supporting and supplying the nearly 550,000 troops the Administration has stationed in Vietnam. The problems of education, unemployment, agriculture, housing and poverty all demand attention, too, as well as the many other functions and activities of the Federal Government. The Administration, meanwhile, insists on new programs with which it can be identified and remembered. Pressure to find money for the new programs often means that older, already proven programs are denied the funds needed to remain effective.

Sometimes attempts are made in Congress to shift the burden of budget cutting to the various departments of the Executive Branch by simply ordering them to spend only a certain portion (usually 95%) of the funds appropriated to them. I don't generally support these moves because I don't believe it is right to allow department heads the sole power to dictate which agricultural programs, public works projects or educational assistance activities, for instance, should be cut or encouraged.

I believe that Congress, functioning as representatives of the people, should make the decisions as to where the taxpayers' money should be spent and where the budget cuts should be made.

All of us recognize the danger of continuous deficit spending. Hopefully, this Session of the 90th Congress will act in a manner that will restore confidence in our nation's fiscal integrity—both at home and abroad. I will continue to work toward this end and, as always, I will appreciate the counsel of the people I represent.

Two Devils Lake Ladies of Distinction: On the left is Miss Meredith Roberts, daughter of Mr. and Mrs. A. M. Roberts, 1968 North Dakota State Society Cherry Blossom Princess and a member of my staff since August, 1967.

On the right is Miss Dagny Olsen, North Dakota Legislature Recorder and Chairman of the National Legislative Committee of the National Federation of Business and Professional Women's Clubs.

The North Dakota State University Concert Choir earned high acclaim from music critics for their performances in Washington this Spring and it was my privilege to guide them on a tour of the Nation's Capitol. This fine group is under the direction of Edwin R. Flossinger, NDSU Music Department Chairman.

North Dakota Wheat Commission members made their point during a recent visit to my Washington office. Seated next to me is Floyd Poyzer; Amenla, and standing (L to R) are Paul Abrahamson, Bismarck; Mearl Gifford, Gardner; Camy Larson, Leeds and Steve Reimers, Carrington.

I was proud to introduce Francis J. Beaton, of West Fargo, National Commander of the Disabled American Veterans, to the House Committee on Veterans' Affairs.

He presented his organization's National Legislative Program to the Committee. Members of the Committee from both sides of the political aisle told me later how impressed they were by Commander Beaton and his testimony.

King Olav V of Norway told Mary and I he was looking forward to his trip to North Dakota. We met him at a small luncheon in his honor given by Vice President Humphrey. Most folks in our part of the country, I think, have regarded Norway as traditionally one of our most dependable allies and it saddens us to see the growing disapproval there of U.S. foreign policy.

FARM PROGRAM EXTENSION BEING CONSIDERED

By the time you receive this report, I will have testified before the House Agriculture Committee in support of improving and extending the Food and Agriculture Act of 1965. When this basic farm program was first approved by Congress, I supported it because (1) I believed it to be the best possible program we could get under the circumstances, and (2) I felt a four-year program would give us the opportunity to fairly judge its value, discover its weaknesses and improve its strong points.

Most folks, I believe, recognize that the income a farmer receives for his investment of time, labor, capital, management and risk is way below that gained by the rest of the economy. Net income per farm in North Dakota was down 10% last year and the parity ratio of prices received stands at 74%. Some regard this as evidence that the basic farm program is all wrong, but the fact remains that a farmer must find an equitable market for his products if he is going to be able to stay in business.

We know that low farm income is the result of a number of different factors, including (1) the fact the Administration did not use the Food for Peace Program as aggressively as Congress authorized (2) mistakenly setting the consumptive requirements for wheat in 1967 too high and (3) failure to develop international markets at the pace required.

Because farmers are faced with low incomes and the tightest money market in the history of our nation, I believe the basic farm program must be extended this year—and it should be done now so that this vital piece of legislation can avoid becoming a "political football" during the forthcoming election campaign. At the same time, I recognize that the program can and should be improved by:

Tightening administrative guidelines so the intent of Congress cannot be changed by USDA administrators.

Paying 50% of the certificate value at sign-up time.

Having acreage allotments adjusted so as to not penalize conservation practices followed before the base period.

Establishing prices for Food for Peace Program purchases that will cover the cost of production and allow a reasonable profit. (Munitions manufacturers and other suppliers for U.S. foreign aid don't donate their products, why should farmers?)

In any cropland adjustment type program preclude those who buy land as a speculation or for a hobby.

Whether or not we can get these improvements, farmers must be able to plan ahead with confidence that the basic farm program is not going to be drastically changed or suddenly terminated.

Legislation Introduced To Replenish Funds for the International Development Association

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. MOORHEAD. Mr. Speaker, on April 24, H.R. 16775 was introduced by the distinguished chairman of the House Banking and Currency Committee, the Honorable WRIGHT PATMAN, to provide for a \$480 million contribution by the United States over the next 3 years to help replenish the loan funds of the International Development Association.

I believe that the request is reasonable and necessary, and that it should be given prompt attention. Accordingly, I am pleased that the Banking and Currency Committee, on which I serve, has scheduled hearings on H.R. 16775 for May 8, 9, and 10. Anticipating approval of this legislation by our committee, I urge my colleagues to support it when it reaches the floor.

There are many good reasons for supporting increased American contributions to the IDA. We know of IDA's accomplishments in assisting the poorest nations of the world over the past 8 years. We also know that a lack of funds is threatening the continuance of its work.

We recognize that IDA is a prime instrument in building the kind of world America has always stood for—a world of progress and peace for all nations.

We have agreed with 17 other advanced industrialized nations that IDA must be given the resources to continue development assistance to the emerging nations. Our partners are now following through on their pledges of assistance. The United States cannot afford to do less.

In many respects, IDA represents the most practical and effective means by which our country can assist the developing world:

It embodies a multilateral approach to development assistance, a combining of our efforts with those of other countries and an equitable sharing of costs.

Like its parent World Bank, IDA emphasizes self-help by countries receiving its loans, and will not lend to a country that is not following sound and strong self-help policies.

Its loans are being increasingly directed to two of the greatest needs of the less-developed countries—increased food production and better educational facilities.

Its loans meet the requirement of the developing nations for an accelerated flow of development capital on less burdensome terms than those set for conventional loans.

Even if we wanted to do so, the United States could not disregard the needs and aspirations of the developing countries. The world has grown too small for any nation to think that it can go its way unmindful of the desperate circumstances facing the people of many other lands. As President Johnson has said:

The wealthy nations cannot survive as islands of abundance in a world of hunger, sickness and despair.

What better way is there for us to help the worldwide fight against starvation, disease, and ignorance than through the support of international agencies like IDA?

By giving our support to such multilateral efforts, we gain important advantages, not only for ourselves and other aid-giving countries, but also for the recipients. There is a more equitable sharing of the costs of development assistance; a more efficient use of available aid resources; a better and more realistic assessment of developing country needs, and stronger inducement to a developing country to make the most effective use of a loan.

I have been especially pleased to note in recent years that IDA has directed an increasing share of its loans to developing country projects in agriculture and education. Thus its activities have tied in more closely with two of the principal objectives of our own foreign aid program—to bring the world food supply into balance with population, and to provide the education that is essential to nation building and responsible democracy.

Besides emphasizing self-help by borrowing countries, IDA follows other lending policies which insure sound use of the funds entrusted to it. It does not provide a soft or easy route for a borrower, but makes loans only when they cannot be provided by the World Bank or obtained from private sources on terms that are reasonable. In considering a loan application, it follows the same strict standards as the World Bank, and each proposed project must be economically and financially viable. That is undoubtedly one of the reasons why the Association, like the World Bank, is noted for a high degree of efficiency and sound management.

IDA is doing a job that must be done by the developed nations—and that can be done more effectively and at less cost by nations working together than by nations working separately.

I believe that its work must go on not

merely for humanitarian reasons, but also because continued assistance to the developing countries advances our own interests, our own hopes for future peace and prosperity as well as theirs. I, therefore, urge each Member of the House to approve our continued participation in IDA by voting for the requested contribution.

One Grand Jury Is Worth a Thousand Political Commissions

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. ASHBROOK. Mr. Speaker, if one all-inclusive criticism were to be leveled at the report of the National Advisory Commission on Civil Disorders, it would probably come out something like: "The Commission failed to tell it like it is."

The credibility of the report continues to be eaten away in larger or smaller chunks as more and more individual, sharply focused, investigations are concluded and released.

Barron's, the highly respected business weekly, ran on the front page of the April 29, 1968 edition an article pointing out one of the latest in these investigations which, conducted in greater depth, concerned with problems and conditions common to the investigators, tends to place the Riot Commission Report in its proper context. As Barron's so aptly states:

The document merely takes its place at the head of a long line of spurious government reports—soiled white papers, so to speak—that excite more doubts and suspicions than they quell.

The grand jury which prompted Barron's to say that it was worth a "thousand political commissions" is the Newark, N.J., Essex County grand jury.

Not only has this report set straight the Riot Commission's facts and findings but it also takes to task the conclusions of the so-called blue ribbon panel which investigated the riots at the behest of the New Jersey governor.

It is tragic admission but Barron's is well supported in concluding that: "Like debasement of the currency, debauching the record evidently has become official policy."

I include the article at this point:

"TELL IT LIKE IT IS": ONE GRAND JURY IS WORTH A THOUSAND POLITICAL COMMISSIONS

Serving as Washington correspondent for Barron's, we are fond of telling our staff, is probably a tougher job than covering Cape-town for Ebony. Somehow a petite blonde named Shirley Scheibla has succeeded in handling it—with growing distinction, we might add—for nearly a decade. Mrs. Scheibla has become a sought-after public speaker and author: her maiden effort ("Poverty Is Where the Money Is," Arlington House, \$5.95), will appear early next month. Over the years, moreover, she has exposed to public scrutiny one horrible example after another of bureaucratic extravagance, folly and worse, ranging from FHA's scandal-ridden multi-subsidy housing program to the various outrages perpetrated at taxpayers' expense by the so-called Office of

Economic Opportunity. Prior to the article which appears on Page Five, her latest—in some ways, perhaps most noteworthy—piece of work ran on March 4, under the headline "Counsel for the Offense—OEO's Legal Services Program Undermines Law and Order." The story particularly scored the role played by the Legal Services Project of Newark, N.J., an OEO-financed body, in last summer's bloody riots.

Like most critical journalism, "Counsel" drew a good deal of return fire, notably from the Office of Economic Opportunity, which branded it as distorted and biased. Last week, in effect, a grand jury in Essex County handed down a different verdict. After a searching inquiry into "the civil disturbances in Newark during the period from July 13 through July 18, 1967," the jury had some shocking things to say about the conduct of the city's Legal Services Project. Concerning the homicides that occurred—25 people were killed in the riots—"much vital information was made available reluctantly and only after many requests." A number of the statements taken and finally supplied by LSP were unsigned. Some witnesses "denied in whole or in part having made statements attributed to them," while others repudiated prior statements in subsequent testimony. With respect to one homicide, "certain statements, later repudiated, were widely circulated by extremist groups along with photographs of the victim's body which had been taken by photographers engaged by the Newark Legal Services Project. These photographs showed the body during the embalming process, a fact ignored or disregarded, but which . . . (was) well calculated to inflame the minds of those exposed to them."

A scathing indictment of Newark's poverty lawyers, the findings of the Essex County grand jury also boast a state and nationwide significance. For the director of the Newark Legal Services Project, Oliver Lofton, happened to serve on the 10-member Commission on Civil Disorder named by the Governor of New Jersey to investigate the riots; in striking contrast to the jury, which placed the burden of guilt squarely on the rioters, this august body tended to indict the "long-neglected problems of our cities," notably segregation and alleged corruption at City Hall. In several significant respects, moreover, the straightforward testimony cited in the jurors' presentment clarifies or contradicts the ambiguous, evasive, hearsay account of the same matters in the Report of the National Advisory Commission on Civil Disorders (the Kerner Report). For "telling it like it is," the evidence suggests, one grand jury is worth a thousand political commissions.

So is one enterprising reporter. In "Counsel for the Offense," Mrs. Scheibla disclosed the role played by the Legal Services Project of Newark (an arm of the United Community Corp., federally funded local poverty agency) in aiding and abetting agitation both during and after the riots. In particular, Mr. Lofton was one of three UCC officials to address the unruly crowd that gathered outside police headquarters on the night of July 12. One of his colleagues declared that the police were waging war against the black community. Another voiced anger at the precinct's "sadists." What Mr. Lofton said that night is in dispute. According to OEO (and the Kerner Report), he urged the mob to stage a peaceful midnight demonstration at City Hall. Newark's Police Director and an administrative assistant to the Mayor, contrariwise, claim he harangued the crowd on police brutality. What's beyond cavil is that shortly afterward, violence—not to be finally quelled for another five days—broke out. Moreover, in August Mr. Lofton made his views abundantly plain. "We are now reaping the poison harvest of 300 years of history," he told a television audience, "and what we really see here is the voice of the

people revolting against an unjust system. If somebody doesn't get together to bring some pressure upon that City Hall, we're going to have riot after riot in this city." The LSP director, by the way, served as defense counsel for the taxicab driver whose arrest for resisting an officer triggered the riots. His client recently was found guilty as charged.

Able as Mrs. Scheibla may be, she commands no subpoena powers and must meet deadlines. The Essex County grand jury took sworn testimony from more than 100 witnesses during 32 sessions stretching over an eight-week span. With regard to Mr. Lofton's agency, "the members of the Jury found themselves confronted with certain disturbing facts." Apart from the discrepancies in testimony cited above, the jury noted that "many of the statements were couched in language untypical of the persons purported to have made them and in fact many of these persons appeared not to understand the meaning of the phrases attributed to them." Again, "according to the evidence, no one who had gone to the Legal Services Project with information regarding any of the homicides under investigation was instructed by the Project to convey such information to the Prosecutor's Office. . . ."

In the case of James Rutledge, who was fatally shot while burglarizing the package store annex of a tavern at Custer Avenue and Bergen Street, the jury found a particularly outrageous distortion. "It has come to the Jury's attention that many erroneous and deliberately false accounts of this incident have been published and transmitted to various government agencies and to the public. . . . Moreover, the Jury found that distorted photo of the victim depicting a complete mutilation of the body, not resulting from the shooting, was distributed in Newark with inflammatory leaflets attached. The Jury finds this act to be despicable and flagrantly irresponsible and designed to inflame unnecessarily an already troubled community. The Jury is concerned and believes that adequate steps should be taken by responsible persons in the various agencies such as Newark Legal Services Project and the American Civil Liberties Union to assure themselves that irresponsible and unauthorized persons should not and will not have access to documents and physical evidence, including photographs, which are the work product of said agencies.

Here is the investigating body's summation. "The Jury could only conclude that during the excitement many of those taking statements from persons involved in the riots either deliberately or unconsciously distorted these statements and in many ways conducted themselves so as to create in the minds of the public a biased and inaccurate impression of many events connected with the disturbances."

The findings should interest all those who took on faith the New Jersey Governor's self-serving report on the riots, as well as the State Bar Association, a committee of which found little to criticize in LSP's conduct. Readers of the best-selling Kerner Report should be equally concerned. To be sure, this remarkable document, which blames the outbreaks in over 100 cities on white racism rather than on black lawlessness, scarcely needs to be impugned. An embarrassed Johnson Administration for weeks quietly sought to disavow it; even now, despite the heavy pressure generated by the death of Martin Luther King, the White House refuses to seek action on its extravagant, irrational proposals. Nonetheless, the Essex County grand jury, which took sworn testimony from over 100 witnesses on the Newark riots alone, compared to the Commission's 90 depositions covering eight cities or areas (now locked away indefinitely in the National Archives), willy-nilly highlighted some of the latter's glaring errors, omissions and distortions.

Thus, according to the Kerner Report, a

midnight eruption of rock-throwing which shattered the windows of the Newark police station "was believed to be the work of youngsters." "Inflammatory leaflets were circulated" by parties unknown to the National Advisory Commission, although the staff of the House Education and Labor Committee last September compiled a thoroughly documented report linking black power groups, so-called New Leftists and an impressive number of local poverty workers to the violence (as Barron's said at the time, the riots were subsidized as well as organized). One Newark detective was slain by a small caliber bullet, "the origin of which could not be determined." In the grand jury account of the tragedy, however, a Catholic priest testified that "he heard gunfire resume and from a vantage point about a block away on Mercer Street observed puffs of gunsmoke from the upper floors of the (Scudder Homes) Project. It was at this time and possibly as a result of renewed sniper fire that Detective Frederick Toto was fatally wounded." In the deaths of three women, the Commission quotes "eye witnesses" who charged national guardsmen with shooting on scant provocation (thrown bottles evidently fall into this category). The grand jury puts the incident in perspective: fires were raging in the vicinity, firemen were being prevented from doing their jobs, and "the tapes of State Police Communications indicate that there was sniper fire. . . ." To judge by its account of Newark, the Kerner Report, far from making a contribution to national understanding, has widened the credibility gap beyond belief.

In so doing, the document merely takes its place at the head of a long line of spurious government reports—silled white papers, so to speak—that excite more doubts and suspicions than they quell. Like debasement of the currency, debauching the record evidently has become official policy. "Enlighten the people generally," so Thomas Jefferson once wrote, "and tyranny and oppressions of body and mind will vanish like evil spirits at the dawn of day." In volume after volume, no political commission has ever said as much.

Milwaukee's Inner City Area

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 30, 1968

Mr. STEIGER of Wisconsin. Mr. Speaker, the attached speech by Wisconsin's Governor Knowles deals at some length with important aspects of the problems and programs relating to Milwaukee's inner city area. It constitutes a fairly thorough review of the activities and objectives of State government in that regard plus some observations by the Governor concerning the work that remains to be done.

I am sure you will find this material of interest:

REMARKS BY GOV. WARREN P. KNOWLES TO EAU CLAIRE'S BUSINESS AND PROFESSIONAL WOMEN'S CLUB ON TUESDAY, APRIL 9, 1968

This has been a very somber day for America.

The tragedy that struck last Thursday with the murder of Dr. Martin Luther King and his burial today has brought grief to millions and a quiet uneasiness to millions more.

But out of it all has come a new awareness of one of the most pressing problems facing our nation—the frustration and hopelessness of the Negro urban dweller.

This frustration and hopelessness springs from a variety of sources. They are a lack

of education or training for employment, inadequate housing and not enough of an income to improve their housing situation, unemployment—mainly because they haven't enough training to qualify for jobs—and, finally, the fact that many of these people don't know where to turn for help.

Now someone might ask me—"Why tell us in Eau Claire about a situation in Milwaukee, or Detroit, or Chicago? What does that have to do with us?"

My answer is that it has a great deal to do with the welfare of the residents of Eau Claire, and Superior, Wausau, Appleton—every other persons in Wisconsin.

Aside from the moral values involved, it can be described as a simple matter of economics. Anything that adversely affects our State's largest city, affects the State and all of its citizens.

For example . . . last year when the disorders occurred in Milwaukee and the mayor closed the City down, it meant that more than a mile of tank trucks were backed-up on the highway leading into Milwaukee. These trucks were bringing fuel oil into the State that would eventually find its way to retailers and consumers all the way from Milwaukee to the Michigan border.

At the same time, the produce of Wisconsin farms that normally pours into Milwaukee was unable to move into the City. Had the curfew lasted longer, the impact would have been serious to thousands of persons who do not live in Milwaukee.

Or, consider that the great manufacturing complex in Milwaukee is one of the biggest single contributors to the State's overall economy—generating personal income for thousands of workers and taxes to help finance essential State and local government services. A major disruption of this giant would produce shock-waves from one end of our State to the other.

For these and a lot of other reasons, I believe it is clear that the problems that face Milwaukee, Racine, Kenosha, Beloit, or even Eau Claire, are Wisconsin's problems. The continued growth and prosperity of our State hinges on the public's awareness of that fact.

That's one side of the "need for progress" in dealing with the problem.

The other side, relating to the principles and moral values has been dealt with very eloquently in recent days. But, allow me to oversimplify it by saying that each of us has an obligation that stands alongside our American citizenship. This is our obligation to recognize that "all men are created equal" and to promote the opportunity for "life, liberty and the pursuit of happiness" for every citizen.

We have an opportunity in this nation today to prove what freedom and equality are all about. We have a chance to prove that as Americans we can live up to our responsibilities toward our fellow man. We have an opportunity to prove that we care.

I think everyone here knows that *there is a problem*. But what is the nature of the problem and who are these economically and socially impoverished Negroes?

Statistics tell an important part of the story. In 1950 the Negro population of Milwaukee was estimated at approximately 30,000. In only 18 years that number has more than tripled—to approximately 97,000 Negroes in Milwaukee. The majority of the new Negro population has poured into the City from the slums of other cities or from the rural regions of the South. They are, for the most part, uneducated and untrained for any kind of employment.

When they arrive in Milwaukee the first thing they look for is a place to live—and so they congregate in the older section of the City which happens to be disrupted by new expressway construction. They settle here primarily because the rents are comparatively low and they can afford nothing better. They rarely leave this neighborhood because of their lack of education and skills prevents them from obtaining employment

and a sufficient income to allow them to move elsewhere.

In summary, the situation in Milwaukee's "inner core" is just like the situation in Watts, Chicago, Detroit, and Newark, that you have seen on television or read about in the newspapers.

Helping to bring these Negro citizens into productive roles in society is our challenge—yours and mine.

Fortunately, a lot of people in Wisconsin are already hard at work to meet that challenge.

One of the best examples from the "private" sector was established in 1963. It's called MVEEOC—Milwaukee Voluntary Equal Employment Opportunities Council. This small group of men, representing most of the major corporations in Milwaukee, is dedicated to promoting employment for the Negro and Spanish-speaking resident of Milwaukee.

They have tried to zero-in on the "hard core" unemployed, believing that with a job and a steady income, these minority-group members can improve their housing conditions, raise the quality of education their children are receiving and break the cycle-of-poverty that has shackled them, their parents and grandparents.

This is a tremendous undertaking for MVEEOC—and, it's expensive. It has been estimated that it costs two or three times as much to provide job training for a worker from the ranks of the "hard core" unemployed as it does for a normal worker.

Why? A recent account in U.S. News and World Report answered the question this way.

"These are people who have been scarred—they are not capable, by themselves, of making adjustments to the working environment."

"It is not just a matter of teaching them to run a lathe. They cannot cope with the whole environment of the lathe. They may not be able to get along with the other lathe operators. They may not be able to deal with their supervisors."

"Just hiring a 'hard core' person can be a big problem. He isn't likely to be found lining up at the employment gate—he is convinced that this is a waste of time because he won't be hired."

"Even if he does show up, he has a chip-on-the-shoulder attitude, makes a poor appearance and comes away even more convinced that nobody will hire him. And some of these people have never been more than 10 blocks from their homes. Even if they wanted to look for work, they would have no idea where to go or how to get there."

"To find a 'hard core' man you must literally knock on his door. Here is one extra cost to start with. Then, if the job is some distance away, the man you're talking to probably has no way to get there, and no money. So you have a transportation cost, too."

"Then he gets to the plant, and you find he is not trainable as matters stand now. Maybe he has emotional problems and needs professional help. Or he has medical problems—poor vision, maybe, or a hernia. Before you can start training him, you may have a medical bill."

"Suppose his problem was poor vision. All right, you get him eyeglasses."

"Now he sees fine. But can he read? Perhaps not—for all practical purposes, he may be illiterate. So you must provide enough basic education so he can at least read simple instructions and get some introduction to the world of work. This means there is an education bill, too."

"After all this, you finally get him trained and on the job. But the next thing you know is that he shows up late for work—or, more likely, doesn't show up at all."

"So you have to give the supervisors 'sensitivity training' and you have to hire 'counselor aides' to help the worker with his problems. The aide may go out to the worker's house to see what happened, what the

'hang-up' is. It never occurs to many workers to call in and tell you why they aren't at work."

"So you have a lot of trouble-shooting to do on the job before the trainee finally adjusts. This adds to the costs."

This is the kind of problem our businessmen are tackling in Milwaukee and in other Wisconsin communities.

And, they're making progress. They are reaching out into the black community and bringing workers into their plants. They're providing training—they're providing jobs—and more importantly, they're providing hope.

Frankly, we're not sure what is going to work—but we are trying to do the things we feel are necessary.

Last year after the disorders in Milwaukee and other major cities across the nation, I sent the top officials from the different State agencies into the core area to see firsthand just what the conditions are.

Doug Welford, your former Eau Claire city manager, had just taken over as Secretary of the new Department of Local Affairs and Development. He went into the core area along with Wilbur Schmidt, the head of the Department of Health and Social Services. So did Supreme Court Justice Bruce Beilfuss, who heads the Governor's Council on Law Enforcement and Crime. Bob Haase, Secretary of the Insurance Department, and Bill Kahl, Superintendent of Public Instruction, went with them. So did Don McDowell, Secretary of our Department of Agriculture who directs the Consumer Protection activities of State government.

These men and others met with representatives of the Negro community and heard their comments and complaints. Believe me, it was a traumatic experience for these men.

Most of them have been in government for many years. They are well informed men who have big jobs to do and do them well. But that first day in the core they got a new perspective on the problem.

They went back again, some of them many times, and they learned. They learned that some State programs were not having the effect we thought they were. They learned that other efforts were "taking hold" and deserved greater emphasis.

Most of all, they learned from personal observation just how great and disturbing the needs of some of our citizens really are.

At this same time, I directed that a special office be established in the "core area" to serve as a point of easy access to the Milwaukee Negro population. This office, which now has been made a part of our Department of Local Affairs and Development, is trying to serve as a "clearing house" for persons who want to take advantage of one or more of the State's programs, but who don't know how to get started—or who to talk to—or even what programs there are.

The next thing we did at the State level was to turn to the Legislature with a special, emergency proposal. And the Legislature responded with action.

The new Department of Local Affairs and Development was given \$1 million to be used to finance new efforts in the Milwaukee core.

Doug Welford spent nearly full time putting together a 15-member advisory council to help him select the projects that would be most beneficial to the Inner Core. The Advisory Council includes 9 Negroes, two clergymen, a Spanish-speaking resident and three white members. To date, they have scrutinized more than 75 proposals and have approved projects totaling some \$400,000.

There has not been much press attention given to these efforts—and for one good reason. We're not after publicity—we want action and results.

A few of the projects have gotten some attention because they are unique—perhaps controversial. But they are getting results.

For example, the Urban League is sponsoring a very provocative but highly effective program to employ NAACP Youth Council Commandos. The Commandos work in a program called "Operation Rehabilitation." Its primary purpose is to get prison, reformatory and jail parolees into schools and to help get them jobs. The objective, of course, is to bring these men and youngsters into productive roles rather than let them drift into trouble and crime and wind up right back in prison.

Since the program started last November, the Commandos have found jobs in Milwaukee firms for 75 white and Negro ex-convicts and have worked with them to keep them on the job. Others they have persuaded to go back to school.

The individual State agencies have responded to the needs of our poverty area residents in a variety of ways.

The State Insurance Department, for example, has held public hearings and listened to complaints of people who have problems in the insurance of automobiles and property in the inner city of Milwaukee. It is worked with the heads of insurance companies and, together, they have worked out a program to see that insurance coverage is available.

The Insurance Department also developed a unique program which was passed into law during the last legislative session. The new law is designed to encourage private contractors and lending institutions to improve slum area housing. The approach to improved housing for low income families builds on the partnership between the free enterprise system and government and it deals directly with one of the most important aspects of poverty—decent housing.

The Department of Public Instruction has made available \$300 per school in the core area to provide extra and needed supplies. It has fostered increased communication between the people and school authorities, helping to bring about a united approach to the needs and problems of education in the inner city.

The Banking Department has worked with the residents of the community to assist in the establishment of a credit union.

The Department of Agriculture, concerned with the problems of consumers and aware that often the poor pay more, has employed a full-time representative to work with this problem in the core area.

The State Board of Vocational, Technical and Adult Education has introduced a proposal that would establish centers in the community itself where people can learn to read and write—a serious problem, especially among the Negro residents who have recently come to Milwaukee from the South.

The Department of Health and Social Services has taken both immediate and long range action to increase its effectiveness. Payments for fuel, for example, are now made when they are needed rather than on a monthly basis.

It is working with the principal child care centers of the City to devise a more comprehensive program for the care of children of working mothers.

The Department of Industry, Labor and Human Relations has instituted several exciting new programs. They relate to "out-reach" and recruitment, job training and development, sensitivity training for industry and labor, and housing opportunities.

They have had great success using "Jobmobiles"—mobile units that are set up right in a neighborhood as a "portable State employment office."

During a 20 week period in the inner core, 615 persons filled out job applications at the Jobmobile. A total of 355 were referred to jobs, 50 to job training and 45 to job counseling, 165 needed further help.

From what I have said thus far, I am hopeful that a number of things have emerged:

1. First, we have to realize that total cooperation between all levels of government is required. Only through the joint effort of governments on the local, county, state and

federal levels can we hope to assemble the resources necessary to make a dent in the problems we are facing.

2. Secondly, to a large extent the root of the problem lies at the personal level. We all have our part to do, whether we be in government, in industry or members of a profession.

3. We have to remain realistic. The National Advisory Commission on Civil Disorders said it this way in its own report: "We have uncovered no startling truths, no unique insights, no single solutions."

But, they did make clear that the solutions did not lie in the welfare department alone, nor at the county level, nor indeed alone in the public sector. The answer lies in "cohesion," that is in pointing all of the resources of our people and institutions toward meaningful action.

4. The National Commission's report observed something that I have long stressed. It is that, in many respects, "new" legislation is not needed. Rather we simply need effective implementation and administration of existing statutes. And it is for this reason that I have called upon all agencies of government in Wisconsin to perform their services and conduct their businesses in the most effective and result-oriented way possible.

Perhaps our greatest task as individuals, however, is to rededicate ourselves to giving our minorities reason to have faith in our system. The very fabric of our society is threatened when a group—regardless of size—is forced to function outside the framework of law and order.

A Justice Department representative, while speaking in Madison, recently emphasized that: "the problems will be solved when there is a mood—a commitment—on the part of the majority of our people that it should be solved."

And that is why I have come to Eau Claire with this message.

As leaders in your community and as articulate spokesmen for your business and professional interests you can help broaden community understanding. And *that*—understanding—is what we need above all else. Every citizen has a stake in our efforts to promote social progress in every area of Wisconsin. As *businesswomen* and *businessmen* you have an even higher stake in our efforts and in the well-being of our State.

The 1960's have been years of success and disappointments, years of milestones and paradox. We continue to enjoy the longest and most prosperous economic expansion in our nation's history; yet the responsiveness of our free market system faces persistent challenge. We have achieved the highest standard of living in the history of man; but at the same time, our concern over poverty and economic opportunity remains unusually acute. We have witnessed dramatic progress in the area of race equality; yet civil strife and disorder have grown to intense levels.

Embracing all these forces has been an emerging social consciousness; an awareness that the quality of man's life is as important as the quantity of his abundance; a recognition that some of America's greatest promises are yet to be fulfilled. We, as a nation and society, must become alert to the seemingly endless problems as well as great potentials of urbanization, industrialization, and internationalism.

This year businessmen and women should have a good opportunity to put our best foot forward, to be creative instead of indifferent, to be positive instead of negative. Where you believe you can do something better than government can, you should say so. Where you believe the government can do something better and more efficiently, it is your responsibility to speak out in the interest of society. To say that you would rather not get involved is to deny reality. You are involved. Government, and particularly good

government, is the responsibility of all citizens. And business is certainly one of the nation's most important and influential citizens. Once government and the public know that you accept your responsibilities, you can have a greater voice in shaping the nation's economic and political climate.

As you pinpoint those areas where business people can make the greatest contribution, you can detect areas in which government action is needed and others where present action is inefficient. This is an exercise in public responsibility. It involves economic understanding—knowing how to size up the problems in its relations to business and society; it involves political participation—making your voice heard in the political arena; and finally, it involves legislative action—advising government on what can and should be done. The success of the total effort, however, must depend on how well you carry out your responsibilities as a good citizen and an enlightened businessman.

Dr. Martin Luther King once said: "Riots . . . riots are the language of the unheard."

In the past, too many of us have failed to listen, or if to listen—we have failed to "hear."

Our duty now is to hear, to recognize and to respond.

Youth's Aimlessness: Is it Our Fault?

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. WYMAN. Mr. Speaker, there is so much in America that young people can do in life that is interesting, sometimes fascinating and always challenging, that it is curious why so many young Americans seem to take to pot or sniff vapors or experiment with drugs that involve a real risk of permanent physical and mental harm. From the handball court to jogging, a pleasant variety of exercise and fresh air are available to young Americans everywhere in this land. Developing a skill, keeping one's self in good physical trim, and maintaining a balance between the physical and the mental, between play and work, is common sense. Such a program is not the monopoly of Boy Scouts. It is just plain more fun to play well at sports and to feel good afterward than to have a binge on a drug and feel poorly.

Not the least of some young people's aimlessness derives from failure on the part of parents to keep their youngsters in touch with the things that really count from the time they are very young through the formative years. The things that count include humility and reverence as well as physical and mental well-being. Perhaps it is because of this failure that too many young people seek euphoria by wrong and harmful means. However, it is probable that their number has been overly advertised by sensation-seeking editors.

There are those who feel that it is not too late to redress the grievances and reestablish the basic values with America's youth. Among these, the "Traveler" whose anonymous letter appears in the Washington Evening Star for April 29, 1968, writes some interesting thoughts:

WHAT HAVE WE DONE TO THEM?

Sir: After the siege of Khe Sanh was lifted, an American soldier was quoted as

saying something like "My kids were the real winners." This was a good thing to say, since the kids coming along after us are the only good reason for going through it all. Every warrior must have similar thoughts. The future of our kids—that is the payoff. They make it all worthwhile.

Today, at an age where scarcely a week goes by without our recognizing a name in the obits, we go to work daily and stay long hours and think little of it as we tell ourselves "The kids are worth it."

And yet, as serious trouble (so academic when elsewhere) comes to our town—with candor and common sense we must get away from the crowd long enough to ask ourselves, "What on earth have we done to them—these precious kids who make it all worthwhile—what have we done to them?"

We have given our kids swimming pools, electric guitars, and drivers' licenses, but we have robbed them shamelessly. We have paid for their education, but as they become more and more educated—and only then—do they realize how little we have prepared them for life as it is. (At this point we blame teachers.)

The sad thing is that we moved through the years smugly, secure in the idea that we could pull our Judeo-Christian tradition out of mothballs when needed. And we did this at intervals. We thought it was strong and vital and growing vigorously in our children.

What we didn't realize is that our children inhale our preferences, prejudices and priorities. We were proud when they recited so eloquently that certain truths are "self-evident" and that certain rights are "inalienable." We paid attention and made the children behave as we heard the words of Him who said, "Whatever you do to the least of my little ones, you do also to me." Did we really care?

It is now time to give our kids a break. If our faith has not atrophied through disuse, let us revive and strengthen it, so that we have something of far greater value than a swimming pool to give them. If God is not dead in our land, the erosion of authority may yet be checked.

TRAVELER.

There Are Talented People

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. ANDERSON of Illinois. Mr. Speaker, Mr. Gordon L. Hansen, county superintendent of schools in Carroll County, Ill., is a fine educator and a dedicated community leader. At the recent National School Boards Association 1968 convention he was called upon to present a paper on the subject of citizens committees.

His presentation proved to be one of the major highlights of the convention. In fact, I found his observations so pertinent and worthwhile that I felt compelled to take this opportunity to make them available to my colleagues for their review:

THERE ARE TALENTED PEOPLE

I have often wondered why teachers and administrators are afraid of lay committees. Any good school and school program can stand close scrutiny. Some boards wonder how good principals are at keeping parents out of schools. It is not difficult. You just refuse to ask parents to do anything, ignore suggestions and dismiss all criticism. I have also wondered what is so almighty about a college degree. What is it that makes so many

of us assume that unless a person has a degree, he or she is not qualified to act in the best interest of the school. I know a great many persons that have gone through college but college did not go through them.

As a board member I would ask what do I expect in the way of support from my community. Do I want their active participation in operating the program. Ask yourself what you really want, then go out after it. As an administrator I want my board behind me and I want the parents to push me. I don't want apathy and if the school doesn't deserve attention it isn't going to get it. Parents are full of ideas and they are waiting for the opportunity to use them. Just keep in mind that people are down on what they are not up on. Teachers and board members are public servants. Education is a partnership affair. It takes shared responsibility of board members, teachers, and administrators, as well as lay persons to do the type of job that is demanded of us.

A wise board will grant an audience with persons who wish to make suggestions. But why wait for problems before we seek solutions. Has it come to the point that anything that is a new good has been tried before or that only a few know where we are going and we should be sheep and follow.

I would like to give you a personal experience I have had with a problem I never could have overcome without the aid of good, interested lay persons. The one big problem was the reorganization of eight school districts into two larger unit districts. The first attempt I made at this was to inform boards that they could run better schools at no greater cost if they would reorganize. I was politely informed that these districts were this way for the last hundred years and nobody could change the boundary lines. In looking at the map I could see why no one wanted to try to change these lines. There had been so much gerrymandering carried out you could not ride a horse down boundaries. In thinking this out I began to realize that most of the voting population that had children in school today were a new generation. I wondered if they had been informed. We selected a good lay citizens committee, armed them with the truth and plenty of statistics for back-up. With two years of ground work both units were formed by at least a seven to one vote.

It is more important that lay persons come to school not to find out *how* their children are doing, but to find out *what* they are doing.

Much is being written and said about negotiations. The press does a good job in making news of teacher's demands or impasses that no one seems able to answer. I personally do not believe that any board should meet as a whole across the negotiations table because if you disagree on anything you are at the impasse. What would be wrong with letting the public see the inside of education's greatest question—negotiations. If the schools belong to the people, so do the problems. All school districts must have business men that are far better prepared to sit at the negotiation table than many board members. Boards and teachers can both become militant and the best interest of the child may be bypassed. This could serve a twofold question because the persons that may blame board members for not dealing fairly on issues could find out firsthand that there are many factors that must control board discussions.

I have never met an administrator or board member that did not want to run a good school. But I have met many that could not run one because they were not informed on what parents wanted for their children. This coin has two sides. Parents must express the desire to want the type of knowledge it takes to run good schools and they must be willing to work towards this end.

The time has long passed when we can say

that boards alone are able to analyze all the causes of good and poor conditions within a system. The board sets the climate of the system through its exercise of authority. Let's emphasize the importance of designing some programs around the relationship of problems of the school and its special publics. We can take the position that unless problems are dealt with satisfactory there is small likelihood that parents and taxpayers will take a positive interest in our institution. The school faces the task of restoring faith in the quality of its programs. The task is not an easy one, but it can be accomplished. The leadership should come from the professional educators in the community. The hope of the school depends upon the wide involvement of citizens and the contributions of their thinking. Every legitimate device should be used to make the public fully aware of the role of the school and the importance of the contributions of the lay person. It is probable that differences may arise between school officials and members of the community over the interpretation of factual information. Honest differences can be reconciled. The public should know the weaknesses of their local system and how they may be corrected. There is no substitute for a flexible comprehensive program geared to the need of the community.

This partnership concepts calls for free, continuous exchange of information between parents and school personnel. Never forget the layman has a significant contribution to make to education.

A Good Bargain

HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. COHELAN. Mr. Speaker, I would like to call the attention of the House to the Washington Post editorial of April 25, 1968, on the Nonproliferation Treaty.

The editorial points out that the treaty is a good bargain, both for the nuclear nations and the nonnuclear ones. Nuclear nations, such as ourselves, benefit because the treaty greatly contributes to international stability. Nonnuclear countries benefit doubly; they are guaranteed protection far beyond their own capability to manufacture themselves, and they are afforded advanced nuclear technology and fuel to help develop their economies.

Now that the United Nations General Assembly has reconvened to consider the Nonproliferation Treaty, sponsored by the United States, Great Britain, and the Soviet Union, I would hope that the members of the General Assembly will consider the treaty on its merits and not allow it to be subordinated to other issues such as those mentioned in the Washington Post.

I am submitting a copy of the editorial for inclusion in the RECORD:

A GOOD BARGAIN

The easy part of the nonproliferation treaty, a great-power agreement not to hand nuclear weapons over to others, is past. The tough part, agreement by the non-nuclear countries not to make or acquire their own, is at hand. This is the urgent business of the special session of the General Assembly now meeting in New York.

The long negotiation of the treaty draft has made evident that, for a nuclear havenot, the decision to renounce nuclear arms in-

volves a certain sacrifice of potential gain and throws the country upon the good will of others for its security and its peaceful nuclear development. But the real issue is not whether the treaty is an unalloyed benefit; it is not. The issue is whether the treaty is a good bargain; and, unquestionably, it is.

By signing, a non-nuclear country contributes to the stability and international confidence which themselves are the best guarantees that nuclear arms will not be needed or used. By signing, a country becomes more strongly placed to demand that, at a moment of danger, a Soviet or American nuclear umbrella be raised over its head. By signing, a country receives clear title to peaceful nuclear services supplied by Moscow or Washington. In the case of both security guarantees and peaceful explosions, the two great powers obviously can deliver on a scale utterly beyond that available to any other country on its own.

It is quite true that the United States and the Soviet Union have failed to live up to their obligation to go further to control and limit their own nuclear arms. The non-nuclear countries have good political reason, and every moral right, to press the errant super-powers on this score. But if they make a nonproliferation treaty hostage to Soviet-American arms control, then they risk losing an advantage to themselves without gaining any great-power step in compensation. The Afro-Asian demand that the Assembly put action on South West Africa ahead of the nonproliferation treaty courts a similar risk of a double dead end.

Seldom has the impulse toward peace been so well matched with the opportunity to implement it. This is the special value of the nonproliferation treaty. Finally, the non-nuclear countries are in a position to claim the benefits of it.

Tell It Like It Is

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. DEVINE. Mr. Speaker, in yesterday's issue of Barron's National Business and Financial Weekly there is an excellent article entitled "Tell It Like It Is—One Grand Jury Is Worth a Thousand Political Commissions."

Meaningful revelations about the Office of Economic Opportunity legal services program are made and every Member of Congress should be aware of how public funds are being used.

The article follows:

"TELL IT LIKE IT IS"—ONE GRAND JURY IS WORTH A THOUSAND POLITICAL COMMISSIONS

Serving as Washington correspondent for Barron's, we are fond of telling our staff, is probably a tougher job than covering Cape-town for Ebony. Somehow a petite blonde named Shirley Scheibla has succeeded in handling it—with growing distinction, we might add—for nearly a decade. Mrs. Scheibla has become a sought-after public speaker and author; her maiden effort, ("Poverty Is Where the Money Is," Arlington House, \$5.95), will appear early next month. Over the years, moreover, she has exposed to public scrutiny one horrible example after another of bureaucratic extravagance, folly and worse, ranging from FHA's scandal-ridden multi-subsidy housing program to the various outrages perpetrated at taxpayers' expense by the so-called Office of Economic Opportunity. Prior to the article which appears on Page Five, her latest—in some ways, perhaps most noteworthy—piece of work ran on March 4,

under the headline "Counsel for the Offense—OEO's Legal Services Program Undermines Law and Order." The story particularly scored the role played by the Legal Services Project of Newark, N.J., an OEO-financed body, in last summer's bloody riots.

Like most critical journalism, "Counsel" drew a good deal of return fire, notably from the Office of Economic Opportunity, which branded it as distorted and biased. Last week, in effect, a grand jury in Essex County handed down a different verdict. After a searching inquiry into "the civil disturbances in Newark during the period from July 13 through July 18, 1967," the jury had some shocking things to say about the conduct of the city's Legal Services Project. Concerning the homicides that occurred—25 people were killed in the riots—"much vital information was made available reluctantly and only after many requests." A number of the statements taken and finally supplied by LSP were unsigned. Some witnesses "denied in whole or in part having made statements attributed to them," while others repudiated prior statements in subsequent testimony. With respect to one homicide, "certain statements, later repudiated, were widely circulated by extremist groups along with photographs of the victim's body which had been taken by photographers engaged by the Newark Legal Services Project. These photographs showed the body during the embalming process, a fact ignored or disregarded, but which . . . (was) well calculated to inflame the minds of those exposed to them."

A scathing indictment of Newark's poverty lawyers, the findings of the Essex County grand jury also boast a state and nationwide significance. For the director of the Newark Legal Services Project, Oliver Lofton, happened to serve on the 10-member Commission on Civil Disorder named by the Governor of New Jersey to investigate the riots; in striking contrast to the jury, which placed the burden of guilt squarely on the rioters, this august body tended to indict the "long-neglected problems of our cities," notably segregation and alleged corruption at City Hall. In several significant respects, moreover, the straightforward testimony cited in the jurors' presentment clarifies or contradicts the ambiguous, evasive, hearsay account of the same matters in the Report of the National Advisory Commission on Civil Disorders (the Kerner Report). For "telling it like it is," the evidence suggests, one grand jury is worth a thousand political commissions.

So is one enterprising reporter. In "Counsel for the Offense," Mrs. Scheibla disclosed the role played by the Legal Services Project of Newark (an arm of the United Community Corp., federally funded local poverty agency) in aiding and abetting agitation both during and after the riots. In particular, Mr. Lofton was one of three UCC officials to address the unruly crowd that gathered outside police headquarters on the night of July 12. One of his colleagues declared that the police were waging war against the black community. Another voiced anger at the precinct's "sadists." What Mr. Lofton said that night is in dispute. According to OEO (and the Kerner Report), he urged the mob to stage a peaceful midnight demonstration at City Hall. Newark's Police Director and an administrative assistant to the Mayor, contrariwise, claim he harangued the crowd on police brutality. What's beyond cavil is that shortly afterward, violence—not to be finally quelled for another five days—broke out. Moreover, in August Mr. Lofton made his views abundantly plain. "We are now reaping the poison harvest of 300 years of history," he told a television audience, "and what we really see here is the voice of the people revolting against an unjust system. If somebody doesn't get together to bring some pressure upon that City Hall, we're going to have riot after riot in this city." The LSP director, by the way, served as defense counsel for the

taxicab driver whose arrest for resisting an officer triggered the riots. His client recently was found guilty as charged.

Able as Mrs. Scheibla may be, she commands no subpoena powers and must meet deadlines. The Essex County grand jury took sworn testimony from more than 100 witnesses during 32 sessions stretching over an eight-week span. With regard to Mr. Lofton's agency, "the members of the Jury found themselves confronted with certain disturbing facts." Apart from the discrepancies in testimony cited above, the jury noted that "many of the statements were couched in language untypical of the persons purported to have made them and in fact many of these persons appeared not to understand the meaning of the phrases attributed to them." Again, "according to the evidence, no one who had gone to the Legal Services Project with information regarding any of the homicides under investigation was instructed by the Project to convey such information to the Prosecutor's Office. . . ."

In the case of James Rutledge, who was fatally shot while burglarizing the package store annex of a tavern at Custer Avenue and Bergen Street, the jury found a particularly outrageous distortion. "It has come to the Jury's attention that many erroneous and deliberately false accounts of this incident have been published and transmitted to various government agencies and to the public. . . . Moreover, the Jury found that distorted photo of the victim depicting a complete mutilation of the body, not resulting from the shooting, was distributed in Newark with inflammatory leaflets attached. The Jury finds this act to be despicable and flagrantly irresponsible and designed to inflame unnecessarily an already troubled community. The Jury is concerned and believes that adequate steps should be taken by responsible persons in the various agencies such as Newark Legal Services Project and the American Civil Liberties Union to assure themselves that irresponsible and unauthorized persons should not and will not have access to documents and physical evidence, including photographs, which are the work product of said agencies."

Here is the investigating body's summation. "The Jury could only conclude that during the excitement many of those taking statements from persons involved in the riots either deliberately or unconsciously distorted these statements and in many ways conducted themselves so as to create in the minds of the public a biased and inaccurate impression of many events connected with the disturbances."

The findings should interest all those who took on faith the New Jersey Governor's self-serving report on the riots, as well as the State Bar Association, a committee of which found little to criticize in LSP's conduct. Readers of the best-selling Kerner Report should be equally concerned. To be sure, this remarkable document, which blames the outbreaks in over 100 cities on white racism rather than on black lawlessness, scarcely needs to be impugned. An embarrassed Johnson Administration for weeks quietly sought to disavow it; even now, despite the heavy pressure generated by the death of Martin Luther King, the White House refuses to seek action on its extravagant, irrational proposals. Nonetheless, the Essex County grand jury, which took sworn testimony from over 100 witnesses on the Newark riots alone, compared to the Commission's 90 depositions covering eight cities or areas (now locked away indefinitely in the National Archives), willy-nilly highlighted some of the latter's glaring errors, omissions and distortions.

Thus, according to the Kerner Report, a midnight eruption of rock-throwing which shattered the windows of the Newark police station "was believed to be the work of

youngsters." "Inflammatory leaflets were circulated" by parties unknown to the National Advisory Commission, although the staff of the House Education and Labor Committee last September compiled a thoroughly documented report linking black power groups, so-called New Leftists and an impressive number of local poverty workers to the violence (as Barron's said at the time, the riots were subsidized as well as organized). One Newark detective was slain by a small caliber bullet, "the origin of which could not be determined." The grand jury account of the tragedy, however, a Catholic priest testified that "he heard gunfire resume and from a vantage point about a block away on Mercer Street observed puffs of gunsmoke from the upper floors of the (Scudder Homes) Project. It was at this time and possibly as a result of renewed sniper fire that Detective Frederick Toto was fatally wounded." In the deaths of three women, the Commission quotes "eye witnesses" who charged national guardsmen with shooting on scant provocation (thrown bottles evidently fall into this category). The grand jury puts the incident in perspective: fires were raging in the vicinity, firemen were being prevented from doing their jobs, and "the tapes of State Police Communications indicate that there was sniper fire. . . ." To judge by its account of Newark, the Kerner Report, far from making a contribution to national understanding, has widened the credibility gap beyond belief.

In so doing, the document merely takes its place at the head of a long line of spurious government reports—sollid white papers, so to speak—that excite more doubts and suspicions than they quell. Like debasement of the currency, debauching the record evidently has become official policy. "Enlighten the people generally," so Thomas Jefferson once wrote, "and tyranny and oppressions of body and mind will vanish like evil spirits at the dawn of day." In volume after volume, no political commission has ever said as much.

National Trouble Shooting Contest

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. PICKLE. Mr. Speaker, last week I was privileged to witness a national contest at the Gary Job Corps Center, San Marcos, Tex., sponsored by the Chrysler Corp. Twenty Job Corps Centers throughout the United States were represented in the Plymouth Trouble Shooting Contest. When the guns sounded the start of the contest, each team of two men had the task of deciding what was wrong with the "doctored automobile"; correct the difficulty; get the car started; and then have their work certified as having met specifications. It was an amazing performance. Most amazing of all was the fact that there was considerable knowledge on the part of these boys, and they were backed by some of the best team support I have ever witnessed.

I was particularly proud that the Gary Job Corps boys again won this national contest. One of the participants, Willie Haynes, placed first in the national contest in both the written as well as being a part of the repair team along with Buster Galbert.

I salute Chrysler Corp. for their co-

operation in sponsoring this contest, and I salute the men of the Job Corps for another good job well done.

A report of this event appeared in the Austin newspapers, as follows:

GARY DUO WINS CONTEST
(By Jerri Veidt)

SAN MARCOS.—Two shivering Gary job corpsmen beat the clock and a biting, blustery wind Tuesday to win the Plymouth nation-wide job corps trouble shooting contest.

The Gary duo, 21-year-old Willie Haynes of Hobbs, N.M., and 19-year-old Buster Galbert of Wichita Falls were the first in the 17-year history of the contest to place first in both the written and repair portions of the competition.

Two-man teams from 20 job corps centers across the nation entered the trouble shooting contest. All corpsmen are students in advanced auto mechanics at the various centers.

Prior to the contest twenty 1968 Plymouths furnished by Mauldin Motor Co. of San Marcos were "doctored" with an identical set of malfunctions. Corpsmen were required to race the clock in locating, diagnosing and correcting the series of problems. Cars were then driven a prescribed distance, restarted and then checked by machine and expert service technicians.

The contest, conducted on the cold wind-blown Gary flight team, was reminiscent of a high school pep rally.

About 500 corpsmen watched the teams, clapping and shouting slogans like "Go Gary, Go" and "Sock it to 'em, Gary."

Congressman J. J. (Jake) Pickle called the contest "One of the most exciting I've ever seen."

"There's as much excitement in this competition as there is on election night—and that's a strong comparison," he said.

When the Gary team started its car in the winning time of 28 minutes 30 seconds Pickle said, "I wonder if this is the early returns or a trend?"

The national repair record of 28 minutes was set last year by another Gary team.

Second place winners with a 41 minute repair time were two 19-year-olds, David Mary and Legrand Jefferson of Marsing, Idaho, job corps center. Third place honors went to corpsmen Jerry Seals and John Albright from Winslow, Ariz., with a time of one hour 13 minutes.

At a winners' luncheon Pickle compared the competition to life. In life as well as in school and society we try to do our finest, win if we can, but most important complete the job."

A staunch Gary supporter, Pickle promised "I'm going back to Washington and tell my fellow congressmen what I have seen here. The competition and sportsmanship between corpsmen makes all of us who have worked for and supported job corps just a little prouder."

United States Information Agency crews filmed portions of the contest in USIA films.

Plymouth sponsors the trouble shooting contest nationally to encourage young men to enter auto mechanics trades. Teams from more than 2,000 schools participate in the 75 regional contests.

The "Pueblo": How Long, Mr. President?

HON. WILLIAM J. SCHERLE
OF IOWA

IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 30, 1968

Mr. SCHERLE. Mr. Speaker, this is the 99th day the U.S.S. *Pueblo* and her crew have been in North Korean hands.

Civil Disorders

HON. WILLIAM L. DICKINSON

OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 30, 1968

Mr. DICKINSON. Mr. Speaker, on Palm Sunday the Reverend Dr. Robert Strong of the Trinity Presbyterian Church of Montgomery, Ala., one of the outstanding religious leaders of my district, made a statement during his April 7 Sunday services which contained some very thoughtful commentary on the civil disorders sweeping our country today.

I submit this brief, but I believe highly relevant statement in the RECORD at this time, Mr. Speaker. It is as follows:

THE DEATH OF DR. MARTIN LUTHER KING, JR.
(Statement by Dr. Robert Strong, Palm Sunday, April 7, 1968, Trinity Presbyterian Church, Montgomery, Ala.)

The terrible crime of political assassination has occurred twice in this decade. First President Kennedy was struck down. Then last Thursday Dr. Martin Luther King, Jr., was killed in the second instance of murder by the use of a rifle equipped with a telescopic sight. These were dreadful crimes and constitute shameful episodes in the history of our nation. How can a man be so presumptuous as to take it upon himself to decree the death of his fellow-citizen? The crime is truly heinous.

Our sympathy goes out to Mrs. King and the three children. Suddenly she is a widow, suddenly they are fatherless. A terrible wrong has been done them.

There is no denying it—Dr. King was a great leader. He stood at the forefront of the civil rights movement. No other Negro could match his eloquence. A day of national mourning has been declared in his honor. Respect is being paid to his memory that surpasses anything ever accorded one who is not a major official of government. A kind of hysteria seems to have swept large elements of the population.

Some of us must surely think there is a need to put things into better perspective.

To those who have presumed to liken the death of Martin Luther King to that of Jesus Christ it ought to be suggested that serious doubts may be held concerning King's right to be called a Christian. As I pointed out on Palm Sunday three years ago, making reference to an interview with Dr. King in *The National Observer* under date of December 30, 1963, Dr. King went on record as not believing the cardinal doctrines of the virgin birth of Christ, the deity of Christ, the substitutionary atonement of Christ, and His bodily resurrection. He preached a social message and apparently said nothing about or spurned the message of personal salvation from sin. I have been at a loss to account for the hospitality shown to Dr. King at many conservative religious meetings. Most serious doctrinal compromise seemed to me to have been involved.

Many of our great cities, most conspicuously the nation's capital, were swept with riots after word was received of Dr. King's assassination. Were these spontaneous expressions of grief and rage? Not that the riots would thus have been justified. Not grief and rage but an almost lighthearted taking advantage of an emotional crisis is the story of these riots. Well dressed and even substantial people including hundreds of government employees invaded stores laid open by the bricks and bombs of youngsters to help themselves to the goods they contained. For hours looting went on unchecked. And then the fires raged. Stupendous losses were again inflicted upon the business community and Negro residential districts.

The wind has been sown and the whirlwind has been reaped. Martin Luther King is to a great degree responsible for the devastation that has followed his death. He taught a doctrine of civil disobedience, that men have a right to disobey laws they regard as unjust. This is to invite anarchy in America. He inveighed against violence, but his teaching and his method inevitably led to outbreaks of violence. On Monday, April 8, he would have placed himself at the head of a march in Memphis that had been forbidden by a Federal court order. This is lawlessness of the worst order. Vandalism and looting are its natural accompaniments. Then in the later spring he would have led a march on Washington and a camp-in, seeking so to disrupt the processes of government as to force the hand of Congress to make available twenty billion dollars for the poor. Dire forebodings were beginning to fill the hearts of government officials. What disturbances, disruptions, and destruction might now lie ahead for the bright city where a nation's patriotism and pride find their center? In moving from civil rights to a so-called crusade for the poor King had advertised his socialist commitment. From socialism it is not a long step to communism. Were the allegations so often made that King was a crypto-communist about to be demonstrated as true?

Also important to bring into the picture is the outspoken participation Dr. King has been taking in the foreign affairs discussion. Many civil rights leaders objected to the way in which he linked their cause and the anti-Viet Nam position. Dr. King again and again slandered the President of the United States for ordering our forces into Viet Nam to hold back the communist tide. Dr. King defamed our military effort in Viet Nam, charging, for example, that American troops had slaughtered a million Vietnamese children. To us it is astounding that professors, ministers, politicians joined together to oppose our stand in Viet Nam. It is clear that this had to be done to prevent the loss of country after country after country to the communists and our eventual engagement on a continental scale with Red China and possibly Russia. To resist this necessary American effort and then to vilify our leaders and fighting men constitute a giving aid and comfort to the deadly enemies of the United States. Not a word of this, however, from the news media, which have saturated the land with the praises of Martin Luther King.

This is a day that cries for a better perspective on King's career than politicians and commentators are giving us.

Maryland Soldier, Marine Killed in Action in Vietnam

HON. CLARENCE D. LONG
OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 30, 1968

Mr. LONG of Maryland. Mr. Speaker: Pfc. Donald M. Gutrick and Pfc. Michael W. Orash, two fine young men from Maryland, were killed recently in Vietnam. I wish to commend their bravery and honor their memories by including the following article in the RECORD:

MARYLAND SOLDIER, MARINE KILLED IN ACTION IN VIETNAM

Two Marylanders—an Army private from Charles county and a Marine private from Baltimore—were killed last week in Vietnam, the Department of Defense announced yesterday.

Killed were Army Pfc. Donald M. Gutrick, 20, the son of Mr. and Mrs. Walter D. Gutrick,

Sr., of Nanjemoy, and Marine Pfc. Michael W. Orash, 20, the husband of Mrs. Carolyn Orash, of Baltimore.

Private Gutrick, who enlisted in the Army last June, was killed April 24 in South Vietnam, his mother said yesterday. She said the family had not been told how or exactly where he died.

Mrs. Gutrick said her son had been in South Vietnam since January. He attended Pomonkey High School, in Pomonkey, Md. and worked for a contracting firm before joining the Army.

Private Gutrick was a member of Mount Hope Baptist Church, in Orange Side, Md.

Besides his parents, he is survived by three sisters, Mrs. Elaine Burns, Mrs. Edna Matthews and Miss Barbara Ann Gutrick, all of Nanjemoy; a brother, Walter David Gutrick, Jr., of Washington; a step-sister, Mrs. Marie Taylor of Virginia; and a stepbrother, James Clark, of Indian Head, Md.

KILLED ON PATROL

Private Orash, a Marine Corps radioman, was killed Friday from an explosion while on patrol near Quang Tri, South Vietnam. His wife said yesterday he had also received an injury of the left arm, from an explosion December 18 but was able to return to action.

Mrs. Orash said her husband who attended Southern High School, intended to re-enlist and become a drill instructor when his current tour of duty ended in August, 1969.

He enlisted in the Marines in August, 1965, she said, and had been in Vietnam since December.

Private Orash worked for a hardware dealer in Brooklyn, Md., before he enlisted.

Besides his wife, the former Carolyn Nelson, Private Orash is survived by an 18-month-old daughter, Michelle; his parents, Mr. and Mrs. James L. Orash, of Brooklyn; a sister, Mrs. Laura E. Strucko; a step-sister, Miss Iris Lee Barrow; and a brother, Jay Orash.

Washington Insurance Cost Increases Highlight Need for Reinsurance Bill

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. MOORHEAD. Mr. Speaker, in the Washington Post of April 14, 1968, staff writer Paul G. Edwards reported that insurance costs in certain areas of the District were to rise beyond their already high levels as a result of the disorders following the assassination of Dr. Martin Luther King, Jr.

He also reported that some insurance companies canceled policies here in anticipation of the disorders.

These facts are further evidence of the need for Federal legislation to assure that reasonably priced insurance is available to inner city homeowners and businessmen and that losses due to riot and civil commotion do not threaten the solvency of the property insurance industry.

Mr. Edwards points to legislation now pending before the Housing Subcommittee of your Banking and Currency Committee that would accomplish these objectives and notes that it has the support of "Government and industry officials."

The Housing Subcommittee, on which I serve, hopes to complete its markup of the insurance legislation by the end of this week. Basically, the bill would allow insurance companies participating in

statewide plans to make property insurance available at reasonable cost to purchase Federal reinsurance against losses due to riot and civil commotion. Both the industry and the States would share in any losses, and any Federal contribution would be repaid from premiums earned by the reinsurance fund in later years.

Under leave to extend my remarks, I insert Mr. Edwards' article at this point in the RECORD, and commend it to the attention of my colleagues:

SOME INSURANCE COSTS TO RISE IN WAKE OF RIOT

(By Paul G. Edwards)

The Log Cabin Liquor Store at 7th and S sts. nw., was virtually destroyed in last week-end's rioting.

Even before it was sacked by street mobs, the store's owners were paying twice the normally approved rates for insurance protection against fire and civil disorders.

Yesterday, Jerry Harris of the L. E. Harris Insurance Agency said that when the Log Cabin reopens the insurance premiums may be three times the "manual" rate approved by the District of Columbia Insurance Department.

The Harris Agency specializes in handling hard-to-place insurance risks and indications are that its business will be booming in the months ahead.

RIOT CORRIDORS

For in the wake of the riots, natural market forces are going to make it harder to lure insurance companies into making heavy commitments in what are coming to be known among insurers as Washington's "riot corridors."

In these areas along 7th and 14th sts. nw., Nichols ave. and H st. ne., even the big companies will be spreading out their stake in what are known as "capacity lines."

"Where a company had been willing to take a capacity of \$20,000 in fire insurance on a building in a block on H st. before the riot, now it may want to cut down to \$10,000," Harris said, "and we'll have to place the other \$10,000 with someone else."

CONSENT RATING PLAN

Harris is satisfied that insurance will be available "at our price"—a price established by getting applicants to consent in writing to premiums higher than those obtaining on a citywide basis. The method is known as "consent rating," "surcharging," "upset rating" or just plain "excessive rating."

"We have been upset rating for four years," Harris said. "We tacked on a 20 per cent surcharge last September (in the wake of riots in other cities) and we intend to hold the line there except in the riot corridors. In those areas we'll add another 20 per cent."

Harris acts as agent for four companies and brokers insurance for another five. By contrast to the situation in automobile insurance, the property companies that pursue high risk business are not necessarily small and unstable. A few become overextended and are forced to cancel policies and sometimes go out of business. National Union Insurance Co. of the District of Columbia was a high risk property specialist that went out of business here this year.

NO BIG PREMIUM CHANGES

The biggest companies, such as Washington area leaders Aetna Life and Casualty and The Home Insurance Co., neither seek nor systematically avoid the risky properties. Agents for companies of that size class say they foresee no big changes in premium or risk acceptance policy as a result of the riots.

A few quick cancellations in anticipation of the disorders were reported. Several businessmen complained to their insurance agents that Northwestern National Insurance Co. sent them notice of cancellation as soon as the assassination of Martin Luther King

was announced. Two of the cancelled policies were on restaurants that were far removed from the eventual riot area.

A spokesman for Northwestern National in Washington conceded that some cancellations had been made by the regional office in Baltimore, but added that those that had been brought to his attention had been reinstated.

HOPEFUL OF LEGISLATION

It is hoped by government and industry officials that pending Federal legislation will solve many property insurance problems by setting up a system reinsuring companies against riot losses and instituting a voluntary inspection plan aimed at guaranteeing placement of marginal risks.

District of Columbia Insurance Superintendent Albert F. Jordan recommended on Friday that he be given standby authority to require insurance companies operating here to form a mandatory placement pool. Jordan emphasized, however, that he thought a voluntary pool would be more desirable.

The inspection plan embodied in the bill calls for industry placement of all insurance applicants who repair or protect their property in a way that satisfies written standards. The object of the inspection plan, called Fair Access to Insurance Requirements, (FAIR), is to prevent boycotting of "risky" areas by insurance companies.

The FAIR plan will only be instituted in states that participate in the reinsurance financing.

The Urban Institute

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. GIAIMO. Mr. Speaker, I was extremely pleased to learn that President Johnson on Friday announced a distinguished board of trustees for the newly incorporated Urban Institute. This new body, a private nonprofit corporation, will fill a very serious void that has previously existed in our national commitment to solving urban problems.

Despite the seriousness of our urban difficulties—growing to the proportion of a major domestic crisis—until now we have lacked a permanent, national independent body that could undertake a continuing study of our dilemma, and develop effective strategies for dealing with our cities' complex systems of functions and needs.

Supported by a combination of Federal and private funds, the Urban Institute will focus on problem solving by drawing more effectively on existing knowledge and by developing new understanding about the interrelated difficulties of our cities.

The Institute will bring together men of many different disciplines—scientists, administrators, lawyers, planners, economists—and focus their work on the urban concern. It will take a comprehensive view of urban life and study the vast forces of growth and decay that are shaping our urban life.

With its national perspective the Institute will have an objective base to review and evaluate public and private programs aimed at resolving urban problems. It will provide a framework for cooperation among the several modest and limited centers for urban study already operating.

I sincerely believe that the establishment of this Institute is one of the most important steps we have yet taken toward the solution of urban problems. I would caution that we should not be lulled into complacency. The Institute is no substitute for more direct efforts. We must continue to face our responsibility to fund programs that will relieve the human misery, poverty, and alienation of our inner city residents. The Institute will give us more and clearer understanding of our urban conditions and our action programs will greatly benefit.

Continuing Stalemate Over Talk Site

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. FINDLEY. Mr. Speaker, the continuing deadlock over possible negotiating sites for preliminary talks with representatives of Hanoi is disturbing. Notwithstanding numerous statements that the President was prepared to meet "anywhere, anytime" with Hanoi's representatives, our Government continues to qualify these statements made over the period of 2 years.

Last week I sent to the President a letter asking him to reexamine his own objections to Warsaw as a negotiating site. The Christian Science Monitor on April 21, 1968, discussed in a most persuasive manner some of the arguments for meeting in Warsaw.

Under unanimous consent I include, at this point, my letter to the President and the Monitor editorial, "The Advantage of Warsaw" in the RECORD:

THE PRESIDENT,
The White House:

For reasons which I will set forth below, I respectfully urge that you reconsider your refusal of Warsaw as the site for preliminary discussions leading to negotiations with the Hanoi government.

So far as I can determine, at no point and in no way prior to Hanoi's suggestion of Warsaw or Phnom Penh, did our government state that only a neutral city with good communications would be acceptable.

Quite the contrary, on three separate occasions, in statements which doubtless were prepared with appropriate care, you underscore the willingness of our government to meet "any place" without restrictions of any kind.

On April 27, 1965, you stated, "I will talk to any government, anywhere, anytime, without any conditions, and if any doubt our sincerity, let them test us."

On February 8, 1967, in a letter to his Holiness Pope Paul VI, you wrote "We are prepared to talk at any time and place, in any forum, with the object of bringing peace to Viet Nam."

On September 29, 1967, at San Antonio, you declared, "I'm ready to send a trusted representative of the American government to any spot on this earth to talk in public or private with a spokesman for Hanoi."

In light of these statements I find United States opposition to holding talks in Warsaw with Hanoi's representatives puzzling and disturbing. Your repeated references to our willingness to meet "any place" did not earlier preclude Warsaw. While there may have been some very valid grounds for not meeting in Warsaw or any other Communist capital, these objections should have been

considered and made known before—not after—the offers to meet "any place" were announced.

While our government has now voiced objections to Warsaw I find it difficult to reconcile these objections with our failure to make such objections clear in earlier statements. Our newly-declared opposition to Warsaw is in question in light of earlier diplomatic initiatives and contacts there, including 134 meetings in that city between United States representatives and those of the Peking government of China.

Of course, I do not have all the information available to you, and it may well be that Warsaw should be rejected. However, the reasons for setting aside our earlier commitment to hold the talks "any place" must be both overwhelming and compelling and concern exclusively developments occurring since the unqualified offers were made. A detailed public explanation is of course essential. If this cannot be done, then I urge that our objection to Warsaw be withdrawn.

Otherwise, I am afraid that many of our friends will question the credibility of our statements as well as our sincerity in wishing to hold negotiations.

PAUL FINDLEY,
Representative in Congress.

[From the Christian Science Monitor, Apr. 20, 1968]

THE ADVANTAGE OF WARSAW

We cannot help wondering whether the United States may not be passing up a number of golden opportunities through its unwillingness to accept Warsaw as the site for preliminary peace talks with North Vietnam. Indeed, the question arises whether Washington is not showing a singular lack of imagination in its reaction to Hanoi's proposal that Warsaw be the chosen spot.

Agreement on Warsaw would, it seems to us, give America an opportunity to do the three following things:

Prove to the world that President Johnson meant exactly what he said when he promised to go anywhere to meet with the other side in order to get peace talks under way. If the White House did not mean exactly that, it should have been foresighted enough not to have said it. But, having said it, it should now make a virtue of the necessity in world eyes. Acceptance of Warsaw would increase world confidence that the United States is sincere in its search for peace.

Extract from the Polish Government an important concession which could prove not without embarrassment to the Communist world. One of the reasons given for Washington's dislike of Warsaw is that Poland has no diplomatic representation with three of America's immediately concerned allies—South Vietnam, South Korea, and Thailand. Why not, therefore, make acceptance of Warsaw hang upon Poland's granting diplomatic recognition to the two bitterly anti-Communist governments of Saigon and Seoul (Bangkok itself refrains from representation in Warsaw)? Clearly, these two have the right to insist upon such recognition if they are eventually to turn up in Warsaw for talks.

Have in Poland large numbers of shrewd American diplomats at a crucial moment in Polish history. Poland is now undergoing another of its severe internal wrestlings over Marxist ideology. Part of this struggle is the rivalry between communism and nationalism. It is hard to think of a better moment for the American presence to be visible—highly so—on the streets of Warsaw.

One thing seems crystal clear. This is that any talks with the Communists over Vietnam will be long, hard, often frustrating and almost always conducted with an eye on their propaganda effect. Perhaps Washington, by downthumping first Cambodia and now Poland, believes that it is doing only what the Communists invariably do—playing hard to get.

But such a game should be played with

skill. In a tug of war, one side can sometimes gain an advantage by suddenly relaxing its hold on the rope rather than by continually pulling. The United States might well have used this tactic in regard to Warsaw.

The Black Power Syndrome

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. ASHBROOK. Mr. Speaker, recently I inserted in the CONGRESSIONAL RECORD several items by the Negro author and columnist of long standing, George S. Schuyler. The following views of Mr. Schuyler appeared in the quarterly review, *Modern Age*, in the form of reviews of two books, "Black Power and Urban Unrest," by Nathan Wright, Jr., and "Black Power" by Stokely Carmichael and Charles V. Hamilton. Of the black power cult, Mr. Schuyler has this to say:

Characteristic of the movement are its shrill belligerence, its exaggeration, its irresponsible incitements, and its Messianic posture that sees in black racism a new Star of Zion.

Mr. Schuyler sums up both books with this appraisal:

Never before in America (or perhaps anywhere else) has it been so easy for so much tripe to be published for the benefit of so few.

As is to be expected, the Carmichael-Hamilton book has its serious connotations. Schuyler views it as "a rationale for armed black rebellion, and thus a prescription for genocide."

It is indeed unfortunate that the views and pronouncements of the responsible leaders of the Negro community are not given wider dissemination. For certainly, they represent the overwhelmingly majority of the views of the solid, loyal Negro citizens who are striving for the achievement of their just aspirations through lawful means. The 50,000 Negro churches, clubs and lodge halls, and the hundreds of Negro newspapers published since the first one in 1827 are indicative of the progress made by the law-abiding Negro community over the years.

I include the above-mentioned remarks which appeared in the Chicago Tribune of April 28, 1968, in the RECORD at this point:

THE BLACK POWER SYNDROME (By George S. Schuyler)

If it were not for the irrational temper of the times, these political manifestos by angry young intellectuals, humpbacked under the weight of their academic degrees and auto-hypnotized by their own rhetorical extravagance, might be dismissed as of interest chiefly as examples of political psychopathology.

The origins of the Black Power cult may be traced to Marcus Garvey's "black nationalism" of half a century ago, itself a reaction to the Caribbean color-caste system and its North American counterpart, with some subsequent accretions of Marxism and downright wishful thinking. The disease has now permeated a large proportion of the over-educated and frustrated colored population. Characteristic of the movement are its shrill belligerence, its exaggeration, its irresponsible incitements, and its Messianic

posture that sees in black racism a new Star of Zion.

A few decades ago perhaps these so-called intellectuals were in the main satisfied with what they now angrily denounce as "tokenism"—the removal of racist restraints to the advancement of qualified individual Negroes. Now, however, they shout demagogically for advantages for all Negroes, regardless of aptitude or qualifications. They demand that this be accomplished by a broad-scale bulldozing of the "white power structure," with which they demand immediate equality, and more.

Since the mid-1950s a handful of paranoid and peripatetic parsons, professors and aspiring bush politicians, aided by Fabians and hard-core Communists, have parlayed Dr. Martin Luther King's little "pray-and-sing-for-white-folks-souls" crusade into a vast scale and highly profitable enterprise. Agitators, posing as victims of persecution, roam the college campuses and tour the churches, speaking for fat fees on how the souls of black folks are being scarred by race prejudices and proscriptions. The conspiracy of incitement rapidly succeeded as these pied pipers pressed their luck. Fraternities, sororities, church organizations and campus Communists enthusiastically joined the picketing and demonstrating against the "Southern lynch-terrorists." "Whitey," and the WASPS [white Anglo-Saxon Protestants]. When this concerted drive was publicized and encouraged by the newspapers, radio and television in the interests of circulation and ratings, and when the federal government Fabians, eager to assure themselves of the black urban vote, responded with beefed-up welfare programs, the Black Power boys quite naturally thought they had everything made.

The Negro middle classes at first gave fascinated support to this imposture, either by timid acquiescence or by clamlike silence, only to find themselves pilloried along with the whites as belonging to the enemy and to find their domestic, social and business lives disrupted and in some cases destroyed. Thus the real meaning of Black Power was brought home to them in the violence, arson, vandalism and looting perpetrated by the not inconsiderable Negro criminal element urged on by the assorted and vociferous black action groups. The Negro middle classes had been mainly intent like their white peers on enjoying the benefits of bourgeois living in our acquisitive society, which now guarantees soft living even for the unproductive. After the smoke from a hundred incinerated cities had subsided and the many square miles of broken plate glass were replaced, the middle classes took a second look at the pretensions and purposes of the self-appointed spokesman for Black Power. The inevitable revulsion has followed. If a "backlash" is now evident, it is not by any means exclusively a white backlash; it is an interracial backlash.

Meanwhile, these pronouncements by an alumnus of CORE and by another of SNCC, lead one to reflect that never before in America [or perhaps anywhere else] has it been so easy for so much tripe to be published for the benefit of so few.

"Black people," asserts Dr. Wright, "have no substantial stake in the capitalist or free enterprise system," a statement that conveniently ignores the fact that at least 90 per cent are employed in industry, commerce, transportation and farming [with most of the remainder vegetating on the public rolls]. One might ask facetiously where these prophets of Black Power would be if it had not been for the free enterprise of the slave trade. Suppose those money-hungry African kings had simply fed their war captives, tribal delinquents and pestiferous kinsfolk to the crocodiles, or had sacrificed and devoured them after the Aztec fashion, instead of selling them to white plantation owners, who after all had a vested interest in the survival of the race?

Not only are today's Negroes "powerless," according to Dr. Wright, but the Negro's sense of pride remains circumscribed, though certainly not in his 50,000 churches, clubs and lodge halls, nor in the hundreds of Negro newspapers published since the first one in 1827. But so frustrated is the colored brother, Dr. Wright tells us, that if he is not accorded new powers he will have to take them, and that will be the day! Thus speaks the Executive Director of the Department of Urban Work of the Episcopal Diocese of Newark, N.J. It may be remembered that Dr. Wright was chairman of the Plans Committee of the National Conference on Black Power which met in Newark in June, 1967, just as that city was attempting to recover from the consequences of an effort by some blacks to seize power there. The Black Power advocates accept the Ku Klux Klan doctrine that "in reality integration is impossible." The power, therefore, must come from "utilizing substantial resources supplied by others," that is to say by more and more federal, state and foundation aid, presumably so that a century of dependence can be extended.

The Carmichael-Hamilton book is a rationale for armed black rebellion, and thus a prescription for genocide. The authors reject the concept of nonviolence, they are opposed to racial integration, they accept only the idea of a coalition of poor blacks and poor whites—a miracle historically proved unfeasible. They tell us that "the political and economic institutions of this society must be completely revised if the political and economic status of black people is to be improved." The Messrs. Carmichael and Hamilton are disciples of Franz Fanon, the West Indian revolutionary who died in Algeria, so that their proposed revisions of social and political institutions may be presumed to be along Communist lines. They regard Negroes who have attained positions of influence and power as no more than lackeys and stooges. They are altogether hostile to the Negro middle class, which is the only black element that has acquired any power. Any aid from whites is denounced as "paternalism." This leaves them free to wall about the Negro's powerlessness, and to justify riots and insurrection on the basis of poverty and frustration. But the "new political forms" for which they call turn out to be not materially different from apartheid.

United States Takes Path to Chaos

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. GROSS. Mr. Speaker, an editorial in a recent issue of the Waterloo, Iowa, Daily Courier succinctly warns that this Government is traveling down the path to chaos.

The editorial properly points out that when the assertion of rights by citizens gives way to license, the proper functioning of government is undermined.

The editorial follows:

Throughout history democracies have collapsed when citizens became so impassioned in defending their rights that they ignored their responsibilities and the symptoms of a similar breakdown are occurring in the United States today.

For example, the U.S. Army Transportation Center at Fort Eustis, Va., declared early this year that it would not employ any person belonging to an organization "whose aim is to influence young men to refuse induction into the military forces and to encourage men already in the military to oppose the war in Vietnam."

Weak-kneed administrators in the Defense Department, who now bow meekly before any

public outcry, quickly ordered the restriction eliminated.

But it certainly is morally wrong to draft men to fight in a "no win" war in Vietnam and then allow government employees the right to agitate for a surrender which means that the sacrifice is in vain.

Certainly, the right of the general public to criticize the war and demand a change in policy must be protected. But tolerance reaches the point of license when policies adopted by majority will in Congress may be deliberately and openly undermined by government employees. This is the traditional path to chaos.

Representative Machen Offers Bill for Additional Leave for Federal Employees in National Guard Riot Duty

HON. HERVEY G. MACHEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. MACHEN. Mr. Speaker, today I am introducing legislation to authorize leaves of absence to Federal and District of Columbia employees who are members of the National Guard whenever they are called up for duty in civil disturbances and riots.

My bill would allow these Government employees up to 22 days leave a calendar year without loss in pay, time, or performance or efficiency ratings for service with a National Guard unit in civil disturbances. This leave would not be charged against the 15 days of military leave now granted, nor against annual leave, unless it exceeds the 22-day limit.

The need for enactment of legislation of this nature was amply demonstrated during the recent disorders in the Nation's Capital. A number of members of the Maryland National Guard who are Federal employees informed me that because of their activation for civil disturbance duty they would be forced to take annual leave later this year when they go into their 2-week annual training periods. It does not seem fair to me that these employees should be penalized by one branch of Government while working to restore law and order under another branch of Government. My bill would correct this inequity. I urge my colleagues to give favorable consideration to this legislation at such time as it may be reported by committee.

Mr. Speaker, at this point I include the text of my legislation:

H.R. —

A bill to amend title 10 of the United States Code with respect to leaves of absences for Government employees called to active duty as members of the National Guard in connection with civil disorders

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 341 of title 10 of the United States Code (relating to active duty) is amended by adding at the end the following new section:

"§ 3505. Members of the National Guard called into active service who are Federal or District of Columbia employees.

"(a) An employee of the United States or of the government of the District of Colum-

bia, permanent or temporary indefinite, who is a member of the National Guard shall, in addition to the leave authorized by subsections (a) and (b) of section 6323 of title 5, be entitled to leave without loss of pay, time, or performance or efficiency rating for each day, not in excess of 22 days in a calendar year, in which he is in Federal service under paragraph (2) or (3) of section 8500, section 8500, or under chapter 15 of this title, or in full-time military service of his State, the Commonwealth of Puerto Rico, or the District of Columbia, because of a riot or other civil disorder. This section does not apply to any employee employed on a part-time or intermittent basis other than a substitute in the postal field service.

"(b) For purposes of this section, the term 'employee of the United States' means an employee as defined in section 2105 of title 5."

(b) The table of sections for such chapter 341 is amended by adding at the end the following new item:

"3505. Members of the National Guard called into active service who are Federal or District of Columbia employees."

Education in the High School for Consumer Understanding

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. FINDLEY. Mr. Speaker, the great public interest in consumer protection is understandable and desirable. But today's approaches often attack the problem only after the fact. What is needed is an educational program—preferably on the secondary school level—which will make consumer protection almost unnecessary by alerting and training today's students and tomorrow's consumers in the methods of retailing and consumer credit.

Joseph T. Meek, the able and hard working president of the Illinois Retail Merchants Association has outlined such an imaginative program in a recent issue of the Retail News Brief which I insert in the RECORD at this point in my remarks:

INSURANCE FOR RETAIL UNDERSTANDING

Begins on the high school campus. Expert book store executives say a major problem in successful operation is both a student and faculty lack of appreciation of the purposes, problems and procedures of retailing!

Not only is the student too often disinterested in a business career—he also lives in a cloudy world of non-understanding.

Retailing . . . at all levels . . . would be well advised to work overtime to create both interest and understanding. It must begin at the high school level . . . There is the insurance for future consumer relations.

(1) High school courses in money management, consumer credit, basic economics (all three now being urged by many—both business and school leaders)

(2) Junior Achievement projects . . . To give honor to a young man or woman creating a paying business is to insure understanding of all business.

(3) Larger, better Distributive Education classes with "busy" business men giving far more than lip service (if that) to an indispensable cause. (We still thrill at those 500 DE leaders at the Pere Marquette a week ago!)

If retailing is not to be ruined by mistakes;

broken by rebates; plagued by "co-ops"; slapped around by special discounts and prices; misunderstood in the legislative halls, it had better begin in the high schools to discuss prices, pricing, maintained prices, inventory and its control, turnover, mark-downs, merchandising, display, and especially the essentiality of retailing. It is a 1969 must if our free economy is going to persevere and productive jobs assured.

EDP Training Does Not Assure Worry Free Future

HON. CORNELIUS E. GALLAGHER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. GALLAGHER. Mr. Speaker, as chairman of a special inquiry into the invasion of privacy, I have had the opportunity to become increasingly familiar with electronic data processing—EDP. And I have been disturbed by the allegations about the glamorous career awaiting anyone who could qualify to enter this field.

Electronic News, a widely respected trade newspaper, put the matter very well in a report in their April 29, 1968, edition. Just as I fear that an increasing dependence on electronic wizardry will not totally solve our political and social problems, as some have claimed, so graduation from the technical schools specializing in EDP training does not assure the individual of a worry free future.

I am pleased to enter this valuable report in the RECORD at this point:

DIFFICULTIES AROUND FOR EDP SCHOOL GRADUATES—FEW FIRMS WILL OFFER GOOD JOBS

(By Martin Kohl)

NEW YORK.—It is extremely difficult, but not quite impossible, for a non-college graduate to become a computer programmer for one of the growing number of hardware users.

This is the consensus of opinion offered by users and Government and private personnel agencies, despite protestations to the contrary made by the commercial EDP schools.

The schools, through the use of advertising which beguiles prospective students with talk of large salaries, security, job advancement prestige, and great demand for trainees take the position that anyone with a high school diploma and a logical aptitude can make the grade as a programmer.

Hardware users, however, disagree with this. In a recent check of hiring practices in some of the largest companies in this city, less than 10 per cent of the users queried said they would hire programmer trainees who did not have college degrees. One of the few companies who said it did take people from the commercial EDP schools as trainees, is a manufacturer of hardware that runs its own school.

Reasons for refusing EDP school grads are varied.

Several of the companies surveyed questioned the quality of the teaching and the material taught at the commercial schools. They claimed they had had unfortunate experiences with EDP school grads who were not qualified to do programming. The users also contended that the schools sometimes made a practice of admitting students who did not obtain high scores on any of the standard aptitude tests.

The aptitude tests are PAT or Programmer Aptitude Test, IBM's verbal and mathematical short answer quiz, and the National Cash Register programmer aptitude test which uses flow charts to elicit arithmetical short answers. Users of both PAT and NCR usually require an A on the test as a passing grade.

The EDP schools, charging fees ranging from \$275 to \$1,000 for a course that runs from 20 weeks to a full year, contend they require a high school diploma and a B or better score on one of the standard aptitude tests for admission.

The shorter courses place their greatest emphasis on the Binary number system and BAL or ASCII, depending on the type of hardware the student is being trained to program.

In the last 2 or 3 weeks of the course, after student-written programs have been assembled and executed on a computer, the school may or may not attempt to teach COBOL. The schools explain the lack of equal emphasis on the business language in what is a business programming course by saying that a student can easily learn any high-level language once a low-level language has been mastered.

ONE-YEAR COURSE

In the one-year course, the schools advertise a comprehensive background in data processing which includes electronic accounting machines (EAM) equipment, tabulating, wiring, second and third-generation programming and third generation console operation. Most of the schools teach programming on models in the IBM/360 series, although some prefer RCA Spectra 70, or Honeywell 200.

On the matter of qualification and aptitude testing, Richard Jones, head of Applied Data Research, Inc., a Princeton, New Jersey, system design and software firm that ran a school of its own at one time, had this to say: "The course, in most cases, should do a truly meaningful job in the short time most of the courses last. Besides this, the standard aptitude tests, like PAT and NCR aren't really good indicators of ability or motivation, but at present they're the best things we have."

OTHER OPENINGS

The chances for employment as programmer trainees for EDP school graduates outside private industry are as rare as those inside.

Federal Government agencies require a degree with majors preferably in math or science or equivalent professional experience in all entry positions. City and State requirements are approximately the same in New York.

One of the few areas open to the commercial school grad is the consultant field. The software houses, basing their requirements more on versatility and experience than education, do hire the DP school grad, especially if he has had some related experience in computers, either as a console or keypunch operator.

The emphasis placed on experience by software firms, however, can be as great a barrier to the EDP grad as a degree. It is, to use a cliché, impossible to get experience if one can't get a job.

Aside from their talk of large salaries, and large employment needs, the EDP schools in their advertising all offer what they refer to as "free placement service." This service either takes the form of a list of corporations which have hired the school's graduates in the past, or a placement counselor.

The schools themselves claim they have no accurate record of placed graduates because of a lack of any follow-up procedure.

There are, of course, those students who have jobs waiting for them when they complete the course. These are either sent to the school by employers to learn programming or work as console, EAM equipment, or keypunch operators at companies where they can expect to move up to programming.

Another Retired General Against Vietnam Policy

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. BROWN of California. Mr. Speaker, retired Army Gen. William Wallace Ford has joined the growing number of former military leaders who are critical of U.S. involvement in Vietnam.

In a speech in Raleigh, N.C., on April 22, General Ford said that we, in this country of so much abundance, who have known the highest standard of living in all of history, have reason to expect a truly great society; but, "Clearly, something is wrong," he says. "How can people do so little with so much?" he asks. He follows with his answer in terms of "false aims, wrong priorities, and poor leadership."

Those false aims, wrong priorities, and poor leadership have led us to violate our commitment made at the Geneva Conference of 1954 and brought us to intervene in a civil war where we ought not to be. He concludes from this that, "we are the aggressors."

General Ford questions the morality of the war and its cost in terms of world opinion, the effect on our society at home, and the mounting toll in human lives.

He believes that a withdrawal would not cause the United States to suffer in its role as a world leader, but he does believe that our continued presence is affecting our position of respect among the nations of the world.

This speech deserves the attention of every citizen of this country who is concerned about what has become the Vietnam quagmire. This speech is especially significant because it has been given by a man who dedicated his life to military affairs.

Under unanimous consent I place in the RECORD General Ford's speech: "Vietnam and McCarthy." It follows:

VIETNAM AND MCCARTHY

Any discussion of national politics and political candidates, in 1968, inevitably centers on Vietnam. This is so far the single reason that, no matter how much we may want to deal with urgent and worsening problems here at home, our preoccupation with the war does not allow it. The theory that both guns and butter are in ample supply, that we are strong enough to wage war with one hand and peace with the other, is unworkable.

The problem is not one of physical resources, but of mental and moral resources, and of national purpose.

It is ludicrous to hear the cries of pain and indignation here at home when a segment of our own people, neglected and mistreated for centuries, resorts to violence, at the same time that we are making loud pronouncements of pious purpose as we carry violence on a mammoth scale to a little people, far away, who never did us harm.

With a gross national product that is astronomical, and zooming, with the highest material standard of living ever known by any large nation, with a technology that knows virtually no limitations, and with natural resources in great abundance, we might indeed expect to have a Great Society.

Instead, we have slums in all our large cities; poverty and hunger among millions of our people; revolt among an underprivileged people among us; sewage in our streams; pollution in our air; garbage in our streets; violence everywhere.

Clearly, something is wrong.

How can people do so little with so much?

The answer, I think, is false aims, wrong priorities, and poor leadership.

False aims include trying to be the world's policeman, assuming the absolute right to determine right and wrong, irrespective of world opinion, and expecting to overcome the human spirit by brute application of power.

Wrong priorities consist in acting as though our future as a nation depended upon a conquest in Asia, rather than upon what we achieve at home.

Poor leadership has taken us ever deeper into a foreign policy which is not merely sterile, but is mortally dangerous.

Eugene McCarthy believes that we have made serious mistakes in these matters, and that our course should be reversed. He does not believe that, since shots have been fired and blood has been spilled, national honor compels us to go on to "victory", at the expense of everything else. How well he read the hearts and minds of the American people was well demonstrated in New Hampshire and Wisconsin, where his successes confounded nearly all the political experts, and dismayed the professional politicians. The New Hampshire success was very obviously a major influence in Mr. Kennedy's decision to be a candidate, and of considerable influence upon the President's decision not to run.

The tonic effect of the McCarthy candidacy has been inspiring. People have been cheered to learn that government can be swayed, after all, if citizens will do their duty. College students who six months ago were conducting protest marches and sit-down strikes and picketing the Pentagon, are now joyously ringing doorbells in every state where McCarthy is a candidate, studying in between times, and sleeping when they can. The deepening division of our people over the war and related issues has been arrested.

This is all too precious to lose.

The danger now is that McCarthy may become the victim of his own success. He has already achieved more than the minimum objective he set for himself at the outset, namely, of debating the issues and giving people a conviction that they could influence the situation, and some people are saying, "Fine; his job is done; now he can relax and let the professionals take over, men who have the money and the organization; men who know the tricks."

We must not let this happen.

When peace finally comes to Vietnam, and to us, the most staggering array of problems ever to confront an American president will demand immediate attention. We will need in the White House a man whose perceptions are clear, whose sense of priorities is sound, and whose courage is boundless. We will need these talents not only in the White House but in the halls of Congress, for it will take a generation or more of devoted and concerted effort to make much impression on the tasks we face. We can not hope for instant success, but, as John F. Kennedy said, we can begin.

One place to begin is in the overhaul of our foreign policy, which can only be described as bankrupt. It is alienating us from our old friends in Europe, making us no new friends except among sycophants, and endangering our national security. I understand that we have more than 40 mutual assistance pacts with other countries. It should be made clear that we intend these to be exactly that: mutual assistance. Mutual defense, as between us and the small,

developing countries, is a one-way street: we risk everything and gain little. In particular, it should be made clear that we will not intervene in civil wars, as we have done in Vietnam. Two requirements should be met before we go to the military assistance of a friendly government.

(1) The government should be in stable control of its internal security and have the confidence and support of its people;

(2) The country should lie on terrain where our military power, chiefly naval and air power, can be economically applied. The fringe of the Asian continent, as for example Vietnam, does not qualify. Pacific countries which do qualify, in my judgment, include Australia, New Zealand, The Philippines, Japan, and perhaps Indonesia.

The task of rebuilding our nation can not safely be entrusted to recent converts from our earlier policies, foreign and domestic, which have proven sterile, nor to those who may have seen the light, but were not inclined to take the risks involved.

In short, we need McCarthy.

A few moments ago I was discussing how we would need him after peace comes to Vietnam. Let me hasten to make clear that we need him, before that, to make sure that peace comes to Vietnam, and to us.

For it is by no means assured that peace is in the making. Our offer to go "anywhere" to negotiate has fallen a casualty to the first "where" suggested by the enemy. Our latest counter-proposal of 10 sites violates a condition which we had set, that both sides have diplomatic representation in the chosen capital. Finally, we are attempting to force peace negotiations without first creating the condition which Hanoi has said all along was a prerequisite: the cessation of bombing in North Vietnam.

If I seem to be saying that the onus for seeking peace rests upon us, let me make it clear that that is exactly what I mean.

It was we who intervened in a civil war, and upset the settlement which the Vietnamese had wrung from the French after Dienbienphu. It was we who violated our commitment made at the Geneva Conference in 1954, that the United States (quote): "Declares with regard to the foregoing agreements (Geneva Accords) and paragraphs that (1) it will refrain from the threat of the use of force to disturb them, in accordance with Article 2 (Section 4) of the Charter of the United Nations dealing with the obligations of Members to refrain in their international relations from the threat of use of force; and (11) it would view any renewal of the aggression in violation of the aforesaid Agreements with grave concern and as seriously threatening international peace and security." (unquote). It was we who seized the flimsy pretext of the Tonkin Bay incident to extend the bombing to North Vietnam.

In short, it is we who have been the aggressors, and it is we who have the responsibility for taking first steps to end the war, as well as the military power to do so in relative safety.

If I seem to be uttering radical views, I refer you to the hearings of the Senate Foreign Relations Committee, where the majority of that devoted, patriotic, and respected group of statesmen appeared to be voicing the same opinions.

It should give us concern that none of our NATO allies has joined with us in this venture, even to the extent of moral support. The countries of Europe, the mother countries of our peoples, to whose defense we have rallied in two World Wars, now either openly condemn us, or turn aside as in shame for a friend who has committed an ignoble act.

They regard this war as neither justified in morality nor necessary to our safety.

In Stockholm recently, an American diplomat said, "The danger is that a whole generation is being inoculated with anti-Americanism because of Vietnam."

In several European capitals riots have broken out in connection with anti-American demonstrations.

New York Times correspondents, in a recent survey, found "no evidence to support the thesis that the world role of the United States would suffer if it decided to negotiate or were to pull out of Vietnam."

Indeed, the majority of the American people, according to recent polls, now feel that we were wrong to get involved in Vietnam.

Then what delays the peace?
First the slogan, "Peace with Honor," which translated, means "Peace with Victory," and second a guilt complex at having sent some 20,000 men to die for no apparent gain.

Well, 20,000 more dead might not bring victory either, and if it did, the victory would be hollow and totally unworthy of such sacrifice.

A consoling thought is that if this experience only brings us an appreciation of the proper uses and limitations of power, the 20,000 may have contributed as much to their country as any others who died in their country's service.

Our military forces in and near Vietnam are fine, devoted and patriotic people. They are well-led, well-trained, well-equipped, and they do their bidding unflinchingly, "theirs not to reason why."

It is our job to reason why, and in answer to the cavilling taunt, "Don't you support our boys in Vietnam?", we should say:

Certainly we support our boys in Vietnam. Support them with guns and ammunition and all necessary means of defense—yes. Support them with food and supplies and what comforts can be arranged—yes. Support them on troopships coming home to a land which should never have sent them on this futile mission—yes. Support them as they re-enter the young lives so rudely interrupted—yes. Support them as they seek to restore our country to a hope of greatness which once was the inspiration of all mankind—yes.

But support them by sending them further and further into this endless, bottomless quagmire—no.

As Thackeray said, in *Henry Esmond*, "Tis not the dying for a faith that's so hard, Master Henry. . . . every man of every nation has done that. . . 'tis the living up to it that's difficult."

Peace will not come easy. To reverse the misguided course of the last thirteen years, so heavily invested with blood, resources and national prestige, will be painful to us all. It is clear, however, that any other course will be even more painful, and perhaps catastrophic.

There is only the smallest evidence that peace can be had by the methods and within the aims of the present administration.

Now is the time, and this is the place, and we are the people, and we have the glorious leadership of Eugene McCarthy.

Mrs. Rose McMackin and Mr. James P. Reynolds Honored

HON. MICHAEL A. FEIGHAN
OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. FEIGHAN. Mr. Speaker, it is a fine fact of life in this country that anyone can be a loyal American citizen, and still maintain a certain pride in the land of their ancestry. This is particularly true of the Irish.

As everyone knows, St. Patrick's Day is celebrated with as much zest in this country as it is in Ireland.

In my home city of Cleveland, the Ancient Order of Hibernians and its ladies auxiliary have been holding a St. Patrick's Day banquet for more than a century. This year the organization held its 101st annual St. Patrick's Day banquet in the Emerald Room of the Statler Hilton Hotel.

On this occasion, two distinguished Clevelanders were honored as the Hibernian man and woman of the year. The honorees were James P. Reynolds, who has long been active in various Cleveland civic organizations, and Mrs. Rose McMackin, who has long been associated with many important community organizations.

I would like to extend my personal congratulations to these fine people on this splendid recognition of their outstanding services. I would also like to congratulate Mrs. McMackin and her husband, Edward, on their 51st wedding anniversary, which they celebrated last February 20.

The U.S.S. "Pueblo"

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. CURTIS. Mr. Speaker, it is often my practice to prepare mimeographed form letters to my constituents on topics of important public interest which evoke a large volume of correspondence. In this way I can respond practically and in much greater depth to all of them, and hopefully stimulate their further comments to carry the dialog forward.

Accordingly I have prepared a letter in mimeographed form containing my comments on the North Korean seizure of the U.S.S. *Pueblo* on January 22, 1968. Because in this letter I refer to the benefits of open debate and discussion, and the responsibilities of both the executive and legislative branches, I think it proper to make my position a matter of public record, and am inserting my statement in the RECORD at this point:

Thank you for your letter of recent date regarding the capture of the *Pueblo* by the North Koreans on January 22, 1968. Please pardon my use of a form and mimeographed letter to respond to you, but this is the only way I can reply in some depth to the many who have written to me on this subject. I hope that you will feel free to write to me further if there are additional points you wish to make or to have me try to clarify.

Months have passed since the capture of our ship with 83 of our men aboard, and it now seems as if the incident has been pushed into the background by the Johnson Administration along with many others of a similar significance. Aside from the welfare and the future of the 83 men which is of great importance the matter opens up many basic matters of the foreign policy of the Johnson Administration. I cannot discuss all aspects of our foreign policy in this letter, even discussing the issues directly raised by the *Pueblo* incident requires a lengthy letter, but I want to at least present these aspects for your consideration.

The *Pueblo* is essentially an unarmed ship with special equipment and a highly trained crew designed to obtain information about

activities of potential enemies of the United States. It was engaged in this mission when it was captured off the coast of North Korea. It is still a question of whether it was in "international waters" at the time of its capture or within the coastal waters of North Korea. If it was within international waters, as the Johnson Administration alleges, the important doctrine of the freedom of the seas has been breached. International law is still at such a tender stage of development that it almost depends upon enforcement for its claim to existence. Let violations of a doctrine remain unchallenged and the doctrine goes by the boards.

The death of the League of Nations became apparent when it stood idly by while Italy raped Ethiopia. Many question whether the United Nations is still a viable organization in light of its failure to challenge violations of its doctrines.

So the first question raised by the *Pueblo* incident is: Does the doctrine of the freedom of the seas have applicability in the world today? Is it important that it have applicability? The United Nations sets out the freedom of the seas as one of its doctrines. Most, if not all, Nations give lip services to this doctrine and its importance. There is no question that the world becomes more ripe for wars and moves markedly backward if the doctrine of the freedom of the seas is abandoned.

It is quite clear to me that the Johnson Administration has not championed the doctrine of the freedom of the seas with vigor. It is also apparent that the members of the United Nations have not championed this doctrine. Therefore a serious step backward presently exists in international relations. If anyone questions this assertion by saying, perhaps the Johnson Administration is not championing this doctrine because the *Pueblo* was in North Korean not international waters, my response to both the Johnson Administration and more particularly to the members of the United Nations is the failure to promptly clarify the issue to determine whether there has been a violation or not is tantamount to abandoning the doctrine itself. Justice delayed is justice denied, whether it be the lowliest human being involved or the mightiest nation.

The second major matter which the *Pueblo* incident brings to the fore is that of international espionage. Every nation in the world today has methods of intelligence gathering about the actions of other nations, particularly about the actions of those nations they believe to be less than friendly. This fact of international life is recognized by every nation in the world today and by the United Nations. The acceptance of this fact is based upon the understanding that a nation like a human being has the right to defend itself against attack or oppression. Hopefully, the United Nations will place and keep on its agenda the development of improved and what may be termed more proper and humane techniques for gathering this kind of information.

Every major power in the world has forms of intelligence gathering and espionage comparable to the *Pueblo*. In a statement in the news media on the *Pueblo* crisis the Secretary of State indicated that there were at least 18 Soviet spy ships known to be on similar missions all around the world, some of them off our coasts. This is true despite the fact that the nature of our open society greatly facilitates the efforts of the Russians or other adversaries in obtaining information on the activities of the United States. Correspondingly, the closed societies of our totalitarian adversaries makes our efforts to obtain information more difficult.

Great efforts were made by the U.S. during the Eisenhower Administration to reduce the sordidness which traditionally have characterized espionage activities. In the summer of 1955 President Eisenhower announced an "Aerial Inspection Proposal" referred to as

the "Open Skies" plan. This proposal was to be, among other things, part of a mutual disarmament program whereby the U.S. and the U.S.S.R. would exchange all data relative to military forces and installations which would be essential to provide against a surprise attack. Aerial photographic reconnaissance would be conducted by each inspecting country on an unrestricted, but monitored basis. In addition certain spot observers were to be posted. The specifics of the proposal were never adopted by Russia.

I advocated at the time an expansion of the "open skies" doctrine beyond the United States and Soviet Russia. I proposed that the United Nations supervise the aerial photography of all nations and keep on open file the up-to-date aerial photographs of all nations. Aerial photography, let me point out, has been so highly developed since World War Two (and then it was pretty proficient) that it is impossible to conduct a military build-up which it will not detect. Furthermore, aerial photography in conjunction with seismographic devices can detect and pinpoint any underground nuclear explosion.

The tragedy of the U-2 incident when a U.S. flyer had his photographic U-2 airplane shot down while taking pictures of Russia was that it was not defended by the Eisenhower Administration affirmatively and that this affirmative defense was not picked up by the members of the United Nations.

Here was a great breakthrough in bringing the techniques of information gathering, out of the sordidness of historical espionage into the cleanliness of aerial photography. Historical espionage . . . or espionage as it still remains today rests upon appeals to the most sordid aspects of human nature. It relies upon encouraging men and women to violate all that we hold high in personal morality . . . to violate almost all, if not all, of the Ten Commandments. Yet these violations are excused on the basis of the need for national defense. What is sordid or in any sense disgraceful about flying an unarmed airplane high in the sky and taking pictures? Yet through these techniques we can allay the fears of any reasonable people against armed military takeover by other peoples.

The Johnson Administration has done nothing to promote the open skies doctrine, let alone to push for its adoption in the United Nations. The Pueblo is another development of information gathering on a high moral level and it should be defended and promoted as such. Let all nations if they will, through electronic devices and what have we, gather information about other nations' potential military build-up.

Today through orbiting space craft and aerial photography and other means we have rendered reconnaissance from aircraft such as the U-2 somewhat obsolete. The Pueblo is another illustration of improved techniques of gathering information on the enemy, both from a standpoint of efficacy and morality.

The Pueblo incident must also be considered against the background of a series of prior hostile measures by the North Koreans. Specifically, prior to the Pueblo seizure, the North Koreans instigated several aggressive armed attacks along the South Korean border which involved defending forces of the United States, and attempted the assassination of both South Korean President Park and the American Ambassador.

Considered in this context of North Korean hostilities, and the widespread use of espionage missions outside of national territorial waters, it is my judgment on the information available that the United States must take a strong position to demand the return of the ship and the crew. This must be stated unequivocally and be our unwavering goal.

The Administration has stated its intentions along these lines but done little about it. After the capture which in itself is strange because although the Pueblo was in effect unarmed we had armed vessels in the area, the Administration made contact with the North Koreans through the Soviet Union.

Four days later, Ambassador Goldberg presented the position of the United States in a special session of the Security Council of the United Nations. Neither of these avenues have proved successful although individual Congressmen are advised that such diplomatic efforts are still continuing. This has been too little, too late, and seemingly without enthusiasm and understanding of the important underlying issues.

My criticism of the Administration in this matter extends further to its failure to fully inform and involve the Congress, and the American people whom the Congressmen have been elected to represent. Instead of public hearings before the Congress, the Administration conducted a few "briefings" at the White House behind closed doors, and the President and key Cabinet officers have appeared on National television repeating what they have issued in self serving press releases. The need to involve and inform the Congress and the people is not merely for the purpose of keeping the public apprised of a matter of greatest concern, but to give strength and credibility to the American government's demands.

The Congressional leaders are far from blameless in the ineptness exhibited by the Johnson Administration. They have failed to blow the whistle on the Administration to force the officials to come before the appropriate Congressional committees with full and detailed explanation under cross examination and subject to rebuttal testimony of other knowledgeable witnesses.

We have heard very little in the past few weeks regarding the Administration's efforts to secure the Pueblo and its crew. Further steps obviously are necessary to achieve this limited goal. Yet neither the President nor the Democratic leaders of the Congress are known to be engaged in determining what further steps to take. What is being done behind closed doors is mere speculation. It is essential to involve to a far greater extent the wisdom of our society focused through the institution of the Congress. No outline of tactical maneuvers need be divulged if their security would then be compromised. However, by broadening the general study to obtain the wisdom of others outside the Administration we are more apt to come up with the better answers. Furthermore, this process will rally our people behind the policies and programs adopted for they will have had a part in their determination. This will provide far more credibility about our actions and objectives to the North Koreans and other adversaries.

Covert action, in a highly charged international atmosphere, is dangerous and out of place in an open society as the U.S. aspires to be. Our course must first be clear and fully understood by our own people; only then can it be understood by the North Koreans and others. The immediate step which the Administration must take is to come before the appropriate Committees of the Congress with additional facts regarding the efforts taken to date and their effectiveness. A reasoned discussion of the further steps to be taken against the North Koreans through the U.N. or however can then be undertaken. A clandestine and quick escalation without this disclosure to the people may leave the American people confused and maximize the chances of further miscalculation by the North Korean aggressors.

The historical parallel of the Tonkin Bay incident comes to mind. Here the Johnson Administration sent the initial bombing missions over North Vietnam in retaliation for alleged attacks on American ships in the Tonkin Bay. The wisdom of this type of response is just now, three and one-half years too late, being debated in the Congress. This should have been done at the time of the incident and the deviousness which it is currently causing among the American people would have been greatly reduced.

Also, the choice of the appropriate retaliatory response may have then been far

more wisely made. I voted for the Tonkin Bay resolution in August of 1964 which gave the President the limited power to "take all necessary action to protect our armed forces" under the immediate circumstances. I felt that the North Vietnamese were the aggressors and that this aggression should be resisted. However, Congressional oversight was and has remained almost non-existent. The wording of the resolution that passed the Democratic controlled 89th Congress, though loose, was not so loose as to give to the President the authority to escalate the level of military activity particularly on the ground, to its present level.

I have urged throughout this period that while aggression should be met, recourse to military power should be used as a last not a first resort. Economic and diplomatic means should first be employed. We did not nor have we yet applied our economic power. North Vietnam could and should be economically isolated through embargoes (note the present embargoes of Cuba and Rhodesia) and blockades if necessary. This would effectively shut off its capacity to wage an escalated war. Despite the heavy military escalation which risks the lives of our young men in combat, such utilization of our economic power still has not been attempted, let alone achieved. Quite the contrary, the Administration talks of building economic bridges to Russia and deals with France which also assists the North Vietnamese and has great economic stakes in both North and South Vietnam. France is not a mere bystander.

It is incumbent on the Administration to come forward with more information than they have to date. I am confident that a reasoned discussion of the various non-military retributive steps that may be necessary will obtain the support of the people, and produce a course of action that is at once effective and more credible. Certainly it is more likely to achieve results in a peaceful manner.

Again, I hope that you will feel free to contact me again regarding this matter, either in response to my general views, or to specific events as they might occur.

Sincerely,

THOMAS B. CURTIS.

Gil Castorena: A Worthy Son of the Cinco de Mayo

HON. LIONEL VAN DEERLIN
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. VAN DEERLIN. Mr. Speaker, within a few days, our good neighbors in Mexico will celebrate Cinco de Mayo, an anniversary that stirs deep emotions on both sides of the border.

For it was on the 5th of May, in 1862, that a gallant band of Mexican patriots routed an invading French Army at Guadalupe Heights in the city of Puebla. The Mexicans, under the inspired leadership of Benito Juarez, gave the hemisphere and the world a lesson in the indomitability of freedom when confronted by a foreign tyranny.

In my district, in the city of San Diego, resides a man who is a spiritual descendant of the great Juarez.

His name is Gilbert Castorena. He has told me that he is proud of the Mexican blood in his veins, "but proudest that I am an American."

Like the Cerro Guadalupe warriors of 106 years ago, Gil Castorena has demonstrated his courage and patriotism. Mr.

Castorena's chance to prove his mettle came during World War II service with the U.S. Navy and Marine Corps. As a pharmacist's mate first class, he served with the 6th Regiment, 2d Marine Division, in Iceland, New Zealand and Guadalcanal. His unit saw some of the heaviest fighting as the United States began the mighty campaign to push the Japanese invaders back across the Pacific. From his detachment of two doctors and 20 corpsmen, only one doctor and four corpsmen came back when the fighting was over.

Even now, this fine American recalls his combat days with a mixture of nostalgia and regret—nostalgia for the camaraderie of the wartime bivouac and regret for the comrades who did not return. His affection for the Marines promises to extend through his lifetime and beyond. He has said:

When the good Lord calls me, I hope my burial team will be made up of United States Marines.

Since the war, Gil has compiled an outstanding record of service both to his community and his country. He is one of the rising stars of the Veterans of Foreign Wars, an organization which enables him to maintain his interest in, and support for, a new generation of fighting men.

In California, where transiency is practically a way of life, he has been a virtual rock of stability, residing all his life in the home in which he was born at 3957 Alabama Street, San Diego.

Gil has been chairman of the San Diego chapter, American GI Forum; president—twice—of the Council of Latin American Clubs of San Diego County, and chairman of the Equal Employment Opportunity Committee at the North Island Naval Air Station.

For this last service, Mr. Castorena received a hearty "well done" from his uniformed superiors. Said one:

It is through the interest and efforts of persons like you that the idea of equal employment opportunity is translated into reality.

In a letter to me, Gil as always hopeful, and concerned about the well-being of others, described his experience on the North Island panel in the following words:

Even though some of it has been hard, heartbreaking work, it's a wonderful feeling to know that you've contributed a little to help solve and overcome one of our biggest social problems. I honestly feel that we, as Americans at all levels, will approach and solve our problems like gentlemen and not with a chip on our shoulder.

Never before in my own years of public service have I endorsed a candidate for nonpublic office.

But now Gil Castorena is running for junior vice commander of the 62,000-member California department of the VFW. Since Gil is such an exceptional person, I am making an exception of his case—I am taking this opportunity to urge his election.

In his 24 years with the VFW, Gil has prepared for the department office he now seeks by serving at various times as chairman of his post—San Diego No. 7420—his county council, and his district. At the department level, he has

been a member of important committees, including budget and service. Currently, he is the department's assistant chief of staff and one of three members of the Loyalty Day Committee appointed by the National VFW.

Last year, he was named the outstanding district VFW commander in California, and an all-American district commander by the national organization.

With these credentials, Gil Castorena is patently well qualified to begin climbing the ladder leading to the top office of the California Department of the Veterans of Foreign Wars. Junior vice commander is the first rung on the ladder.

If Mr. Castorena makes it, I understand that he will be the first American of Mexican descent to hold elective statewide office in the California VFW.

His forefathers, the patriots of Cerro Guadalupe, would indeed be proud of Gilbert Castorena.

Wolff Reports to His Constituents

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. WOLFF. Mr. Speaker, periodically I mail to all my constituents a newsletter to advise them of my activities. Under leave to extend my remarks, so that my colleagues may have a chance to see this report, I include the report in the RECORD at this point:

MAY 1968.

DEAR FRIEND AND CONSTITUENT: As part of a continuing effort to maintain active communication with the people of the Third Congressional District, I am pleased to offer this report on my recent activities in your behalf.

In recent weeks we have been reminded of the gravity of the domestic crisis facing this nation. This is not so much a racial crisis I would submit, as it is a class crisis. Yet regardless of how you define it, there is a crisis that results from urgent problems of substandard housing, inadequate education, persistent poverty, joblessness and inadequate job training.

These problems exist in every state in our great nation; and no one is very far from an impoverished neighborhood or a disadvantaged child. It is my strong feeling that for the future economic political and social vitality of our country that we must work together to solve these problems.

If we do not act constructively now we will do a disservice to all Americans. The problems of our neighbors are the problems of the United States and thus they are every man's problems. And these problems do not know party lines.

It is said that violence, looting and arson are direct results of the problems I have set forth above. I reject this notion, just as I reject the anarchy and violence that has visited all parts of the nation, even including our own area.

While the problems that result in unequal opportunity are severe and while we must solve those problems, there can be no excuse for lawlessness; there can be no excuse for violence.

Because of my deep concern about our domestic crisis, I have proposed the creation of a bi-partisan coalition in the Congress to actively and constructively represent the metropolitan areas of our nation, much in the way the farm bloc in Congress represents rural interests.

Such a metropolitan coalition could reassess funding priorities, pursue pending legislation for aid to metropolitan regions and propose and work for the passage of new legislation.

I am especially concerned that Congress act now, because I wish to protect the unique character of our suburbs, such as the very one in which you and I live. We have a vested interest in maintaining our independence from New York City and I fear that if Congress does not actively aid metropolitan areas that we may leave the door open for the creation of metropolitan jurisdictions superseding existing jurisdictional lines destroying our suburban autonomy.

Directly related to the domestic crisis of unequal opportunity and the shame of violence as the 1968 Civil Rights Act, recently passed by an overwhelming vote of the Congress and signed into law by the President.

We must work to make equal opportunity and justice a reality for all Americans. Continuing discrimination and violence are a blight on our society and a continuing contradiction of the ideals for which this nation stands. The Civil Rights Act included important and necessary provisions to protect individuals in the exercise of their legal rights and, as well, laid down anti-riot controls to protect the rights of life and property. Carefully administered the Civil Rights Act will help speed the day when discrimination will be a thing of the past.

The new law also contains an open housing section that has engendered a great deal of controversy and misinterpretation. New York State, since 1955, has had a very strong open housing law on the books. Because of New York's foresight and because, in this case, New York law is stronger and takes precedence over federal law, the federal open housing law will not affect Long Island homeowners. The federal law was mistakenly interpreted by some as limiting the rights of homeowners in the sale of their property. The open housing section of the new Civil Rights Act does not require an individual to sell his home to anyone not of his choice. In any event, though, the federal law will be superseded by existing New York law, which prohibits discrimination in the sale of housing.

No discussion of civil rights can ignore the tragic assassination of the Rev. Dr. Martin Luther King. Dr. King recognized that non-violence was essential to the just struggle for human rights and he was the most effective spokesman for ideals we should all respect. I share the sorrow of all Americans at Dr. King's murder but hope this terrible crime will not again be used as an excuse for urban rioting. Such riots do truly shame the memory of Dr. King.

Now, in this vein, I would call your attention to another important but less discussed section of the 1968 Civil Rights Act. As I noted above, the law includes very necessary anti-riot controls. The recent wave of civil disturbances in the wake of Dr. King's death are certainly a disgrace and they can never be condoned. Such disorders were the bane of Dr. King's valiant efforts for freedom and we must deal with such disturbances in an effective manner to protect the rights of all Americans.

The 1968 Civil Rights Act makes it a federal crime to cross state lines or to use interstate facilities such as the telephone, television, radio and the mail to incite a riot. The law also makes it a federal crime to instruct others in the use of or manufacture of firearms, firebombs or other explosives for use in a civil disorder. In addition the new law defines a civil disorder (riot) as three or more people gathering for the purpose of destroying the life or property of others.

Furthermore, the Civil Rights Act makes it a federal crime to assault or interfere with firemen in the exercise of their duties. Because the regretful and illegal disorders must be stopped, the new federal law should prove

very helpful in the prevention of a recurrence of the recent looting and burning that has plagued our nation.

It is my hope that this nation is now prepared to move from the legislating stage to the plateau of rededication to the principles and ideals of equality and justice that are meant to mark our unique society. If we can achieve these very basic goals we will have moved a long distance to sharing the American dream with all our citizens.

You may recall that I included a questionnaire on Vietnam in my last newsletter. We received an excellent response to the questionnaire and I wish to thank all those people who took the time to advise me of their views for this helps guide me in representing you. Since the time of the survey the situation in Vietnam has changed and we are all encouraged by the steps that have been taken to reverse the escalatory path of the war.

Regardless of the outcome of current efforts toward peace we cannot rest for a moment in our pursuit of peace. In addition we will soon have to make some very basic decisions regarding our role in the future of Southeast Asia.

Thus for the Congress to play its rightful role in the determination of United States policy, I have proposed that the Gulf of Tonkin Resolution be rescinded so that Congress may regain its proper role in the decision-making process.

Following is the result of my survey of the residents of the Third Congressional district on the situation in Vietnam (it was possible to check more than one item; figures given indicate what percentage of those responding chose a specific item):

Exert greater efforts to start negotiations	72.0
Stop bombing of North Vietnam	57.9
Exert greater effort to bring problem of Vietnam before the United Nations	56.6
Recognize the National Liberation Front as a participant in negotiations	56.5
General deescalation	50.1
Unilateral cease-fire by the United States	25.1
Bomb Hanoi and Haiphong harbor	21.2
Remove restraints on hot pursuit by U.S. troops	20.8
Withdrawal to enclaves	16.0
Send more troops to Vietnam	12.4
Invalidate North Vietnam, Laos and Cambodia	11.3
Use nuclear weapons	7.7
Continue present course of action (this was mailed prior to April deescalation)	5.1

Now I would like to report briefly on several of my activities that I believe should be of interest to you.

HOUSE COMMITTEE CHANGE

Recently Speaker McCormack appointed me to the House Committee on Banking and Currency. The title of this Committee is somewhat incomplete since the Committee has wide responsibilities including consumer affairs, foreign and domestic finance, housing, small business, defense planning, gold regulation, the balance of payments, consumer credit, international trade and interests rates, as well as banking and insurance. With the great and growing problems facing this nation I welcome this new assignment for I will be able to contribute 25 years of business experience gained in the private sector, to the solution of these problems.

IMMIGRATION

I have taken a leadership position to change our laws to reverse the discriminatory practices directed against the people of Ireland and their immigration to this country. The great contributions of Irish-Americans to the building of our nation cannot be ignored. We must therefore make certain that the opportunity for Irish immigration is

maintained at levels established during previous years. I also have sponsored legislation to permit 1,000 victims of the recent Sicilian earthquakes and their dependents to enter the United States. Such emergency immigration is consistent with our history of being a haven for the unfortunate victims of natural disasters. This, of course, will not open the flood gates to overpopulation but will permit immigration of good citizens to our great land.

INDUSTRIAL CONVERSION WORKSHOP

With the possibility for peace in Vietnam greater than it has been for some time, I believe strongly that Long Island must prepare for conversion to a peacetime economy when defense procurement is reduced. Otherwise we invited the same unfortunate layoffs and economic hardships that followed World War II and the Korean War. Accordingly I have scheduled an Industrial Conversion Workshop for Friday, May 24 at the Holiday Manor in Bethpage. At that time officials from all major federal departments and agencies will be available to assist Long Island firms in procurement procedures to insure the continued vitality of Long Island's economy. Of course the workshop is open to all businessmen living and/or operating in the Third Congressional District.

LONG ISLAND NATIONAL CEMETERY

According to Department of the Army estimates, the national cemetery at Pinelawn will be filled by 1975. Since the Army has no plans for expansion of the National Cemetery System I have proposed a two-step plan that should make it possible for all deceased veterans to have the opportunity to rest in a national cemetery: One—Authority for the cemeteries should be transferred to the Veterans' Administration since the VA will best represent the interest of veterans; and Two—Immediate steps should be taken to expand the cemetery system to ensure its continuation. Some time ago I proposed that a suggested site at Yaphank be explored for expansion on Long Island and I recently renewed that request. Providing a final resting place seems like the least we can do for men who have valiantly served their country.

LIRR FARES

I was greatly distressed by the recent Long Island Rail Road fare increase. This increase, approved by the Metropolitan Transportation Authority which operates the LIRR, should be reviewed by the Public Service Commission or the State Legislature. If the increase is not reviewed at some higher level voluntarily, I shall attempt to prevent the appropriation of federal funds for the MTA to force a review of the fare increase. Certainly the LIRR should pay more attention to raising service standards than to raising fares.

FRENCH WAR DEBT

With 175 Members of the House now supporting my proposal to collect France's seven billion dollar World War I debt to the United States, I am hopeful we will soon have action on this proposal. Rep. Wilbur Mills, chairman of the House Ways and Means Committee, has told me that he supports the idea and will therefore bring the matter before the House as soon as he can. I am confident that if we can bring the proposal before the House it will pass overwhelmingly.

TROOP ROTATION

I was successful in having the Department of Defense reverse itself on ordering second tours for Vietnam veterans who have spent less than six months back in the U.S. In a speech on the Floor of Congress during March, I protested the prompt return to the war zone of several thousand troops and soon thereafter the Defense Department informed me that it would maintain the policy of allowing servicemen a minimum of six months stay in the United States. Those men

unfairly sent to Vietnam for a second tour have now been returned home.

GOVERNMENT PUBLICATIONS

I will be happy to send to you a maximum of three of the following government publications which you can order by code letter by writing to me at Room 1525, Longworth House Office Building, Washington, D.C. 20515:

- A. Financing Your Social Security Benefits.
- B. 1967 Social Security Amendments.
- C. 1967 Medicare Amendment.
- D. Veterans' Benefits.
- E. Summer Employment in the Federal Government.
- F. Get Ready for College and GO.

As your Representative in Congress, and with the hope that I can reflect your views and be of service to you, I would welcome your views, comments and suggestions on any point in this newsletter or any other federal matter of concern to you.

With very best wishes, I am,

Sincerely yours,

LESTER L. WOLFF,
Your Congressman.

Is Our Bankruptcy System Antiquated?

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. RODINO. Mr. Speaker, 30 years have passed since Congress enacted any significant amendments to the original Bankruptcy Act of 1898. Today, however, bankruptcies have grown to the point where they loom as a major social and economic problem that affects, directly or indirectly, every American consumer.

The publication later this year by the Brookings Institution of an in-depth study of our entire bankruptcy system may well provide the basis for congressional consideration of needed reforms. In this connection, I call the attention of my colleagues to a 10-part series of articles by Robert P. Kalter, which appeared recently in the Newark, N.J., Star-Ledger.

The articles follow:

BANKRUPTCY: ANTIQUATED, COSTLY SYSTEM STIRS MOUNTING CRITICISM

(By Robert P. Kalter)

In a period of unprecedented prosperity, bankruptcy has emerged as a major social and economic problem that reaches into the pocketbook of every consumer.

People in record numbers are turning to this ancient, if not honored, device as a way out of oppressive and unbearable financial difficulty.

The experience is often shattering.

They find themselves involved in an antique system that is slow and expensive, and the final results are frequently inconclusive or unsatisfactory.

Many come away as new believers in the old caution: "Don't make a federal case out of it."

But bankruptcy is a federal case—and the out-of-date machinery that Congress has provided for handling the problem is the object of growing concern and increasing criticism.

HEAVY COSTS

Even the most ardent defenders of the present setup acknowledge the need for improvement.

As it now operates, the system is burdened with heavy administrative costs, and plagued by serious loopholes, patronage pres-

tures, inadequate supervision and questionable ethical practices.

In 1967, bankruptcy proceedings washed away upwards of \$1.5 billion in debt, a 300 per cent increase over 1960.

The staggering loss adds to the cost of doing business and is passed along to the consumer in the form of increased prices for goods and services.

A more efficient and effective system could reduce bankruptcy losses, but Congress has shown little appetite for the task.

Since passage of the original Bankruptcy Act in 1898, the lawmakers have tinkered and toyed with legislative changes. They have never, however, undertaken a thorough investigation to find out how well, or how poorly, the system they enacted is functioning; how well, or how poorly, it is carrying out their intent to protect creditors and to provide for the relief and rehabilitation of debtors.

An investigation would show that the gap between intent and practice is wide.

CONCERN EXPRESSED

For the past half-dozen years, the Judicial Conference of the United States, official watchdog of the federal courts, has expressed concern about high administrative costs in its annual report on bankruptcy operations.

In its most recent report, issued last March, it stated:

"The Conference noted that the (Bankruptcy Administration) Committee believes that the studies of costs of administration should be concentrated on attorneys' fees which comprise over 41 per cent of the total costs of administration."

Despite the repeated attention given to the problem by the conference, only a slight lowering of administrative costs has been effected in recent years.

And New Jersey continues to chalk up costs above the national average.

The Judicial Conference found it necessary last March to point out that no attorney's fee should be allowed "without an appropriate and detailed fee application."

And it stated that the application "should include professional duties only and should never be based on duties properly performed by a trustee, receiver or other non-professional officer."

In New Jersey, however, it is the policy to appoint attorneys as trustees and receivers, and they are almost always chosen from among the bankruptcy specialists.

MANY PARADOXES

High fees in a field that deals with indebtedness is only one of the many paradoxes embedded in today's bankruptcy system.

The cornerstone of the system is the bankruptcy court, which can best be described as a schizophrenic satellite of the federal district court.

It is half court and half administrative agency.

As a court, its jurisdiction is severely limited, and in the course of a proceeding, it is frequently necessary for separate suits to be tried in state and district courts before a final determination can be made in bankruptcy court.

As an administrative agency, bankruptcy officials last year mailed out more than 10 million notices in connection with pending cases.

There are some who feel that the entire problem of bankruptcy should be placed in the hands of a federal bureau, staffed to expedite the paperwork and the litigation, which in most cases is routine and uncomplicated.

Others feel an independent bankruptcy court is the key to salvaging a system that admittedly is in serious difficulty.

AUCTION BLOCK

Its greatest success to date has been the development of a bankruptcy establishment—a costly network of lawyers, account-

ants, appraisers and auctioneers who manage to take valuable property and dispose of it at forced sales at a fraction of its worth.

High charges and low yields are difficult to avoid when a debtor's assets go on the auction block under the present system.

And the victims of the practice are the ones who are supposed to be protected by the Bankruptcy Act, the creditors. They must pay the costs of the sale and the resultant low yields merely add to their losses, for there is less money to be distributed among them in final settlement of what they are owed.

Those who preside over bankruptcy cases—their official title is "referee"—are aware that shrinkage in value can result from varied causes.

If they needed reminding, it was supplied some months ago at a seminar for referees in Washington by Referee Clive W. Bare of Tennessee.

Bare urged "close supervision" in the sales of assets "as it is in this area that chicanery can occur."

In some jurisdictions, serious efforts are being made to improve supervision and throttle shenanigans.

In New Jersey, however, sales continue to be conducted with little attention paid to them, even though tens of thousands of dollars may be involved in a single auction.

Over a long period of years, the combined effects of high administrative costs and disappearing assets have resulted in creditor disenchantment and disinterest in the bankruptcy system set up to protect them.

Creditors came to believe that the system just wasn't going to help them, that too much of their money was going down the drain, that the little that was salvaged wasn't worth worrying about, and that it was cheaper in terms of time, effort and aggravation to write off the entire amount owed them rather than contend with a bankruptcy proceeding.

NEW DEVICE

The withdrawal of the creditors opened the door to a new device, the professional creditor "representative."

He has become the official stand-in for many of the creditors in a bankruptcy action. In almost every case he speaks and votes for the majority—which means he will select the trustees who will look after the assets of the debtor, and he will have the biggest say in picking the attorney for the trustee, generally the most lucrative job in a bankruptcy proceeding.

In New Jersey, the professional creditor representative almost always has his favorite attorney or attorneys, and so there is little likelihood that a representative of the creditors will object to a high fee by the lawyer when the case is finished, even though the creditors must pay the bill.

The cold arithmetic of a bankruptcy action makes this outcome almost inevitable.

Assume there are 100 creditors, each owed \$5,000 by the bankrupt. The total indebtedness is \$500,000. After the assets are sold and converted into cash, and after administrative costs are deducted, there may be \$50,000 to be distributed to the creditors or 10 cents on each dollar owed, which is a little better than the usual result.

Assume the administrative costs include a \$5,000 fee for the attorney for the trustee.

If the attorney's fee were eliminated completely, it would only mean \$50 more to each of the 100 creditors. Instead of suffering a \$4,500 loss, each would show a loss of \$4,450.

LONG DELAY

On the other side of the coin, creditors point out that a final settlement of a case is often delayed for months or longer while the attorney for the trustee is bringing suit in a state court for the recovery of a claim of only \$2,000 or \$3,000.

This activity will be used by the lawyer to justify a higher fee, but it means only

\$20 or \$30 more for each creditor. They insist the wait is not worth the tiny difference.

To compound their dismay, the schedule of priorities by which payments are made places the attorneys at the top of the list and the creditors at the very bottom.

In recent years there has been increasing pressure on bankruptcy referees from the Administrative Office of the United States Courts to reduce high costs.

Creditors suffer their biggest loss, however, in the process of converting assets in cash, and this critical operation gets little supervision.

ASSET CASES

Asset cases comprise only a fraction of the total workload of the bankruptcy mill, but this is where the action is, and where the money is made.

Figures compiled by the Administrative Office reveal why New Jersey is a particularly good state in which to be a bankruptcy lawyer.

In fiscal 1967, 18,532 asset cases were closed nationally, or 9.6 per cent of the total 192,254 cases closed. Lawyers' fees averaged \$552.39.

During the same period in New Jersey, 256 asset cases were closed or 15 per cent of the 1,710 cases closed. Lawyers' fees averaged \$1,512.35 per case—nearly three times higher than the national average.

Officially the explanation given for the differential is that in New Jersey the average asset case involved \$14,683, while nationally the average was \$5,363. In both instances, attorneys' fees represented 10.3 per cent of the assets.

However, critics of the system maintain the legal services performed in a \$5,000 case and in a \$15,000 case are essentially the same.

CONGRESS SHY

Meanwhile, Congress, which has the final say on how bankruptcy cases shall be handled, continues to shy away from a direct confrontation with the problem.

Off the record, members of Congress will admit that bankruptcy operations need change and improvement, and many non-bankruptcy lawyers share this view.

Bankruptcy referees and attorneys concede that the image needs to be improved, but they are quick to point out that a number of changes for the better have been effected in recent years.

The number of bankruptcies, meanwhile, continues to climb, despite the prolonged period of prosperity which the nation is enjoying.

In the fiscal year ending June 30, 1967, a total of 208,329 cases was filed, up 15,975 (or 8.3 per cent) from the preceding year. In fiscal 1958, the total was 91,668, and in fiscal 1948 the total was 18,510.

To put it another way, the total number of cases in fiscal 1948 is only 2,535 more than the increase in cases recorded between fiscal 1966 and 1967. The 1967 total is 1,100 per cent above 1948, and the upward trend is expected to continue this year.

JERSEY AHEAD

In New Jersey, cases have been rising faster than the national average. The fiscal 1967 total was 1,831, an increase of 156 over the 1,675 cases in fiscal 1966—a year to year percentage gain of 9.3 against the national average of 8.3 per cent.

New Jersey, moreover is running ahead of the national figures in the percentage of business bankruptcies to nonbusiness bankruptcies.

Nationally, eight out of every 100 bankruptcies involve business, while in New Jersey more than 30 out of every 100 cases are business bankruptcies.

And while the statistics grow and the problems mount, most congressmen are convinced that the public pays little attention to bankruptcies because people generally

believe that bankrupts are "failures" and have only themselves to blame. If this is the attitude of the people, the congressional reason, there is little popularity to be gained by becoming a champion of bankruptcy reform.

But there are strong indications that Congress may be misreading the public's mood. If so, sweeping legislative changes may be on the horizon.

BANKRUPTCY: WHEN BIG FIRMS GO BROKE, IT'S A FEE-FOR-ALL FIGHT
(By Robert P. Kalter)

Lawyers, accountants and other participants asked for nearly \$1 million for services and expenses in connection with the bankruptcy proceedings of Hydrocarbon Chemicals, Inc. of Newark.

The actual figure comes out to \$985,757.94. Of this sum, \$768,420.94 was requested by the attorneys in the case.

The Hydrocarbon proceedings are worth looking into in closer detail because of the light they shed on bankruptcy cases in general—the high fees, the complicated and drawn-out litigation, the overlapping and duplication of services performed by the various participants, and the difficulty in determining who did what, and who was supposed to do what.

These problems generally exist whether the debtor has assets of \$1,000, \$10,000 or \$10 million. In smaller cases, the sums are scaled down, but the difficulties usually are not.

An August, 1966, accounting showed that Hydrocarbon had liabilities of \$8,247,587 and assets of \$7,509,133.

The firm owed \$738,454 to creditors above its assets. It is interesting to note that this indebtedness is \$257,304 less than the \$985,757.94 in payments requested by those taking part in the bankruptcy proceedings.

CUT \$473,555

The task of fixing the actual payments fell to Federal District Judge James A. Coolahan. After some judicious paring and pruning, he cut \$473,555 from the requests and approved payments totaling \$512,202.04.

In his decision, announced May 16, 1967, Coolahan noted that Hydrocarbon was incorporated in 1949 and that "its operation was never truly successful."

About 1956, it diversified into oil and gas properties; in 1960 it formed a subsidiary, Hyspec Container Corp., for the manufacture of polyethylene bottles, and later other corporations were formed which engaged in real estate activities.

According to the company's accountant, Hydrocarbon "was insolvent from the very first day."

On July 10, 1963, Hydrocarbon filed a petition in bankruptcy court in an attempt to work out an arrangement to satisfy its creditors. Stockholders, joined by the Securities and Exchange Commission, moved for a reorganization (known as a Chapter X proceedings). This was granted Dec. 12, 1963, taking the case out of bankruptcy court and placing it in the U.S. District Court.

REORGANIZATION PLAN

Hearings disclosed that "a great number of shares of stock in Hydrocarbon were issued to individuals associated with management under questionable conditions" and independent suits were initiated in connection with "other alleged items of mismanagement."

A reorganization plan, involving the issuance of new stock, was submitted in August, 1966, and was approved by the court Feb. 1, 1967, paving the way for the judge to dispose of the matter of fees.

Robert S. Friedlander an attorney who specializes in bankruptcy cases and who was attorney for Hydrocarbon asked a total of \$150,000 for services and \$15,398 as reimbursement for expenses.

He originally appeared on the scene on the

other side of the fence—representing a creditor of Hydrocarbon. As such, he filed a Superior Court action against the company for appointment of a receiver. The state action was settled on the day it was to be argued and Friedlander was retained by Hydrocarbon to file proceedings in bankruptcy court. The SEC learned that Friedlander took advantage of his insider position to trade in shares of Hydrocarbon.

NETTED \$4,000 IN 2 DAYS

Testimony indicated Friedlander sold 2,500 shares short (anticipating they would go down in price) shortly after he was retained to file the bankruptcy petition. He bought back the shares after the petition was filed, covering his short position. He netted about \$4,000 in two days on the 2,500 shares and admitted to similar transactions in another 2,500 Hydrocarbon shares.

"I wish it was 50,000," Friedlander testified. He said that "invariably when I file an equity action I very often file and sell them (shares of the company) short."

Coolahan denied Friedlander any compensation, citing provision of the law intended "to end abuses of insider trading which had long plagued reorganizations."

The provision, Section 249 of the Bankruptcy Act, states that fees for services rendered in connection with a bankruptcy proceeding shall be denied to anyone who buys or sells shares of stock of the company involved.

Friedlander appealed Coolahan's decision on grounds that he gave his broker instructions to "cover the short sale prior to the time the bankruptcy papers were filed."

The appeal was argued Jan. 19 before the Third Circuit Court of Appeals in Philadelphia. A decision is expected shortly.

In the original decision, Judge Coolahan called Friedlander's quick profit "a wrongful windfall." He ruled that Friedlander not only was entitled to no compensation but ordered him to return \$6,267 previously paid as reimbursement of a portion of his \$15,398 in expenses.

Coolahan further noted that Friedlander claimed he devoted 2,225 hours in the proceeding, "which is approximately 425 hours per month (for the period covered), or approximately 15 hours per day, each day, for 150 consecutive days, including Saturday and Sundays and holidays."

Leo Nelwirth, a Newark bankruptcy attorney, asked \$15,000 for 750 hours work and Starr, Weinberg & Fradkin asked \$5,000 for assistance they gave to Friedlander. Coolahan denied both requests because they failed to have the court approve their retention, as required by a general bankruptcy order.

The biggest single fee approved by Coolahan went to Crummy, Gibbons & O'Neill, a Newark law firm which has been active in many of the major bankruptcy cases in North Jersey.

The firm asked \$25,000 for the first phase of the proceedings and \$175,000 for some 3,000 hours work (\$58.33 per hour) as counsel to the trustee in the reorganization proceedings, plus \$3,984.94 for expenses—a total of \$203,984.94.

Coolahan noted that a memorandum from the SEC "downplayed" the law firm's contribution in various phases of the case, but the judge credited it with numerous beneficial results. He approved payment of \$135,000 as "reasonable compensation" for their services and full reimbursement for expenses.

JOINT APPLICATION

The law firm of Furst, Furst & Feldman and A. Robert Rothbard, both specialists in bankruptcy cases, filed a joint application seeking \$75,000 for 1,200 hours work (\$62.50 hourly) as attorneys for the unsecured creditors.

The judge said that "Rothbard admitted keeping no time records except for personal diary entries of court appearances and other

appointments" and that he could account for only 40 to 45 per cent of the hours claimed.

Coolahan noted further that "not one single entry in the petition's statement of services referred directly to activity by Rothbard" and that in "many instances (David) Feldman (representing his firm) served merely as a communications link . . ."

The judge said "much of the examination of pleadings, documents and other papers was likewise rather routine, and a great many of Mr. Feldman's conferences and communications seem to have been disproportionately long and duplicative in relation to their contribution."

He allowed them a total fee of \$30,000 and \$1,289.83 for expenses.

CITES TIME SHEETS

Kleinberg, Moroney & Masterson, another Newark law firm specializing in bankruptcy, asked \$60,000 for 833 hours as co-counsel to the receiver. The rate works out to \$74.43 an hour.

Coolahan observed: "Of the 833 hours claimed, petitioner is able to account for only 134 hours by way of contemporaneous time sheets, and all of these are hours actually spent in court. The remaining time was estimated by petitioner under such headings as 'Miscellaneous Conferences,' 'Conferences Relative to Debtors,' 'Interoffice Activities and Joint Services,' and the like."

He said that "from a personal familiarity with the actual extent of their participation in this matter, it is apparent that much of the time spent outside of court was either largely ministerial or overlapped certain functions performed by other claimants . . ."

"I feel compelled to mention here, as elsewhere," Coolahan said, "the lack of adequate time records has hampered the court in ascertaining the contribution of petitioner's efforts." He allowed compensation of \$15,000.

The law firm of Werkman, Saffron & Cohen asked \$2,500 for the "specific limited task" of preparing papers for a Hydrocarbon subsidiary, South Jersey Land Corp. They claim it took 50 hours. Coolahan, noting that much of the groundwork had been investigated and detailed by others, granted a fee of \$1,500.

Elliot Clemence, who was co-trustee with Robert J. McAlevy, now a judge, and sole trustee since Aug. 24, 1964, devoted practically all his time to the affairs of the company, according to Coolahan, who approved his petition for compensation of \$115,000.

Joseph Stamler, now a Superior Court Judge, was attorney for the petitioning stockholders in one phase of the proceedings and co-counsel with William Wachenfeld as counsel to the Hydrocarbon Stockholders' Protective Committee. Stamler asked \$30,000 for 430 hours devoted to work as attorney for the petitioning stockholders.

The SEC report noted that some of Stamler's time records were lost while being transferred from his office on his appointment to the bench.

"In addition," Coolahan said, "it appears that (Stamler's) efforts on other aspects of the litigation were somewhat duplicated by other members of his firm or by counsel for the receiver." A \$15,000 fee was granted.

Stamler and Wachenfeld asked \$75,000 for their efforts as co-counsel to the Stockholders Protective Committee, which required 1,575 hours. The judge observed that "a large proportion of the hours involved" represent services by a junior member at Lum, Blunno & Tompkins, under the supervision of Wachenfeld. He allowed compensation of \$30,000.

Harry A. Margolis asked \$12,600 as special counsel to the trustee in one phase of the case and \$134,032.50 as receiver in an earlier phase.

Once again the problem of receivers claiming payment for legal services popped up, and Coolahan said: "As an officer of the court, Margolis is entitled to compensation for these required duties, but not at the same rates as obtain for more substantial legal

services." He approved compensation of \$8,000 and \$27,000 on the two requests.

William H. Whitney, secretary to the Creditors Committee (a post he said he has held in 75 to 100 cases in the past year), asked \$2,600 for his services and \$461 in expenses. The work was satisfactorily performed (involving the preparation and mailing of notices), Coolahan said, but pointed to the limited contribution made and granted a fee of \$1,500 and reimbursement of expenses.

Edward E. Ehrenkrantz and Company, accountants, asked \$14,375 for their services and were allowed \$5,000. Pogash and Company, accountants to the receiver and trustee, requested \$40,448 in additional fees and were granted \$35,000. They earlier had been given \$83,239 as an interim allowance for services rendered.

Lucien C. Whitaker II was denied compensation for his efforts in helping to bring about a successful reorganization. He asked \$60,000 and \$15,000 in expenses.

Coolahan said Whitaker had been retained by Henry Mellon, the main proponent of the plan, and was to receive \$50,000 from Mellon as a fee and would become a financial consultant to the reorganized company, and a director.

"Whitaker's incentives to effectuate the plan are obvious," the judge said. "He must look to his client for his compensation and for his expenses."

The Hydrocarbon case is an unusual bankruptcy proceeding to the extent that the SEC was actively involved and that the fees in the first instance were approved by a judge of the U.S. District Court rather than a referee in bankruptcy court. These factors would tend to hold down the size of the fees granted in relation to the work performed. Bankruptcy attorneys admit privately that referees generally are more generous than district judges on the question of fees.

BANKRUPTCY: IT'S NOT WHAT YOU OWE, IT'S WHAT YOU OWN

(By Robert P. Kalter)

To the bankruptcy establishment, it's not what you owe but what you own that counts.

In any given case, the attention always focuses on the assets—cash, stocks, bonds, real estate holdings, machinery, merchandise, etc.—belonging to the debtor.

If these assets have a realizable value of \$50,000, they are worth \$50,000 whether the indebtedness of the bankrupt is \$200,000 or \$500,000, or \$900,000.

For all practical purposes, the size of the debt is merely a bookkeeping entry which ultimately will determine the severity of the loss suffered by the creditors.

The familiar sight of the drawn shades, the padlocked door and the posted bankruptcy notice is the court's way of telling the community that the debtor's assets have been seized.

In theory they have been taken over for the benefit of the creditors.

The creditors, however, know better. They have come to learn that while one of the purposes of the bankruptcy system is to serve and protect them, it will give them only a taste of the asset pie, and often not even that.

And they bitterly condemn the system itself for the poor results.

"It's perfect example of a mountain laboring to give birth to a mouse," said a distributor who had taken a financial beating in six separate cases where accounts of his went bankrupt.

The problem starts at the very beginning, the conversion of assets to cash.

An appraiser is appointed by the bankruptcy referee to set values on the seized property.

Referee William Tallyn said that in New Jersey every effort is made to name qualified men with expertise in the particular

enterprise to be evaluated. This, however, is not always possible. Difficult appraisal problems do arise in certain unusual cases.

But even in a routine situation, the appraiser is asked to do an almost impossible job. He bases values not upon cost or wholesale price, which can be verified, but rather upon the hypothetical price which the item will bring at a "forced sale."

The system, in effect, forces him to come up with a low appraisal. The total value he places on the assets is a watered-down figure which does not reflect the true worth of the property, but what he can expect on a forced sale.

Prior to 1938, three separate appraisals were required. Ending the triplication reportedly has had no adverse effects on liquidation, and it has helped to reduce costs. The appraisal fee, incidentally, is one of the most reasonable in the operation, referees generally allowing about \$50 or \$60 a day for routine assignments.

The appraisal is important because the Bankruptcy Act provides that property shall not be sold for less than 75 per cent of its appraised value without specific approval of the court.

Sales must be conducted by authorized auctioneers. In New Jersey a list of approved auctioneers is maintained by the referees.

A 1962 amendment dropped the requirement that the auctioneer reside in the judicial district where the property was located. The requirement had been described as a "bulwark of local patronage" that had been "logrolled" into a 1938 amendment against the wishes of the National Bankruptcy Conference.

Under local bankruptcy rules issued by the district judges of New Jersey, auctioneers are entitled to reimbursement of expenses and 5 per cent on the first \$20,000 realized in a sale; 3 per cent on the next \$30,000; 2 per cent on the next \$50,000 and 1 per cent on all above \$100,000.

In many districts, auctioneers work on a straight 5 per cent.

There have been complaints in other parts of the country of instances of auctions where insiders were preferred.

Creditors expressed little concern about the fees, but most of them were outspoken in their criticism of the auctions sales themselves.

Some sales, they say, may be "kippurs."

A "kippur"—as Referee Asa S. Herzog of New York defined it—is a sale in which the bidders "chill" the bidding. They start low and stop low, by prearrangement, and then divide the bargain merchandise among themselves.

There also may be "salted" lots.

Supposing there are 20 barrels of assorted spare parts. The favored bidder is tipped off to buy barrel No. 3 and No. 5. Hidden beneath the spare parts in these two barrels are valuable components, worth \$1,000 or \$2,000 each. The barrels may have been appraised at \$4 each at "forced sale value" for the spare parts. They may have brought \$5 cash at the auction, although the favored bidder may have had to go as high as \$6 or \$7 for the "salted" lots.

The "salting" can be done by the debtor himself in advance of bankruptcy, or any person who has access to the merchandise.

Another possible device is "stripping."

This involves dismantling expensive units into easy-to-reassemble components. Each unit is sold together as a single lot, tagged "spare components," at a bargain knockdown price.

Again the buyer is a favored insider and the deception could have been engineered by any of the participants.

Complaints also involve the so-called "fast hammer"—a quick end to the bidding by the auctioneer when a prearranged price is reached by an insider.

In all such cases, the sale price is above the appraiser's forced sale value, and auctioneers, in their final reports to the bank-

ruptcy referee indicate how much more the sale realized than was to be anticipated on the basis of the appraisal.

Bankruptcy referees say they rely heavily on the comparison between appraisal and sale figures in judging the fairness and effectiveness of the auction. They rarely, if ever, check on the actual conduct of a sale.

BANKRUPTCY: THE ONES WHO PROFIT MOST FROM THE LOSSES

(By Robert P. Kalter)

When it comes to fees for professional services in bankruptcy cases, a double standard has been established—one for lawyers, and one for everyone else.

By local rule, the district judges of New Jersey have imposed a maximum payment of \$75 a day for a senior accountant.

But the same judges and the bankruptcy referees they appoint do not hesitate to approve fees as high as \$40 an hour and more for attorneys, even though much of the work may have been performed by a junior member in a prestige legal firm.

Referee Joseph Fishberg points out that five factors are involved in fixing fees: time spent, intricacy of the problems, size of the estate, opposition met and results obtained.

FEE FIXED

He said that results obtained, or benefit to the estate, "is the most important function in bankruptcy; and, since rewards generally follow success only, the degree of success is most important in evaluating professional services."

An accountant, in the course of his examination of the books of a bankrupt, by dint of unusual diligence and expertise, can turn up tens of thousands of dollars for the benefit of the estate. He will, however, be paid no more than the \$75 per day.

Ironically, the accountant's efforts will have enhanced the size of the estate, thereby providing more funds for higher lawyer fees.

Speaking at a seminar for bankruptcy referees (held under the auspices of the Administrative Office of the U.S. Courts), Fishberg, who is from Trenton, said:

"The Bankruptcy Act is meant to be an act for the relief of debtors rather than for the relief of attorneys and court officers. This is so basic and self-evident that we would not think a court would find it necessary to expound it, yet a Court did so."

"Lawyers must be induced to comprehend that bankrupt estates are to be administered primarily for the benefit of creditors and therefore costs must be kept to a minimum. It is well established, although many lawyers and several referees challenge the logic, that the Economic Principle does not permit compensation in bankruptcy to approximate what private clients generally pay for similar services."

SHOULD BE BALANCED

Fishberg said that fees should be neither excessive nor inadequate, neither extravagant nor unjust.

"There should," he said, "be a balance between the desire to make reasonable distribution to creditors and not discouraging competent lawyers from serving the bankruptcy court."

In Fishberg's home state of New Jersey, however, creditors have been complaining for decades about high fees.

As one credit association official expressed it:

"The creditors consider themselves lucky indeed if they get back 10 cents or 15 cents on the dollar."

"The attorneys are getting 100 cents on the dollar, and they get paid first."

Bankruptcy Referee Conley S. Brown of California cast additional light on the subject:

"The (Bankruptcy) Act indicates creditors may question reasonableness of fees but for the same reasons as appear in other areas

of the Bankruptcy Act, the trustee should proceed and the individual creditors should be allowed to act only if the trustee does not.

"The Act allows the trustee to institute a review of the reasonableness of fees but he may be reluctant because of his dealings with attorneys in general and the specialists in the bankruptcy proceedings in particular.

"Where the trustee happens to be an attorney, there is a natural reluctance on his part to question the fees of another attorney."

In New Jersey, the trustee (who is picked by the creditors or the referee) and the receiver (who is picked by the referee) are always attorneys, although the Bankruptcy Act requires only that they be "individuals who are competent to perform their duties and who reside or have an office in the judicial district within which they are appointed."

NONLEGAL DUTIES

Their duties are non-legal and essentially involve the business and financial affairs of the bankrupt estate. As a matter of fact, the law provides that should legal problems arise, they are to request the referee to appoint attorneys to handle them.

It has been suggested that retired business executives, FBI agents, U.S. marshals, or accountants would make excellent trustees or receivers, but New Jersey's referees say they are satisfied with the performance of attorneys. They add that when an attorney for the trustee or receiver is needed, they will often appoint the same trustee or receiver to be his own attorney. This generally results in a lower overall cost, the referees say.

In some of the cases that were reviewed, it was found that the same attorney served as receiver, attorney for the receiver, trustee and attorney for the trustee.

Where this occurs, separate fees are approved for the work done in each position.

Maximum fees for trustees and receivers are fixed by federal law, and in New Jersey it is only in rare instances that the maximum is not approved.

IN PERCENTAGES

The maximums are expressed as percentages of the moneys disbursed or turned over by them in the course of their duties.

For receivers the maximum is 2 per cent of the first \$1,000 and 1/2 of 1 per cent on all above \$1,000 if they serve as mere custodians. Where they are more than custodians, the maximums are 6 per cent on the first \$500, 4 per cent on all above \$500 to \$1,500, 2 per cent on all above \$1,500 to \$10,000 and 1 per cent on all over \$10,000. Where receivers conduct the business of the bankrupt, the maximum allowable fee is double in each bracket.

For trustees the basic maximum is 10 per cent on the first \$500, 6 per cent on all above \$500 to \$1,500, 3 per cent on all above \$1,500 to \$10,000, 2 per cent on all above \$10,000 to \$25,000 and 1 per cent on all moneys over \$25,000. Twice these maximums is allowable where trustees conduct the bankrupt's business.

In non-asset cases, trustees receive \$10, which is paid out of the \$50 filing fee. In asset cases, where "commissions" based on the above schedule are less than \$150, a fee of \$150 may be allowed.

In prolonged and complicated cases, a trustee may end up with commissions above \$100,000.

DIFFICULT PROBLEM

Bankruptcy referees agree that the problem of approving fees is one of the most difficult they face because of the duplication and overlapping of services performed by the various attorneys in a given case.

Some referees insist on a breakdown and total of the hours worked on a case, but they concede that checking them is difficult.

Fishberg sums up the fee problem this way:

"Finding a middle road between making 'reasonable' allowances and causing the withdrawal of reputable and capable attorneys from the bankruptcy practice should not be a frightening task for referees. The bankruptcy field, for those attorneys who have a substantial practice, is not unprofitable and their threshold of being driven away is not low..."

"Despite the operations of the economy principle, there is still adequate room for referees to perform conscientiously and for the 'bankruptcy bar' (the attorneys) to reap better than 'average' comforts of life."

BANKRUPTCY: IT TAKES EVEN MORE TO KEEP THE CREDITORS AWAY

(By Robert P. Kalter)

The oppressed debtor turns to bankruptcy as a court of last resort when he can no longer stand the strain and struggle of an impossible financial burden.

He will borrow money for an attorney's fee (an average of \$75 in Arkansas, \$200 in California, \$400 in New Jersey) and \$50 for a filing fee imposed by Congress.

He will turn over all of his property in accordance with the law.

And he will end up with an official U.S. District Court "discharge"—which may not be worth the paper on which it is written.

Bankruptcy Referee Clive Bare of Knoxville, Tenn., put it this way:

"Federal courts have declared time and time again that one of the primary purposes of the Bankruptcy Act is to discharge the honest debtor who has surrendered all his property, by obtaining releases from the unpaid remainder of his debts.

"Yet, daily this primary purpose is being defeated by creditors who are ignoring the bankruptcy proceeding and ignoring the bankrupt's discharge even though they know their debts are provable and dischargeable.

HARASSING TACTICS

"They are resorting to harassing tactics in State courts in an effort to coerce bankrupts into paying discharged debts.

"It is my opinion that the greatest weakness in the Bankruptcy Act today is the lack of protection it affords the honest but unfortunate bankrupt after he has received his discharge."

Bare's strong feelings are shared by New Jersey's veteran bankruptcy referees—William Tallyn, Joseph Fishberg and William Lipkin. In separate interviews, each emphasized the injustice of the situation and the need for Congress to pass an amendment to the Bankruptcy Act to correct it.

Royal E. Jackson, chief of the Division of Bankruptcy of the Administrative Office of the U.S. Courts, pointed out that "in one form or another" an amendatory bill has been pending before Congress for more than 10 years.

It has the approval of the Judicial Conference of the United States and the National Bankruptcy Conference. In its present form, the bill (S. 578) contains only 49 words, empowering the bankruptcy court to determine the dischargeability or non-dischargeability of a particular debt, without payment of an additional filing fee.

To quote Jackson:

"As things now stand and have stood for many years, creditors generally do not raise the question of dischargeability while a case is pending. (In effect, they ignore the bankruptcy court proceedings.)

"We turn the bankrupt out of court with a piece of paper called a 'Discharge' which he has to defend against all comers in all courts in order to make it worthwhile to him.

"Some of the creditors very promptly take the debtor to the state court as soon as the bankruptcy case is closed... notwith-

standing their discharge in bankruptcy; so that, really, the discharge in bankruptcy, for many of our bankrupts today is more or less meaningless."

The problem arises from the fact that bankrupts do not realize they must answer the proceedings in the state court and produce the discharge as a defense; otherwise the creditor will get a judgment.

CREDITOR FOLLOWED

"I think it is quite true that many people do not realize this," Jackson said. "And even if they do, they have great difficulty in obtaining counsel because, obviously, a man who has gone through bankruptcy has no funds with which to pay an attorney to defend him."

One story in Jackson's file involves a man who received a discharge in bankruptcy court in Utica, N.Y. His employer moved him to the west coast, where he was sued by a creditor who had pursued him. He moved to Ohio and was again sued. Each time he engaged an attorney for the state proceedings and each was dismissed.

After the third suit in different parts of the country, he threw up his hands in disgust and said that he could not continue to do that forever, that he must try to make some arrangement to pay his creditors.

Jackson and Bare were among the witnesses who spoke in favor of S. 578 at a public hearing last year conducted by Sen. Quentin Burdick (D-N.D.), sponsor of the legislation.

Bare emphasized that the victims of the loophole in the law were chiefly low-income wage earners—individuals that need the full protection of the bankruptcy court.

He said "in a majority of instances" the debts were turned over to collection agencies for collection.

ONLY THE BEGINNING

"When bankrupts are granted a discharge by a U.S. District Court, they firmly believe that the discharge means exactly what it says: that they are discharged from all provable debts," Bare said.

"In spite of the plain language of the act, however, there are scores of instances when the granting of the discharge is only the beginning of litigation as to the effects of such discharge.

"Many state court actions are not filed by creditors in good faith but are filed in an effort to harass and coerce the bankrupt into paying debts that have been discharged in the bankruptcy proceeding."

Bare predicted that passage of the amendment would reduce the load in already overworked state courts without increasing the volume of work in the bankruptcy court appreciably.

"Once it is known," he said, "that the bankruptcy court has jurisdiction to determine the dischargeability of debts, and that the bankruptcy court intends to exercise that jurisdiction, your creditors who are coming into court with patently bogus claims would be non-existent."

CHEAPER TO PAY

Bare said that a lot of debts that are sued on are \$35 to \$200 claims.

"It is more economical to pay that debt than it is to pay a \$50 filing fee and to pay an additional attorney's fee, Bare said, affirming that this is the theory upon which some of these creditors proceed on.

The only opposition to the amendment at the public hearing came in a four-paragraph letter from the American Bankers Association.

It said that "bankruptcy court jurisdiction to determine the dischargeability and non-dischargeability of particular debts would, in some jurisdictions, greatly overburden these courts and make it more difficult to secure expeditious administration in bankruptcy proceedings.

"Giving bankruptcy courts jurisdiction over ordinary civil suits, in my opinion, would constitute an invasion of the rights of the states in the exercise of their judicial powers, the letter stated. It may also mean that many banks would have to bring witnesses a great distance, in some instances as much as several hundred miles, to attend hearings before the federal court of bankruptcy referee."

The organization also expressed fear that "a multiplicity of suits would result since the bankruptcy court would not have authority to enter a money judgment against the bankrupt in favor of the creditor if the non-dischargeability of the claim is established . . ."

Charles Seligson, a law professor at New York University and vice chairman of the National Bankruptcy Conference, said that the proposed amendment "will not effect any startling changes in the law; it will permit the bankruptcy court to do as a matter of course what it would otherwise do only where exceptional circumstances exist."

He said "the National Bankruptcy Conference has for many years been in favor of a bill such as S. 578. It believes that one of the primary objectives of the Bankruptcy Act, to wit, to give the bankrupt a fresh start in life free from the burden of oppressive indebtedness, can best be achieved by legislation of this kind."

The bill did not come up for a vote during the first session of the 90th Congress, but supporters of the measure said they are hoping for favorable action during the present session.

BANKRUPTCY'S ESCAPE VALVES: CHAPTERS X, XI, XIII—THE ALTERNATIVES (Robert P. Kalter)

During the great depression of the 1930s, businesses and individuals in rapidly increasing numbers were being pushed to the brink of financial disaster and conditions were growing worse with each passing day. Bankruptcies were rising dangerously and unemployment was spreading everywhere.

Responding to the crisis, Congress enacted a number of amendments to the Bankruptcy Act to provide a mechanism to encourage the rehabilitation of businesses and individuals in financial trouble.

The legislation established Chapter X proceedings for corporate reorganization plans; Chapter XI for business arrangements with creditors, and Chapter XIII for wage-earner plans.

Strictly speaking, these are not bankruptcy cases, but an alternative short of bankruptcy. They usually involve repayment of a portion of indebtedness in accordance with an agreed upon plan.

In Chapter XI proceedings, the amount most often settled upon is 10 cents on the dollar. Creditors generally favor Chapter XI over straight bankruptcy because it keeps an active account on the books, and because the partial repayment is almost always more than they would receive if the business were forced into bankruptcy.

SAVES JOBS

A successful arrangement, moreover, can save the jobs and seniority of employees and keep them off the unemployment rolls.

Chapter XI has been warmly praised by bankruptcy referees for the benefits it holds out to everyone concerned, and they agree it is a major and welcome improvement to the Bankruptcy Act. Its use has been rising steadily.

But the success of an arrangement often hinges on the ability to hold down costs, so that an acceptable plan can be worked out within the limited finances of the debtor.

Against this background, New Jersey's bankruptcy referees have adopted a controversial policy under which they appoint a receiver as a matter of course in many of Chapter XI proceedings.

Receivers cost money. In the Chapter XI phase of the Hydrocarbon Chemicals case, the receiver asked for \$134,032.50. His fee was not set by the bankruptcy referee who appointed him, but by District Judge James A. Coolahan (because of a later development in the complicated case) and the amount approved was \$27,000.

Even in small and uncomplicated cases involving one-man businesses, fees for receivers can range as high as \$3,000 and \$4,000. In such cases, this can be just high enough, attorneys point out, to wash out an otherwise workable Chapter XI arrangement and force the debtor into straight bankruptcy.

PRACTICE ATTACKED

Bankruptcy Referee Russell L. Hiller of Pennsylvania has pointed out that "the practice in some districts of appointing a receiver in nearly every case is probably not a good practice."

Other referees attack the practice as a patronage device.

New Jersey referees, however, claim it is better to appoint a receiver than to allow the debtor, who has led the business into financial difficulty, to remain in possession.

Referee Asa S. Herzog of New York, who is chairman of the annual court-sponsored seminar for bankruptcy referees, says that in Chapter XI cases the emphasis is on keeping a business going, and that the owner has more to lose than anyone else if rehabilitation fails.

If there is reason to believe the owner cannot rehabilitate the business, says Herzog, then a Chapter XI should be withdrawn and straight bankruptcy substituted.

Unlike New Jersey, his New York district does not appoint receivers in Chapter XI cases "except in a rare and urgent case to preserve the assets of an estate."

He said the practice of not using receivers is working very well and that 90 per cent of the Chapter XI arrangements are successful.

A check of receiver appointments in New Jersey show that most of them are given to the bankruptcy specialists.

LIKE ROUND ROBIN

The same names keep popping up again and again. And the receiver in one case turns up as the trustee in the next, the attorney for the receiver in the next, and the attorney for the trustee in the next, not unlike a round robin.

In 1934 a statute was enacted by Congress to put a stop to the practice in the Southern District of New York of appointing the Irving Trust Co. receiver in all bankruptcy cases in which receivers were necessary.

The act requires that the appointment of receivers and trustees be apportioned "among persons, firms, or corporations, or attorneys therefor" so as to prevent any person, firm or corporation from having a monopoly of such appointments within the district.

In asset cases in New Jersey, these appointments are invariably rotated among a limited number of attorneys who specialize in bankruptcy work.

In effect, they handle the bulk of the cases that promise substantial fees and commissions—even though in many cases their duties are nonlegal.

The referees defend their appointments on grounds that the attorneys are competent and dependable, and that they have a familiarity with bankruptcy procedures that is helpful to everyone involved in a case.

But the records show these lawyers often are late in filing required reports and that they almost always seek payment for work they did not perform, or for work they should not have undertaken.

Under normal circumstances, trustees are selected by the creditors, or, more often, by those holding creditor proxies.

Here again the selection is restricted to a very small list of names.

The trustee is elected at the first meeting of creditors. The meeting is generally preceded by several days of frantic scrambling by creditor representatives to round up proxies from those creditors who are not interested in taking part in the proceedings.

When and how the list of these creditors came into the hands of the creditor representatives has generated more than passing interest among some attorneys in the past.

In any event, there is, as Referee Herzog describes it, "a lot of trading and maneuvering to name a trustee," and it frequently continues into the meeting, right up to the moment of the election.

"The solicitation of claims is okay, but it is abused," Herzog added.

NO PROHIBITION

Under the Canons of Ethics, it is unethical and improper for an attorney to solicit claims, but there is no prohibition against a creditor, or a creditor representative, soliciting claims in the quest for sufficient votes to elect a particular trustee.

One attorney with experience in bankruptcy practice said there are occasions "when we have unethical soliciting claims in the quest part of lawyers, and in some cases, where involuntary bankruptcy is involved, it can best be likened to a form of ambulance chasing."

Referee William Lipkin, who sits in Camden and Newark and is senior New Jersey referee, said that some lawyers in bankruptcy practice in the state are associated with one or more trade associations.

These, he said, are essentially creditor groups, and each has its own attorney in New Jersey to handle cases originating in the state.

Referee William Tallyn said the trade associations "restrict and limit the number of lawyers who specialize in bankruptcy work" because they account for a large share of the important cases.

HARD TO START

Attorneys seeking a start in bankruptcy work find it difficult to build up a practice because so much of the potential activity is effectively closed to them, Tallyn said.

As a result, they generally become discouraged and quickly turn to other specialties in the law field.

And as a result, the list of specialists in bankruptcy remains small and exclusive. The names have remained essentially the same over the past dozen or more years, although the number of cases has climbed rapidly.

The biggest change in the bankruptcy scene in years occurred last month, but not among the lawyers.

It was the appointment of Vincent J. Commisa as the state's fourth bankruptcy referee, an appointment made necessary by the rising work load.

BANKRUPTCY NO CURE-ALL: WHAT TO DO WHEN THE WELL RUNS DRY (By Robert P. Kalter)

Knee-deep in debt and hounded by creditors, many consumers are being misled into bankruptcy.

A better, more certain way out of financial despair is open to them under existing federal laws.

Plunging into bankruptcy is not a cure-all for every disease that ails a debtor.

Bankruptcy does not prevent a bank from repossessing the family car nor stop the finance firm from taking back the furniture if installment loans have not been paid.

NO DETERRENT

Bankruptcy can delay but may not deter the determined credit company from bringing suit in state courts for the payment of balances due on outstanding loans.

For a straight bankruptcy proceeding, the debtor will have to scrape up about \$400 (the

average fee in New Jersey) for an attorney and an additional \$50 for a filing fee. If the debtor is married, a separate proceeding will almost certainly be necessary for the spouse—with an added \$50 filing fee and an extra \$100 or \$200 for the lawyer.

Bills to permit husband and wife to file a joint proceeding for a single fee have never made it through Congress.

There have been cases in the state where hard-pressed debtors have copied forms in the library, filled them in, served as their own attorney and arranged to pay off the filing fee in installments over a six-month period, but such cases are rare.

PERIOD OF ADJUSTMENT

The alternative to straight bankruptcy is a Chapter XIII proceeding. It gives the wage earner, the salaried employee and the individual whose principal source of income is commissions what he needs most—time to work himself out of his financial nightmare.

Chapter XIII is a part of the Chandler Act, passed by Congress in 1938 as an amendment to the Bankruptcy Act. Originally anyone with an income over \$3,600 was disqualified from a Chapter XIII proceeding. The maximum was raised to \$5,000 in 1950, and since 1959 there has been no income limit on eligibility.

Among the benefits available to debtors under Chapter XIII are:

Any contract into which the debtor has been enticed by fraud or misrepresentation can be reformed or annulled.

In proper cases, interest and finance charges or unsecured creditors' claims can be reduced or eliminated.

Certain types of executory contracts may be revised or rejected.

While proceedings are underway, collection suits, garnishment process and involuntary bankruptcy petitions can be suspended.

Even after the plan has been approved and put into operation, deposits required of the debtor under the plan can be reduced in amount or time can be extended if the debtor encounters unforeseen hardships.

If the debtor cannot meet the requirements of the plan, the referee can restore the debtor's right to seek straight bankruptcy.

At the end of three years, if the referee is convinced the debtor made a good faith effort to live up to the plan, he can grant him a discharge even though all of the payments may not have been made.

In essence, Chapter XIII permits a plan to be worked out under which the debtor repays his debts through a court-appointed trustee in weekly installments over a three-year period.

Often the extent of indebtedness can be substantially reduced in the development of the plan, particularly where items were purchased on credit at greatly inflated prices, or where loans were made at excessive rates of interest.

SALARY FACTOR

Earnings are also a factor. If a man's salary is such that he can only afford to pay \$10 weekly without imposing a hardship on his family and his indebtedness totals \$2,500, a plan may be worked out (with creditor approval) to reduce the debt to \$1,500. Creditors frequently agree to the reduction because if the plan is not approved, the debtor will go into straight bankruptcy and they will get nothing instead of the partial repayment through compromise.

The \$10, \$15 or \$20 a week which the debtor repays under the plan is generally substantially less than the amount he has been paying off to his various creditors.

In most cases, the filing fee (which is only \$15) and the attorneys fee (which generally is much less than the \$400 for a straight bankruptcy even though more work is involved in the Chapter XIII proceeding) are made a part of the plan, so there is no big initial out-of-pocket payment.

For the debtor, the plan provides a reasonable way to avoid the stigma of bankruptcy, preserves his credit rating, keeps him out of the hands of loan sharks. Along the way he may acquire new insight into family finance and budgeting problems.

An individual, incidentally, can only be granted a straight bankruptcy discharge once every six years.

Rep. Richard H. Poff (D-Va.), who is disturbed by the limited use that is being made of Chapter XIII, said:

"Unhappily, a few creditors actually prefer that the debtor take straight bankruptcy. Knowing that the debtor with a discharge in his pocket is ineligible for another six years, they actively seek him out and urge new credit upon him."

On several occasions, the Judicial Conference of the United States has urged greater use of Chapter XIII in appropriate cases, yet in fiscal 1966 of 160,299 employee filings only 28,261 were Wage Earner Plans, or 17.6 per cent.

BELOW AVERAGE

New Jersey was below the national average with 122 Wage Earner Plans out of 793 employee filings, of 15.4 percent, although it was substantially above New York, and Pennsylvania.

At a hearing before a House Judiciary subcommittee last May, Max A. Denny, executive vice president of the American Industrial Bankers Association and a member of the consumer bankruptcy committee of the American Bar Association, testified:

"... there is no question but that where Chapter XIII is used, it works. The trouble is that it is not being used uniformly throughout the United States."

"Those who have had experience in bankruptcy know that filing straight petitions is a lot easier than a Chapter XIII. You fill out a form, you file it, hold a first meeting, and that is about it. A Chapter XIII requires a plan, requires solicitation of the creditors, some negotiation, and then after the plan is confirmed, it requires work on the part of the trustee to see that the man complies with the plan."

"Oftentimes it also involves negotiations with the man's employer. While all this takes much more time and effort, we believe it is well worth it for all concerned."

"Inasmuch as the referee under the present law has no authority or discretion to change straight bankruptcy to a Chapter XIII, certainly the blame for its lack of uniform use throughout the country cannot be placed on him."

"We feel the real blame lies with the legal profession itself. Instead of counseling with the debtor as they should, many are inclined to take the easy way out and just recommend (and in some areas it appears they even encourage) straight bankruptcy."

GOOD RESULTS

Donald Atlas and Ronald Littman, two of the attorneys with the Newark Legal Services Project, funded by the antipoverty program, said that a number of wage earners in the low-income brackets have been and are being directed to Chapter XIII proceedings instead of straight bankruptcy "with good results."

Originally Project attorneys handled the legal work. Now most of them simply review the cases and where a Chapter XIII filing is feasible, the debtor is told about its advantages and is referred to bankruptcy court. Here he is placed in contact with an attorney who specializes in Chapter XIII.

"There are several in the city who do a good job and charge very low fees which are paid off under the Wage Earner Plan at a few cents a week," Littman said.

"We believe the Chapter XIII proceeding has benefits for the low-income wage earner and advantages for the community," he added.

He said that not tally is kept on the number

of people who are advised to use Chapter XIII because the legal work is usually handled by attorneys outside the Project.

Royal E. Jackson, chief of the Bankruptcy Division of the Administrative Office of the U.S. Courts, said that bankruptcy referees indicated that in fiscal 1966 about one-third of the employees filing for straight bankruptcy had earnings that might have enabled them to use feasible Wage Earner Plans.

Theodore S. Meth of Newark, the standing trustee for Chapter XIII cases in North and Central New Jersey, is convinced that many more consumers should be using Wage Earner Plans than are presently filing for them.

SERIOUS PROBLEM

He said that consumer bankruptcy is a serious social problem and that through Chapter XIII proceedings "from a social and moral view, the individuals can be helped."

Meth, who is a member of the American Bar Association's Consumer Bankruptcy Committee and a faculty member at Seton Hall University, said the chief problem with Chapter XIII is that "the lawyers are not interested in it."

He said his office could handle 500 additional cases overnight because the operation is computerized for swift, economical record-keeping.

Meth said that an "effective Chapter XIII program could be set up by the state, as has been done in Ohio, where a good system is operating."

"We really don't need a bankruptcy court for consumer cases," he said. "The truth of the matter is an administrative agency could do a wonderful job."

Meth said he would like to hire a part-time social worker to advise and counsel those enrolled in Wage Earner Plans.

"I try to do what I can, but I know that a professional could really help these people by teaching them how to manage finances and how to handle other problems that arise," Meth said. "They could be shown how to open a check account and how to budget."

A FAILURE

Meth feels the present bankruptcy act is a failure because "there is no way to get the people who need Chapter XIII to use it."

He is a strong supporter of a bill (H.R. 1057) now pending in Congress that seeks to increase the use of Chapter XIII by requiring debtors to use it, where able financially to do so.

The Consumer Bankruptcy Committee of the American Bar Association and a number of other organizations have urged its passage.

Strong opposition, however, has come from the Committee on Bankruptcy Administration of the Judicial Conference of the United States, which contends that the success of Chapter XIII cases depends upon them being voluntary.

It said the proposed legislation would be "discriminatory" in that wage earners would be denied bankruptcy relief available to non-wage earners.

The controversy is characteristic of the bankruptcy system itself in that it does not lend itself to easy solution.

NO CHOICE

From the debtor's standpoint, it boils down to this: If he is channeled into straight bankruptcy without being told about Chapter XIII, he is denied a choice Congress made available to him and is denied relief for six years. If he is forced to accept Chapter XIII when he prefers straight bankruptcy, he is denied his right to immediate relief.

Almost everyone, however, agrees that where a debtor chooses Chapter XIII it has worked very well. More than two-thirds of all Wage Earner Plans are successfully completed.

In fiscal 1966, the total payment to creditors in these successful cases was \$18,826,318.

The showing is considered excellent and encouraging, particularly in view of the fact

that non-business bankruptcies are continuing to climb steeply—from 39,073 in fiscal 1940 to 191,727 in fiscal 1967. During the same period, business bankruptcies increased only slightly, from 13,248 to 16,600.

In other words, non-business bankruptcies accounted for 74 out of every 100 bankruptcies in fiscal 1940 and for 92 of every 100 in fiscal 1967.

Another set of figures provides an inkling of why this increase has occurred. Over the same time span, consumer credit outstanding has soared from \$9 billion to over \$93 billion.

But that is certainly not the whole story. Many social and economic factors come into play.

New Jersey's bankruptcy referees, for example, note that in recent years there has been a rise in the number of consumer bankruptcies brought about completely, or in large part, by indebtedness to doctors, dentists and hospitals.

Regardless of the cause of bankruptcy, the referees agree that greater use of Chapter XIII is to be encouraged.

CREDIT BASIS

They point out that consumer credit is extended on the promise of repayment out of future earnings. The Wage Earner Plans provide a mechanism for this repayment while preserving the dignity of the individual.

District Judge Wesley E. Brown of Kansas, a former bankruptcy referee and a member of the Committee on Bankruptcy Administration of the Judicial Conference, in commenting on the rise of bankruptcies, said:

"It should be remembered that statistical data may be interesting but courts deal with debtors and creditors on an individual basis. 'They are persons' who seek relief, not statistics."

BANKRUPTCY: GOING, GOING, GONE—A CASE HISTORY IN DWINDLING ASSETS

(By Robert P. Kalter)

For an insight into the financial ins and outs of bankruptcy, nothing is quite as revealing as the case records of completed bankruptcy proceedings.

Because the arithmetic is simple and the complications are few, the small asset case is a perfect starting point.

What follows is a typical case in that category.

With only minor variations, there have been dozens of others like it in recent years.

All dates and data are taken directly from the records. The name of the bankrupt, however, and the names of the principals participating in the proceedings are being withheld because they are not important for the purpose of this article.

OWN BUSINESS

The case involved an individual who operated his own business.

A petition of bankruptcy (voluntary) was filed on his behalf by a New Jersey attorney. A \$50 filing fee was paid. The attorney's fee was stated as \$500 and was paid.

The same day, another Newark attorney, whom we shall call Mr. Lawyer, was named receiver by the bankruptcy referee.

An accounting in the petition showed debts totaling just under \$18,000.

Also on the same day, the referee appointed an appraiser.

Four days later, the appraisal was made. The value of property was appraised at \$852.78—the "forced sale" value.

A month later, an auctioneer was named by the referee.

A few days thereafter, Mr. Lawyer, who had been the receiver, was named the trustee, and he accordingly turns over the assets that had been in his custody as receiver to himself as trustee.

About a week later, an auction sale was held and the assets sold for about \$1,400.

SALE APPROVED

The next day, the referee approved the sale and gave his approval to a \$50 fee for the appraiser.

Two months later, the auctioneer requested payment of \$65 as his commission on the sale (5 per cent of the gross), and \$125 for disbursements in connection with the auction. The expenses: \$27.50 for advertising, \$7.50 for circulars and postage and \$90 for help (three men at \$30 each).

As far as could be learned, there is no independent check to find out whether three men actually were needed or used on this job. The signed statement to the auctioneer customarily is accepted at face value, something which is not done with attorneys, as will be seen later, although they are "officers of the court."

Including the appraisal fee, the total cost of the sale of assets was \$240.29—or 18 per cent of the amount grossed.

Six months later, Mr. Lawyer, as trustee, petitioned the referee for permission to approve an offer from the bankrupt's wife to buy her husband's interest in a one-half interest she and her husband own in their home. The bankrupt's mother-in-law owns the other one-half interest.

The next month, the sale is approved by the referee, adding \$275.77 to the assets of the estate.

In the meantime, Mr. Lawyer had received approval from the referee to serve as his own attorney, both when he was trustee and receiver.

All of the activity to date has brought in less than \$1,600.

Later that month, Mr. Lawyer petitions the referee to approve \$71.67 as commissions for his service as receiver "with full powers" and \$6.85 for expenses.

LOWER RATE

There is nothing to indicate why a receiver with full powers was necessary in this case. As a receiver with more custodian duties, the commissions would be computed at a lower rate and would have amounted to \$25.83 instead of \$71.67.

In any event, Mr. Lawyer petitioned the referee for \$112.50 in commissions and \$5.85 for expenses for his services as trustee; \$650 for about 35 hours' work as attorney for the trustee; and \$500 for about 30 hours' work as attorney for the receiver.

Altogether, Mr. Lawyer requested payment of almost \$1,400 in commissions and attorney fees and \$12.70 for expenses.

The next month, the referee acted on Mr. Lawyer's requests for payment. He approved \$50 in commissions as receiver, \$100 as commissions as trustee, \$150 as attorney for the receiver, \$200 as attorney for the trustee, plus the \$12.70 for expenses—a total of \$512.70.

Previously \$50 had been paid to the appraiser and \$190.38 to the auctioneer.

The bankrupt's estate of some \$1,600 is now down to about \$830.

Next, a fee of \$56.68 was ordered deducted for the Referees' Salary and Expense Fund and \$85 for the services of a court reporter for a transcript of the proceedings.

PRIORITY FOR IRS

The balance exactly covered a claim by the Internal Revenue Service, which has priority on the assets of a bankrupt after the attorneys are paid and the costs of administration deducted.

The creditors, who were owed about \$17,000 by the bankrupt's own accounting, waited almost a year to learn that they would receive nothing.

In many cases, however, there is no Internal Revenue Service priority claim and a modest balance remains for distribution among the creditors. In small asset cases, such as this one, the balance may range from \$200 to \$2,000.

A veteran bankruptcy lawyer estimated

that the average return to creditors in such cases was about 8 cents on each dollar of indebtedness.

He said that in bigger, more complicated cases, attorneys get more in fees and commissions, other expenses are greater, and about the same "average" distribution of eight cents on the dollar holds true.

Even when the creditors do comparatively well, the system is no less costly and the wait for final payment is usually longer.

A 2-YEAR WAIT

In a 1963 case, for example, where creditors were paid back 24 per cent on their claims, they had to wait nearly two years for their money.

Against claims of \$20,055.14, they received \$4,843.80.

The costs incurred in getting this to them totaled \$4,875.29, or slightly more than \$1 for each \$1 repaid.

The attorneys got \$2,712.68 in fees, commissions and expenses (56 per cent of the total costs of the case), and the Referees' Salary and Expense Fund, \$260.01.

The biggest fee, \$1,000, went to the attorney for the trustee. The attorney for the receiver was given \$750. And the two lawyers shared an additional \$250 as attorneys for the creditors who initiated the involuntary bankruptcy action.

The case incidentally, dragged on an additional six months while the trustees attempted to collect \$1,800 which he insisted had been illegally appropriated by an attorney for the bankrupt for services performed prior to the bankruptcy.

A settlement of \$350 was finally reached, resulting in a net gain for creditors of approximately \$170, after deducting administrative costs.

For the largest of the 11 creditors in the case, it meant an additional \$40 and change, less than 1 per cent of his \$4,671.50 claim.

ADDED \$3.40

The smallest creditor (a claim of \$400) got about \$3.40 additional as a result of the delayed settlement. The claimant would have had the use of \$93.21 for six months, instead of waiting to receive \$96.61.

In the light of oft-repeated official concern about the high administrative costs in bankruptcy, some observers maintain that some savings can be achieved in every asset case involving an auctioneer.

It is the present practice for the auctioneer to turn over the gross proceeds of a sale, exposing the entire sum to commissions by the receiver and trustee and to a percentage deduction for the Referees' Salary and Expense Fund.

If the auctioneer turned over only the net sum realized on the sale, his costs and commission would be eliminated from the three separate levies.

The bigger the sale, the greater the savings that would result from this bookkeeping change. In a moderate case, where all of the assets are from an auction sale that grosses \$15,000, the saving would be \$55, based on a commission of \$750 and costs of \$250. The receiver would get \$10 less, the trustee \$20 less and the referees' fund \$25 less.

In pressing for greater economy, Referee Russell L. Hiller of Pennsylvania urged referees to give more effort to a program of "plugging the leaks," even where only a modest reduction in overall costs could be achieved.

With respect to auction costs, Hiller said: "There have been instances of auctioneers incurring large expense for the hire of unskilled labor at skilled labor rates to clean the premises, lot and arrange the goods, and to generally assist the auctioneer at the auction."

"We (bankruptcy referees) should examine with perhaps greater care than we ordinarily do the charges made for these services."

BANKRUPTCY: THE BIGGER THEY ARE, THE HARDER THEY FALL

(By Robert P. Kalter)

The daily activities of bankruptcy courts attract no public attention. Even creditors with a direct financial stake in the proceeding seldom take the trouble to show up in person to look after their interests. Day after day, operations grind on, never quite enticing the curiosity seekers who flock to other courts.

But bankruptcy has its share of intrigue, scandal, roguery, frauds and crimes.

The Tino DeAngelis salad oil case had all of these factors. It was—and is—the biggest bankruptcy ever to hit New Jersey or the nation. The collapse of the multi-million-dollar empire literally rocked the financial world, caused embarrassment to staid lending institutions, jolted stock brokerage firms and resulted in huge losses to scores of companies and corporations that extended credit to DeAngelis, in good faith, and were never repaid.

MYSTERY REMAINS

Because of its scale and scope, because of its boldness and daring, all facets of the debacle attracted widespread public attention, through and including the indictment and sentencing to jail of the man who masterminded it.

Even today, years later, mystery still shrouds certain aspects of the case and efforts are still under way to unravel some of the more obscure transactions.

The salad oil empire was built on false financial statements, non-existent assets and the frantic juggling of shipments, aided and abetted by easy credit in astronomical sums.

DeAngelis was a hog butcher before taking over the modest operations of the Goebel Packing Co. in North Bergen shortly after World War II.

In 1953, financial difficulties forced the Goebel firm into a reorganization proceeding in bankruptcy court. DeAngelis emerged from the case with unlimited credit. He borrowed heavily from stock exchange firms and major lending institutions, using warehouse receipts as security.

He added a half-dozen corporations and came close to cornering the world market on salad oil.

PRICES DROPPED

DeAngelis geared his frantic operations to an anticipated rise in prices. Instead, prices dropped, suddenly and without warning, and DeAngelis was in trouble.

No one, however, suspected the extent of the difficulties in November, 1963, when a routine Chapter XI petition was filed in bankruptcy court in Newark on behalf of the Allied Crude Vegetable Oil Co. of Bayonne.

Only gradually did a dark hint of the multi-million-dollar scale and scope of the swindle begin to emerge.

He was indicted for the transfer of forged warehouse receipts, pleaded guilty and in July, 1965, was sentenced to 20 years in federal prison, a term he is now serving at Lewisburg, Pa.

The collapse of the empire left a long string of victims (including the U.S. government) and remains as a classic example of the pitfalls of an enterprise based on the principle of robbing Peter to pay Paul.

INADEQUATE CHECKS

To a large extent, the DeAngelis case reflects an economy based on easy credit and less-than-adequate credit checks. And to this extent, financial experts agree, bankruptcies in the salad oil pattern, can occur in the future—once again bringing red cheeks to the credit executives and red ink to their ledger books.

In the meantime, an entirely new kind of problem has surfaced in the bankruptcy field. It involves the takeover of legitimate

businesses by underworld characters. The racketeers strip the business of assets, allow the bills to go unpaid and then skip out, leaving a worthless company shell behind to be disposed of in the bankruptcy courts.

They are known as "scam" cases, and they have popped up in New Jersey, Pennsylvania and New York.

One of the first of these cases, in a crude and unsavory form, led to the arrest and conviction of Vito Maltese, a Jerseyman with a gambling background.

He rented a stall in a New York market, bought chickens in truckload lots on credit, sold them for cash at less than his cost figure, then slipped out without paying for the fowl. The operation netted him about \$150,000 in three weeks. The creditors inherited a bankrupt business that was worthless.

In a similar case, underworld figures in New York muscled their way into control of the Murray Packing Co. and immediately proceeded to "scam" it into bankruptcy. They bought \$1 million worth of meat, sold it for three-quarters of a million dollars and walked off with the cash in a little black bag after making a lump-sum withdrawal from the company's bank. They, too, were caught and convicted.

Cases such as these merely reinforce the public's image that anyone who goes bankrupt is a crook—which of course is unfair to the vast majority of debtors who simply fall victim to bad luck, poor management or unforeseeable changes in fortune.

Bankruptcy Referee Asa S. Herzog of New York insists that "bankrupts are mostly honest."

"There are some crooks," he says, "but no more than in any other area. If the general population has 5 per cent crooks, bankruptcy has 5 per cent."

But bankruptcy, as one court official pointed out, "is a very sensitive area."

Most of the formal proceedings center on an examination of the debtor to find out what happened to the assets that should be in his possession and where did the money go.

It is not unusual to find that a summer lodge, worth \$20,000 or \$30,000, has somehow changed ownership from a corporation to its president with no evidence of money having changed hands. Such transfers can involve almost any kind of valuable asset—stocks, bonds, a pleasure boat, real estate, machinery, equipment.

There are also instances of personal I.O.U.'s disappearing from the files and of incoming checks being diverted to personal accounts.

The skilled attorney who specializes in bankruptcy often earns his reputation on his ability to examine debtors and bring to light such unauthorized transactions.

And the line that separates criminal from non-criminal activity in this area is often a thin one, hinging on the words "knowing and fraudulently."

In most bankruptcy cases, the criminal aspects are rarely explored and even less frequently pursued. Those involved in the proceedings are content with the discovery and recovery of missing assets. The question of whether they were knowingly and fraudulently transferred in the first instance is generally ignored.

Federal law provides for a fine of \$5,000 and five years in prison as a maximum penalty for anyone convicted of knowingly and fraudulently concealing property, making a false oath, mutilating records or falsifying documents, among other similar acts in a bankruptcy proceeding.

The Administrative Office of the Bankruptcy Division receives about 100 complaints a year in connection with questionable practices, unethical activities on the part of attorneys and suspect occurrences.

Royal E. Jackson, chief of the Bankruptcy Division, says all complaints are investigated and corrective action taken where necessary.

"We are strictly an administrative body," he adds, "and we have no right to go beyond administration unless criminality is involved."

"All of us," Jackson said, "must bend over backwards to do everything possible to see that it is clean and wholesome and carries out the intent of Congress."

BANKRUPTCY: A NONPROFIT INSTITUTE STUDIES THE PROFITS PICTURE

(By Robert P. Kalter)

Changes in the method and manner of dealing with bankruptcy are in the offing.

How sweeping these changes will be hinges on a number of separate efforts which are currently underway, and the willingness of Congress to face up to the problem and act to solve it.

Of the various projects in progress, the one which has created the greatest stir is a comprehensive, in-depth study of the entire bankruptcy system by the nonprofit Brookings Institution.

The study was launched late in 1965 with the blessings of the Judicial Conference of the United States and a \$314,000 grant from the Ford Foundation.

Its findings are expected to be published later this year.

The project is headed by David T. Stanley, who was born and raised in Essex County, is a graduate of Princeton University and is a specialist in public administration research. Staff members include four university professors and Miss Marjorie Girth, an attorney who specialized in bankruptcy cases in New Jersey.

MANY QUESTIONS

The study seeks to find answers to a number of questions that strike at the very heart of the bankruptcy system.

As outlined by Stanley, these are some of the questions the project hopes to answer:

What would be the principal elements in an ideal system for dealing with insolvency in American society?

What are the major reasons why total bankruptcies are increasing at a rate that outrun the rate of increase in gross national product or the rate of increase in population?

Why is the rate of increase in business bankruptcies so small?

What deficiencies are there in systems that are supposed to warn creditors of impending difficulties?

How much control do creditors really have over business liquidations? And how appropriate is this degree of control?

Why are some individuals going into bankruptcy court and paying off their debts 100 cents on the dollar, others 60 or 70 cents, and others 4 or 5 cents?

What are the central trends, if any, in the complexes of state law, local custom, attitudes of the attorneys, and economic pressures that result in some of the variations that exist from one area to another? Are they reasonable or are they unjust.

Can something more be done to reduce opportunities for "scam" operations and other fraudulent aspects of bankruptcy? Should new or strengthened means of audit, enforcement, inspection or investigation be proposed?

If the present systems for dealing with insolvency are actually injurious to any of the parties, who is being hurt and how much? Debtors? Creditors? Taxpayers? Lawyers? And what to do about it?

Should bankruptcy continue to be administered by the federal courts?

Through public opinion samplings, visits to bankruptcy courts, examination of files of bankruptcy cases, interviews with bankruptcy attorneys and individuals who went through the bankruptcy process, Stanley hopes the study will produce meaningful answers to the questions.

The answers, in turn, will provide an informed basis for improving the system.

Stanley emphasizes that the study is not intended to be "a clause-by-clause analysis of the legal pluses and minuses of the bankruptcy laws."

ON PROCEDURES

"Our focus," he said, "is on the institutions and procedures and, to a considerable degree, on the people involved in bankruptcy. We are concerned with how a person or a business gets to the point of being unable to meet obligations as they mature. We are concerned with the many types of collection efforts that stop short of formal legal action."

"And then when matters do have to go to the courts, we are interested in the enormous variety of state laws that concern credit, collections and insolvency."

Stanley said the project is "concentrating mainly on the federal courts of bankruptcy" in eight widely differing areas of the country. New Jersey is not among the areas to be studied, although Stanley feels that information gathered in similar jurisdictions will be applicable.

The facts and judgments collected by those conducting the study are presently being fed into a giant computer at the Brookings Institution offices in Washington.

The data will serve as "raw material for analysis," Stanley said, "and we shall try to pull out of them the meanings and trends that call for remedial action."

SEPARATE COURT

In the meantime, Sen. Quentin N. Burdick (D-N.D.), who has been active in the area of bankruptcy legislation, is seeking support in Congress for his proposal to create a separate bankruptcy court, ending the present tie-in with the district courts.

The proposal has the approval of the bankruptcy referees and almost all of the attorneys who specialize in bankruptcy cases. They feel it will end confusion which frequently results under the present arrangement, as well as enhance the dignity of bankruptcy court and improve its image with the public.

They are also in favor of 12-year appointments for referees, instead of the present six-year terms on grounds that few referees are bankruptcy specialists and that it takes several years to acquire expertise in the field.

The referees and attorneys also cite the need for the creation of a separate bankruptcy appeal court. They point out that few appellate judges have a background in bankruptcy cases and that decisions frequently confuse, rather than clarify issues of a highly technical nature.

In any event, a special committee is now at work rewriting the rules that govern bankruptcy cases. The difficult project is headed by retired Federal District Court Judge Philip Forman of Trenton.

Attorneys point out that changes in rules can frequently lead to broad changes in courtroom procedures and they are anxiously awaiting the issuance of the new orders.

GROWING NEED

There is, meanwhile, a growing awareness among attorneys and some members of Congress of the need for a completely new Bankruptcy Act to replace the much-revised statute which has been on the books since 1898.

"I don't see how Congress can put this important task off much longer," one court official said, and he indicated that the Brookings Institution findings, once published, could supply the motivation necessary to speed work on new bankruptcy legislation.

Within the bankruptcy establishment, there is general agreement that improvements have been made in the past 10 years through tighter administrative checks and balances and the appointments of "a new breed of younger, more dedicated referees."

Referee Asa S. Herzog of New York summed it up this way:

"Bankruptcy practice is not as good as we would like it, nor as terrible as some paint it."

Others point out that the assessment holds true only in relation to how well the system is carrying out the intent of Congress as expressed in the Bankruptcy Act.

They claim the present law is outmoded and that the machinery created by it is costly, inefficient and fails to meet the needs of modern society and a credit-oriented economy.

A Proclamation

HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. COHELAN. Mr. Speaker, in the weeks which have followed the death of Dr. Martin Luther King, Jr., we have heard many eloquent statements concerning the man and his goal for a free America. A positive step toward that goal has been taken—I am speaking specifically here of the passage of the civil rights bill. But we have yet to define what it is we must do to commemorate the man and to promulgate his dream.

The citizens of Berkeley, Calif., acting through their city council, have issued a proclamation dedicating themselves to the fulfillment of Dr. Martin Luther King's goal. They define the goal generally "that every human being, everywhere, will be treated in all respects as a human being created in the image of God." But further than this general definition, they have defined the goal in terms of housing, education, employment, labor unions, government, and law enforcement.

The proclamation could serve as a model for all who seek a route toward equality, for all who would know what it is that our Negro citizens are striving for, and for all who profess to be men of good will.

Mr. Speaker, it is with pride in my city that I now insert the proclamation of the city council of the city of Berkeley, Calif., in the RECORD, at this point:

PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF BERKELEY

All decent people of the world have been plunged into deep sorrow over the senseless assassination of the Reverend Dr. Martin Luther King, Jr., Nobel Laureate of Peace.

In the midst of our mourning, but in recognition of Dr. King's exemplary courage, commitment and aims, the citizens of Berkeley resolve that he shall not have died in vain. We too have a dream, and we dedicate ourselves as a living, continuing memorial to the earliest accomplishment of these, some of his goals:

That every human being, everywhere, will be treated in all respects as a human being who has been created in the image of God; that more specifically:

HOUSING

Each citizen, be he real property owner, real property broker, financier, agent or uninvolved observer, will move affirmatively and aggressively to make available decent housing to every person wishing it and having the financial means to acquire it, no matter where it may be located.

EDUCATION

Each educator in every echelon, in consultation with his conscience, must proceed on the assumption that every child can learn and wants to learn; each educator will rededicate himself to helping students succeed; he will not be satisfied to accept failure or low achievement in our schools, and will adopt as his personal creed, "If the student has not learned the teacher has not taught effectively."

Each parent, in consultation with his conscience, will devote his energies and resources to helping his child develop his full potential, with a respect for other human beings, and will actively work toward correcting our societal injustices.

Each child, in consultation with his conscience, will diligently cooperate with his parents and teachers to learn, and to develop skills, attitudes and moral values that will help us live together.

EMPLOYMENT

Each employer will reassess his policies and practices and even at financial sacrifice, and regardless of the opinions of others, positively and aggressively provide meaningful employment and training opportunities to as many disadvantaged people as possible.

Every unemployed person, regardless of any fears, prejudices or misgivings, will diligently apply for and seek to perform in any available employment opportunity.

LABOR UNIONS

Each labor union will review its policies and practices, written, unwritten and understood, and make whatever changes are necessary to enable every desiring artisan, irrespective of his race, creed or color, to be included in its membership, and each union will provide apprenticeship and other training programs for minority persons desirous of entry.

GOVERNMENT

In every governmental subdivision there shall be fair representation based upon population and racial composition. Every citizen will register and vote in every election for the person or proposition of his choice.

PUBLIC SERVANTS

Each public servant must discharge his duties fairly with respect to all citizens regardless of their race, religion, national origin or economic status.

LAW ENFORCEMENT

Each citizen will respect the law and seek change in the law only by constitutional means.

Each law enforcement officer will treat every individual suspected of committing a public offense in the same manner irrespective of his race, religion, dress, economic status or opinions.

May the Reverend Dr. Martin Luther King, Jr., rest in peace.

Wallace J. S. Johnson, Mayor; Wilmont Sweeney, Vice Mayor; William T. Brown; John K. DeBonis; Ronald V. Dellums; Daniel Dewey; Mrs. Margaret S. Gordon; Mrs. Bernice Hubbard May; John Swingle.

Unveiling of the Father Marquette Stamp

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. ZABLOCKI. Mr. Speaker, on April 19, the Post Office Department unveiled the design of the new 6-cent commemorative stamp honoring Father Jacques Marquette, famous French priest-ex-

plorer, at Marquette University in Milwaukee, Wis.

It was my privilege to be present on that occasion and to participate as a member of the Father Marquette Tercentenary Commission, established by Congress last year to help commemorate the 300th anniversary of Father Marquette's explorations in what is now the United States.

The Commission is deeply grateful to the Post Office Department for its cooperation in issuing this postage stamp in conjunction with the tercentenary observance.

The stamp also represents the active interest of more than 50 Senators and Congressmen from Midwestern States who wrote the Postmaster General petitioning for a Father Marquette commemorative stamp. This expression of congressional opinion was yet another indication of the wide interest and participation which thus far has characterized observances of the Father Marquette Tercentenary.

Among the speakers at the stamp unveiling were the president of Marquette University, the Very Reverend John P. Raynor, S.J., and the Chairman of the Marquette Tercentenary Commission, Mr. James C. Windham, who is president of the Pabst Brewing Co.

It was my pleasure to introduce the chief speaker of the evening, Mr. Lawrence S. Lewin, administrative assistant to Postmaster General Lawrence F. O'Brien. In order to acquaint my colleagues more fully with the Marquette stamp and tercentenary celebration, I am inserting in the RECORD at this point the remarks of Father Raynor, Mr. Windham, and Mr. Lewin:

REMARKS BY VERY REV. JOHN P. RAYNOR, S.J., PRESIDENT, MARQUETTE UNIVERSITY

This is a particularly exciting evening for Marquette. We are very pleased to have you here. Not only are we the host for the opening session of the Pere Marquette Tercentenary Symposium; but, as you know by now, we have also been chosen as the site for the unveiling of the design for the Pere Marquette Commemorative Stamp. We are grateful to the many individuals who made this possible and particularly to you, Congressman Zablocki, and you Mr. Lewin, for this distinct honor. The University's stock in trade is ideas; we are grateful to Congressman Zablocki for conceiving the idea behind this Symposium and for giving our University the opportunity to participate in such an exciting and meaningful program.

In a few moments we will officially open the three-day Symposium, "The Contribution of Religion to the Life of Man in Society." During the next two days, when the meetings move to the Johnson Foundation's beautiful Wingspread Conference Center, you will have an opportunity to explore this very important contribution. We trust the Symposium will provide a fruitful exchange of ideas on modern society's vast complexities.

At Marquette, named after Father Marquette and dedicated to Jesuit and Catholic philosophy of education, we are ever aware of man's struggle to make a significant contribution, to shape culture, especially in an urban society. We are mindful of the great need to create a dynamic understanding of man's relationship to his God, and the need to help individuals apply this understanding to everyday life. The topics you will be discussing, ranging from religion and a sane society to the impact of religion on political

judgments, are appropriate ones with which to be concerned in an age which may well be recognized by Twenty-first Century scholars as one in which awakened moral responsibility and renewed concern for man's relationship to man, and behind this his relationship to God, did much to dispel misunderstanding, mistrust and fear, and creatively improve society and culture.

This evening Dr. Sittler will set the tone for the Symposium as he explores the meaning of human life, of what America has done historically to develop its religious heritage, and what seems to be the religious future of the United States. It promises to be a very stimulating evening.

On behalf of our co-sponsor, the Johnson Foundation and the National Pere Marquette Tercentenary Commission, let me again welcome you to the opening of the Symposium. I know the next few days will be enjoyable and profitable for all of us.

We welcome you, and we hope and trust that your deliberations will lead to a deeper understanding and better grasp of how religion is a viable force in life—in personal growth, in cultural and social significance and betterment.

REMARKS BY JAMES C. WINDHAM

As Chairman of the National Father Marquette Tercentenary Commission, I want to express the Commission's appreciation and gratitude for your attendance here tonight. I also want to thank Father Raynor and Marquette University for hosting the symposium and the stamp unveiling.

The five year Marquette celebration honors a great man—a man who dedicated his life to God, to teaching and to opening new frontiers.

It is most proper and fitting that these two events, the stamp unveiling and the symposium—part of the 300th anniversary celebration of Father Marquette's advent to our great country—are taking place here at the university named for this most revered Jesuit.

We are pleased to have with us this evening Mr. Elliot Fitch, chairman of the State of Wisconsin Marquette Commission and chairman of Marquette's Board of Regents, and Congressman Zablocki, Vice Chairman of the National Commission. Without Congressman Zablocki's help and guidance, there would be no stamp unveiling or symposium tonight.

REMARKS OF LAWRENCE S. LEWIN, ADMINISTRATIVE ASSISTANT TO THE POSTMASTER GENERAL

It is a pleasure to be with you this evening as we honor a man whose name is perpetuated by Marquette University.

The Father Jacques Marquette commemorative postage stamp is being issued on the 300th anniversary of his arrival in what is now the United States. I want to congratulate the Marquette Tercentenary Commission for the elaborate observance it has planned over the next several years.

In selecting Milwaukee for this stamp design unveiling ceremony, the Post Office Department is indebted to your very able Congressman, Clement J. Zablocki for apprising us of the strong historical connection between your city and Father Marquette.

Historians are in general agreement that Father Marquette and two companions were the first known Europeans to visit the site of Milwaukee. And, of course, it is here where his bones repose.

To the schoolboy, Father Marquette is best remembered for his trip down the Mississippi with Louis Joliet in 1673. A more careful scrutiny of his career induces another impact. Father Marquette was also a most effective real estate promoter. In his journal, which was published in Paris in 1681, Father Marquette was the first person to give the French a firsthand account of this

part of the world. His account of a bountiful nature here in no small measure served to attract hunters and trappers and traders—and finally, civilization—to this part of the country.

Stamp collectors—and there may be some present this evening—are aware that we have previously issued a Father Marquette postage stamp. That was back in 1898, in the early days of commemorative stamps. I mention this old stamp with a purpose in mind. Stamp collectors are very sharp-eyed critics of our stamps. If we deviate one iota from historical accuracy in a stamp design, we are told about it in no uncertain terms.

The 1898 Father Marquette stamp shows Indians in his canoe. Our 1968 Marquette stamp shows Europeans. So the question arises, who paddled him down the Mississippi? Redman or white man? The evidence is that the Indians did not belong in the canoe.

Then there is the matter of a beard. Did Father Marquette wear a beard or was he clean-shaven? The statue of Marquette in Statuary Hall in the capitol, in Washington, a statue seen by hundreds of thousands of visitors, depicts him with a beard. So do various paintings. Our postage stamp shows him beardless. There is no record that our research people have been able to uncover that Father Marquette wore a beard and there is evidence that when he was in France he did not have a beard.

So we are standing by our guns that a beardless Father Marquette was paddled down the river by Europeans, not Indians.

This attractive postage stamp was designed by Stanley W. Galli, a California artist. One hundred and twenty million stamps will be printed by the Bureau of Engraving and Printing, of the Treasury Department. It will be issued September 20 at Sault Ste. Marie, Michigan, where 300 years ago Father Marquette founded the oldest permanent settlement in that State. I hope that issuance of this stamp will serve to remind the Nation of the good works of this noble man.

President Johnson Launches Urban Institute

HON. DONALD J. IRWIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. IRWIN. Mr. Speaker, last Friday President Johnson announced what may be a historic step in the life of America's cities—establishment of the Urban Institute. The President referred to the Institute, a private organization, as "something America has needed and wanted for a long time." He said:

It will promise to give us the power through knowledge to help solve the problem that weighs heavily on the hearts and minds of all of us—the problem of the American city and its people.

The Urban Institute will serve as a focal point in developing the foundation of knowledge which will enable us to eventually solve the challenge of America's cities.

The Board of Trustees of the Institute contains the names of several distinguished Americans. Among them are Arjay Miller, of the Ford Motor Co.; Edgar Kaiser, of Kaiser Industries, Inc.; Robert S. McNamara, Whitney M. Young, Jr., to mention just a few. The establishment of the Urban Institute is a hopeful sign for America's cities.

I insert in the RECORD the remarks of the President and a document describing the new Urban Institute:

TEXT OF THE REMARKS OF THE PRESIDENT AT THE MEETING WITH THE BOARD OF TRUSTEES OF THE URBAN INSTITUTE

I am happy to welcome you to the Cabinet Room.

This is an exciting day for the Nation and for me.

You have launched something America has needed and wanted for a long time. It is a new Urban Institute. It will promise to give us the power through knowledge to help solve the problem that weighs heavily on the hearts and minds of all of us—the problem of the American city and its people.

You will not lay a single brick or build a single house. But the work the Institute will do—the studies and the evaluations and the free and searching inquiries—will build the strongest foundation upon which we can renew our cities and transform the lives of people.

We know today only how much we do not know about the cities:

Data to inform our decisions is weak or missing.

Urban research is splintered and fragmented.

Relationships between jobs and housing and income and education are unclear.

The Urban Institute is an important response to this "knowledge gap." It will fill a real need by bridging the gulf between the lonely scholar in search of truth and the decision-maker in search of progress through effective programs; bringing together all the disciplines needed—not only scientists and administrators, but economists, planners, and architects. And it will get them to work together—in cities, and on the problems of cities; taking a comprehensive view of urban life and seeking to understand the forces that produce decay as well as growth.

You know better than most that there are no overnight remedies to the problems that formed and hardened decades ago.

But we are moving—and you will help dispel the darkness that remains. Some day the light will shine. Of that I am sure. The work of this Institute can help speed the coming of that day.

As you begin your venture, let me offer these suggestions:

Your research must be of the highest quality but also of the greatest practicality.

Your staff must not only think hard about the city, but work amidst the pressure and conflicting forces of life in the city.

Your work must be to distinguish the long range from the temporary, the real from the illusory.

Above all, the Institute must operate in a climate of intellectual freedom and organizational independence. The search for truth must be uncompromising, unhindered by partisan coloration or blocked by conventional wisdom.

I wish this Institute had been established a decade ago so that we would now be reaping its results. But now you have begun it, and it will serve us in the years ahead. It is a sound investment in the future of our land.

The Institute was shaped and molded by good men like Kermit Gordon, McGeorge Bundy, Irwin Miller, Arjay Miller, Richard Neustadt, Cyrus Vance and Robert McNamara. They worked not as Democrats or Republicans—but as Americans.

I know the Institute will get off to a fast start because you have made a wise and excellent choice for its first President. Your selection of William Gorham, one of the ablest young men in public service during the last eight years, pleases me.

The Institute is now launched and christened, and I wish you good luck and God-speed in your journey ahead.

PROSPECTUS FOR THE URBAN INSTITUTE

In his March 14, 1967 Message on Urban and Rural Poverty, President Johnson called for the establishment of a research institute to help find solutions to the problems and concerns of our cities.

In December, President Johnson asked seven distinguished citizens to draft a charter for the Institute, incorporate it as a private non-profit corporation, select a Board of Trustees and recommend a president for the Institute. This panel of incorporators included J. Irwin Miller, Chairman of Cummins Engine Company who chaired the group; McGeorge Bundy, President of the Ford Foundation; Kermit Gordon, President of the Brookings Institution; Robert S. McNamara, formerly Secretary of Defense and now President of the International Bank for Reconstruction and Development; Arjay Miller, Vice Chairman, the Ford Motor Company; Richard E. Neustadt, Director of the Kennedy Institute of Politics, Harvard University; and Cyrus Vance, formerly Deputy Secretary of Defense and currently a New York attorney.

The Incorporators have completed their work. The Institute was incorporated in Delaware on April 24th, and is ready to begin operation. They have elected a 15-member Board of Trustees, which held its first business meeting today, before visiting with President Johnson in the Cabinet Room. The Trustees have elected Mr. Arjay Miller, Vice Chairman of the Ford Motor Company, as Chairman of The Urban Institute, and Mr. William Gorham, former Assistant Secretary of HEW, as the Institute's first President and Chief Executive Officer. Mr. Gorham served with the Rand Corporation, and as Deputy Assistant Secretary of Defense. He brings to the Institute a demonstrated capacity for leadership and creativity in analyzing complex public problems.

THE CRISIS OF THE CITIES

Cities face two critical sets of problems. First, the problems resulting from growth itself. The rapid increase in concentration of people has brought air pollution, noise, water pollution, traffic congestion which deteriorate the quality of urban life.

But these problems are overshadowed by the more desperate human problems of the urban poor. As affluent and middle-income people have moved to the suburbs, the poor have crowded into center cities. Much of the central city population is poorly educated, miserably housed, inadequately served by health and recreational facilities, underemployed, alienated and without hope. High crime rates and rioting are symptoms of the bitterness and alienation of the urban poor.

As a Nation we must mobilize our best intellectual resources to attack the problems of the city, to evaluate the effectiveness of alternative courses of action and to develop workable solutions. The Urban Institute is being created to focus that effort on our highest priority social problem—the cities.

The Urban Institute will study the problems common to cities and the ways in which they can be solved; work with individual cities, studying their particular problems, developing strategies for action and providing technical assistance in carrying out such strategies; provide continuing independent evaluation of Federal, State, local and private programs aimed at meeting urban problems; provide a center of knowledge about city problems, action programs, experiments and effective solutions to city problems.

THOROUGH AND CONTINUING STUDIES OF URBAN PROBLEMS

Commissions and special task forces often help mobilize existing knowledge about particular problems, but go out of existence too soon to carry out in-depth studies.

The Urban Institute will have a permanent existence. It will be able to mobilize high-quality talent for thorough and con-

tinuing studies of the problems confronting cities—unemployment and underemployment, poor education, substandard housing, congestion and isolation of the urban ghetto. It will be able to study the interrelation of these problems and work out strategies for attacking them. It will be able to study the implications of alternative employment policies for housing and transportation or the impact of alternative housing policies on education needs.

ASSISTANCE TO PARTICULAR CITIES

The Institute will work in and with individual cities, bringing together a variety of talents to help them in solving their problems. It is expected that the Institute will establish cooperative centers in a number of cities where Institute staff can assist city officials in attacking local problems. This relationship should have a triple pay off: solutions for particular local problems (e.g., how to get maximum benefit from local school facilities in meeting the recreation and education needs of a whole neighborhood), development of experienced teams of analysts who will continue to assist city officials, and knowledge that can be applied fruitfully in other cities.

EVALUATION

In response to urban blight and human misery, the Nation has launched more than 60 Federal programs spending about \$22 billion annually. Many of these programs are attempts to find and test new effective solutions to persistent problems. Learning from these programs requires mechanisms either within or outside government for measuring their effectiveness.

The Urban Institute will undertake evaluation of major programs—Federal, local and private. For example the Institute might assist the Federal Government and local model cities agencies in evaluating and comparing experiments in upgrading slum neighborhoods through the efforts of the residents themselves: What are the critical elements that contributed to success in one neighborhood and failure in another? How can we stimulate repetition of successful self-help experiments in other neighborhoods and other cities?

A CENTER OF KNOWLEDGE AND EXPERIENCE

Finally, The Urban Institute will assemble and make available knowledge about city problems, action programs, experiments, and urban studies of such problems. A number of promising centers for urban study have been established in recent years, many by universities or private charitable groups. There is mutual benefit to be gained by supplementing these individual efforts with a large national institute capable of pulling together the bits and pieces of research on urban problems being carried on throughout the country and relating them to policy formulation both at the Federal and local levels. For example, the Institute would synthesize from various local studies what we have learned about effective techniques for teaching underprivileged children in blighted city neighborhoods and make these findings available to all cities.

The Institute is not a substitute for action programs. Programs for better jobs, education, housing, and health are underway and must go forward. What the Institute can provide is a continuing independent resource for evaluating such programs so that public and private money can be translated more effectively into results. In the long run the Institute will provide a better basis for action programs through in-depth study of basic urban problems and research and evaluation of Federal, local, and private programs aimed at meeting the problems.

The Institute will provide (1) a unique concentration of high calibre professional talent—scientists, administrators, economists, city planners, operations analysts,

architects, engineers—devoted to real and immediate decisions and actions; (2) a continuity of study which encourages progress by building on the results of previous analysts; and (3) a detachment from program responsibility which encourages objective analysis and study of existing government policy.

The new Institute will be supported by contracts and grants with several Federal Agencies, including the Department of Housing and Urban Development, Department of Health, Education, and Welfare, Department of Labor, Office of Economic Opportunity, Department of Transportation, and Department of Commerce. The level of support will be about \$5 million for the first year, with growth expected to be \$10–\$15 million per year as the Institute develops. This will include support from private foundations. In addition, early in the life of the Institute, individual cities, and perhaps States as well, may contract for certain services or studies meeting the mutual needs of the Institute and the cities or States.

The headquarters of The Urban Institute will be in Washington; city Urban Institute centers staffed jointly by the Institute and local agencies will be established in a number of cities over the next several years.

Members of the Board of Trustees of the Institute were elected by the seven-member panel of Incorporators. They are:

Arjay Miller, Chairman; Vice Chairman, The Ford Motor Company.

William Gorham, President of The Urban Institute.

William C. Friday, President, University of North Carolina.

Eugene G. Fubini, Vice President, International Business Machines, Inc.

William H. Hastie, Judge, U.S. Court of Appeals for the 3rd Circuit.

Edgar F. Kaiser, Chairman, Kaiser Industries, Inc.

Edward H. Levi, President, The University of Chicago.

Bayless A. Manning, Dean, Stanford University School of Law.

Stanley Marcus, President, Neiman-Marcus.

Robert S. McNamara, President, The World Bank.

J. Irwin Miller, Chairman, Cummins Engine Company, Inc.

Charles L. Schultze, Senior Fellow, The Brookings Institution.

Leon H. Sullivan, Chairman, Opportunities Industrialization Center, Philadelphia.

Cyrus R. Vance, Partner, Law firm of Simpson, Thacher and Bartlett, New York.

Whitney M. Young, Jr., Executive Director, National Urban League.

National Taco Week

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. GONZALEZ. Mr. Speaker, the mark of our country is diversity. We are a people derived from many lands, and a people of many languages. Our every city is filled with distinctive customs and architectures and foods which trace back to every continent. Taken all together, our vast diversity forms into a single culture that is peculiarly American.

Our country has grown less parochial and more cosmopolitan as time has passed. We have come more and more to value and cherish the diversity of our land and people. So it is that we seek to preserve distinct landmarks and distinct heritages, and we seek to make ourselves

more appreciative of the values they represent. New Orleans has its Preservation Hall, symbol of Dixieland and jazz music; New England has its Yankee traditions, Mystic has its whalers, and Williamsburg its colonial restoration. There are festivities of every nationality in towns large and small, ranging from wurst fests in Texas to Indian festivals in the Northwest.

Time was when Mexican food was cooked by cowboys and others who perhaps turned to it out of necessity, but stayed with it because they liked it. Like the frontiersmen of the past, Americans more and more have been discovering the unique and fascinating taste that is Mexican food.

Today marks the beginning of Taco Week, proclaimed by a small group in San Antonio, but which is celebrated by all lovers of Mexican food. The taco is a key ingredient of a fine Mexican meal, and is a meal in itself. Most of my colleagues have known the glories of a corn tortilla, but have yet to taste what happens to that self-same tortilla when it is properly cooked, filled, and molded into a taco. Now a taco can be made in many ways, but it must be made from a tortilla, be it corn or flour, be it big or little. A taco is the highest form of a tortilla.

Now it is not easy to find a good tortilla or a good taco, just as it is not easy to find a place that can cook southern fried chicken properly, or a restaurant that can serve up good fried catfish. But I would urge my colleagues to come to San Antonio, and there discover the true delights of Mexican food which pleases the most jaded of palates and appeals to hardest bitten epicures.

Mr. Speaker, I have had the pleasure of serving Mexican food to my colleagues. I have had the joy of helping others discover epicurean delights they never dreamed of finding before. Many a tired palate has been restored to vigor and joy by the discovery of the taco.

It is said that in the days when the San Antonio River was in the wilderness, it was visited by an old Yanaguana Indian; when he drank the sweet waters of that stream the proclamation issued forth: "He who drinks once of the clear water of the San Antonio River will always return." More and more, as Americans discover in their midst the existence of fine Mexican food, they become aficionados, and constantly return to taste and be filled. So it is appropriate, Mr. Speaker, that this day, and this week should be observed in honor of the taco.

I herewith offer the release made by the National Taco Week Council as an example of the awakening awareness of this subject:

[From the National Taco Week Council, San Antonio, Tex.]

HOORAY FOR THE HEMIS-FAIR CITY—VIVA SAN ANTONIO

At last the Mexican Food Industry of America will receive some of the recognition it so richly deserves, not only here but throughout this great state and nation. This special recognition was an idea born within the minds of a group of young civic leaders in the year of 1965. These citizens are members of a nonprofit, nonpolitical civic group known as the San Antonio Social Civic Organization (SASCO), that promotes the ad-

vancement of Latin American history and cultures here.

This year making their mark in destiny while celebrating their 10th Anniversary (by their continued social, civic and charitable endeavors), SASCO, in cooperation with the Mexican Food Institute, will sponsor National Taco Week throughout the United States and foreign countries. An activity depicting SASCO in action was the "World's Largest Tamale" sent to the most distinguished John F. Kennedy, President of the United States, on his forty-fourth birthday, with international news coverage. The tamale caused even further interest, when upon its delivery became lost at the White House Kitchens. President Kennedy personally wrote a letter, expressing his thanks.

The President of the United States, Lyndon B. Johnson, in a message to the President of San Antonio's HemisFair 1968, said: "Our history has been enriched by the culture from the other lands in this hemisphere. It is fitting, then, that HemisFair 1968 should be located in San Antonio. The roots of Latin-American history and culture go deep here." The Honorable John B. Connally, Governor of the State of Texas, in April 1967, said: "We must create here a bilingual society." Mr. Cecil Eden, in the national Dodge News Magazine, said: "San Antonio has always been the most Texan of cities. Someone once said that Texans could agree to divide into as many as six different states, but everyone would want San Antonio." An old Yanaguana Indian also said: "He who drinks once of the clear water of the San Antonio river, will always return."

Mexican Food, symbolized in the taco and tortilla, is fast becoming one of America's favorite eating habits. In keeping with the culture and traditions of the Alamo City the taco will again be the object of a state and nationwide promotional boost from this youthful organization. Thousands of copies of this letter are now being prepared to be mailed to all business establishments here, as well as throughout the state and nation.

The council set forth to designate the week of April 28 through May 4, 1968, as National Taco Week. On May 3rd of every year National Taco Day will be observed, in honor of the birth date of a great Texan and American, the Honorable Henry B. Gonzalez, Congressman of Bexar County and San Antonio. The highlight of National Taco Day will come on the night of May 3rd, at which time a celebration will honor the birth of a new era for the Taco and the Mexican Food Industry. San Antonio, gateway to the Republic of Mexico and the 1968 Olympic games, is known throughout the world as the originator of Mexican food in the United States and that is why Texans feel that it is proper and fitting that San Antonio be the birth place of this annual celebration. An event such as this would serve as a fine, worthwhile tribute for the Mexican food which has enriched our heritage. The Honorable W. W. McAllister, in his proclamation said:

"Whereas, San Antonio is known as the originator of Mexican Food in the United States and

"Whereas, the San Antonio Social Civic Organization is promoting the Mexican Food Industry by sponsoring 'National Taco Week' during the week of April 30 through May 7, 1967, and

"Whereas, the tortilla is the basic ingredient of the taco, be it made from corn or flour, and cooked crisp or soft. From this beginning the taco takes many forms and variations to make one of the most tasty, nutritional and popular foods known in the Southwest part of the nation.

"Now, Therefore, I, W. W. McAllister, Mayor of the City of San Antonio, do hereby proclaim the week of April 30 through May 7, 1967, as 'Taco Week' in San Antonio, Texas in recognition of the contributions made by the Mexican Food Industry in promoting the taco, which now stands shoulder-to-shoulder

with the hamburger and hot dog in popularity."

United States Senator of Texas, the Honorable Ralph W. Yarborough, stated in a letter (1967) that he would eat "lots of Tacos" during National Taco Week.

No finer monument could be given by the nation as the acknowledgement of a food such as the taco, so much loved and recognized in this region of the country, than to know that it does stand shoulder-to-shoulder with the Hamburger or Hot Dog. Other promotions for the "away from home taco market" will include printed material about the history and development of Mexican foods, in particular the taco, press kits for newspaper food editors and special research on the nutritional value of the taco and Mexican Food. For example, a University Professor in San Antonio went on a taco diet wanting to lose eight pounds in two weeks. However, in one week he had lost six pounds, two less in one week than he had anticipated in two weeks. The taco is a full meal in itself, containing meat, vegetable and corn.

An idea will remain an idea, if it is not put into use. Well, SASCO has an idea and they are ready to put that idea into practice. The Mexican Food Institute (MFI) needs your help and the help of many other people with many expenses it will take to see this idea go through and also for the great moral support only you can give us. The Mexican Food Institute is formed by many food and civic leaders interested in promoting this great idea of SASCO. Membership in the MFI will be \$4.00 per year, which will include a monthly bulletin, recipes, locations of restaurants, musical records and new Mexican products on the market, etc. Let SASCO and MFI know that you are behind them 100 percent and make this idea become a reality. Memberships should be mailed to National Taco Week, c/o P.O. Box 1751, San Antonio, Texas 78206.

The council would like at this moment to publicly express its deep and most sincere gratitude to the Honorable W. W. McAllister, Mayor of the City of San Antonio, for proclaiming Taco week last year. Also, we would like to express our thanks to San Antonio Councilman Felix Trevino; Miss Katie Ferguson of KSAT-TV; Mr. Manuel Ruiz Ibanez of the San Antonio Express-News; Mr. Frank Trejo of the San Antonio Light; Mr. Martin Rodriguez of the Lone Star Brewing Company, and many other supporters far too numerous to mention, without whose whole-hearted support TACO WEEK could never have been the success it was. Once again, our deepest thanks from SASCO and the Mexican Food Institute of America.

Your assistance is needed and your cooperation greatly appreciated.

[From Terry's Guide to Mexico, page 112]

"Como Dices TU"—TORTILLAS

Tortillas play an important role in Mexican psychology and have been known to influence the course of revolutions. At the turn of the century, when the men of Juchitan, Oasaco, revolted against the government of Porfirio Diaz, the uprising was effectively shattered without a shot being fired. The simple strategy was to arrest and jail all the women of Juchitan, thus cutting off the supply of Tortillas.

Insurance Executive Outlines Need for Riot Reinsurance Legislation

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. MOORHEAD. Mr. Speaker, I have been concerned for the past year about

the growing shortage of property insurance protection for inner city homeowners and businessmen, and about the related problem of insurance industry solvency in the face of potentially catastrophic losses due to riot and civil commotion.

Last December, I introduced H.R. 14263, a bill that anticipated the recommendations of the President's National Advisory Panel on Insurance in Riot-Affected Areas, and the major provisions of H.R. 15625, the administration's legislation based on those recommendations.

The Housing Subcommittee of your Banking and Currency Committee is currently considering both these bills, and we hope to complete markup on this important legislation before the end of the week.

In this connection, I insert at this point in the RECORD an address by T. Lawrence Jones, president of the American Insurance Association, entitled, "Riot Losses: Challenge to Society and Insurance."

In his address, delivered before the American Society of Insurance Management in New York on April 25, Mr. Jones eloquently outlined the need for legislation that will assure the availability of insurance for inner city property owners while protecting the insurance industry from potentially catastrophic losses due to riot and civil commotion.

I urge my colleagues to read Mr. Jones' address, and to support the legislation of which he speaks when it reaches the floor of this body. The address follows:

RIOT LOSSES: CHALLENGE TO SOCIETY AND INSURANCE

(Address by T. Lawrence Jones, president, American Insurance Association, at American Society of Insurance Management, Apr. 25, 1968, New York City)

I am very pleased to have this opportunity to discuss with such a good cross-section of American business and industry one of the greatest challenges that today faces society in general and the insurance industry in particular. And that, of course, is the problem that arises out of civil disturbances and the riot losses resulting from them.

It is not pleasant for any of us to have to admit that these are troubled and disturbing times—but we know they are.

It is not pleasant to concede that the problem of civil disorder is so serious as to threaten the entire fabric of American life—but we know it is.

It is not pleasant to accept the fact that these disturbances are a challenge to us all—but we know we must.

Today, the disorders resulting from social unrest challenge our institutions, our business and industry and our government. They challenge each of us to examine our concepts of life in the United States—what it is and what it should be. Perhaps this is a process of a nation finding itself. No such process is easy or without its failures, but it is obvious to all that the challenges now facing us are not going to go away. They will have to be met, and none of us can shrink from the responsibility. If the challenges are not met today, we may find that tomorrow they will be so magnified as to portray the spectre of a nation destroying itself, rather than finding itself.

We could only wish that solutions to the problem were few in number and simple in application. But we realize that the riots and civil disorders which gripped the country last summer and again in the last few weeks stem from deep-rooted and complex causes that have been nurtured over many years by social and economic deprivations.

Thus, they defy easy solution. The fact remains that there will be no completely satisfactory answer to this major problem until the conditions which give rise to civil disorders are eradicated.

If anyone doubts that this is a national problem, he need only look at the scope and depth of the civil disorders. The riot in the Watts section of Los Angeles in 1965 surprised the American public, but we—public and insurers alike—were still largely unprepared for the shock of the riots of 1967. Detroit and Newark were the largest, but it must be remembered that civil disorders flared in 135 other United States cities and towns. Seventy of them experienced what a Senate Investigating Committee called "major occurrences."

Now, this year, in the aftermath of the tragic assassination of one of our greatest Americans—Dr. Martin Luther King—violence once again has erupted. From San Francisco to Boston, from Tacoma to Tampa, from the nation's capital to a quiet college community, 125 cities in 29 states have felt the lamentable by-product of social change and spasms of lawlessness. Part of the story is told in grim statistics: . . . at least 39 dead . . . 3,500 injured . . . 2,600 fires . . . 20,000 arrests . . . thousands homeless . . . property damage that faces insurance companies with claims that may exceed \$50 million.

But statistics can't do justice to the more wounding costs of human misery incurred in these disorders. Neither can they show how the character of these occurrences has changed from that of riots and civil commotions as we have known them. Nor can they accurately project the new potential for destruction—in life and property—that is greatly increased and possibly catastrophic in nature.

Apart from our deep concern as citizens and as members of the business community, property insurers have a special involvement in the problem of civil disorders. Property insurance must be available to assure normal day-to-day living. Every citizen, directly or indirectly, is dependent upon property insurance, not only because it is a safeguard for his personal possessions, but because it is so essential to the businesses which furnish the necessities of life for every community.

As insurers it is our responsibility to provide the required protection. And I have no hesitancy in saying that the insurance industry can and will continue to provide insurance coverage for the accidental fire, burglary, natural catastrophe or incidental riot. But no business, including the property insurance business, can continue to operate in a society where order, reason and confidence do not prevail. It is an inescapable fact that property insurance cannot be made available in the face of violence, pillaging, property destruction and general disorder. There is, therefore, a great need to make certain that the assets of property insurers are not exposed without limitation to potentially catastrophic riot losses.

It is no exaggeration to say that the riots have caused deep concern within the industry over the role normally filled by insurance in our modern business and private activity, and—indeed—deep concern over the future economic health of the property insurance companies themselves.

The simple fact of the matter is that insurance riot coverage was never intended to cover widespread social upheaval. It was inserted into the fire insurance policy and the extended coverage endorsement almost gratuitously many years ago as a means of protection against relatively modest losses. The situations which caused those losses were then rare, and the policy drafters logically presumed that they would continue to be just as rare. Civil disorders of the type and magnitude of those we have experienced lately were beyond contemplation, and, of course, were not provided for in the rate structure.

Now the riot hazard and the underwriting climate have changed drastically. Suddenly, we are confronted with a man-made hazard that is far different from the natural hazards which insurance programs are normally designed to meet. The risk of riot simply cannot be measured or predicted or rated on the basis of past experience or the physical condition of the property, as can be done in measuring the risk posed by the major hazards of fire and windstorm. Insurance, it is true, does deal with some other human situations—insuring against crimes such as burglary, embezzlement and car theft. But these are individual human failings, not a mass protest over social and economic conditions.

Based on the country's experience during the past year, one does not have to be an alarmist to be concerned about the potential of this new man-made hazard and its possible effect on the solvency of many insurance companies if they are left to bear the brunt of the staggering losses involved. By way of illustration, the total insured loss resulting from the disorders of 1967 was nearly great enough to wipe out the insurance industry's total underwriting profit of 1966, which, by the way, was the industry's best of the five preceding years. Even apart from the riot problem, the insurance industry has experienced unprecedented underwriting losses in recent years in the normally more predictable categories. For every \$1.00 in premium income the companies have taken in during the last ten years on Fire, Extended Coverage, Homeowners and Inland Marine coverage, they have incurred losses and expenses of \$1.03. This is hardly the kind of experience that brings joy or peace of mind to underwriters and the chief executive officers of the industry's companies.

The riot peril, then, has seriously jeopardized the capacity of insurers to carry out their responsibility to provide protection. Even prior to the riots, inner-city or "ghetto" areas had become difficult to serve. Many of these urban areas were justifiably viewed as less than desirable risks, having been subject to an abnormally high incidence of ordinary fires, arson, burglaries, vandalism and the like. This has been a long-standing question: how to assure the continued availability of property insurance in deteriorating urban areas. Yet we must now add the question, to what extent must the insurance industry indemnify properties exposed to a sociological peril which is impossible to measure in advance?

The property insurance industry is acutely aware of its vital role in rehabilitating inner-city areas and in helping to assure proper housing and the establishment of businesses which are a part of community living. If anything, the insurance market in these areas needs to be expanded. Insurance companies want to expand the market and provide insurance under as nearly normal conditions as possible. But so long as there remains a threat of catastrophic losses without limit, or without the ability to absorb them, prudent management dictates that many companies—depending on their individual economic position—will be reluctant to offer insurance in certain areas except at rates which the community could not bear.

And what happens then? Without insurance, builders cannot attract the capital they need to construct new housing or improve the old; businessmen cannot open new plants or stores or expand existing ones. Many cannot even survive. And then, services and products and jobs diminish in the areas in which they are so badly needed. The riots intensify this vicious circle. Many of the small businesses which were so hard hit in the civil disorders to date will never reopen. Many jobs—the life blood of the people in the ghetto areas—have gone up in the smoke of the riots in our cities. And this, of course, only makes orderly development of our urban areas all the more difficult.

Urban development, we recognize, is a chief characteristic of life in America in the second half of this twentieth century. The texture of our society has changed rapidly from a patchwork quilt of rural towns and farmland, whose common thread often was the railroad line connecting them, to a closely-woven blanket of urban civilization with a multitude of common benefits and problems.

It is to this growing concentration of millions of people and business and industry within single areas that government has, by necessity, increasingly turned its attention. First through the establishment of the Department of Housing and Urban Development, then—more recently—through such activities as the model cities and rent supplement programs on the federal level and their counterparts on the state and city levels, government has begun to lock horns with the complex problems of an urban society.

We know that, to a great extent, the riots in our cities stem from social and economic problems that must be treated principally by government. And several of the riots themselves unfortunately have been so severe as to be beyond the power of local government forces to contain. Grim and startling as it seems to many of us, the fact is that at the peak of our civil disorders, more than 68,000 Army and National Guard troops have been put on riot duty.

The establishment of law and order and the control or limiting of riot losses cannot be accomplished without the powers of government. This was recognized most recently by the Congress when it inserted new federal powers to combat civil disorders into an extremely important piece of social legislation—the Civil Rights Act of 1968—which was signed by the President just two weeks ago. These provisions cover interstate travel to incite a riot, the use or transportation of firearms in that connection and interference with police or firemen who are on riot duty. There are steps the business community can take to protect its property, but there is relatively little it can do to control riots once they have begun. In this respect, the powers of government are essential. And they are equally essential as a financial backup to the efforts of the insurance industry to help meet urban area needs by making insurance readily available.

The deep concern of government in the entire problem of urban insurance was demonstrated most markedly in the creation late last summer of the President's National Advisory Panel On Insurance In Riot-Affected Areas. This Panel was a most fortuitous blend of public and private experience: Governor Richard J. Hughes of New Jersey as chairman; former Governor William W. Scranton of Pennsylvania as vice chairman; the Mayor of Washington, D.C.; the presidents of a leading stock insurance company and a leading mutual insurance company; the president of a life insurance company that invests heavily in center city property; and an Assistant Attorney General of the United States.

These gentlemen, together with their small executive staff headed by Stanford G. Ross, have performed an extraordinary public service in identifying the nature and causes of the urban insurance problem and the steps necessary for a solution to it. In the amazingly short span of four months, they produced an exhaustive, well-documented and well-balanced study that gives full weight to the various interests that must be drawn together to meet the problem. The Panel gathered information from across the country and from people in all walks of life. Its blueprint for action is a model for co-operative effort by all sectors of society—the private insurance business, the state governments and the federal government—to deal with a serious social problem. This is an

approach, I might add, long advocated by the members of the American Insurance Association.

I commend the Panel's Report to you as a document well worth reading. Our Association also has a short summary of the Hughes Panel's basic findings and recommendations, which we will be pleased to make available to anyone interested.

The principal recommendations of the Hughes Panel are now embodied in proposed bills before the Congress: S. 3028, introduced by Senator John J. Sparkman of Alabama, and commonly referred to as the Sparkman Bill; and its companion, H.R. 15625, which was introduced by Representative Wright Patman of Texas, and others, principally, Representative William A. Barrett of Pennsylvania, the chairman of the House subcommittee handling the bill.

The stated purpose of the legislation is to assist state insurance authorities and the private insurance industry in the development of statewide programs to increase the availability of necessary insurance coverage against fire, crime and other perils for property meeting reasonable underwriting standards; and, to provide federal reinsurance for extraordinary property losses resulting from riots, with appropriate state sharing.

A most important part of the legislation is the establishment of plans and all-industry placement facilities to assure all property owners fair access to insurance requirements. These so-called FAIR Plans would be an expansion of the Urban Areas Plans, which were instituted in Boston in 1960 and which, through the cooperative efforts of the property insurance industry and the state insurance departments, are now operating as well in New York City, Buffalo, Cleveland, Detroit, San Francisco, Oakland and Los Angeles. Under these plans—and the emerging FAIR Plans—all applications for property insurance receive individual inspection and individual risk consideration without regard to location.

The other vital part of the legislation provides for the creation of the National Insurance Development Corporation within the Department of Housing and Urban Development and under the Authority of the Secretary of HUD.

The Corporation would be authorized to enter into contracts with insurers to provide reinsurance against property losses resulting from riots or civil disorders—but only if the insurers are participating in the FAIR Plans and only after the companies themselves bear substantial losses. At that, the proposed federal program would be self-supporting. It is anticipated that the contracts would call for the insurers to pay a reinsurance premium based on their earned premiums for the various insurance types reinsured against riot and civil disorder losses.

Before there would be any federal reinsurance obligation to the insurers, the companies would have to sustain losses of not less than a fixed percent of their annual premiums on the types of insurance on which reinsurance is required. To this basic loss retention there may be added further requirements such as insurers' participation in a percent of the losses over and above the agreed percent retention—this to serve as a safeguard for reasonable settlements.

The legislation would also require the states to share in the losses in an amount up to five percent of the premiums for the same types of insurance earned within their borders. State participation would be mandatory after the first year and these funds would reimburse the National Insurance Development Corporation.

I wish to emphasize that insurers will have to carry substantial riot and civil disorder losses before the NIDC reinsurance becomes an obligation, and that the NIDC would meet its reinsurance requirements

from the premiums paid to it by the insurers. It has been anticipated that through a combination of the loss retention of the companies and the reinsurance premiums paid to the NIDC, funds will be available in the first year to pay riot losses equal to the total riot losses paid by the insurers last year. That amount is estimated to be approximately \$70 million.

Should the riots continue in intensity and spread into other areas, with the consequence that the NIDC reinsurance funds are insufficient, the legislation would authorize the Secretary of HUD to borrow funds from the U.S. Treasury. The Treasury would be repaid from future reinsurance premiums and from funds obtained by state participation in losses.

The American Insurance Association has given its wholehearted support to this legislation. I should point out that this is not our bill and there are some provisions of it that we question. But basically we believe that it is essential and that it offers a solution to the problem of urban insurance which should meet with the approval of reasonable men.

We believe that its passage is important to all industry. We deem it vital to the continued availability of insurance in center city areas. So long as the threat of open-end, catastrophic loss from riot peril hangs over the heads of insurers like the sword of Damocles, many companies will have to be more conservative in their underwriting approach to all types of insurance. And, unfortunately, this may not be limited to the core areas, for no one knows where civil disorder will occur next. The property loss potential obviously would be even greater than at present if these occurrences were to take place in other parts of town, where more highly valued properties are located.

Hearings on the legislation have been held by the appropriate subcommittees of the respective Senate and House Banking and Currency Committees, and indications are that the legislation may soon be ready to be reported out for consideration.

I would urge your support of this legislation, personally and on behalf of your companies if feasible, as a reasonable move essential to the health and growth of all business and industry and, indeed, to the sound future of our urban society.

In the words of the Hughes Panel report:

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

This challenge to our society and our industry can be met with bold and cooperative action. The time for it is now.

Thank you.

The Marquette Tercentenary Symposium: "The Contribution of Religion to the Life of Man in Society"

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. ZABLOCKI. Mr. Speaker, on April 19 it was a very distinct honor to participate in the opening session of a 3-day symposium on "The Contribution of Religion to the Life of Man in Society."

The symposium, one of the major events of the Father Marquette tercentenary observance, was jointly sponsored by the Marquette Tercentenary Commis-

sion, Marquette University, and the Johnson Foundation of Racine, Wis.

Present for the event were some of the Nation's outstanding educators, scholars, civic leaders, political figures, and theologians.

The opening session included remarks by the Very Reverend John P. Raynor, S.J., president of Marquette University; Mr. James C. Windham, chairman of the Marquette Tercentenary Commission; the Reverend William J. Sullivan, program coordinator, speaking in place of the Reverend Bernard Cooke, who was ill, and myself.

The principal address of the session, "Eschatology and American History," was delivered by Dr. Joseph Sittler, University of Chicago Divinity School.

In order to acquaint my colleagues further with the symposium, I am pleased to insert in the RECORD, at this point, the remarks of the participants at the opening session of the symposium and the outstanding paper presented by Dr. Sittler:

REMARKS OF WILLIAM J. SULLIVAN, S.J.,
PROGRAM COORDINATOR

Rev. Father Raynor, Congressman Zablocki, Mr. Windham, Distinguished Guests, and Friends:

My remarks this evening will be brief as behooves a utility infelder. Fr. Cooke is unable to be with us this weekend, and that after all the preparation and planning that he had put into this Symposium. I express to you his regret that he is not able to be here tonight, and I share yours that he is not with us.

My own feelings this evening can be summed up in three words: welcome, gratitude, and anticipation. The welcome I extend to all of you and most particularly to the participants in the Pere Marquette Tercentenary Symposium. All of you have made sacrifices to be with us; many of you have travelled a great distance to be here. Marquette University is delighted to welcome you to this dinner, to have you here on its campus, to have the benefit of your personal contribution to the Symposium.

The gratitude I express in my own name and, I am sure, in yours to the three sponsoring groups: the National Tercentenary Commission, which is represented here by its Chairman, Mr. James Windham; the Johnson Foundation, whose President, Mr. Leslie Paffrath, is with us; and Marquette University, whose President, the Rev. John Raynor, we will hear from in a moment. It is the splendid cooperation of these three groups which has made this Symposium on Religion and Society possible.

Finally, I must confess that I feel a great anticipation for the addresses, the responses, and the discussion which will make up the substance of this Symposium. As to our subject matter, the contribution of religion to the life of man in society, I could only echo the eloquent words of Congressman Zablocki. It is a vital topic; a vital relation. It is a subject which demands the attention of the best minds, the discussion of educators, scholars, civic leaders, and politicians. Our weekend together, at Marquette University and at Wingspread, gives us the opportunity for just such attention and discussion. With such a topic and such a group of participants as we have here this evening, is it any wonder that there is a sense of anticipation in the air? The success of this Symposium will depend upon the intensity of the exchange which is created between the speakers and the participants and also between individual participants.

In welcoming you here to Marquette this evening, we extend to you the invitation to

enter fully and freely into our Pere Marquette Tercentenary Symposium on the Contribution of Religion to the Life of Man in Society. Thank you.

REMARKS BY VERY REV. JOHN P. RAYNOR, S.J.,
PRESIDENT, MARQUETTE UNIVERSITY

On behalf of all of us at Marquette University, I want to welcome you to the opening session of the Pere Marquette Tercentenary Symposium, "The Contribution of Religion to the Life of Man in Society."

We are proud to have the distinguished Dr. Sittler with us, Marquette University has long been mindful of its obligation to create a dynamic understanding of man's relationship to his God, and the need to help individuals apply this understanding to everyday life. This Symposium and the presentation this evening, we feel, are another step in that direction, and we are proud to be both participants and co-sponsors.

Early this week we received word from the Postmaster General's office in Washington that they wished to unveil the design for the Pere Marquette Commemorative Stamp on our campus. Certainly this is a distinct honor and we are especially pleased that our co-sponsors for the Symposium, the Johnson Foundation in Racine and the National Pere Marquette Tercentenary Commission, agreed to give us a few minutes on the program this evening for these brief ceremonies.

We are very privileged this evening to have with us both the National Chairman of the Pere Marquette Tercentenary Commission, Mr. James C. Windham, President of Pabst Brewing Company, and Mr. Eliot Fitch, Chairman of the Wisconsin State Pere Marquette Tercentenary Committee. Mr. Fitch is Chairman and Mr. Windham a member of the Marquette University Board of Regents. At this time I would like to ask Mr. Windham to comment on some of the plans of the National Commission for this five-year celebration.

Mr. Windham.

REMARKS BY JAMES C. WINDHAM, FATHER MARQUETTE TERCENTENARY SYMPOSIUM DINNER,
MARQUETTE UNIVERSITY, APRIL 19, 1968

It was approximately two years ago, that I received a call from the White House, asking if I would serve on a new commission established by Congress. It was to be named the Father Marquette Tercentenary Commission.

The purpose of the commission was to commemorate the advent of Father Marquette in the United States.

According to the public law establishing the commission, membership would include four members from the Senate, four from the House of Representatives and four laymen.

It was the next day that I was informed, that not only was I a member of the commission, but I was to be its chairman.

In early 1966, the commission met for its one and only meeting in Washington. At that meeting, the commission agreed to follow through on five major projects. Here's the status of where we stand on these projects.

The first project was a commemorative symphony. Dr. Roy Harris, one of America's most renowned symphonic composers, was commissioned to create a work honoring Father Marquette.

The first part of the symphony was premiered at the Pabst Theatre here in Milwaukee February 24 and 25 of this year under the baton of Doctor Harris.

The entire work will be premiered by the Milwaukee Symphony Orchestra as part of their 1969 program.

Another national commission project is the commemorative stamp. Tonight we will witness the unveiling of the art work for that stamp and the date of issuance is now set for September 20 at Sault Sainte Marie in Michigan.

Also on the Washington agenda was the striking of a commemorative medal. The bill providing for the coining of the medal passed Congress and at this moment, the medal is being struck at the U.S. mint in Philadelphia. It will be available for public sale within the next three or four months.

The symposium that we are now attending appeared on the original agenda. Thanks to the help of Father Raynor and the people at Marquette University, this event is a reality.

In addition to the above activities, we have organized individual State commissions in Wisconsin, Missouri, Michigan and Tennessee with the distinct possibility of commissions being named in Illinois and Iowa. The members of the individual State commissions are distinguished citizens of their States and were named to the commissions by their respective State governors.

State commissions are active. Through the help of the Missouri commission, a park in Ste. Genevieve overlooking the Mississippi was renamed the Pere Marquette Park by Governor Hearnes of Missouri.

In Michigan, the Shrine of the Missionaries is being built in the upper peninsula. It will honor Marquette and other early French missionary explorers. Once again, the State committee gave help to the project.

With limited resources and old fashioned hard work, we feel we made excellent progress nationally.

We thank all of you for being here tonight and, when possible, we look forward to your future help.

SPEECH BY HON. CLEMENT J. ZABLOCKI, APRIL 19, 1968, MARQUETTE UNIVERSITY, PERE MARQUETTE TRICENTENARY SYMPOSIUM

History is replete with examples wherein religion has been the motivating force in education, science, culture and art. One of the guiding motivations in the life of Father Jacques Marquette in his exploration of the North American continent was his understanding of the commitment of religion to the advancement of man. It was, in fact, this realization that motivated not only his physical exploration but his exploration in the ways of truth as well.

To Father Marquette this commitment represented one of the primary forces behind man's material and spiritual accomplishment. To the extent that religion permeated the life of man, to that extent his accomplishments were not only possible but meaningful.

Over the past several decades, however, this commitment of religion to the advancement of man has disintegrated in the face of innumerable attacks upon it. This growing disaffection from religion has become a serious concern of thoughtful leaders everywhere. With the world in turmoil and our communities confronted with racial strife, it is clear we must look to religion to make a more significant contribution to our society.

Now is the time to ask: is religion really relevant to the basic problem of our times? Can religion be the primary force in leading mankind into a better world? Is it possible in our day to realize the strength, wisdom and foresight which guided Father Marquette and other leaders in the past? Can this one force—religion—in American society be returned to its rightful place in our life? And again, even more serious: what are the consequences if the chasm between religion and our society as we know it today is permitted to continue?

These and many more serious questions must be answered. It is my firm hope that the Pere Marquette Tricentenary Symposium will go far toward finding the answers to those questions.

Thus, this symposium will serve not only as an appropriate commemoration to Father

Marquette, but to the great force which he represented to America.

In closing, may I add a personal note. I am very grateful to Mr. James Windham and the Tricentenary Commission for their sympathetic and enthusiastic support which they so generously extended for the symposium proposal. All of us deeply appreciate the joint sponsorship of the National Commission, the Johnson Foundation and Marquette University. The eminent theologians, scholars and educators participating assured the success of this important undertaking.

I, for one, as a member of the Commission, believe the symposium is one of the most important of the many outstanding undertakings which the Commission has assumed. I am confident this symposium will be the hallmark of similar intellectual explorations intended to cope with the pressing problems of mankind.

ESCHATOLOGY AND AMERICAN HISTORY

(By Joseph Sittler, Divinity School, University of Chicago)

It is the proposition of this essay that religion in North America has been strongly non-eschatological. If that is so—and it is my duty to establish the claim—then it is an interesting effort for reflection to ask why. Because I am persuaded that the non-eschatological character of our religious ideas and attitudes is a function of our particular history in this particular American space, I shall argue for the truth of the proposition on very concrete historical grounds.

The term eschatological is familiar to theologians; it is not a familiar term in common speech. The meaning of the term, as it will be used in this essay, is as follows: "Eschatology is the doctrine concerned with the limits and boundaries of our living, in time and existence, toward which at every moment our whole lives tend."¹ In this statement is recollected a central affirmation of the Scriptures that man's life, in solitude and in history, is found and held within the hand of God; that operating within history, and dramatically at the consummation of history, is the judging and restoring activity of history's God. There is a limit which stands not only at the end of human life as *death*, but which is built into the structure of human life by virtue of its creaturely character. All birth and development, all unfolding and enterprise, all moral vision and achievement are not only enfolded within this limit but receive their urgent character from it. Here is a "given" time, a "given" space, a "given" possibility. Within the boundaries of this "given" there are, to be sure, vast and absolutely crucial possibilities for affirmation or denial, hearing or deafness, decision or stasis—but no elaboration of these possibilities can avoid the limit of sin and of death.

American religion has not been marked by a somber eschatological depth. Is it possible to throw some light upon why that is so?

When, late in the nineteenth century, Frederick Jackson Turner published his essay *The Frontier in American History*, he inaugurated an epoch in American historiography. He called into question all the previous perspectives from which the events and the patterns of American life had been presented. These perspectives were generally oriented to the European continent; and hence saw the peculiar developments of American life and institutions in terms of unusual, to be sure, but continuous extensions of European life. American history was colonial history. American politics was a marginal activity in European politics, American economic institutions were modifications of European institutions.²

That this perspective was inevitable, that

it did rough justice to wide areas of American life, and that for two hundred years or so after the first settlements it served to make intelligible many activities on the new continent is not to be disputed; the blunt fact of the existence of a frontier in American history for many decades has been a dominant factor in the development of American self-consciousness.³ And inasmuch as any basic Christian affirmation is molded to the vital energies which work upon it in any nation or country, it ought to be possible to gain insight into the fact that classical Christian eschatology is interpreted in present American life in a peculiar way. This insight will be sought in the following enquiry.

A. THE FRONTIER AS THE ILLIMITABLE

The meaning of this designation of one aspect of the frontier can be made clear by contrast. For centuries before the white man established settlements in New England, at the mouth of the Hudson, in the Virginia Tidewater, and in the Carolinas, the living-space of European peoples had been divided among the nations. These borders, to be sure, were in rather frequent flux and large movements of people were in process. But the space was a *given*! The North Sea, the Atlantic Ocean, the Mediterranean, were unrelenting borders. And to the East, the non-European peoples, Mongols, Huns, Turks, later the Russians, constituted an effective barrier. This barrier, indeed, was often penetrated, and European literature from Marco Polo to Hakluyt shimmers with the mystery and possibility of these peoples and lands. But as regards its bearing upon the European spirit, the East was not and could not exercise effective force.

The situation in North America was completely and profoundly different.⁴ The early communities which hugged the Eastern shore lived their lives, did their work, and were subtly shaped in their thinking by the fact that what was *settled* was not what was *available*. Arching pervasively over the established situation was the knowledge that the "West" stretched out beyond like an illimitable sea. One has only to read the sermons of the early New England divines to remark how often and how eloquently this huge land, unknown in detail, but known to be *there*, supplied illustrations for those passages in the sermon which required pictorial language to nail down a sermon point.

The seeming illimitability of the American land was not an isolated factor in the early American consciousness; it was a pervasive form of that consciousness. Our literature, the clearest confessional of our national self-consciousness, is permeated through and through with the mood of the vastness of the setting of the American enterprise.

The journals of the Mathers, the Cottons, the Endicotts in New England, the travel diaries of Crèvecoeur, the novels of James Fenimore Cooper and Herman Melville, the essays and public addresses of Ralph Waldo Emerson—all of these breathe an air which blows in from the open frontier. The very form of American humor, particularly in the nineteenth century, is revealed by analysis to owe its vitality to this same situation. It is broad rather than witty, obvious and ribald rather than delicate and sly. It depends for its delight, not upon the situations and ambiguities of the drawing room and cultivated folk of the city, but upon the exaggerations, the trickeries, the buffooneries and the fantastic human types so richly produced by the conventionless frontier. Mark Twain (Samuel Clemens) is America's artist of the ridiculous.

At a more sober and contemplative level one finds that American efforts to articulate the promise and hope of the young nation's role and place in history are informed by the language-shaping vastness of this illimitable land. Several instances will serve to illustrate how the breadth and the sweep of the mid-

Footnotes at end of article.

land prairies, the terrifying distances, the huge lakes and the mighty rivers have imparted to the American dream a boldness of conception and an almost gargantuan excess of rhetoric.

About the middle of the nineteenth century Herman Melville, a New Yorker of Dutch descent, published his greatest novel. In the following passage it is not difficult to feel how the open, illimitable frontier character of the American experience is taken as a clue to moral interpretation of man generally. It is a tribute to the power of this feeling that Melville, who, almost alone among mid-nineteenth century men of letters in America, pierced through the general moral optimism of the expansive spirit of the time, revealing in powerful fictional characters the ambiguities, the tensions, and the dark depths of evil and delusion—that Melville should have written these sentences. In them is the authentic note, later to come to full expression, that in the nascent American democracy was the solvent for man's immemorial problems, the answer to his whole dream of freedom and worth:

"... it is a thing most sorrowful, nay shocking, to expose the fall of valor in the soul. Men may seem detestable as joint stock-companies and nations; knaves, fools, and murderers there may be; men may have mean and meager faces; but man, in the ideal, is so noble and so sparkling, such a grand and glowing creature, that over any ignominious blemish in him all his fellows should run to throw their costliest robes. That immaculate manliness we feel within ourselves, so far within us, that it remains intact though all the outer character seem gone, bleeds with keenest anguish at the spectacle of a valor-ruined man. Nor can piety itself, at such a shameful sight, completely stifle her upbraidings against the permitting stars. But this dignity I treat of, is not the dignity of kings and robes, but that abounding dignity which has no robed investiture. Thou shalt see it shining in the arm that wields a pick or drives a spike, that democratic dignity which, on all hands, radiates without end from God; Himself! The great God absolute! The center and circumference of all democracy! Him omnipresence, our divine equality."⁵

Several decades later another Easterner, Walt Whitman, shattered the reigning forms of poetical expression, and in a flood of tumultuous verse wrought out a voice for America's vague but deep and powerful feeling for her national character and promise. In his poetry place-names and common terms for common products of land and mine and forest are strung into melodious sequences that exercise the force of an incantation. The result is to produce out of the sheer overwhelming rhythm of names that suggest space and scope, richness and distance, the intoxication of the illimitable. That this illimitable forward-leaning vitality foresees concrete achievements and conquests that are of doubtful moral significance is nothing to the point.

"Land of coal and iron! land of gold! land of cotton, sugar, rice!
Land of wheat, beef, pork! land of wool and hemp! land of the apple and the grape!
Land of the pastoral plains, the grass-fields of the world!
Land of those sweet-air'd interminable plateaus!"

A second poem from Walt Whitman is instructive in this: That here the generality of the foregoing piece is given concreteness from the actual anecdotal record of the century of the winning of the West, and because there is revealed how the irremediable facts of limit, end, death, are burned away in the

sheer incandescence of the song of conquest and assertion.

"Come my tan-faced children,
Follow well in order, get your weapons ready,
Have you your pistols? have you your sharp-edged axes?

Pioneers! O Pioneers!

"Have the elder races halted!
Do they droop and end their lesson, wearied
over there beyond the seas?

We take up the task eternal and the burden
and the lesson,
Pioneers! O Pioneers!

"All the pulses of the world,
Falling in they beat for us, with the Western
movement beat,
Holding single or together, steady moving to
the front, all for us.

Pioneers! O Pioneers!

"They are of us, they are with us,
All for primal needed work, while the fol-
lowers there in embryo wait behind,
We are today's procession heading, we the
route for travel clearing,
Pioneers! O Pioneers!"

It is now thirty-two years since my first extended period of study in Europe. Those months were spent mostly in Germany. At Heidelberg in the year 1936 there were very few American students, and these few were eagerly invited into the closest relations with the German students. University courses in American literature and culture were not then, as they have since become, a common feature of continental Universities. The absence of such formal studies did not, however, inhibit the eagerness with which thousands of central European students were devouring and discussing American literature. Invited to participate in one of several such informal groups at Heidelberg I was asked each night we met to read aloud from American novels certain passages which the students were drawn to with what I can only call fascination. All read English but very few could speak the language well, and none with sufficient ease to realize the resonance and movement of it.

What American life in open-space has meant to us, in contrast with European life realized in given-space—this became completely clear to me when I reflected upon the particular items from American literature I was asked to read aloud. Melville, his periods rising and falling like the ocean swell beneath which swam Moby Dick, that huge symbol of freedom both benevolent and malicious; Walt Whitman, the intoxicating, line-loosening spaciousness of his rushing verse. And finally, and in the 1930's excitedly, Thomas Wolfe, whose paragraphs about the vastness of the American land under the enormous sky at night, and the great trains plunging through the scattered villages whose few lights rushed past the cars roaring into darkness—the very headlong prose a realization of the difference between the yearning of life for satisfying order as this is sought in the numbered possibilities of an established pattern and as this is sought in the numberless and frightening boundlessness of open space.

B. THE FRONTIER MIND AND TECHNOLOGY

The role of technology in modern American life is only understood if one sees it as a way of life joyfully cultivated by a people who retain a frontier mentality long after the physical frontier has vanished. There is something strange in the joy and eagerness with which the technization of existence is exercised in America. This strangeness is understood when one comes to see that the spirit that conquered a huge land is a spirit continuous with that which today plays with technics like a previous generation made a game out of felling trees, shocking corn, and plowing fields.

For the common man in America, the basic physical enquiries which gave birth to technology, and the philosophical ideas which attended its development, are of little concern. Technology for him is rather a stronger and a longer and a more supple arm to conquer a wilderness with! His judgment of its "goodness" is pragmatic; his delight in it is akin to sheer uncritical boyishness. For in technology and its possibility to enhance and expand the forms of life this man sees a new wilderness to conquer, new lands to settle, new problems to solve, new frontiers to push back and be exultant over.

That simple and uncritical acclaim should surround the advance of technology in America is evidence of the spirit that has never had to come to terms with boundaries, limits, ends. When one county was settled and the best land taken up, American history records that the new waves of people pushing up from the East went through to the next county. There, when once the trees were felled, the land cleared, was an abundance of rich earth for man's taking. That land is now cut up into organized states; and most of it is settled. The farther ocean has been reached. But the promise of technology itself is seen in the American mind as a new "illimitable" that evokes from this people a response whose inward character is identical with the response of their fathers. A "new frontier" has come into view, and the excitement and the challenge of it is similarly greeted.

C. ESCHATOLOGY, TIME, AND SPACE

In October, 1954, Professor Sidney Mead published a brief and brilliant essay entitled "The American People: Their Space, Time, and Religion," in *The Journal of Religion*, Vol. XXXIV, #4 (University of Chicago Press). The purpose of the essay is stated in the first paragraph: "... to suggest that, in the shaping of the American mind and spirit, space has thus far overshadowed time in formative significance and to suggest some of the implications of this insight. . . ." The essay begins with the recollection of de Crevecoeur who, in 1782, asked the question that has not ceased to trouble all thoughtful men in this place: "What then is the American, the new man?" Crevecoeur not only saw that American man was a "new man"; he saw that what was new about him was not separable from the startling experience of space as this penetrated the immigrants from the closed and tight spaces of the old world.

The formative power of the vast and seeming-illimitable space that had been available to the American man during the formative years of his nation's life can only be rightly felt when this existence-in-space is seen over against that existence-in-time which was the old life-setting of those who came to these shores. They had been, without exception, . . . a people hemmed in, confined within the spatial boundaries set by geography and by the closely related boundaries set by tradition and custom. Within such boundaries, and impressed by the regular passing of one generation after another within the confines of familiar places, they tended to find what freedom they could for the human mind and spirit within the context of time—time as duration, as the endless flow and flux of events . . ."

In the new world the power of the twin forces of space and time was reversed; here it was space that constituted the field of pragmatic operations, the matrix of personal and familial and vocational decisions, the very particular American voluntary organization for practical ends—so necessary for a few in the hostile and lonely environment of the frontier. The "new birth of freedom" that a later American president was to celebrate was not a "concept"; it was a reality arising out of the condition of life-in-open-

Footnotes at end of article.

space meeting earthy personal material needs. The "... unconfined movement in space—while concurrently the time ties were tattered or broken by the breaking of the continuity of the regular passing of one generation after another in one place" is the fundamental motif of that entire strain in American literature which is most authentically indigenous.

From Mr. Mead's abundant documentation of this time-space reversal as formative of the American mind and spirit we can select only a little. Particularly telling is the doublet from Stephen Vincent Benet's *Western Star*. The poet images forth the piled-up occasions of crisis, the unrelenting struggle of the little communities on the edge between the forest and the sea, the pathos of death as it struck the very young and the very old—and he puts into language something of the men forbidden time-reflection in the perilous present by the hurtling exigencies of physical fact:

"There is no time to grieve now, there is no time—
There is only time for labor in the cold."

The essay also tells us of the cultivated man from New England, Francis Parkman, who, in order to study the Indians, undertook the terrifying privations of the Oregon Trail. Mr. Mead adjudges an entry in Parkman's Journal on a day when hunting for food he shot an antelope, to be a statement of positive parablelike significance.

"When I stood by his side the antelope turned his expiring eye upward. It was like a beautiful woman's dark and light. Fortunate that I am in a hurry," thought I; I might be troubled by remorse, if I had time for it!"

The American man has always been short of time! And not time only in the sense of hours to do things in, but time rather as the mordant awareness of passingness, of the somber music of man's enormous journey in historical time, of time as that absolute matrix of mutability in which the common events of birth, unfolding, accomplishment, and death were, for our devout fathers, in some sense both ennobled and made meaningful by the sonorities of the old Psalm—

"Lord, Thou has been our dwelling place in all generations. Thou turnest man to destruction and sayest, Return, ye children of men. For a thousand years in thy sight are but as yesterday when it is past, and as a watch in the night."

But this man, short on time, has been long on space! And whoever would understand America's past in order to deepen his wisdom as he envisions her future must measure the consequences of this—that space has overshadowed time in the formation of all the ideas most cherished by the American mind and spirit.

It is useful to observe, as many have, that the general concept of freedom has, in America, been spatialized. We find it difficult to think of the actual exercise of freedom in terms that do not suggest unhampered movement, in space. Professor Mead, again, supplies the trenchant paragraph:

"This concept (freedom) has always had for Americans a primary dimension of space. The pioneer felt 'free' so long as he felt that he could move on when he could see the smoke from a neighbor's cabin or hear the sound of his neighbor's rifle—just as his descendant, the modern city dweller, feels 'free' so long as he feels that he can move away from the undesirable location or neighbors to the suburbs, to the country home in 'Connecticut'. The trailer-house hitched to an automobile is as fitting a symbol of the Americans' concept of freedom today as once were the saddlebags, the rifle and the ax. The Civil War, the center of American history, can be seen as an attempt to exercise this freedom of flight from an undesirable alli-

ance that had almost as much appeal in the North as in the South. And one evidence of the genius of the gaunt, brooding man in the White House was his seeing that, in the long run, this was an inadequate conception of freedom, and his reminder that the mystic chords of memory that bound the Union of these people together could not be stifled by the simple expedient of dividing themselves along a geographical line."

Of the authenticity of the insight represented in the preceding description of the powerful effect upon the American nation of its physical setting for now almost three hundred and fifty years, and of the importance of that insight for our common future there can, I think, be no doubt. The final and crucial task of this paper is to ask after the sufficiency of such a way of feeling, thinking, planning, acting for the future of our society. The terms of the issue are quite clear; they might be stated in this way: can a mentality and spirit nurtured upon the availability of open-space even envision, much less attack, the tasks that now confront us? Can the indubitable spiritual energies called forth and shaped by a frontier circumstance be informed, disciplined, reformed, and released for a future whose setting is a radically different one? Operations in new space make appropriate and effective a manner of public order that is pragmatic; can operations in a closely-woven, ecologically-integrated, and delicate structure be rightly guided by the same cast of mind? Is the institutionalization of pragmatism an adequate public philosophy for circumstances which is a thousand large and small particulars are new? Can the spirit that won a continent sustain a national society?

The answer, in my judgment, is clearly no. But the structure of spirit which in the new situation must, in St. Paul's phrase, constitute the "spirit of our minds" must now be explicated as over against that structure of spirit which has until now been most determinative of our nation. To that we address ourselves in these last pages.

Man lives in space and time. These dimensions of his actual existence are profound spiritual symbols, and reflection upon them as they penetrate and fructify the critical intelligence bestows both cognitive sensibility and power. And just as life-in-space is educative for the achievement of right order so, too, the reality of life-in-time is educative to right order. The maturation of societies in space may, at a certain phase of unfolding, be so dramatic a fact that the society can ignore, set aside, or in the exuberance of its expansion repudiate the lurking and ultimately unavoidable requirements placed upon man by that other dimension of historical reality, life-in-time. Space offers options that may be realized by moving; time stand as a symbol for that historical accomplishment of order which is achieved by decisions made where one is. Space may operate to confront issues by flight; time is the symbol of that boundedness within which the less dramatic, tougher, but ultimately more human society is attempted by the discipline of the spirit, the perception of human values along with operating decisions proper to such values. Time-in-history stands for maturity, order discipline, choice. The spirit of the man who looks out upon the future in space, and the spirit of the man who looks inward upon the issues of right order for human life in space and time—this difference is too eloquent for abstraction. Contrast with Walt Whitman's space-singing verse, to which I alluded a few moments ago, another American song of a generation later.

George Santayana, a Boston intellectual, wise in the pathos of the human problematic and dedicated to the liberation of the human spirit to meet time's immemorial issues, one time looked out upon Cape Cod, so rich

in its images of long habitation, so heavy with the signs of our human plight and promise, and wrote the lines through which thrust up the unquenchable questions. These are man's questions as spirit—and a nation—becomes a human society only when it seeks an order in which they can live and draw man open to their human size.

"The low sandy beach and the thin scrub pine,
The wide reach of a bog, the long sky line,—
O, I am far from home.

"The salt, salt smell of the thick sea air,
And the smooth round stones that the ebb tides wear,—
When will the good ship come?

"The wretched stumps all charred and burned
And the deep soft rut where the cart wheel turned,—
Why is the world so old?

"The lapping wave, and the brood grey sky
Where the cawing crows and the slow gulls fly,—
Where are the dead untold?

"And among the dark pines, and along the dark shore,
O the wind, and the wind forevermore,—
What will become of Man?"

The American epic has come, this is to say, to a turning point in the spirit of our minds. We have, while solving some problems, ignored others. We have fashioned a society and an industrial order at a cost, and the bill is due and payable. The magnificence of our endowment has been cleverly used and appallingly abused. The accumulated garbage of the achievement has befouled the air, polluted the water, scarred the land, besmirched the beautiful, clogged and confused our living space, so managed all human placement and means of movement as to convenience us as consumers and insult us as persons.

The character of a people's life-experience in a particular place profoundly influences their permeability to the eschatological reality proclaimed by biblical faith—that life in historical time has problems that cannot be confronted and promises that cannot be fulfilled by sheer movement in space. And precisely that is the innermost content of this moment's mood in our national life. We are puzzled, bewildered, and annoyed by new requirements for which old reactions are useless. The problems of the city are not soluble by flight; the problem of poverty is not soluble in human terms within the pattern of an economic system that technology has made awkward and deepeningly unjust; the problem of education is not soluble by present provisions that do not recognize the damage done to human beings by past facts of deprivation. What is tragic and frightening about this moment is that its enormous possibility for a better, humaner, richer, fuller-dimensional future for American life is most often interpreted in negative terms. A riot fired by intolerable conditions that persist by sheer stasis when wealth is available to correct them is interpreted simply as a breakdown of law and order! It is that; but the human breakdown is deeper and holier; it is a cry whose substance is older than law and whose passion is for order congruent with human need.

The eschatological reality of grace given within the bounded possibilities of earth and time and history is a reality that could be and for a long time has been evaded by American sensibility. This evasion was the more temptingly and easily possible because of a tangible frontier which offered a concrete option. There is a sense in which American life has been an interior flight to the suburbs! And while the west and the unbroken wilderness demanded and nurtured virtues—courage, resolution, decisiveness, ingenuity,

a huge output of energy—the theater of these qualities and the human social matrix for their obedient exercise has radically changed.

There are evidences, however, that the facts and events of the moment are leading our nation's mind into a belated but real encounter with deeper moral issues. The realities of *limit and boundary*, the spirit-educating forces that operate when one cannot move on or start afresh but must come to terms with life where it is and where it is bound to remain—these forces have been agathering between Korea and Vietnam, between Birmingham and Memphis—and it is our hope that their disrupting and reconstructing blessedness may prevail.

FOOTNOTES

¹R. Calhoun, "Christ: The Hope of the World," World Council of Churches, Second Assembly, August 15, 1954, Evanston, Illinois.

²For discussion of this and other ideas in American historiography, see J. H. Randall and G. Haines, *Controlling Assumptions in the Practice of American Historians*, Social Science Research Council Bulletin 54, 1946, p. 25.

³One must not overlook the fact that the claim of this hypothesis to be adequate for all American historiography has been subjected to repeated criticism. Its claim to do justice to the facts of American Church History has been brought under severe criticism, cf. S. Mead, *Religion and Culture in America*, *Church History*, XXII (Chicago, 1953), p. 41 ff.

Mead makes the devastating point that many aspects of frontier religious life and organization were not products of the frontier situation, but that some of the most powerful of them (plans of union, circuit-rider and frontier-preacher forms of the ministry, the establishment of schools, the revolt against Calvinism, the rise of the Missionary Societies, the growth of frontier Utopias, experiments in religious communism) were conceived, developed, and brought to a certain effective phase in the older tide-water states.

Roman Catholic historians and others have pointed out that the Turner thesis does not attend to the non-English settlements and their development: the French in "New France" and at the mouth of the Mississippi, the Spanish missions in the Southwest. It could indeed be claimed that general school-textbook history has oversimplified the American story by its Puritan-New England focus, and has paid too little attention to the data that informs Francis Parkman's *The Jesuits in North America in the Seventeenth Century* and his *LaSalle and the Discovery of the Great West*; John Tracy Ellis's *Documents of American Catholic History*; and the many volumes of the *Jesuit Relations and Allied Documents*.

⁴A full exposition of the theme here investigated would have to take account of the present situation in Roman Catholic historiography. That task cannot be undertaken here; and my interested but unprofessional reading in Church history must qualify any impression I record. But the impression is that although there exists a large body of American Catholic historical investigation of the career of that Church in North America, this investigation has not with deliberate intention pondered that career under specifically theological categories, i.e., asked about the interaction between environment and the development of theological theories. American Roman Catholic historiography is rich in studies of missionary activity, institutional development, educational provisions; it is not so extensive in its investigation of intellectual and cultural history.

Among the works germane to the occasion of this conference are John Tracy Ellis, *Documents of American Catholic History* (Milwaukee: Bruce Publishing Co., 1956), *American Catholicism* (Chicago: University of

Chicago Press, 1956), and *Catholicism in Colonial America* (Baltimore: Halcion Press, Inc., 1965); John H. Kennedy, *Jesuit and Savage in New France* (New Haven: Yale University Press, 1950); Edna Kenton (ed.), *Black Gown and Redskins* (London: Longmans, Green and Co., 1956; first published as *The Jesuit Relations and Allied Documents, 1610-1792*); William Ingraham Kip, *The Early Jesuit Missions in North America* (New York: Wiley and Putnam, 1846); John A. O'Brien, *The American Martyrs* (New York: Appleton-Century-Crofts, Inc., 1953); Francis Parkman, *The Jesuits in North America in the Seventeenth Century* (Boston: Little, Brown and Company, 1898) and *LaSalle and the Discovery of the Great West*; and Reuben Gold Thwaites, *The Jesuit Relations and Allied Documents*, 73 vols., (Cleveland: The Burrows Brothers Company, 1896; various volumes).

Two recent works indicate, however, that reflection of a more theological interest, and informed by the particularity of American social fact, is emerging. Cf. Andrew Greeley, *The Catholic Experience: An Interpretation of the History of American Catholicism* (New York: Doubleday and Co., 1967); and Dorothy Dohen, *Nationalism and American Catholicism* (New York: Sheed and Ward, 1967).

⁵H. Melville, *Moby Dick* (New York, 1930), p. 166.

⁶Walt Whitman, *Leaves of Grass* (New York, 1931), p. 23ff.; p. 236 ff.

President's Efforts Are Appreciated

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. BROOKS. Mr. Speaker, on March 1, 1968, the Ninth District of Texas was honored with a visit from our President.

One of the stops that he made during his stay was at the A. W. Schlesinger's Geriatric Center. The occasion for his visit to the center was to mark the increase in social security payments that went into effect that day.

This reason alone was insufficient to explain the overwhelming and warm reception he received from the residents of the center and their many friends who assembled with the briefest notice that the President might make an appearance.

As the reception was spontaneous, the residents and staff of the Schlesinger Center felt compelled to express their feelings in a more formal way than was possible at that time. For this purpose, they have prepared a resolution which I have had the pleasure of forwarding to President Johnson.

The resolution cites his courageous leadership and his dedicated concern for our people, particularly our senior citizens. So that all of my colleagues may read the resolution, its text follows:

Whereas, President Lyndon Baines Johnson has furnished courageous leadership to our nation, unselfishly devoting himself to the solution of the many serious problems facing our nation, leading us in the traditions of our forefathers; and

Whereas, one of the serious problems facing our nation is the vast number of people who reach the age of 65 or over, who are financially unable to provide for themselves, or to meet their medical needs; and

Whereas, through the recommendations of President Lyndon B. Johnson and by the action of Congress, relief has been brought to this situation by the passing of improved social security benefits, including a provision for such direly needed medical care for the senior citizens; and

Whereas, President Lyndon Baines Johnson honored the City of Beaumont, Texas, with a visit on the 1st day of March, A.D., 1968, at which time he especially honored the senior citizens of Beaumont, who are residents of the A. W. Schlesinger's Geriatric Center, with a visit and personally presented certain residents with their first increased social security checks, bringing much joy and happiness to all of the senior citizens who had the opportunity to visit personally with the President of the United States, a native Texan; and

Whereas, the Board of Trustees of the A. W. Schlesinger's Geriatric Center wishes to publicly acknowledge its appreciation on behalf of the A. W. Schlesinger's Geriatric Center, and on behalf of the City of Beaumont, Texas, by adopting a resolution to be made part of the permanent records of the A. W. Schlesinger's Geriatric Center;

Now, therefore, be it resolved that the Board of Trustees of the A. W. Schlesinger's Geriatric Center, in session this 1st day of April, A.D., 1968, does hereby commend President Lyndon B. Johnson for his accomplishments in meeting the needs of our senior citizens and in honoring the City of Beaumont, and especially the residents of this Center, with a personal visit; and, further, that a copy of this resolution be spread upon the minutes of this organization, and the officers be directed that appropriate action be taken to furnish a copy of this resolution to President Lyndon Baines Johnson.

ROY S. NELSON,
Chairman of the Board,
A. W. Schlesinger's Geriatric Center.
A. W. SCHLESINGER,
Honorary Chairman of the Board.
R. W. ENGLISH,
Secretary.

NERVA: Our Future in Space

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. FULTON of Pennsylvania. Mr. Speaker, Dr. Wernher von Braun, Director, Marshall Space Flight Center, today presented an excellent statement before the Committee on Aeronautical and Space Sciences of the U.S. Senate. Dr. Von Braun's text tells of the significance of nuclear propulsion in our future space needs.

The statement follows:

STATEMENT OF DR. WERNHER VON BRAUN, DIRECTOR, MARSHALL SPACE FLIGHT CENTER, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, BEFORE THE COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES, U.S. SENATE, APRIL 30, 1968

INTRODUCTION

Mr. Chairman and Members of the Committee on Aeronautical and Space Sciences:

Thank you for this opportunity to present to the Committee my views on the nuclear rocket program.

First, let me say that I have reviewed the comprehensive statement Mr. Klein has presented and I fully support his testimony to the Committee. I am convinced that nuclear propulsion is a must for our future space needs. At the same time, I am equally con-

vinced that it is important that we not think of the nuclear rocket solely in terms of any particular mission but rather in terms of the overall increase it will give to our space exploration capability and its potential applicability to a very wide range of missions. If we have learned anything from history we know that where advanced technology exists, it will generally be used and used effectively. The point I'm trying to emphasize is that I feel that the NERVA engine development and eventually a flight stage should be funded on the basis of technology advancement, emphasizing mission versatility rather than tying the program to a specific mission. I would like to say more about this as I go along.

It is not my intent to present a comprehensive statement to the Committee since this would only be repetitive with Mr. Klein's testimony. Rather, I would like to address myself to the items listed in the Chairman's letter inviting me to appear before the Committee and, in addition, discuss briefly the recent and current involvement of the Marshall Space Flight Center in the nuclear rocket program.

NUCLEAR ROCKET ENGINE DEVELOPMENT

The first item concerns the nuclear rocket engine development. Based on our own assessment, I am convinced that the feasibility and high performance potential of nuclear rocket propulsion has been thoroughly demonstrated in the extensive series of successful reactor and bread-board engine system tests which have been conducted at the Nuclear Rocket Development Station in Nevada. The technology phase of the NERVA program should be completed in FY '69. From a technical standpoint, this means that we now have a high degree of confidence in the understanding of what these systems can do, that their performance is really as high as it theoretically had been predicted, that they give high specific impulse, that they operate stably, that they can be operated safely, that they can operate for the long periods of time required by many of the applications of interest and we can establish a development schedule with reasonable accuracy because of experience gained during the technology phase. From an economic standpoint, this means we are about two-thirds of the way to a highly significant goal—a flight ready nuclear engine. The completion of the technology phase of the program represents a sizable investment but one which I feel has resulted in worthwhile dividends. Failure to proceed now into a development phase will result in losses of experienced personnel and cost-increase effects on the total program. Furthermore, in view of the many special skills involved and the experience gained thus far, a delay would mean the loss of some of the capability we have already paid for. A one-year delay in funding could result in as much as two years delay in having an operational nuclear engine. In view of the investment already made and the successes achieved thus far, I feel we must continue the nuclear engine development.

I think time is an important consideration here also. The long lead times required for development of these propulsion systems does not allow us the flexibility of waiting for an identified mission application. Past experience has shown that propulsion systems are often the critical development required in a schedule oriented toward future mission accomplishments, just as chemical rocket developments determined the timing of present missions in the space program. This is certainly the case with the first nuclear rocket system due to the long lead times involved in nuclear engine development and test, and I would like to flag this long lead time as a key factor in my reasoning that we should proceed with the development of a flight rated engine. A firm commit-

ment to develop the NERVA engine will, in my opinion, provide a firmer basis for making decisions on future missions and certainly a reappraisal of the objectives of some of those currently being studied. Hence, I feel we must proceed with the development of the nuclear rocket engine as a fundamental tool for our long term space exploration activities.

ADVANCEMENT OF ROCKET TECHNOLOGY

The second item in your letter, Mr. Chairman, concerned the relationship of the nuclear rocket engine development to the advancement of rocket technology. I believe, as I indicated earlier, that the major justification for the development of the nuclear rocket is that it provides a major advancement in space propulsion capability. I think the nuclear rocket, when compared to our current propulsion capabilities is analogous to a comparison of the piston-engine airplane and today's modern jetliners. Many experts said there was no requirement for the turbojet engine in the aircraft business. Not only has history proven them wrong but this advancement in airplane propulsion technology has paid for itself many times over.

By the same token, the NERVA engine, in a nuclear stage will increase our payload capability and enhance the efficiency and operational characteristics in a variety of potential missions. Take an unmanned probe to Jupiter, for example. With a nuclear stage, as compared to a chemical stage, we have the alternative of, (1) sending two or more spacecraft thereby increasing our probability of mission success, (2) sending a larger single spacecraft, or (3) significantly reducing the trip time for the same spacecraft. The reduced trip time alternative is more important than perhaps meets the eye since it is possible to achieve a 50% reduction in trip time. This means reduced operating time requirements for the spacecraft, ground systems, and people supporting the mission. A truly significant savings in the cost of the mission as well as an increased probability of mission success is the result.

I think it is extremely important to note that the NERVA program represents by far the most significant advancement in propulsion technology that can achieve operational status in the 1970 decade. It is the only high-thrust system which is currently anywhere near a development phase that offers specific impulses greater than 800 seconds, or almost twice that of our most advanced chemical rockets. This means that for a given engine thrust, a nuclear rocket would need little more than half the fuel required for a chemical rocket to accomplish a specific mission.

With the anticipation of having a nuclear engine we have also been carrying on studies in the vehicle technology area and I think significant advancements are being made here also. Many technical disciplines are involved in the design of such a vehicle and we are trying to cover all areas where we think advances in the present state-of-the-art are required such as advanced insulation for long term storage of liquid hydrogen, meteoroid protection, structural design, materials, nuclear radiation effects, nuclear instrumentation, propellant conservation systems and radiation shielding. A potential nuclear stage also requires us to carry out further research in such areas as orbital operations and flight safety. Illustrative of what we're faced with here is the long term storage of liquid hydrogen. Our S-IVB stage employs liquid hydrogen as its fuel but its effective lifetime is a matter of hours due to hydrogen boiloff. Future missions, on the other hand, may require significantly longer storage times. So in this case both our chemical and nuclear vehicle design efforts are benefiting from research in high performance insulation.

I will say more about our nuclear stage efforts in a moment.

BOOSTER CAPABILITY

The third item concerned the potential contribution of the nuclear rocket to our booster capabilities. Mr. Klein in his statement discussed some of the potential mission applications using a nuclear vehicle as the third stage on the Saturn V booster and pointed out that a NERVA-powered stage applied as a third stage of the Saturn V launch vehicle significantly improved its payload and mission versatility. As I mentioned earlier this improved capability provided by nuclear propulsion in the third stage of Saturn V can be utilized to improve mission effectiveness, to increase the mission and payload reliability, and to extend the spectrum of potential missions in the late 1970's and the 1980's. Equally important is the fact that for high energy missions requiring the launch of two or more Saturn V's, with subsequent rendezvous in earth orbit, we will be able to reduce the number of Saturn V's needed through the utilization of a nuclear vehicle. The costs savings would be substantial.

We at the Marshall Center have for some time now been studying various ways of upgrading the Saturn V booster payload capability to meet the requirements of future missions. One such way is to strap solid propellant rockets to the first stage of Saturn V. While this gives us greater payloads to earth orbit, we would still need a new stage to propel this payload beyond earth orbit. I believe that for missions we are likely to undertake in the late 1970's and early 1980's, one of the more effective ways of improving the capability of the Saturn V is the simple addition of a nuclear third stage. Our studies indicate that there would be no major problem in the integration of a nuclear stage with the Saturn V. Furthermore, our key launch facilities at the Kennedy Spaceflight Center can be fully utilized with a nuclear third stage configuration. Most anyway you look at it, a nuclear stage for Saturn V is an attractive proposition.

MARSHALL SPACE FLIGHT CENTER ACTIVITY

I would now like to briefly discuss some of the recent and planned activities of the Marshall Center related to the nuclear rocket problem. I will then conclude with a discussion on our preeminence in space. We have had people engaged in nuclear vehicle studies dating as far back as 1957. These studies have concentrated on the need for nuclear propulsion systems in our long range space programs and the most promising concepts for their application.

One particularly significant result of these studies is what we call a modular vehicle approach which Milt Klein touched upon in his statement. In view of the relatively high cost of nuclear rocket engine and stage development, it appears highly desirable to minimize total hardware development and investment in facilities while providing a logical development from ground test systems to flight test and ultimately an operational stage. Based on results to date, I think we have established the feasibility of a modular nuclear vehicle concept which satisfies these objects and offers multi-mission capability with maximum hardware commonality. Our approach is to design a standard propulsion module which can be flown as a third stage on Saturn V for early applications or clustered in earth orbit, if necessary, for missions we may wish to undertake later.

The reorientation of the engine program toward the 75,000 pound thrust nuclear engine has caused some changes in our conceptual designs but has not perturbed the feasibility of the modular concept. We plan to continue studies aimed at determining design and development requirements of a nuclear stage in anticipation of initiating stage development in the early seventies

leading to an initial flight test in about 1976.

Our plan is thus to develop a nuclear propulsion module technology that will form the basis for the flight systems design. This technology will be developed through various test programs whose primary objectives will be to provide necessary engineering data on such items as the performance of candidate designs, the phenomena of nuclear interactions, advanced structures development and long-term propellant storage. The nuclear propulsion systems technology begins with the establishment of radiation-hardened functional components and subsystems; it culminates in the engineering evaluation of full-scale, fully integrated systems performance in the predicted nuclear environment at NRDS, Nevada.

One such test program, for which we initiated planning in FY '67, was the so called nuclear ground test module. These ground test stages were to be flight-configured, but non-flyable, modules with the propellant tank of a battleship type construction but with the subsystems and components of actual flight quality. One type module would not have had an engine attached but would be used for cold-flow testing of various subsystems and components. The idea here was to develop a high degree of reliability in certain subsystems and components before proceeding to hot engine testing due to the turn around times associated with nuclear engine testing in the event of a component failure.

A second type module would have had a NERVA engine attached and would have been hot-fired to determine the effects of nuclear heating, the behavior of nuclear radiation in liquid hydrogen and the performance of functional systems. However, due to a reduction of funds in the FY '68 budget and the subsequent reorientation of the nuclear engine program, the ground test module activity has been terminated for the time being.

Another test program currently underway, which Mr. Klein mentioned to you last week, is the nuclear propellant heating test being conducted under contract to Marshall by General Dynamics/Ft. Worth at the Air Force Nuclear Aerospace Research Facility. Tests are being conducted using a ten-foot diameter tank in a radiation environment. This test program which was initiated in FY '67 is providing us with much valuable information. Included in the program objectives are the evaluation of cryogenic insulation materials for use in a radiation environment, evaluation of materials for use in valves and transducers exposed to cryogenics and radiation, and experimental data on the nuclear energy deposition rates in liquid hydrogen and the resulting heating effects on the liquid hydrogen.

Further examples of our work in the vehicle technology area are current efforts in assessing nuclear shielding requirements and the development of neutron and gamma detectors suitable for flight stages.

U.S. PREEMINENCE IN SPACE

The fourth and final item mentioned in your letter, Mr. Chairman, concerns the relationship of the nuclear rocket technology in keeping the United States preeminent in space. As you well know, one important figure of merit here is booster capability, and propulsion has always been a key factor in our advancement. At the beginning of the space age, when we found ourselves behind the Russians in booster capability, we were able to draw upon advanced technology for a ten-fold jump in thrust and start the development of the F-1 engine that now powers the first stage of Saturn V. The decision to develop this engine was made three years before the go-ahead decision to develop

op Saturn V. Similarly, research on liquid-hydrogen and liquid-oxygen engines, with their significant jump in specific impulse over conventional oxygen and kerosene systems, led to starting the J-2 engine which now powers the Saturn V second and third stages, the S-II and S-IVB. The nuclear rocket now offers us the opportunity to nearly double the specific impulse of the J-2 engine.

Of course, the real measure of preeminence is the capability to accomplish desirable mission objectives. The point I made earlier concerning the mission versatility of a nuclear vehicle is appropriate in this regard. A nuclear third stage on Saturn V would provide us with the capability to meet future requirements which will certainly face us in the accomplishment of our basic purpose—making available to our nation and its people the great potential benefits inherent in our advancing space technology.

This all points back to my opening remark that the nuclear rocket is a vital key to our future space exploration capability and versatility. I would have great concern for the long future of our space program without this kind of propulsion capability.

Stop Passenger Train Discontinuances

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. SCHWENGEL. Mr. Speaker, the quantity and quality of passenger train service in our country is continuing to deteriorate. Now the announcement comes that the last rail passenger depot in Davenport, Iowa, the largest city in the First District serving a population area of 100,000, will be closed.

There should be a moratorium on all passenger train discontinuances. Recently the Iowa State Commerce Commission passed a resolution calling for such a moratorium.

Under unanimous consent I submit the resolution for inclusion in the CONGRESSIONAL RECORD, as follows:

RESOLUTION BY THE IOWA STATE COMMERCE COMMISSION

Whereas, there have been numerous passenger train discontinuances recently; and Whereas, there are now pending before the Interstate Commerce Commission and the various state commissions a number of applications proposing discontinuance of passenger trains; and

Whereas, the actions of the Post Office Department have had substantial adverse effect on passenger revenue; and

Whereas, the welfare and safety of this country is and will continue to be materially injured by these discontinuances; and

Whereas, the need for unified comprehensive planning in this area is readily apparent; and

Whereas, the Iowa State Commerce Commission knows of its own knowledge acquired from the several applications before it and the participation in such hearings before the Interstate Commerce Commission that such facts are true;

Now, therefore, be it resolved, that the Iowa State Commerce Commission joins its sister states in appealing to Congress to call an immediate moratorium on all passenger train discontinuances and to investigate and determine the impact these discontinuances are having on the welfare and safety

of our country, including its national defense.

Dated at Des Moines, Iowa, this 20th day of February, 1968.

IOWA STATE COMMERCE COMMISSION.

BERNARD J. MARTIN,

Chairman.

FRANK B. MEANS,

Commissioner.

DICK A. WITT,

Commissioner.

Attest:

E. B. SOREY,

Secretary.

Household Workers for Industry—Pilot Program in Pittsburgh To Aid Foreign-Born Citizens and Family

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. MOORHEAD. Mr. Speaker, I am very pleased that the city of Pittsburgh has been chosen for a pilot project to upgrade household employment standards and opportunities. This action program is the first Federal training project designed to help citizens of various ethnic groups, and will be funded by the Labor Department to the Ethnic Foundation for about a year, in cooperation with the National Committee on Household Employment.

It is expected that approximately 60 women will acquire skills in food preparation and service, cleaning, laundry, ironing, child care and care of the elderly, as well as in personal grooming and guidance in the essentials of succeeding on the job. More importantly, upon graduation these women will have the opportunity to be placed by the Ethnic Foundation—in some cases with firms who offer household service as a fringe benefit to their executives and employees. In situations where a wife is incapacitated, a trained household worker would be able to step in and take over.

Because this testing program is so unique, I would like to congratulate the Ethnic Foundation—the education and research arm of the 67 nationwide fraternal and church organizations affiliated with the National Confederation of American Ethnic Groups—and the National Committee on Household Employment—who strive to improve household services and employees—for their efforts in developing a program to train many of the country's disadvantaged women who like household work, but lack the modern skills and know-how to secure and hold permanent jobs. They are making a valuable contribution toward providing dignified employment.

Indeed, the National Committee on Household Employment, working with the Women's Bureau of the Labor Department and various voluntary organizations, is developing a code of standards for household employment, developing formal training programs for household workers, trying new methods of recruiting, counseling and placing such

workers, stimulating the development of new jobs to meet present demands, improving working conditions, and providing for the payment of wages commensurate with skills to put this service industry on a par with other American workers. The success of Willmart Services, Inc., in Washington, D.C., the first program funded under the Manpower Development and Training Act of 1966, demonstrated the willingness of women to take this training, and of employers to pay for the services of skilled workers.

This is an exciting program for Pittsburgh, and a chance to demonstrate that a vital home service need can be met and the social and economic status for household workers provided through the combined efforts of a private foundation, a nongovernment organization, labor unions and industry, and the Federal Government. It is my hope that Pittsburgh's project can be a model for other demonstration projects which I understand are being planned for Boston, Chicago, New York, Philadelphia, Alexandria, Va., and Manhattan, Kans.

Thomas F. Patton

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. FEIGHAN. Mr. Speaker, a simple, eloquent testimonial to education's role in the development of individuals was articulated by Thomas F. Patton, of Cleveland, the chairman and president of Republic Steel Corp.

Mr. Patton has distinguished himself as one of the country's leading industrialists, and his many civic and humanitarian contributions have gained him wide respect.

On April 19, 1968, Mr. Patton's qualities and success were recognized when he was presented the first annual award to an outstanding Ohio State University alumnus.

This is a most deserving tribute to Mr. Patton, whose great achievements are surpassed only by his even greater humility. In accepting the award, Mr. Patton said:

I'll never be able to repay Ohio State University all that it has given to me through education.

That acknowledgment of the importance of education by a man of Mr. Patton's stature deserves the attention of every student, as well as parents, teachers, and youth leaders.

Mr. Patton's life story itself is worthy of emulation.

A native of Cleveland, he received a law degree from Ohio State University in 1926. After working briefly in the legal department of the Union Trust Co. in Cleveland, he joined the law firm of Andrews & Belden, where he gained firsthand knowledge of ore and coal mining through legal work for clients in those fields.

In 1930 Mr. Patton helped work out the complicated transaction of four com-

panies merging to become Republic Steel Corp. in Youngstown. In 1932 he became a partner in the law firm of Belden, Young & Veach, successor to Andrews & Belden.

Four years later he became general counsel for Republic and subsidiary companies and in 1944 was made vice president and general counsel. After assignments as assistant president and first vice president, he became president of Republic on August 21, 1956. Four years later he was elected chief executive officer of the company. On November 19, 1963, he became chairman of the board in addition to his other duties.

Among Mr. Patton's civic activities are service as officer and trustee of the Greater Cleveland Growth Association, Cleveland Development Foundation, and the United Appeal. He is a trustee of the Cuyahoga County Tuberculosis Hospital.

Mr. Patton was a member of the board of trustees of Ohio State University, his alma mater, for 7 years, and was chairman of the board in 1963-64.

He was a member of the Business Advisory Council to the U.S. Department of Commerce and is a member of its successor organization, the Business Council. He is also a member of the National Industrial Conference Board.

Mr. Patton has been awarded honorary doctor of law degrees by Ohio State, Case Tech, University of Akron, John Carroll University, and the University of Dayton.

His various awards include the American Iron & Steel Institute's Elbert Gary Memorial Medal; the National Brotherhood Award from the National Conference of Christians and Jews; the Silver Beaver and Silver Buffalo Awards from the Boy Scouts of America; the Governor's Award from the Ohio Newspaper Association; the Citizenship Award from the Ohio State University Association, and the Cleveland Medal for Public Service from the Cleveland Chamber of Commerce.

On Preserving Freedom

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. ASHBROOK. Mr. Speaker, a very small pamphlet recently crossed my desk. It contains one man's views on what we can do to preserve the freedoms we nurture as citizens of the United States.

Dr. N. M. Camardese, of Norwalk, Ohio, has had printed "20 rules" for the "preservation of freedoms with dignity and morality." In printing and distributing this little pamphlet, he is not only criticizing—as most do—but he is offering what he believes is a valuable code as a solution—which few do.

He makes many excellent points and I would like to include them in the RECORD, as follows:

PRESERVATION OF FREEDOMS WITH DIGNITY AND MORALITY: 20 RULES

1. Re-recognize the existence of God.
2. Stop playing little gods (some of our egomaniacal leaders).

3. Expect no rights except through the fulfillment of individual responsibilities. The man who expects rights by bullying threats is not contributing to a Moral Free Society.

4. Expect no recompense for not having earned it.

5. Treat others as we ourselves would wish to be treated.

6. Stop enslaving man unto big government.

7. Recognize that all Freedoms are God-given to each of us.

8. Allow man (and encourage) the gratification and soul purifying satisfaction that comes from "a job well done."

9. Adhere to the principle that a "wrong" is corrected by measures of swift justice and not by another "wrong."

10. Isolate (and not help) the revolutionary atheistic communist to self-destruction—which he (they) will do—unless he (they) wish to recognize God with all the necessary disciplines.

11. Each of us be a vigilant defender of our "neighbor's" God-given Freedoms as well as our own.

12. Restore faith in "the worth of the individual."

13. Stop the nonsensical philosophy of government trying to create a heaven on earth for all. For only God promised heaven—and that, only to those that TRY. For a government big enough to give all is also big enough to take all.

14. Accept the fact that—"throughout history, the leaner has always had trouble standing on his own feet." Thus it ill behooves government to teach man to "lean" on government.

15. Abandon the ungodly (socialistic—communist) philosophy of compulsory redistribution of wealth. Rather—encourage the philosophy that—"the greatest thing we can do for others is not to give them of our wealth, but to show them the way to their own."

16. Let us firmly believe and act with strongest convictions that for a better America we must first better ourselves individually—morally, spiritually, and even materially.

17. We must reinstate our faith in the fundamental, orderly, constitutional due process of law in order that we might preserve our heritage of freedom for posterity.

18. Let us be proud and accept the fact that, as proven by history, no other country has ever approached the fantastic accomplishments of material and spiritual wealth such as America has in its short 180 years. With less than 7% of the world's surface, and 6% of the world's population, America produces better than 40% of the world's goods.

19. Let us stop so pessimistically "scrapping" America for not being perfect. Has any country ever been—or will there ever be one on earth?!

20. Let us—each day—:

A. Be thankful for being Americans.

B. Act out our convictions of gratitude and thankfulness in reality.

C. Do all possible to preserve freedom under our constitutional representative type of government. For freedom enslaves! It imposes immense individual responsibilities!

D. Let us, with strong convictions in thought and actions, stop the tide and reverse the trend of socialism and communism. For—"Compulsory labor with death as the final penalty is the key of socialism" (George Bernard Shaw—English Socialist—October 1921). Communism is even more devilishly worse.

God bless America.

N. M. CAMARDESE, M.D.,

Past President, Huron

County Medical Society.

NORWALK, OHIO.

Crackdown Urged on Inciters of Violence

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. BROYHILL of Virginia. Mr. Speaker, I received a request from Mr. Charles D. Brown, 1721 Maxwell Court, McLean, Va., a constituent of mine, to insert an article written by Crosby S. Noyes in the Evening Star of April 25, 1968. This article is an excellent description of the deplorable situation now existing in our Nation. I believe it would be of interest to every American and should be made available to them. It is for this reason I include it in the Extensions of Remarks:

CRACKDOWN URGED ON INCITERS OF VIOLENCE

The time has come to crack down on the crackpots and hard. It is time to put out of circulation for as long as possible all of the individuals and organizations in this country, black and white, who are deliberately and openly inciting to violence and race warfare.

Few democratic societies in the world would tolerate the murderous activities of such outfits as the Revolutionary Action Movement, the Black Panthers or the grotesquely misnamed Student Nonviolent Coordinating Committee. Most would have long since outlawed the hate merchants passing as Minutemen, Klansmen and American Nazis.

Tolerance of such groups is a luxury which the United States can no longer afford. The danger which they represent to the fabric of American society is clear and imminent.

The prompt removal of their leaders from circulation would do more to cool the fever of our cities than all the appeals for law and order put together.

Consider, for example, the case for tolerating the likes of Stokely Carmichael. Within hours of the murder of Martin Luther King in Memphis, Stokely was telling his friends in Havana that the American revolution was now in full swing.

"More people," Carmichael assured his listeners, "are now beginning to plan seriously a major urban guerrilla warfare where we can begin to retaliate not only for the death of King but where we can move seriously with this country to bring it to its knees."

Bluff and bluster? Perhaps. But it would be a very serious mistake to underestimate the potential of even a small group of dedicated conspirators.

The most competent officials of the government believe that under present conditions a few dozen men in as many major cities could quite easily start riots which would overwhelm the police and military forces presently available for riot control.

If the outbreaks of violence were planned and carried out simultaneously, it would be physically impossible to move troops into all the trouble areas simultaneously. And if this should happen, a number of major cities could quite literally be burned to the ground.

In fact, there is some reason to believe that the shooting of Dr. King caught Carmichael and his fellow conspirators unprepared. The unexpected pretext for violence was irresistible and, in fact, rioting broke out more or less spontaneously in a number of cities.

But Carmichael & Co. were unable to exploit the outbreak for their own purposes. His appeal to the crowd to "get you a gun" had a ring of improvisation and mercifully

went unheeded. As the riot ran its course in Washington, Stokely was nowhere in evidence.

Yet very surely there will be a next time. The recent riot demonstrated once again how little relationship there is between the immediate cause of an outbreak and the motivation of those who take part in it. In the course of the coming summer, during which this city will be subjected to planned demonstrations, perhaps involving many thousands of people, ample opportunity will present itself for a more carefully prepared explosion.

If this is not reason enough for preventing the planned demonstration, then it is surely reason for lowering the boom now on Stokely and his friends. The safety of the city demands it, including most especially the safety of the black community, which will be the chief victim if Carmichael succeeds.

Last year in New York, 12 members of RAM were arrested for plotting the assassination of Roy Wilkins, the head of the National Association for the Advancement of Colored People. Today, the assassination of whole cities is being plotted, and virtually nothing is being done about it.

The laws to put Stokely and his friends out of business are on the books. The new District Crime Reduction Act includes an anti-riot section which provides penalties up to \$10,000 and 10 years in jail for anyone who incites a riot resulting in serious bodily harm or property damage exceeding \$5,000.

So far as most people are concerned, a man who urges a crowd at the onset of a riot to go home and get their guns qualifies conspicuously under the provisions of this law. But though the Justice Department has been investigating Carmichael's case for weeks, he is still very much at large. The final decision rests with Attorney General Ramsey Clark, who would be well advised to stop pussyfooting and crack down before it is too late.

SENATE—Wednesday, May 1, 1968

The Senate met at 12 noon and was called to order by the President pro tempore.

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

God, our Father, from the tumult of an angry, agitated world, we seek the sanctuary of Thy presence, not that we may escape from the world, but that we may turn to the perplexing maze of its tangled problems with strong spirits and quiet minds.

From the shams and shadows of these days, we pray for strength for our burdens, wisdom for our problems, insight for our times, and vision which sets our eyes on far horizons. And, above all and in all, undergird our faith with the conquering assurance that—

"Under the shadow of Thy throne
Still may we dwell secure,
Sufficient in Thine arm alone,
And our defense is sure."

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of

the Journal of the proceedings of Tuesday, April 30, 1968, be dispensed with.

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

MESSAGES FROM THE PRESIDENT—
APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that on April 29, 1968, the President had approved and signed the following acts:

S. 159. An act to provide for the temporary transfer to a single district for coordinated or consolidated pretrial proceedings of civil actions pending in different districts which involve one or more common questions of fact, and for other purposes;

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

S. 2912. An act to authorize appropriations for the saline water conversion program for fiscal year 1969, and for other purposes.

REPORT ON MANPOWER PROGRAMS—MESSAGE FROM THE
PRESIDENT (H. DOC. NO. 302)

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:

It is a traditional event for the President to submit to Congress an annual report on the progress of our manpower programs.

Although the custom is long-established, there is nothing routine about this report or its subject: jobs for our citizens: more useful, more satisfying jobs to give Americans a sense of full participation in their society.

Four months ago I told Congress that jobs are "the first essential."

In my first special legislative message this year, I proposed that Congress launch a new \$2.1 billion manpower program—the most sweeping in our history.

At the same time I called on the leaders of American commerce and industry to form a National Alliance of Businessmen to provide jobs for hundreds of thousands of the hard-core unemployed.

On April 25, the Alliance reported to me on its progress so far:

—More than 500 executives, whose talents command more than \$15 million in salaries alone, have volunteered to work full time in 50 of our largest cities. They are assisted by 7,000 other volunteers.