ON INCREASING BENEFITS TO VETERANS

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 11, 1969

Mrs. CHISHOLM. Mr. Speaker, rapidly increasing inflation in this Nation has forced prices up in many areas. For most of us, our paychecks increase with the prices for goods and services. Although we of course feel the pinch, for the paycheck never seems to keep quite even with the prices, it is those on fixed incomes who suffer the greatest.

It is imperative, I believe, that we make a concerted attempt to keep Government payments to individuals at an adequate level.

Today I am concerned primarily with our veterans. Their benefits, which they so rightfully deserve from this Government, have not kept up with the rising tide of inflation. It is our duty and responsibility, gentlemen, to change this sad state of affairs.

Therefore, today I have introduced identical bills to those introduced by Mr. TEAGUE of Texas and numbered H.R. 691 and H.R. 3305. H.R. 691 provides for the payment of an additional amount up to $100 for the acquisition of a burial plot for the burial of veterans not buried in a Government cemetery. And H.R. 3305 increases the funeral expenses payable with respect to eligible veterans from $250 to $400.

Gentlemen, I ask you to join me in supporting this legislation.

HOUSE OF REPRESENTATIVES—*Tuesday, August 12, 1969*

The House met at 12 o'clock noon.

Rabbi Morris N. Kertzer, Riverdale Temple, Bronx, N.Y., offered the following prayer:

O Heavenly Father, source of all life and all goodness, we are grateful to You for the bounty of our living, that You have sustained us to this day.

Of all Your providential acts of creation none is more wondrous than Your fashioning of the human mind and the human spirit. As an ancient rabbi declared: the greatest gift God bestowed upon man was not only that he was created in the divine image but that he was told of that miracle of creation. In this age of marvelous outreach to the heavens we are reminded anew of our infinite human capacities. We pray that under the guidance of those who lead our Nation in these Halls of Congress our Nation may ever bear in mind our boundless abilities to fashion a heaven upon this earth, a heaven of the heart as well as of the mind.

O God, inspire with Your spirit the men and women who lead our Nation that we may speedily restore peace to our blessed land and to all Your children everywhere. Amen.

THE JOURNAL

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

INCREASE IN SOCIAL SECURITY BENEFITS A MATTER OF HIGHEST PRIORITY

(Mr. VANIK asked and was given permission to address the House for 1 minute.)

Mr. VANIK. Mr. Speaker, when this House resumes business on September 3, 1969, I urge that we immediately consider an increase in social security benefits as a matter of highest priority.

No single group of Americans have been more exposed to the plague of inflation than our over 22 million senior citizens who have been existing with less and less every day. Inflation has served to make the social security system almost inoperative as a system of protective income and support for the elderly.

There is one thing worse than inflation—the inability to survive it. Today millions of our elderly are engaged in that struggle for survival. They need help today.

An immediate 15-percent increase in social security benefits is feasible and absolutely essential if we intend to preserve the minimum purposes of the social security system.

REQUEST TO CONSIDER H.R. 13194, STUDENT GUARANTEE LOAN PROGRAM, UNDER SUSPENSION-OF-RULES PROCEDURE TODAY

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that it may be in order today, after all other legislative business, and prior to all special orders for which permission has heretofore been granted, to call up under suspension of the rules H.R. 13194, the student guarantee loan program bill.

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

Mr. GROSS. Mr. Speaker, I reserve the right to object.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Mr. Speaker, I yield to the gentleman from Florida.

Mr. HALEY. Mr. Speaker, will the gentleman from Kentucky explain why this action is necessary? Is this program expiring? Has the gentleman not had knowledge of that fact for some time?

Mr. PERKINS. Mr. Speaker, if the gentleman will yield, we are trying to bring these improvements to the guaranteed student loan program to the Chamber as rapidly as possible, because we want to make certain that students who would like to attend college and technical schools this fall, but cannot do so without a loan, have access to them.

Mr. GROSS. Mr. Speaker, the House Committee on Education and Labor knew, when the prime interest rate was raised to 7.5 percent several months ago, that this sort of situation would develop. They had it further impressed upon them that this situation would have to be met when, several weeks ago, the prime interest rate was raised to 8.5 percent.

Yet the committee dillydallied, for reasons best known to the chairman of the committee and the other members of that committee. The committee dillydallied and did nothing about bringing this legislation to the House floor.

I am amazed that three requests for this same purpose would be made in 3 days. Last week, some 125 to 130 Members of the House of Representatives signed a petition directed to the chairman of the House Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS), urging him to go to the Committee on Rules and obtain an open rule for the consideration of this legislation. The chairman of the Committee on Education and Labor, for reasons best known to himself, apparently has made no approach to the House Committee on Rules asking for a rule so that we could consider this bill under an open rule, with the opportunity to amend the interest-rate proposal as well as to offer an antidemonstration or antiriot amendment.

Now, Mr. Speaker, the responsibility for what is taking place, as I said yesterday—and I know of no Member of the House who is opposed to student loans, and certainly I am not—rests with the chairman. I am opposed to this procedure, for it would deny the House the right to work its will, and I hope the gentleman will not renew his request again in the next 15 or 20 minutes, because I will do then exactly what I propose to do now, and that is, Mr. Speaker, to object.

The SPEAKER. Objection is heard.

ANNOUNCEMENT OF HEARINGS ON IMMIGRATION PROCEDURES

(Mr. FEIGHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Speaker, the Immigration and Nationality Subcommittee, of the Committee on the Judiciary, has scheduled hearings to commence on September 10, 1969, in room 2137, Rayburn House Office Building, at 10 a.m., and to be continued on September 15, 1969, in room 2141, Rayburn House Office Building.

The subcommittee will initially examine the operation of the immigration aspects of the Mutual Educational and Cultural Exchange Act, particularly the effect these provisions have on the immigration of doctors and nurses, and other members of the medical professions.

Officials from the Department of State and representatives of the American Medical Association have been scheduled to testify.

It is the subcommittee's intention to expand the scope of the hearings to encompass the temporary admission of

skilled workers and executives as well as the impact our immigration laws have had on Western Hemisphere immigration.

After the recess, I will announce a schedule of additional hearings.

REQUEST FOR CONSIDERATION OF H.R. 13194 UNDER SUSPENSION-OF-THE-RULES PROCEDURE ON TOMORROW

(Mr. PERKINS asked and was given permission to address the House for 1 minute.)

Mr. PERKINS. Mr. Speaker, I take this time merely to respond to our distinguished colleague, the gentleman from Iowa (Mr. GROSS).

First I want to state that I feel the Committee on Education and Labor acted expeditiously in bringing the legislation to the floor. I know I acted within a period of a very few days after the subcommittee reported the bill to the full committee, I believe 2 or 3 days.

Mr. Speaker, the majority of the members of the Committee on Education and Labor feel that if we do not suspend the rules and pass this student guarantee loan program the legislation will get bogged down and perhaps not be enacted at all.

It begins to appear to me that there are individuals more interested in the student unrest rider than they are in the merits of the legislation.

I certainly would vote for the bill myself with the student unrest rider attached, but when we undertake to go to conference with this bill with the rider attached it is my judgment there will be no legislation at all.

I want to say to the distinguished gentleman from Iowa, that is the reason why I have repeatedly made this unanimous consent request.

Mr. Speaker, I now make a unanimous consent request that H.R. 13194 be called up tomorrow under a suspension of the rules procedure, after all legislative business is transacted.

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

Mr. HALEY. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

LEAVE ADJUSTMENT POLICY FOR THE VETERANS' ADMINISRATION MEDICAL PERSONNEL

(Mr. SAYLOR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAYLOR. Mr. Speaker, I am introducing a bill to regulate the amount of annual and sick leave applicable to physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration.

In essence, my proposal provides that all individuals shall have similar annual and sick leave and it shall accrue in the same rate and manner as other Federal employees.

The bill also directs that the Administrator shall make appropriate adjustments in the pay and/or annual leave when teaching or other activities of a doctor infringe upon the care of VA hosptial patients, which is his primary duty and responsibility.

This legislation is necessary because of certain abuses by employees of the Veterans' Administration which have been brought to my attention recently.

I am hopeful that this bill will receive early consideration by the Veterans' Affairs Committee and be enacted expeditiously into law.

PROPOSAL TO PROVIDE EFFICIENT AND CONVENIENT PASSPORT SERVICES

(Mr. WEICKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEICKER. Mr. Speaker, I am today, along with my colleagues, Mr. BUSH, Mr. SYMINGTON, Mr. CABELL, Mr. FULTON of Pennsylvania, Mrs. CHISHOLM, Mr. MCDADE, Mr. HALPERN, Mr. DERWINSKI, Mr. CONTE, Mr. FRIEDEL, Mr. HELSTOSKI, Mr. FINDLEY, Mr. ANDERSON of California, Mr. CARTER, Mr. BINGHAM, Mr. HORTON, Mr. SPRINGER, and Mr. POLLOCK introducing a bill to provide more efficient and convenient passport services to the citizens of the United States of America. Additionally it is my understanding that 10 of my colleagues have introduced similar legislation to cover what is and has been a national disgrace. There is no question, from the list of the sponsors of this legislation, that we are dealing not with a regional problem but one which is national in scope. There is just no excuse for U.S. citizens suffering the delay and the long lines existing at courthouses at passport offices throughout this country.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. WEICKER. In a minute.

These services more than pay for themselves, yet the U.S. taxpayer is paying for services he never receives. What this bill specifically says is no more temporary solutions geared to Federal personalities but, rather, a permanent answer to what is a severe Federal crisis. That answer is additional passport offices under the direction of the Passport Office of the U.S. Department of State.

Mr. Speaker, State Departments issue passports; courts administer the laws. To ask one to perform the functions of the other is the type of Rube Goldberg mechanism that belongs to the era in which it was contrived.

PASSPORT SERVICE

(Mr. HAYS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYS. Mr. Speaker, since I am the chairman of the subcommittee that will handle this passport legislation and the gentleman from Connecticut did not have time to yield to me, I thought I would take some time on my own in order to tell him that if we get around to a hearing on this matter we will be glad to hear from him. Before we do I would like to advise the House that the breakdown of the Passport Service in a few isolated places in the United States is because of local officials who do not want, for a fee, to handle the applications. I doubt very seriously that my subcommittee is going to open up a passport office in every town and village in the United States because some officials will not do their jobs.

GUARANTEED LOANS TO STUDENTS IN HIGHER EDUCATION

(Mr. GROSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, the gentleman from Kentucky (Mr. PERKINS), in attempting to bring up this legislation under a suspension of the rules, by which no amendments can be offered, further indicts his position by saying that if this bill is amended, the other body very likely will not accept it.

Since when did the House of Representatives become groveling stooges to the other body in the matter of the consideration of legislation?

I am amazed that the gentleman would base his position and try to defend his position——

Mr. PERKINS. Mr. Speaker, will the gentleman yield to me? I do not believe the gentleman has quoted me correctly.

Mr. GROSS. Just a minute. Mr. Speaker, I am amazed that the gentleman would try to defend what he is attempting to do on that basis.

Now I yield to the gentleman from Kentucky.

Mr. PERKINS. I thank the gentleman for yielding.

Let me say to the distinguished gentleman from Iowa that I made a commitment, which is set forth in the RECORD, to several members of the Committee on Education and Labor in order to get the bill out of the committee last week and that I would ask to get the bill considered under a suspension of the rules. I chatted with the distinguished Speaker before I made this effort, and after consultation with the minority leadership, it was agreed to place the bill under the suspension of the rules procedure. For that reason I have been trying to carry out the commitment that I made to the members on the committee of which I am chairman.

It is my judgment, and I have stated that it is my judgment, if we attach the student unrest rider to this legislation that it will get bogged down and will not become law. I reiterate that statement again.

Mr. GROSS. May I suggest to the gentleman from Kentucky that he has no commitment from the other 400 Members of this House.

Mr. PERKINS. I answered the gentleman from Iowa when he wrote the letter expeditiously and set forth the situation and placed it in the RECORD. I am sure that every one of the Members who signed the petition last week will substantiate this fact.

Mr. GROSS. Well, Mr. Speaker, when this House of Representatives has to cut the cloth to fit the pattern of the other body in the consideration of legislation, then we had better disband the House and go home and forget about it.

A NATIONAL COMMISSION ON HEALTH RESOURCES AND MEDICAL MANPOWER

(Mr. HALL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HALL. Mr. Speaker, I am today submitting a bill in the interest of health resources including critically short medical manpower.

Because of the shortage of medical manpower which exists within our Nation today it is imperative that, in calling up medical personnel for military service, proper recognition be given to the respective needs of the Armed Forces, other Government agencies, and the civilian population. Accordingly, this bill would amend the Military Selective Service Act of 1967 to create a National Commission on Health Resources and Medical Manpower, which would have the responsibility of maintaining for the best interest of the Nation the proper balance of health personnel among the Armed Forces, other Government agencies and the civilian population.

CONTINUING FOR TEMPORARY PERIOD SUSPENSION OF DUTY ON CERTAIN ISTLE AND THE EXISTING INTEREST EQUALIZATION TAX

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10107) to continue for a temporary period the existing suspension of duty on certain istle, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, after line 9, insert:

"SEC. 2. Effective with respect to acquisition made after August 31, 1969, section 4911(d) of the Internal Revenue Code of 1954 (relating to termination of interest equalization tax) is amended by striking out 'August 31, 1969' and inserting in lieu thereof 'September 30, 1969'."

Amend the title so as to read: "An Act to continue for a temporary period the existing suspension of duty on certain istle and the existing interest equalization tax."

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

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I do not object to the action requested by the gentleman but I take this action only so that I can yield to him to request an explanation.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. MILLS. Mr. Speaker, I thank my colleague, the gentleman from Wisconsin.

Mr. Speaker, it will be recalled that last Thursday the House passed the bill dealing with the matter of interest equalization extension for a period of 20 months, through March 31, 1971.

Members of the other body charged with the jurisdiction over the matter have found it impossible to complete consideration of that bill between now and the time when the Congress will recess and they added this 30-day extension of the interest equalization tax from August 31, 1969, through September 30, 1969, to this bill in order to enable the other body to have a chance during the month of September to consider the bill that the House passed last Thursday. No other amendments are involved.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas (Mr. MILLS)?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

IN RE ANDERSON AND ANDERSON VERSUS COMMISSIONER OF INTERNAL REVENUE

Mr. PATMAN. Mr. Speaker, I rise to a question of the privilege of the House.

Mr. Speaker, I have been served with a subpena duces tecum by the tax court of the United States in the case of Anderson and Anderson against the Commissioner of Internal Revenue—Docket No. 4019/67—commanding me to produce certain documents within 90 days for examination.

Mr. Speaker, none of the documents called for in the subpena duces tecum are within my possession or control.

Under the precedents of the House, I am unable to comply with this subpena duces tecum without the consent of the House, the privileges of the House being involved. I therefore submit the matter for the consideration of this body.

Mr. Speaker, I send the subpena duces tecum to the desk.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

CHRISTIAN ANTI-DEFAMATION LEAGUE,
Mount Vernon, N.Y., May 19, 1969.

Congressman WRIGHT PATMAN,
Chairman, House Banking Committee,
House of Representative,
Washington, D.C.

HONORABLE SIR: Herewith, I respectfully serve upon you a Tax Court Subpoena Duces Tecum to produce a current, up-to-date audit of all Federal Reserve Banks, showing exactly the distribution of investments in domestic and foreign accounts by name, number and location.

May I note for the record that a similar Subpoena has been served on The President of The United States.

Respectfully yours,

ROY ANDERSON.

[In the Tax Court of the United States]

ANDERSON AND ANDERSON, PETITIONERS *v.* COMMISSIONER OF INTERNAL REVENUE, RESPONDENT

(Subpena duces tecum—Docket No. 4019/67)

To the Honorable Wright Patman, Chairman House Banking Committee, House of Representatives, Washington, D.C. 20515.

You are hereby commanded to produce for examination in your Washington offices, or at a convenient location in Washington, D.C., within 90 days, at Washington, D.C., on behalf of Anderson and Anderson, Petitioner in the above-entitled case, a current, up-to-date audit of all Federal Reserve Banks showing exactly the distribution of investments in domestic and foreign accounts by name, address, number, location and amounts at dollar par.

Date May 19, 1969.

ROY ANDERSON,
(For the petitioners).
_____,
Deputy Clerk.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 152]

Abernethy	Frey	Morton
Addabbo	Fulton, Pa.	Murphy, N.Y.
Anderson, Tenn.	Fulton, Tenn.	O'Neal, Ga.
Andrews, Ala.	Gallagher	Ottinger
Ashley	Gettys	Pepper
Barrett	Giaimo	Poage
Berry	Gibbons	Powell
Blackburn	Goldwater	Preyer, N.C.
Brooks	Gray	Rees
Caffery	Griffiths	Reifel
Cahill	Halpern	Reuss
Carey	Hanley	Rogers, Colo.
Celler	Hansen, Idaho	Ronan
Clark	Hansen, Wash.	Rosenthal
Collier	Harsha	Rostenkowski
Colmer	Hastings	St. Onge
Corbett	Hawkins	Scheuer
Corman	Hébert	Shipley
Cowger	Hogan	Sikes
Cramer	Holifield	Slack
Cunningham	Horton	Snyder
Davis, Ga.	Howard	Steed
de la Garza	Hull	Stubblefield
Delaney	Jarman	Sullivan
Denney	Jones, Tenn.	Symington
Diggs	Kee	Teague, Tex.
Edmondson	Kirwan	Tiernan
Edwards, Calif.	Kuykendall	Tunney
Esch	Landrum	Utt
Evins, Tenn.	Latta	Watkins
Farbstein	Lipscomb	Watson
Flowers	Lloyd	Wiggins
Flynt	Mann	Wolff
Ford, William D.	Martin	Wright
Frelinghuysen	Mathias	Wyman
	Miller, Calif.	Yates
	Moorhead	

The SPEAKER. On this rollcall 324 Members have answered to their names, a quorum.

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

AMENDING RULE XXXV OF RULES OF THE HOUSE OF REPRESENTATIVES INCREASING FEES OF WITNESSES BEFORE HOUSE OR COMMITTEES

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 495 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 495

Resolved, That rule XXXV of the Rules of the House of Representatives is amended to read as follows:

"RULE XXXV.

"PAY OF WITNESSES.

"The rule for paying witnesses subpenaed to appear before the House or any of its committees shall be as follows: For each day a witness shall attend, the sum of twenty dollars; and actual expenses of travel in

coming to or going from the place of examination, not to exceed twelve cents per mile; but nothing shall be paid for travel when the witness has been summoned at the place of examination."

The SPEAKER. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from California, pending which I yield myself such time as I may consume.

House Resolution 495 would amend rule XXXV of the rules of the House to increase fees of witneses before the House or its committees.

The fee for a witness subpenaed to appear before the House or any of its committees has not been increased since 1955, at which time it was increased to $9 a day, with travel expenses not to exceed 7 cents a mile. Certainly it is inconceivable that a witness would be able to pay his expenses in the District of Columbia with $9 a day.

House Resolution 495 would increase witness fees to $20 a day and would increase actual expenses of travel not to exceed 12 cents a mile. A witness would not be paid for travel when he has been summoned at the place of examination.

This increase would bring the subsistence allowance in line with fees paid witnesses in Federal courts and before Senate committees.

Mr. Speaker, I urge the adoption of House Resolution 495.

Mr. Speaker, I yield to the gentleman from California.

Mr. SMITH of California. Mr. Speaker, the gentleman from Hawaii has explained the matter adequately. It brings up the amount of the fee to the amount provided in the Civil Service Act. Probably it should be a little higher, but we are proceeding in the right direction. I urge adoption of the resolution.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

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

Mr. ICHORD. Mr. Speaker, I strongly urge the passage of House Resolution 495, which was introduced by the gentleman from New Hampshire (Mr. CLEVELAND) and myself on July 28. Resolution 495 is intended to correct a longstanding inequity in the payments to witnesses subpenaed before House committees. Under existing rule XXXV witnesses are paid $9 per day for each day of attendance and 7 cents per mile for travel. The provision for payment of $9 per day was approved in 1955. The provision for payment of 7 cents per mile was placed into effect in 1930.

I believe it should be obvious to everyone that the inflationary spiral since 1930, and even since 1955, has rendered authorizations under this rule woefully inadequate. A night's lodging in Washington in even modest accomodations cannot conceivably be secured for anything in the vicinity of $9; and this would leave the matter of meals, taxis, and so forth, still unaccounted for. The rate of 7 cents per mile is inadequate for the payment of air fare, except for travel from the Far West.

I do not feel that any witness should be entitled to a windfall for performing a public service, but neither do I feel that he should be expected to sustain any loss. As may be seen from data which I am submitting as extension of remarks, payments to witnesses appearing before independent agencies, the Federal courts, and before the U.S. Senate are considerably more realistic than the House rule. I feel that the proposal to increase per diem to $20 per day would permit a witness to cover his expenses if he budgeted himself wisely; and while the resolution proposes a rate of 12 cents per mile, I have also included a proviso that the payment shall not exceed actual cost of travel in order to prevent the accrual of excessive benefits to any witness.

The Committee on Internal Security has repeatedly experienced situations in which witnesses have suffered financial loss. This results in complaint to the staff and to my office and unquestionably engenders ill will not only toward the committee issuing the subpena, but to the House of Representatives and the U.S. Government as a whole.

I, therefore, urge favorable action on House Resolution 495 in order to prevent future grievances by affording fair and reasonable treatment to individuals asked to appear before the House or any of its committees.

The data referred to follows:

AUTHORITY FOR PAYMENT OF WITNESS FEES

SENATE MANUAL, SECTION 69—STANDING ORDERS OF THE SENATE

Resolved, That witnesses summoned to appear before the Senate or any of its committees shall be entitled to a witness fee rated at not to exceed $16 for each full day spent in traveling to and from the place of examination and for each full day in attendance. A witness shall also be entitled to reimbursement of the actual and necessary transportation expenses incurred by him in traveling to and from the place of examination, in no case to exceed 12 cents a mile for the distance actually traveled by him for the purpose of appearing as a witness.

RULE XXXV—HOUSE OF REPRESENTATIVES

The rule for paying witnesses subpenaed to appear before the House or either of its committees shall be as follows: For each day a witness shall attend, the sum of nine dollars; for each mile he shall travel in coming to or going from the place of examination, the sum of seven cents each way; but nothing shall be paid for traveling when the witness has been summoned at the place of trial.

FEDERAL JUDICIARY—28 U.S.C.A., SECTION 1821

A witness attending in any court of the United States, or before a United States commissioner, or before any person authorized to take his deposition pursuant to any rule or order of a court of the United States, shall receive $20 for each day's attendance and for the time necessarily occupied in going to and returning from the same, and 10 cents per mile for going from and returning to his place of residence. Regardless of the mode of travel employed by the witness, computation of mileage under this section shall be made on the basis of a uniform table of distances adopted by the Attorney General. Witnesses who are not salaried employees of the Government and who are not in custody and who attend at points so far removed from their respective residence as to prohibit return thereto from day to day shall be entitled to an additional allowance of $16 per day for expenses of subsistence including the time necessarily occupied in going to and returning from the place of attendance. *Provided*, That in lieu of the mileage allowance provided for herein, witnesses who are required to travel between the Territories and possessions, or to and from the continental United States, shall be entitled to the actual expenses of travel at the lowest first-class rate available at the time of reservation for passage, by means of transportation employed: *Provided further*, That this section shall not apply to Alaska.

When a witness is detained in prison for want of security for his appearance, he shall be entitled, in addition to his subsistence, to a compensation of $1 per day.

Witnesses in the district courts for the districts of Canal Zone, Guam, and the Virgin Islands shall receive the same fees and allowances provided in this section for witnesses in other district courts of the United States.

As amended Mar. 27, 1968, Pub. 1. 90–274, § 102(b), 82 Stat. 62

SECURITIES EXCHANGE COMMISSION—28 U.S.C.A. SECTION 1821

FEDERAL TRADE COMMISSION—15 U.S.C.A. SECTION 49

Witnesses summoned before the commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

GENERAL STATUTORY AUTHORITY

5 U.S.C.A. Section 503

(a) For the purpose of this section, "agency" has the meaning given it by section 5721 of this title.

(b) A witness is entitled to the fees and allowances allowed by statute for witnesses in the courts of the United States when—

(1) he is subpenaed under section 304(a) of this title; or

(2) he is subpenaed to and appears at a hearing before an agency authorized by law to hold hearings and subpena witnesses to attend the hearings.

Pub. L. 89–554, Sept. 6, 1966, 80 Stat. 381.

5 U.S.C.A. Section 304(a)

(a) The head of an Executive department or military department or bureau thereof in which a claim against the United States is pending may apply to a judge or clerk of a court of the United States to issue a subpena for a witness within the jurisdiction of the court to appear at a time and place stated in the subpena before an individual authorized to take depositions to be used in the courts of the United States, to give full and true answers to such written interrogatories and cross-interrogatories as may be submitted with the application, or to be orally examined and cross-examined on the subject of the claim.

5 U.S.C.A. Section 5721

For the purpose of this subchapter—

(1) "agency" means—

(A) an Executive agency;

(B) a military department;

(C) a court of the United States;

(D) the Administrative Office of the United States Courts;

(E) the Library of Congress;

(F) the Botanic Garden;

(G) the Government Printing Office; and

(H) the government of the District of Columbia; but does not include a Government controlled corporation;

(2) "employee" means an individual employed in or under an agency;

(3) "continental United States" means the several States and the District of Columbia, but does not include Alaska or Hawaii;

(4) "Government" means the Government of the United States and the government of the District of Columbia; and

(5) "appropriation" includes funds made available by statute under section 849 of title 31.

Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 500.

Mr. CLEVELAND. Mr. Speaker, I rise today as a proponent of this resolution and as one of its cosponsors.

At the present time we are spending over a half a billion dollars a week in Vietnam. We are spending untold billions in foreign aid, farm subsidies, welfare, space, and dozens of other programs deemed vital and important to the health and well-being of the Nation.

Each project we authorize and each dollar we appropriate is the responsibility of Congress. To assist it in its legislative deliberations, this body has established a committee system, before which witnesses testify to the needs of the country and the strengths and weaknesses of particular legislation under consideration. We reimburse those witnesses at a per diem rate of only $9 a day. This limit was established back in 1955, over a decade ago. In 1967 we paid $1,674 for witnesses—under this resolution it would have been about $3,720. The amounts are small, the principle of fairness is of larger concern.

In these inflationary times, $9 per day is an unrealistic sum, to say the least. Imagine trying to visit Washington with its high hotel rates, meals, and other expenses on that amount. We do not set that standard for Federal employees traveling away from home on Government business. Why should we demand it of citizens who help on our legislative business? Yet this is exactly what we demand of witnesses compelled to appear before our committees.

There can be no doubt that witnesses who appear before our committee are an integral part of the legislative process. The value of the information they furnish us cannot be overstated. They make congressional hearings meaningful and important. Without their help, we could not possibly legislate wisely or well. Since committee witnesses serve their Nation, why should they not be compensated on a par with Government employees who do the same?

ROBERT L. MAY—A TRIBUTE

I first became interested in this subject some years ago. It was brought to my attention by Robert L. May, then minority counsel of the Highway Subcommittee of the House Public Works Committee, of which I am a member. Mr. May informed me that many of the witnesses who appeared at our subcommittee hearings did so at considerable financial sacrifice. They traveled away from home to Washington, one of the most expensive cities in the Nation. Often they were required to remain here for several days, living in hotels, eating in restaurants beyond their limited financial means. To make ends meet, many lived in less than adequate quarters. They ate in less than adequate restaurants. Throughout their stay, they were continually confronted with personal embarrassment and financial hardship as they struggled to make ends meet. Some who were willing and anxious to appear before our subcommittee to give vital testimony could only do so by borrowing money to make up the difference between what the House paid them and what their trip to Washington actually cost them. Truly, this was an intolerable state of affairs.

With this information, Bob May activated my interest. Together we drafted, and I sponsored, a resolution which would have raised the per diem rate to $16 a day. With his help, the interest and support of other Members were enlisted.

I regret to say that our mutual attempt to remedy this unfortunate state of affairs was unsuccessful in 1965. But, Bob May continued his efforts. Today, 4 years later, they are about to bear fruit, and surely the sum of $20 reflects the passage of 4 years and the price of inflation. Bob May, I regret to say, is not here to witness the culmination of this effort he helped to initiate. He died early this year. His sudden passing saddened all who knew him. He was one of the unsung heroes of the Congress. He, and other professionals like him, who work on our committee staffs, are invaluable members of the legislative team, experts in their special fields of competence. Tireless in their dedication, they help us make our legislative process work. In doing so, they make representative self-government a reality.

Bob May will be missed. But his many contributions of which this resolution is one, will not be forgotten.

Mr. MATSUNAGA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING COMMITTEE ON POST OFFICE AND CIVIL SERVICE TO CONDUCT STUDIES AND INVESTIGATIONS

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 269 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

HOUSE RESOLUTION 269

Resolved, That, notwithstanding the provisions of H. Res. 268, Ninety-first Congress, the Committee on Post Office and Civil Service is authorized to send not more than fifteen members of such committee, not more than two majority staff assistants, and not more than one minority staff assistant to such Far Eastern and Western European countries as the committee may determine for the purpose of conducting studies with respect to the policies, operations, activities, and administration by the governments of such countries of matters in the following fields of activity of such governments: postal rates, postal operations, postal facilities and modernization, research and development programs, coding of mail, standardization of dimensional characteristics of mail, and the organization of the postal service as a corporation.

Notwithstanding section 1754 of title 22, United States Code, or any other provision of law, local currencies owned by the United States shall be made available to the Committee on Post Office and Civil Service of the House of Representatives and employees engaged in carrying out their official duties under section 190(d) of title 2, United States Code: *Provided*, That (1) no member or employee of said committee shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in section 502(b) of the Mutual Security Act of 1954, as amended by Public Law 88-633, approved October 7, 1964; (2) no member or employee of said committee shall receive or expend an amount of transportation in excess of actual transportation costs; (3) no appropriated funds shall be expended for the purpose of defraying expenses of members of said committee or its employees in any country where counterpart funds are available for this purpose.

Each member or employee of said committee shall make to the chairman of said committee an itemized report showing the number of days visited in each country where local currencies were spent, the amount of per diem furnished, and the cost of transportation if furnished by public carrier, or if such transportation is furnished by an agency of the United States Government, the cost of such transportation, and the identification of the agency. All such individual reports shall be filed by the chairman with the Committee on House Administration and shall be open to public inspection.

With the following committee amendments:

Strike all after the word *"Resolved,"* on page 1, through line 3, on page 2, and insert in lieu thereof the following language:

"That, notwithstanding the provisions of H. Res. 268, Ninety-first Congress, the Committee on Post Office and Civil Service is authorized to send not more than fifteen members of such committee, not more than two majority staff assistants, and not more than one minority staff assistant to England, Ireland, Germany, Switzerland, Denmark, France, Greece, Italy, Spain, Portugal, Norway, Sweden, and Japan for the purpose of conducting studies with respect to the policies, operations, activities, and administration by the governments of such countries of matters in the following fields of activity of such governments; postal rates, postal operations, postal facilities and modernization, research and development programs, coding of mail, standardization of dimensional characteristics of mail, and the organization of the postal service as a corporation; civil service pay, fringe benefits, position classification, and manpower utilization policies; and census and statistical programs and procedures."

On page 3, strike all after the word "agency." on line 4, and insert in lieu thereof the following:

"Amounts of per diem shall not be furnished for a period of time in any country if per diem has been furnished for the same period of time in any other country, irrespective of differences in time zones. All such individual reports shall be filed by the chairman with the Committee on House Administration and shall be open to public inspection."

The SPEAKER. The gentleman from Hawaii is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. SMITH), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 269 authorizes the Committee on Post Office and Civil Service to conduct studies and investigations within its jurisdiction. The resolution authorizes overseas travel and the use of counterpart funds to 15 members of the committee and three staff assistants. There are a number of countries involved in the authorization and the resolution was amended to set

out the countries which will be visited and was further amended to include the so-called Hall amendment.

Two members of the committee will travel, between August 12 and September 1, to England, Germany, Switzerland, and France to develop up-to-date information on postal mechanization, research, and development.

One member will visit Greece, Italy, and Spain, during the period August 20 to 28, to inspect the military mail service of the 6th Fleet in the Mediterranean area.

Three members of the Subcommittee on Census and Statistics expect to visit England to participate in the International Statistical Conference, and Ireland, Denmark, Norway, and Sweden to study recent advances in governmental statistical programs. This trip is scheduled between September 2 and 12. Two staff members, one each from the majority and minority, will accompany the members.

Nine members of the committee expect to visit Japan in late October and early November to participate in the Universal Postal Union meeting in Tokyo. Included in this trip are two majority and one minority staff members.

The chairman of the committee will be traveling, at the request of and with the military, to Denmark and Portugal regarding the mail service at our military installations in those countries and, under this resolution, he will be authorized the use of counterpart funds while there.

Mr. Speaker, I urge the adoption of House Resolution 269 authorizing the investigations set forth above.

Mr. HALL. Mr. Speaker, will the gentleman yield?

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

Mr. HALL. Mr. Speaker, I appreciate the distinguished gentleman from Hawaii yielding. I realize the gentleman brings House Resolution 269 to the floor as a representative of the distinguished Committee on Rules. I compliment the gentleman and those who prepared the original resolution on the amendments to which the gentleman alluded.

I would like to ask the gentleman if in the hearings before the Committee on Rules there was any suggestion about the cost that might be involved should this resolution pass?

Mr. MATSUNAGA. Mr. Speaker, as the gentleman will note from the resolution itself, the cost will be very minimal for the reason that counterpart funds will be used particularly in those areas where the counterpart funds are available.

As to the countries where such funds are not available, I will defer to a member of the Post Office and Civil Service Committee, who presented the resolution to the Rules Committee. I yield for this purpose to the gentleman from California (Mr. CHARLES H. WILSON).

Mr. CHARLES H. WILSON. Mr. Speaker, there is no way to estimate what the cost will be. We did not present an estimated cost. It is uncertain at the moment as to the number of Members who may participate in the trip. Even though it was set up to authorize as many as nine on the trip to the Orient later in the year, it is still uncertain as to how many are absolutely going. It was impossible to give a definite figure.

Mr. HALL. Mr. Speaker, if the gentleman will yield further, I would like to state I am happy to have this colloquy on the floor and some legislative record.

I am not one of those who agrees that because we are spending counterpart funds it does not eventually come out of the taxpayers' pocket. I have used counterpart funds, and I know how they are used.

Indeed, as the gentleman has stated here, we have backed an amendment, by the grace of the Committee on Rules, to see to it that even the counterpart funds—which are funds owned by the United States and deposited in foreign banks to the credit of the United States—will not be used excessively for duplicate or overlapping time periods in different nations.

As I said at the beginning, I compliment the committee on that.

I believe it has been established that so far as costs are concerned this is open ended, in order to accomplish the so-called purpose of the mission.

I should like to ask further if, in the opinion of the gentleman from Hawaii, as he exercised his surveillance in the Committee on Rules, the Congress will be in session during these multiple missions for the purposes of studying post offices around the world and post office systems?

Mr. MATSUNAGA. One of the trips, as the gentleman will note, will be held in Tokyo in late October and early November. At that time, the gentleman knows, the Congress may be in session. However, this is unavoidable, for the reason that it is at that time the Conference of the Universal Union of Postal Services will be held. It is for the purpose of attending this conference in Tokyo that the trip is being authorized.

Mr. HALL. I thank the gentleman. Is it intended to be inferred that there will actually be additional knowledge or experience data available overseas which might be better than our own postal system with its intended changes, some bills for which have already been submitted to the Congress.

Mr. MATSUNAGA. Yes, definitely so; otherwise I am sure the committee would not have asked to have this resolution reported favorably out of the Post Office and Civil Service Committee. All representations made before the Rules Committee so indicated.

Mr. HALL. I presume also that the representations to the Committee on Rules indicated that perhaps they might study corporations—quasi-governmental or private—which handle mail delivery in other sovereign nations; for example, the private corporation of France or the private corporation for mail delivery in Brazil, before either or both of them were nationalized, is that correct?

Mr. MATSUNAGA. Yes. As a matter of fact, one of the trips is intended for this purpose of studying a corporate setup which is now in operation in one of the countries. I do not recall exactly what country it was. There is a setup in one of the countries which will be visited by the Members.

Mr. HALL. Mr. Speaker, I appreciate the gentleman's yielding. I appreciate his forthright statement of the representations which have been made before his Committee on Rules. We certainly appreciate his function.

However, I am strongly opposed to this resolution. I believe the other Members ought to know it. It is because of experience with the private corporations which do deliver mail around the world, that I know it takes in some instances about 6 weeks to get a simple letter by such corporation across the city. Indeed, they are dispatched by private messenger if they want immediate delivery. I doubt if there is much to be learned by such a junket as this, and I shall vote against the resolution.

Mr. MATSUNAGA. The gentleman from Missouri, I am sure, was happy to note that the gentleman's usual amendment, known as the Hall amendment, is included in the resolution.

Mr. HALL. As I said at the beginning, I did note it, and I thank the gentleman for the wisdom of the Committee on Rules.

Mr. MATSUNAGA. For the information of Members who do not know what the Hall amendment is, let me say that it would save a few dollars, for the reason that it forbids the issuance of a per diem allowance more than once within a 24-hour period, even though the Member travels from one country to another, and despite the difference in the international time zone.

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

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

Mr. GROSS. I am a little surprised that this junket to the Far East is not going to take in Taiwan, where they have eight mail collections a day and eight deliveries a day to householders and business establishments in Taiwan. I am a little surprised they are not going over to find out how that is done.

Mr. MATSUNAGA. I am sure the gentleman is not really surprised, as he expresses himself to be, because he is a member of the Committee on Post Office and Civil Service and the matter was discussed in his own committee.

Mr. GROSS. I was probably too busy with the hearings on the foreign giveaway bill in the Committee on Foreign Affairs to get to the Committee on Post Office and Civil Service when this junketing resolution came out.

I do not know whether the gentleman can answer this question or not, and I am not going to pressure him to do so, but I wonder if there will be any Air Force transportation available for the first of these junketeers when they take off, because I understand that everything that has wings and can fly is being assembled to haul perhaps several hundred people out to California for an upcoming dinner. I also understand that there is pressure now to get the Department of Defense planes assembled for a trip to Dallas, Tex., to haul more VIP's to a football game in Dallas, Tex., on or about September 13. I wonder if there

will be any planes available to get these people around.

Mr. MATSUNAGA. Well, as I understand it, the trips involved in this resolution will come later than the trips that the gentleman speaks of. However, I would strongly urge that since the gentleman is of the same party, he consult with the administration on it.

Mr. GROSS. I may not have the ability to get information from the administration in all areas and departments, I would say to the gentleman.

Mr. MATSUNAGA. Mr. Speaker, I now yield to the gentleman from California (Mr. SMITH).

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, so far as this bill is concerned, I think it has been adequately explained. I might simply say in connection with the visit to England, according to a detailed letter which the chairman of the Committee on Post Office and Civil Service submitted to the Committee on Rules previous to the hearing on it, their purpose would be to confer with British postal officials on progress in their Postal Corporation program. Insofar as Germany, Switzerland, and France are concerned, the purpose will be to develop up-to-date information on the postal mechanization research and development in those countries. So far as the trip to England is concerned, the main purpose is to participate in the International Statistical Conference. Then in Norway and Sweden there will be a study of recent advances in government statistical programs in those countries. With regard to Tokyo, Japan, the trip is for the purpose of participating in the universal postal union meeting late in October and early November.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUNAGA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the committee amendments.

The committee amendments were agreed to.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members and the Clerk will call the roll.

The question was taken; and there were—yeas 196, nays 132, not voting 104, as follows:

[Roll No. 153]

YEAS—196

Adair	Annunzio	Blatnik
Adams	Arends	Boggs
Albert	Aspinall	Bolling
Anderson, Calif.	Ayres	Brademas
Anderson, Ill.	Beall, Md.	Brasco
Andrews, N. Dak.	Belcher	Bray
	Bennett	Broomfield
	Bingham	Brown, Mich.
Brown, Ohio	Harvey	Perkins
Broyhill, Va.	Hathaway	Pettis
Burke, Mass.	Hays	Philbin
Burleson, Tex.	Helstoski	Pickle
Burton, Calif.	Henderson	Pirnie
Bush	Hicks	Podell
Button	Hosmer	Price, Ill.
Byrne, Pa.	Hungate	Pucinski
Cabell	Ichord	Purcell
Cahill	Johnson, Calif.	Quie
Camp	Johnson, Pa.	Randall
Carter	Jones, Ala.	Rees
Cederberg	Karth	Reid, N.Y.
Chamberlain	Kazen	Rivers
Chisholm	Keith	Roberts
Clark	Kluczynski	Rodino
Clausen, Don H.	Kyros	Rogers, Colo.
	Langen	Rooney, N.Y.
Clawson, Del	Leggett	Rooney, Pa.
Clay	Long, La.	Rosenthal
Cohelan	Long, Md.	Rostenkowski
Conable	Lukens	Roybal
Conte	McCarthy	Ruppe
Conyers	McClory	Ryan
Corman	McClure	St Germain
Daddario	McCulloch	St. Onge
Daniels, N.J.	McDade	Sandman
Dawson	McEwen	Saylor
de la Garza	McFall	Sisk
Dent	McMillan	Skubitz
Derwinski	Macdonald, Mass.	Smith, Calif.
Dingell		Smith, Iowa
Donohue	MacGregor	Smith, N.Y.
Dulski	Madden	Springer
Eckhardt	Mahon	Staggers
Edwards, La.	Matsunaga	Steed
Eilberg	Meeds	Stokes
Erlenborn	Melcher	Stratton
Fallon	Meskill	Stuckey
Fascell	Mikva	Taft
Feighan	Mills	Teague, Calif.
Findley	Minish	Thompson, Ga.
Flood	Mink	Udall
Foley	Mize	Ullman
Ford, Gerald R.	Mollohan	Vigorito
Friedel	Monagan	Waggonner
Fuqua	Morgan	Waldie
Galifianakis	Morse	Watts
Garmatz	Moss	Whalen
Gaydos	Murphy, Ill.	White
Gilbert	Natcher	Whitten
Gonzalez	Nedzi	Widnall
Green, Oreg.	Nix	Wiggins
Green, Pa.	O'Hara	Williams
Griffin	Olsen	Wilson, Charles H.
Grover	O'Neill, Mass.	
Gubser	Passman	Yatron
Hamilton	Patman	Young
Hanna	Patten	Zablocki

NAYS—132

Abbitt	Fraser	Pike
Alexander	Goodling	Poff
Ashbrook	Gross	Pollock
Ashley	Gude	Price, Tex.
Bell, Calif.	Hagan	Pryor, Ark.
Betts	Haley	Quillen
Bevill	Hall	Railsback
Biaggi	Hammer-schmidt	Rarick
Biester		Reid, Ill.
Blanton	Hechler, W. Va.	Rhodes
Bow	Heckler, Mass.	Riegle
Brinkley	Hunt	Robison
Brock	Hutchinson	Rogers, Fla.
Brotzman	Jacobs	Roth
Brown, Calif.	Jarman	Roudebush
Broyhill, N.C.	Jonas	Ruth
Buchanan	Jones, N.C.	Satterfield
Burke, Fla.	Kastenmeier	Schadeberg
Burlison, Mo.	King	Scherle
Burton, Utah	Kleppe	Schneebeli
Chappell	Koch	Schwengel
Clancy	Kyl	Scott
Cleveland	Landgrebe	Sebelius
Collins	Lennon	Shriver
Coughlin	Lowenstein	Stafford
Culver	Lujan	Stanton
Daniel, Va.	McCloskey	Steiger, Ariz.
Davis, Wis.	McDonald, Mich.	Steiger, Wis.
Dellenback		Talcott
Denney	McKneally	Taylor
Dennis	Marsh	Thomson, Wis.
Devine	May	Vander Jagt
Dickinson	Mayne	Vanik
Dorn	Michel	Wampler
Dowdy	Miller, Ohio	Weicker
Downing	Minshall	Whalley
Duncan	Mizell	Whitehurst
Edwards, Ala.	Montgomery	Winn
Edwards, Calif.	Mosher	Wold
Eshleman	Myers	Wyatt
Evans, Colo.	Nelsen	Wydler
Fish	Nichols	Wylie
Fisher	Obey	Zion
Foreman	O'Konski	Zwach
Fountain	Pelly	

NOT VOTING—104

Abernethy	Fulton, Pa.	Moorhead
Addabbo	Fulton, Tenn.	Morton
Anderson, Tenn.	Gallagher	Murphy, N.Y.
	Gettys	O'Neal, Ga.
Andrews, Ala.	Giaimo	Ottinger
Baring	Gibbons	Pepper
Barrett	Goldwater	Poage
Berry	Gray	Powell
Blackburn	Griffiths	Preyer, N.C.
Boland	Halpern	Reifel
Brooks	Hanley	Reuss
Byrnes, Wis.	Hansen, Idaho	Ronan
Caffery	Hansen, Wash.	Scheuer
Carey	Harsha	Shipley
Casey	Hastings	Sikes
Celler	Hawkins	Slack
Collier	Hébert	Snyder
Colmer	Hogan	Stephens
Corbett	Holifield	Stubblefield
Cowger	Horton	Sullivan
Cramer	Howard	Symington
Cunningham	Hull	Teague, Tex.
Davis, Ga.	Joelson	Thompson, N.J.
Delaney	Jones, Tenn.	Tiernan
Diggs	Kee	Tunney
Dwyer	Kirwan	Utt
Edmondson	Kuykendall	Van Deerlin
Esch	Landrum	Watkins
Evins, Tenn.	Latta	Watson
Farbstein	Lipscomb	Wilson, Bob
Flowers	Lloyd	Wolff
Flynt	Mailliard	Wright
Ford, William D.	Mann	Wyman
	Martin	Yates
Frelinghuysen	Mathias	
Frey	Miller, Calif.	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Kirwan with Mr. Morton.
Mr. Celler with Mr. Frelinghuysen.
Mr. Abernethy with Mr. Watson.
Mr. Teague of Texas with Mr. Byrnes of Wisconsin.
Mr. Ronan with Mr. Cowger.
Mr. Giaimo with Mr. Wyman.
Mr. Sikes with Mr. Latta.
Mr. Hanley with Mr. Horton.
Mr. Hébert with Mr. Bob Wilson.
Mr. Miller of California with Mr. Lipscomb.
Mr. Caffery with Mr. Hansen of Idaho.
Mr. Flowers with Mr. Frey.
Mr. Barrett with Mr. Corbett.
Mr. Addabbo with Mr. Reifel.
Mr. Holifield with Mr. Mailliard.
Mr. Thompson of New Jersey with Mr. Harsha.
Mr. Wolff with Mr. Hastings.
Mr. Brooks with Mr. Goldwater.
Mr. Hull with Mr. Berry.
Mrs. Sullivan with Mrs. Dwyer.
Mr. Howard with Mr. Snyder.
Mr. Murphy of New York with Mr. Watkins.
Mr. O'Neal of Georgia with Mr. Cramer.
Mr. Delaney with Mr. Fulton of Pennsylvania.
Mr. Evans of Tennessee with Mr. Utt.
Mr. Davis of Georgia with Mr. Blackburn.
Mr. Farbstein with Mr. Esch.
Mr. Carey with Mr. Hogan.
Mr. Colmer with Mr. Collier.
Mr. Slack with Mr. Cunningham.
Mr. Hawkins with Mr. Halpern.
Mr. Gray with Mr. Floyd.
Mr. Gettys with Mr. Kuykendall.
Mr. Edmondson with Mr. Martin.
Mr. Jones of Tennessee with Mr. Mathias.
Mr. Tiernan with Mr. Anderson of Tennessee.
Mr. Andrews of Alabama with Mr. Mann.
Mr. Moorhead with Mr. Wright.
Mr. Pepper with Mr. Tunney.
Mr. Boland with Mr. Fulton of Tennessee.
Mr. Stephens with Mr. Symington.
Mr. Yates with Mr. Diggs.
Mr. Anderson of Tennessee with Mr. William D. Ford.
Mr. Baring with Mr. Shipley.
Mr. Scheuer with Mr. Joelson.
Mr. Casey with Mr. Flynt.
Mr. Gallagher with Mr. Ottinger.
Mrs. Griffiths with Mr. Landrum.
Mrs. Hansen of Washington with Mr. Gibbons.
Mr. Poage with Mr. Stubblefield.

Mr. Reuss with Mr. Preyer of North Carolina.

Mr. Kee with Mr. Van Deerlin.

Mr. BIAGGI changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

POSTMASTER GENERAL BLOUNT PROVIDES CONCLUDING TESTIMONY IN POSTAL REFORM HEARING

Mr. DULSKI. Mr. Speaker, today marked the 34th day since April 22 in which the Post Office and Civil Service Committee has held public hearings on postal reform legislation—without question the most comprehensive and important issue before our committee.

As I told this committee in opening today's session, the attendance, the intense interest and the helpful cooperation of the members of the committee during the hearings have been outstanding.

The closing witness today was the Postmaster General, Winton M. Blount, who has devoted much of his attention since he took office last January to the issue of postal reform.

Mr. Blount made a most detailed and informative closing statement which I am including as a part of my remarks:

TESTIMONY OF POSTMASTER GENERAL BLOUNT, AUGUST 12, 1969

Mr. Chairman, I am pleased to be back this morning before the Committee to resume my testimony on postal reform.

My staff and I have, of course, followed the Committee's hearings on postal reform with great interest, and we have been deeply impressed by the amount of time and effort that the Committee has devoted to this crucial subject, and by the wealth of information which has been placed on the record.

Dependable, reasonably-priced postal service is vital to the economic and social well-being of this nation. The question that concerns us all is how the American people can best be assured of receiving such service in the decades ahead.

I am convinced that the answer to this question lies in total reform of the postal system.

With one or two notable exceptions, there has been wide acceptance of the view that we simply cannot afford to let the Post Office continue to limp along as it has in the past.

The problems of the Post Office Department have been stated many ways, but perhaps no better summary exists than that contained in your own floor speech of January 6, 1969, Mr. Chairman, when you said:

"The Department is handicapped by numerous legislative, budgetary, financial, and personnel policy restrictions that have accumulated over the years and are virtually self-defeating.

"These restrictions foreclose to any Postmaster General most of the modern management and business practices which should be available to him if he is to carry out his responsibilities to provide efficient and economical service.

"Another damaging handicap under which the Department is forced to operate is its extreme vulnerability to constant, yet unwise, interference from all types of political and personal pressures which adversely affect both postal employment and operating policies."

AGREEMENT ON BROAD REMEDIES

Not only is there remarkable unanimity on the problems of the postal service today, and the need for postal reform, but there is widespread agreement as to the broad remedies which are required to correct those problems. To quote again from your statement, Mr. Chairman:

"First, we must give to top management the authority it needs to operate consistent with its responsibilities. The weakness of the present administrative setup is that management is severely and unjustly hampered in its effort to administer the Department under the law in a businesslike way.

"Second, we must modernize employee-management relations to fit today's operations, and

"Third, we must provide the Department with updated business-type financing."

I fully agree with these statements, Mr. Chairman. They contain an excellent summary of the goals of postal reform.

THREE AREAS FOR CHANGE

The question, however, is how these goals can best be attained. The principal alternatives are H.R. 11750 and H.R. 4. With your permission I would like to comment on the differences between these bills as they relate to the three major areas in which there is full agreement that basic changes are needed:

1. organization and management
2. labor relations, and
3. finance and rate making.

In the course of these comments I shall point out why H.R. 11750 would, in our view, better achieve the ends which all of us seek.

First, organization and management. Many witnesses in these hearings have questioned the need for a corporate form of organization. Why, they ask, can we not achieve the necessary reforms within the present Cabinet-Department structure—which, in general, H.R. 4 attempts to do.

Certainly there is nothing magic about the word "corporation." But when you add up all the organizational changes that are necessary to give "top management the authority it needs . . . consistent with its responsibility," as you have put it Mr. Chairman, what those changes most resemble, in sum, is a government corporation.

NEED FOR CABINET POST?

The problems of the Post Office begin with the fact that the Postmaster General is a member of the President's Cabinet, and as such is appointed by a process designed primarily to attract political policy makers.

The Secretary of State, for example, must first and foremost be able to work with the President on the formulation of fundamental national policy with respect to other nations.

The Secretary of the Treasury has important responsibilities in formulating fiscal and monetary policy for the nation.

The Postmaster General does not have such policy responsibilities. The policy is clear: the best possible postal service at the lowest possible cost. The Postmaster General must be a first-class manager, but not necessarily a man expert in the vital public policy issues of the day. His job is to operate a major service enterprise successfully and economically.

While H.R. 4 retains the Postmaster General as a Cabinet officer, H.R. 11750, as you know, establishes a continuing board of directors to oversee the operation of the postal system. Seven members of this board are appointed by the President, with the advice and consent of the Senate.

These Presidentially-appointed directors will hire (and, if necessary, fire) the chief executive officer and the chief operating officer of the Postal Service. The seven public board members serve staggered seven-year terms, thus permitting a continuous accommodation to changing public policy.

During their term, these public members of the board may be removed only for cause. This structure will shield operating management from partisan political influence, while at the same time providing a ready means of changing operating management if it fails to do the best possible job.

REGARDING LONG TERM

There is another way of achieving continuity of management, and that is by providing a long statutory term for the Postmaster General and his principal assistants.

This approach, however, fails to promote responsiveness to the nation's postal needs—indeed, it would protect the Postmaster General and his top aides not only from the demands of partisan politics (which is all to the good), but also from the demands of the nation for better postal service (which is precisely the worst kind of protection).

The man in charge of operating the postal system should be removable if his performance is unsatisfactory, and he should have the power to remove his principal subordinates if their performance is unsatisfactory.

Long statutory terms are appropriate for judges, or for the Comptroller General, whose objectivity and detachment must be above question; but they are inappropriate, in my view, to the postal service.

It is a mistake to freeze operating management into office by law. Top management can be judged by its performance, and should be replaced if that performance is not what it should be.

CENTRALIZING RESPONSIBILITY

The Administration's bill, moreover, would place the responsibility for running the postal system in one place. The Postal Service would be responsible for pricing, for borrowing and for operations.

There are checks and balances, of course, including those inherent in the collective bargaining process, in the fact that pricing decisions are reviewed by Congress, and in the fact that the ability to float bonds may be subject to the discipline of the marketplace.

Above all, the board of directors would be responsible for seeing to it that the operating management of the Postal Service acts only in the public interest. But the Postal Service management would nevertheless have adequate power to get the job done.

By contrast, H.R. 4 aggravates the present fragmentation of management authority: under H.R. 4 wages are still set by Congress, rates are established by the President (subject to a Congressional veto) after review by a commission that acts only once every four years, and borrowing is in the hands of a Government corporation.

The separation of the rate-making and wage-setting functions actually is a step backward; for under the present arrangement the same committees of the Congress review both postal wages and rates, and can exercise responsibility in coordinating the two. The power to exercise that responsibility would be greatly diminished by H.R. 4.

QUESTION OF PERSONNEL

Turning now to the personnel area, I believe that enactment of the Postal Service Act would represent a major step forward.

One of the principal objectives of the Pendleton Act, which established the Civil Service system, was to put an end to political influence in the appointment and promotion of civil servants.

Civil Service has not been wholly successful in achieving this admirable objective insofar as the Post Office is concerned—a fact recognized in those provisions of H.R. 4 that are designed to eliminate political influence in the appointment of postmasters.

But this problem is by no means confined to postmasters, and a sweeping reform of the existing system is necessary to provide top to bottom insulation from the kind of political influence that does not promote the effectiveness of the postal service.

Under H.R. 11750, *all* appointments to and promotions within the Postal Service must be made on the basis of merit and fitness. The Hatch Act would continue to apply. The right of a hearing on adverse actions would be retained.

Appeal of adverse actions to the Civil Service Commission, provided by law under the Veterans' Preference Act, would be retained with respect to veterans who have preference eligible status.

CIVIL SERVICE UNCHANGED

The Civil Service retirement system would be retained unchanged, and the Civil Service fringe benefits such as unemployment insurance, workmen's compensation, life insurance and health benefits could be changed only if such change resulted in a package of benefits equal to or better than the present package.

In addition, H.R. 11750 provides that changes in these benefits would be subject to collective bargaining.

It is extremely unlikely that postal management would propose that any of these benefits for its employees be permitted to fall behind those enjoyed by the Civil Service, and it is inconceivable that the unions representing these employees would allow it to happen.

Unlike H.R. 4, however, the Postal Service Act would remove the Postal Service from the detailed examination and job classification requirements imposed under current law, and from the delays that are inherent in the present recruitment system.

We simply cannot hire and promote many of the people we need fast enough in today's fast-changing economy.

INSULATING FROM POLITICS

The political influence which the examination and classification requirements were designed to prevent can be removed by insulating the Postal Service from partisan politics through a corporate organization form—and, at the same time, the Postal Service can be given the flexibility it needs in hiring, classifying and promoting its employees.

With respect to supervisors, H.R. 4 provides for statutory recognition of supervisors' organizations, and would require a form of collective bargaining with such organizations. This path would necessarily lead the supervisors away from management; it is not the direction in which supervisors should go.

Our supervisors ought to become an integral part of the management team. They should be recognized as management, given a degree of authority and responsibility commensurate with that status, and paid accordingly.

The whole success of postal reform depends upon a well-motivated, well-trained, enthusiastic supervisory force. By placing supervisors in the category of rank and file employees, H.R. 4 removes their sense of identification with management, and points to a functionally disoriented supervisory force. The postal system simply cannot afford to have this happen.

MORE ISSUES TO BARGAIN

With regard to rank and file employees, H.R. 11750 opens to bargaining a host of issues not now required to be discussed at the bargaining table.

The most significant of these issues, of course, is wages—but management would also be required to bargain on a variety of other issues that are now excluded from bargaining.

We believe that a duty to bargain in good faith over the issues bargainable in private industry (except, of course, for the right to strike) is essential to satisfactory employee-management relations in the Postal Service.

Unfortunately, H.R. 4, by retaining wage setting in the Congress, completely excludes the most significant issue from the bargaining process.

There is abundant evidence that employees are dissatisfied with the present wage-setting process. They want a system which is more rapid and more responsive than the one now in use.

Furthermore, they are entitled to a share in the benefits of productivity increases that are attained in the Postal Service.

By creating a forum for face-to-face negotiations on the issues of pay and productivity, the Administration's bill makes possible the mutually profitable collaboration between management and labor which takes place regularly in the private sector.

ON RESOLVING DISPUTES

Moreover, H.R. 11750 provides for a fair balance of bargaining power between labor and management. In collective bargaining, of course, there must be some type of dispute-resolving mechanism.

The mechanism spelled out in H.R. 11750 has been widely misunderstood. To begin with, it is a fall-back mechanism. The parties are free to agree to any other method—except a strike—which would resolve impasses arising between them. In the event they fail to do so, and a bargaining dispute arises, the procedures provided in the Act come into play.

Some witnesses before this Committee have assumed that under those procedures management has the authority to determine which issues shall proceed to final binding arbitration.

This simply is not true. Either side may refer a matter which arises at the negotiating table to an outside, impartial, third-party Disputes Panel. Neither side can prevent it.

This Panel represents neither management nor labor, but is composed of representatives selected, directly or indirectly, by the American Arbitration Association and the Federal Mediation and Conciliation Service—two organizations widely known for their impartiality and objectivity whose services are widely used by both labor and management for resolving disputes between them.

PANEL HAS FINAL SAY

This Panel has the final say as to whether a matter will be referred to an ad hoc arbitration board; and a decision on the part of the Panel to turn down jurisdiction on a given issue without referring it to arbitration constitutes a final determination on that issue, since the status quo must then be preserved.

On an important issue such as the extent of a wage increase, the Disputes Panel would unquestionably turn over to outside arbitrators the task of determining the amount of the increase, once it became apparent that further negotiations would be to no avail.

Postal management would be as powerless to prevent binding arbitration as labor would be to force it. Only the Disputes Panel could invoke it.

To guarantee either party automatic unilateral recourse to compulsory arbitration on any and every issue, regardless of the status of the negotiations, would hardly encourage the parties to resolve their own differences.

REGARDING ARBITRATION

There must be some mechanism to prevent either of the parties from going to arbitration before the possibilities of bargaining have been fully exhausted. No single party is a good judge of when arbitration has become the only way in which outstanding differences can be resolved.

H.R. 11750 establishes an impartial panel to make that judgment, and the function performed by this panel is a highly important one to good-faith bargaining.

H.R. 4 contains provision for automatic arbitration of any and all issues at the call of either side. For this reason, and because the most significant matter at issue between the parties is excluded entirely from the bargaining, the provisions of H.R. 4 utterly fail to meet the pressing labor-management needs of the postal service.

BUSINESS OR PUBLIC SERVICE

The third area concerns postal finances. There has been much discussion before the Committee about whether the Post Office is a business or a public service.

In my judgment the Post Office is unquestionably a public service—but a public service that can best serve the public by operating in an efficient and enlightened business-like fashion, fully conscious that it is a nationwide enterprise dedicated to serving all—including even the most remote rural areas.

Surely, however, this public service is not serving the public well if it is run on a far more costly basis than it need be: public service should not mean public wastefulness.

While I do not conceive of the Postal Service as a profit making enterprise, I see no reason at all why that portion of the operation that is capable of being self-sustaining should be supported indefinitely by tax revenues.

Only about 20% of all mail is sent by individual households, yet individuals provide over 70% of all of the federal income tax revenues received by the Treasury.

TAXPAYER SHARE IS HIGH

To the extent that the Postal Service is subsidized out of taxes, therefore, it is evident that individual taxpayers are bearing a disproportionate share of the cost in relation to business corporations.

I do not believe that business needs such a subsidy, and I think that there are other, more urgent needs for the nation's tax revenues.

It has been argued that a postal system operated in a businesslike fashion, without massive tax support, would cut off service to "unprofitable rural areas."

Much has been made of the fact that our bill provides that the Postal Service shall serve "as nearly as practicable" the entire population of the United States.

This phrase was drawn from the present law, section 6005 of Title 39 of the United States Code, which requires the Postmaster General to "maintain a rural delivery service serving as nearly as practicable the entire population of the United States."

NO LAW CHANGE PROPOSED

We have used this phrase in that section of our bill which imposes a broad service responsibility on the Postal Service, and we had no intention of watering down the existing law in this regard.

The business of the Post Office, after all, is postal service. A significant part of its value to any mail user consists of its ability to reach virtually everyone in the United States. Any serious impairment of that capability would be self-defeating.

I have stated to this Committee before, and I repeat now, that our bill was not drawn to permit wholesale reductions in rural service, or, indeed, in any major category of postal service.

The bill recognizes that the cost of rural service is a proper charge to be included in the postal rate base, to be paid by all mail users.

The bill's break-even requirement applies to postal operations *as a whole*, taking Congressional appropriations into account; there is no requirement that rural mail service be self-sustaining. A higher rate for rural users, or for mail addressed to rural areas, would in my view be unthinkable.

While some have argued before the Committee that our bill makes the financial aspects of the Postal Service too important, others have argued that the financial needs of the postal system are the sole cause of its problems.

IS MONEY ONLY NEED?

There is nothing wrong with the postal service, it has been said, that money cannot cure. This has been said almost as though it makes no difference whether five billion or twenty billion dollars are spent to modernize the Post Office and as though one organizational form is inherently no less costly than another.

Massive infusions of new capital will not in themselves bring the necessary improvements to the postal service.

Unless management possesses the capability to make the most effective use of available resources, postal reform will cost far more than the taxpayer and the postal user should be compelled to pay, and certainly far more than can be raised in today's financial markets.

The urgent demands of this nation on the country's limited supply of capital make it imperative that the money spent on the Postal Service be spent so as to do the most possible good.

This objective requires a professional postal management selected on the basis of ability to get the job done and vested with authority to get the job done right.

ON AUTHORITY TO BORROW

Some have argued that the authority to borrow will only increase the fixed costs of the Postal Service. But as Chairman Steed has pointed out, the Post Office must spend money in order to save money, and the appropriation process cannot and should not be expected to provide the capital resources needed to produce these savings.

A management subject to the break-even constraints of H.R. 11750 and the discipline of the money market would borrow *only* in those situations where the savings from capital investment exceeded—indeed, substantially exceeded—the cost of the borrowing, after covering depreciation, interest and other costs.

Only those investments which would be profitable would be made. The Department has been so capital-deficient, however, that there are many opportunities to make high-return capital investments.

It has also been suggested that we are naive in thinking that major cost reductions can be achieved.

That our productivity *can* be improved, however, is evidenced by the enormous productivity improvements made in private industry since World War II.

These improvements show what modern machinery and equipment now in existence can achieve when properly utilized under modern management techniques.

SAVINGS VERSUS PERSONNEL

Cost savings in postal service do not, however, mean reductions in personnel, despite the fact that labor costs make up 80% of the postal budget.

With mail volume growing as fast as it is today, we can avoid costs simply by hiring fewer people than we would otherwise have to.

But to achieve this kind of cost avoidance, we must increase productivity; and productivity improvement depends not only on adequate capital resources, but also on continuing professional management possessed of the same kind of freedom to manage that exists in the private sector.

H.R. 11750 would grant such freedoms; H.R. 4 would not.

There have been questions, in these hearings and elsewhere, as to whether bonds issued by the Postal Service under H.R. 11750, or by the Postal Modernization Authority under H.R. 4, could be sold to the public without a Treasury guaranty. As far as H.R. 11750 is concerned, we do not believe that such a guaranty is necessary.

Our bill provides a means under which the Postal Service can be assured of up to $2 billion through borrowings from the Treasury at interest rates corresponding to the prevailing yield on outstanding Treasury securities of comparable maturity.

ATTRACTIVENESS OF BONDS

Knowledge in the financial community that the Postal Service has such a call on the Treasury will unquestionably increase the attractiveness of Postal Service bonds offered for sale to the public.

Moreover, the major capital resources that would become available to the Postal Service, either through Treasury financing or through borrowing from the public would enable the Postal Service to make very substantial progress in realizing the major cost savings that modernization of our physical plant can bring.

Once the impact of those cost savings has begun to be felt, and bearing in mind the provisions of H.R. 11750 that give the Postal Service the necessary tools to achieve the goal of a self-sustaining operation, and the provisions permitting the revenues of that operation to be pledged as security to the bond-holders.

I have no doubt that the obligations of the Postal Service could be satisfactorily marketed.

In preparing the Postal Service Act we were extremely fortunate to have had the counsel of men like Assistant Postmaster General Hargrove, formerly Financial Vice President and Senior Vice President of Texas Eastern Transmission Corporation, who has had many years of experience with major issues of debt securities.

That experience was fully utilized in the preparation of the bill, and the provisions of H.R. 11750 were carefully drawn to enhance the marketability of the securities issued thereunder.

MANAGEMENT CONTINUITY

Substantial departures from the principles contained in H.R. 11750 might gravely impair the market's willingness to accept bonds issued by a postal corporation.

We know that potential investors in such securities would attach great importance to the quality and continuity of the issuing authority's management, present and prospective.

A statute that failed to provide for continuity of professional corporate management would seriously handicap the corporation in attempting to sell its securities at acceptable interest rates, absent a pledge of the full faith and credit of the United States.

Similar handicaps would be imposed by a statute that failed to provide a continuous rate-setting mechanism responsive to changing economic conditions and changing customer demands, or a statute that failed to guarantee a resonable degree of managerial freedom in setting rates and controlling costs.

Moreover, if capital funds of the magnitude we have been discussing are to be obtained in the private market, it is essential that total postal revenues and receipts be available as security for such borrowings, rather than just the revenues from leases of property to the Post Office.

For all of these reasons, Mr. Chairman, I have very serious doubts as to whether the financing corporation that would be established under H.R. 4 could raise funds in the amounts that are needed without being forced to pay unjustifiably high rates of interest.

MARKETABILITY OF BONDS

In this connection, Mr. Chairman, we asked four major New York investment houses to comment on the relative marketability of bonds issued under H.R. 4 and H.R. 11750.

These firms—Dillon, Read & Co.; Salomon Bros. & Hutzler; Eastman Dillon, Union Securities & Co.; and Discount Corporation of New York—have participated in the underwriting and distribution of Government securities amounting to billions of dollars. They are recognized as leaders in this field.

It was their consensus that the objective of marketing postal corporation bonds at interest rates bearing a reasonable relation to those of comparable securities would be much more readily attainable under H.R. 11750.

Typical of the comments we received was this statement by the Chairman of the Board of Discount Corporation of New York:

"In comparing the provisions of H.R. 11750 and H.R. 4, I do not think that there is any question that there would be better investor acceptance of securities issued under the former"—that is, H.R. 11750—"and a resulting lower interest cost to the borrower."

With respect to the salability of bonds issued under H.R. 11750, Dillon, Read & Co. stated that:

"Under normal bond market conditions, it is our opinion that bonds issued pursuant to the provisions of H.R. 11750 would be marketable at an interest rate or rates and with other terms and conditions, all of which would bear a reasonable relationship to the market at the time."

I am sure that this Committee will be interested in the detailed views expressed by these outstanding investment firms, Mr. Chairman, and I should like to submit for the record the letters in which they set forth the reasons for their conclusions.

ISSUE OF RATEMAKING

The final major element relating to postal finance is rate-making. Both H.R. 11750 and H.R. 4 recognize the undesirability of requiring Congress to continue to perform the detailed, technical and arduous task of setting postal rates. Both bills recognize that Congress should retain broad policy control over postal rates.

H.R. 11750 would place postal rate-making in the hands of a full-time expert rate commission, within the Postal Service but independent of operating management.

H.R. 4 on the other hand, would place important rate-making responsibilities in a commission which would act only every fourth year, and which would be totally divorced from the Postal Service.

With costs and demand changing as rapidly as they do in today's economy, a review that occurs only once every four years is simply not adequate.

One of the major difficulties with postal rates in the past has been that they change too infrequently: when changes do finally come, they are necessarily major changes having a major impact on mail users.

Pricing in any major business is a full-time day-to-day concern. Because of the Post Office's monopoly position, postal rates must be subject to some form of outside review. But it is the Post Office itself that first becomes aware of the need and opportunity for change in the rate structure.

NEED TO INITIATE CHANGES

Thus, postal management should be continuously enabled to initiate changes in postal rates as the need for change arises, rather than await the running of a "statute of limitations" in reverse, and there must be a mechanism for doing this rapidly and efficiently and as frequently as economic changes dictate.

The body which reviews the rates must be an expert body to cope with the complexities of the topic.

Appointment from a special Civil Service register, as provided in H.R. 11750, gives much more assurance of expertise and objectivity than does the appointment by the President and the Congressional leadership provided for in H.R. 4. Further, expertise grows with experience.

The continuity provided for the panel of rate commissioners in H.R. 11750 will allow the commissioners to grow with the job, while each intermittent commission in H.R. 4 would just be beginning to learn the job when it has to disband.

MUST BE FAIR, IMPARTIAL

Rate making must be fair and impartial. The rate commissioners under H.R. 11750 are subject to the requirements of the Administrative Procedure Act.

They must make their decisions on the basis of a carefully prepared record which forms the basis of all further review. There are provisions for review by the courts. H.R. 4 has none of these features.

Rate-making must also permit a timely response to changing economic and market conditions.

H.R. 11750 provides, therefore, that the Postal Service may put a proposed rate change into effect temporarily, upon thirty days' notice in the Federal Register, in the event that the rate commissioners have not completed their proceedings within ninety days after notice of proposed rate changes or in the event that proposed rate changes have been interrupted by judicial proceedings.

(Incidentally, providing this interim-rate authority will enhance the marketability of postal bonds.)

H.R. 11750 carefully limits these temporary rates so that they will not stay in effect any longer than necessary.

REGARDING TEMPORARY RATES

Contrary to some of the testimony given to your Committee, Mr. Chairman, the board of directors could *not* let a temporary rate remain in effect indefinitely after the rate commissioners render their initial decision; the temporary rate would lapse if the directors did not act on the permanent rate change within thirty days after the rate commissioners' decision.

If a proposed permanent rate change is taken before the courts, temporary rates may have to remain in effect for a longer period. Subsection 1257(d) of H.R. 11750 bars the board from transmitting its final decision to Congress until any judicial review under section 1257 is completed.

It is *only* in connection with judicial review of proposed permanent rate changes, however, that temporary rates could remain in effect for a truly substantial period of time. And judicial review, of course, could not be initiated by the Postal Service.

Moreover, section 1257 explicitly enjoins the courts to give proceedings under it preferred status and to expedite them in every way: the chances of prolonged judicial delay in the face of this injunction seem extremely remote.

Although H.R. 11750 contains strong statutory safeguards against any unnecessary use of temporary rates, probably the strongest safeguards are practical ones.

Any unnecessary use of temporary rates by postal management would be against its own interest. Temporary rates do not provide an adequate basis for revenues because their duration is highly uncertain. By the same token, they make for an unstable overall rate structure. They are not consonant with customer satisfaction.

In short, management will regard them as something of a necessary evil, to be used only if, and only so long as, economic necessity leaves no other alternative.

POST OFFICE SELF-SUPPORTING?

My last topic in the finance area is the question of whether the Post Office should be self-supporting. We believe that the break-even requirement is vital. It provides management with a powerful incentive both to be efficient and to be responsive to the users upon whom it depends for revenues.

I would strongly urge that the Postal Service be required to break even, apart from the public service subsidy, and that postal management be given the means to comply with that requirement. H.R. 11750 would give management the means to achieve a self-sustaining basis, and H.R. 4 would not.

Former Postmaster General J. Edward Day, in his appearance before this Committee, launched a broad attack on the break-even concept. Despite my respect for Mr. Day's experience as Postmaster General and for his clients, the Associated Third Class Mail Users, I find myself in fundamental disagreement with Mr. Day's current position on this issue.

Mr. Day argues, as many have argued before this Committee, that red ink in the operation of the postal system should be of no more concern than red ink in the operation of such agencies as the Department of Defense. Both provide a public service, the argument runs, and are therefore equally entitled to appropriations support.

POSTAL POLICY DIFFERENT

Congress, however, has long recognized the distinction between the public service rendered by the Post Office and the public service rendered by the Defense Department or other Executive departments. The Postal Policy Act of 1958 requires that the Post Office be self-supporting, except for public service allowances.

This Congressional policy, in my judgment, is eminently sound. Our entire economic system is founded on the concept that the most efficient allocation of resources can be achieved by having the user pay for the goods and services he wishes to obtain.

If postal service were provided to everyone free of charge, to take an extreme example, vast amounts would have to be spent on providing postal service, and there would be no rational way to measure whether these benefits were worth the cost.

In the case of military defense, a price system obviously would not be feasible. Defense benefits every citizen equally—it is a "public good" that must be publicly financed.

The postal system, on the other hand, is of benefit primarily to the people who use it; and that benefit varies in proportion to the degree of use.

POSTAL CHARGES NOT TAXES

Charges for postal service are not just another form of taxation; they represent payments by specific persons for specifically identified services that such persons have voluntarily decided they wish to receive.

A pricing system *could* also be used, of course, to finance such Government services as public education. Society as a whole has a tremendous interest, however, in seeing that educational services are made available to large numbers of people who could not afford to pay the full cost of such services.

Society as a whole has no corresponding interest in subsidizing the users of the postal system, with some obvious exceptions.

On the contrary, if society is interested in seeing that the postal system has incentives to be as responsive as possible to the needs of those who use the system, it makes little sense for the general taxpayer to foot the bill.

Unlike most other operations of the Government, the postal service *can* practicably be placed on a self-sustaining basis. It is common among those responsible for other departments of the Government to decry the lack of any clear index of whether they're doing their jobs well or not, and to search for something equivalent to the corporate financial statement as a yardstick of performance.

As a practical matter, most Government operations *cannot* be self-sustaining. If they could, performance would improve all along the line.

But in our case, there is no practical reason why the postal service should not be required by Congress to adopt the powerful and lasting stimulus to improved performance that a requirement for self-sustenance would provide.

SUBSIDIES LEFT TO CONGRESS

Although I advocate the break-even requirement, I must emphasize that H.R. 11750 leaves it to Congress—to each succeeding Congress—to decide whether and to what extent postal subsidies should be employed.

Contrary to the strenuous assertions of some of its critics, H.R. 11750 does *not* require that postal revenues must equal postal expenditures. What it *does* require on this point is set out in subsection 1201(b), as follows:

"It is the intent of Congress that five years following the commencement of Postal Service operations, rates and fees charged by the Postal Service provide, as a whole, revenue adequate, *when added to the appropriations* pursuant to section 1202 of this chapter, to meet its current and projected costs."

Section 1202 says that Congress shall determine what classes of postal users, if any, may use free or reduced rate mail. H.R. 11750 would not preclude "public service cost" subsidies. It would simply require that they be appropriated as such if the Congress elects to do so.

Mr. Day has also attacked the rate making and finance sections of our bill. With your permission, Mr. Chairman, before the record is closed, I would like an opportunity to submit for the record our detailed comments on the lengthy memoranda that Mr. Day filed on these subjects.

MATTER OF TRANSPORTATION

Finally, I would like to say a few words about transportation. The transportation reform provisions of our bill, unlike some of its other provisions, are not substantially new to this Committee.

Basically what the Post Office seeks is the authority to utilize all methods of transportation and utilize them in a way which will give efficient transportation at the lowest possible cost to the postal user.

For this reason we would oppose any amendment to our bill which would require us to use only regulated common carriers or which would require us to use only unregulated noncommon carriers.

Similarly, we would oppose any amendment which restricted our ability to obtain competition between various carriers in order better to serve the public interest.

If the Committee feels, however, that the language of our proposed bill has brought forward anachronisms from existing law that could be eliminated without prejudicing our basic objectives, there may well be room for some change in this area.

With your permission, Mr. Chairman, I would like to submit for the record a supplemental statement dealing with the transportation question in greater detail.

FOUR ELEMENTS OF REFORM

In conclusion, Mr. Chairman, let me reiterate that four elements of postal reform are absolutely necessary if we are to have in the United States a postal service equal to the demands that the country will make during the remaining years of this century.

Each of these four elements is essential to the effectiveness of the others; half measures won't do the job.

1. We must have a form of management that is immune from partisan political intervention, responsive to the needs of postal users, and assured of continuity so long—and *only* so long—as it does its job well. The only way to achieve this form of management is through a government corporation.

2. We must have labor-management relations that permit postal employees a sense of pride and participation in providing the country with outstanding postal service and give them a real stake in the quality of that service, including adequate financial rewards for their work.

True collective bargaining between management and labor, within the framework of the Labor-Management Relations Act, is the best way to achieve this.

3. We must have the ability to obtain cap-

ital so that the Postal Services can avail itself of the enormously productive tools of modern American technology and acquire the modern buildings and high-speed equipment that are needed for efficiency and economy.

The best way to achieve this is to provide workable bonding authority, since the conventional process of Departmental appropriations is neither adequate nor appropriate to postal needs.

4. We must have a rate-making procedure designed to maintain a fair and reasonable rate structure that can respond promptly to changing market forces and the needs of postal users.

The best way to achieve this is to establish a full-time panel of expert Rate Commissioners, which will provide full and impartial hearings and will recommend rate changes which the postal Service can implement on a timely basis, subject to disapproval by concurrent Congressional resolution.

ELEMENTS INTERRELATED

As I said, each of these four elements is essential to the success of the others. They are interrelated. And responsibility for each of these elements must be vested in a single place.

If, for instance, responsibility for revenues is divorced from responsibility for controlling costs, our long, bleak history of huge postal deficits—the taxpayers' perennial tribute to postal inefficiency—is bound to continue.

If responsibility for assuring adequate wages is divorced from responsibility for providing adequate capital resources, we can expect that improvements in productivity will be far more costly than there is any excuse for them to be.

If responsibility for operating management is divorced from responsibility for postal rates and classifications, we virtually invite management to stop short of seeking out customer desires and developing new forms of mail service in response to emerging public wants.

Adequate postal reform requires that responsibility and authority for each of the four essential elements be focused in a single place.

Mr. Chairman, H.R. 11750 asks Congress to delegate the authority to run the postal system to a government agency organized in the corporate form. H.R. 4 addresses specific postal problems and attempts to solve them within the context of the present Cabinet Department.

On some matters of vital importance, such as postal wages, H.R. 4 makes no change; and in others, such as postal rates, it moves in a direction that does not, in our view, answer the needs of the postal service.

MAY BE DIFFERENCES

Reasonable men will differ on their interpretations of these matters, and I recognize the difficult task you have of listening to conflicting viewpoints and trying to determine what is best for the nation as a whole.

But the bill we have submitted appears to us—after vigorous internal discussion—to adopt the approach that holds the best promise of solution for the urgent problems besetting the postal service. That approach has the strong endorsement of President Nixon.

It reflects the conclusion of the last four Postmasters General—of both parties—and the recommendations of a non-partisan Presidential commission appointed by President Johnson.

There is, as President Nixon has said, no Democratic or Republican way to deliver the mail. There is only the right way.

It is in this spirit that we commend the merits of H.R. 11750 to your most serious consideration. The staff of the Post Office Department is at your disposal as you turn now to your Committee deliberations.

There is nothing we have to do which is more important than cooperating with you in this historic legislative effort.

I am grateful for the opportunity I have had to present our views before you and for the treatment accorded me by this Committee. You and the Committee staff have been most generous in accommodating our schedule and in countless other ways. Please accept my personal thanks for the many courtesies you have extended during the hearings.

MESSAGE FROM THE PRESIDENT

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

EXTENSION OF U.S. FISHING FLEET IMPROVEMENT ACT

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 515 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 515

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4813) to extend the provisions of the United States Fishing Fleet Improvement Act, as amended, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order are hereby waived against section 10 thereof. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from California (Mr. SMITH) and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 515 provides an open rule with 1 hour of general debate for consideration of H.R. 4813 to extend the provisions of the United States Fishing Fleet Improvement Act, as amended, and for other purposes. The resolution also makes it in order to consider the committee substitute as an original bill for the purpose of amendment and waives points of order against section 10 thereof. Points of order were waived against section 10 because it would not be germane.

The purpose of H.R. 4813 is to simplify the procedures governing construction of fishing vessels with Federal aid and to extend the program for the rebuilding and modernization of the U.S. commercial fishing fleet.

The bill would extend the construction assistance program for an additional 2 years, until June 30, 1971; broaden the program to include reconditioning, conversion, and remodeling; increase the authorization appropriation from $10 million to $20 million per year; provide that the determination of subsidy be based on the difference between foreign and domestic costs of constructing a class of similar vessels instead of a separate determination for each individual vessel; eliminate several time-consuming provisions resulting in a savings of time and administrative costs; and would authorize a study—until January 1, 1971, at which time the report with recommendations to the Congress through the President would be due—to consider ways and means to improve the effectiveness of the U.S. fishing industry, such as lower insurance costs, improved ship design, feasibility of allowing a trade-in of obsolete vessels, desirability of a construction reserve fund, and the improvement of safety features aboard fishing vessels.

Mr. Speaker, I urge the adoption of House Resolution 515 in order that H.R. 4813 may be considered.

Mr. SMITH of California. Mr. Speaker, House Resolution 515 does provide an open rule with 1 hour of debate for the consideration of H.R. 4813, the extension of the U.S. Fishing Fleet Improvement Act.

Points of order are waived as to section 10 because it is not germane to the bill.

The purpose of the bill is to authorize for 2 years, through fiscal 1971, funds to continue our fishing fleet construction subsidy program carried out under the U.S. Fishing Fleet Improvement Act.

The bill extends the construction assistance program for 2 years, broadens the act to include the reconditioning or conversion of existing vessels, and requires a study to determine what further steps can be taken to further improve our fishing fleet.

It is obvious that our fishing fleet, like our maritime fleet, is rapidly becoming obsolete. Because of this fact, our percentage of the world's catch of fish continues to decline. Old vessels cannot compete on an equal footing with modern ones using the latest equipment.

Over one-half of our fishing fleet is more than 20 years old, and about 25 percent is 30 years old or more. Many nations, Russia and Japan among them, have large and modern fishing fleets.

American fishermen must use American-built vessels if they wish to land their catches at a U.S. port. The costs of shipbuilding in the United States is substantially higher than in foreign countries. The existing act seeks to reduce this higher cost by providing a construction subsidy of up to 50 percent.

The bill continues the construction subsidy program for 2 additional fiscal years, 1970 and 1971—$20,000,000 is authorized for each year.

A number of changes are made in the act to improve the program. For the first time subsidies of up to 35 percent

will be available for conversion or modernization of existing vessels. The amount of the subsidy will be determined for both remodeling an existing vessel and constructing a new one under the same formula.

The Maritime Administrator will be required to determine the general difference in foreign and domestic costs based on the class of vessel involved rather than on each individual vessel as is now required under the act. Based upon this determination, an owner of an existing vessel which is to be remodeled may receive a subsidy of up to 35 percent of the costs of such remodeling. An owner of a new vessel to be constructed will receive a subsidy of at least 35 percent ranging up to a top of 50 percent of the costs of construction.

Finally, the bill requires the Secretary of the Interior to conduct a study and report to the President, and through him, the Congress by January 1, 1971 on further measures which should be taken to upgrade and improve our fishing fleet. $125,000 is authorized for this purpose during fiscal 1970, and such sums as are necessary during that part of 1971 to complete the study.

The committee reported the bill unanimously. The Department of the Interior recommends passage of the reported bill.

There are no minority views. The gentleman from Alaska (Mr. POLLOCK) has filed supplemental views supporting the bill but pointing out that even stronger measures may be necessary to save our fishing fleet. He introduced H.R. 12323 which he believes may help to reach that goal.

The bill is a committee substitute.

Mr. Speaker. I urge adoption of the rule.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman.

Mr. HALL. Mr. Speaker, I appreciate the gentleman from California yielding and I appreciate the efforts of both him and the gentleman from California (Mr. SISK) in explaining the waiver of the points of order in this House resolution.

As I understand it, section 10 of the amendment is not germane, but I think a little more explanation would be in order. Although I am not opposed to this particular waiver, I presume that paragraph (2) that is an amendment to section 4(a) of the Fish and Wildlife Act and pertains to loans on fishing vessels which I presume are used in the exercise of patrolling or surveillance and are associated with the merchant marine or fishing fleet; is that correct?

Mr. SMITH of California. The answer is, the bill has to do with extending the provisions of the U.S. Fishing Fleet Improvement Act, and section 10 has to do with different additional language, an amendment to the Fish and Wildlife Act of 1956, which is not in any way tied in with the fishing fleet. But it was felt, according to the testimony and the report, that it should be in here; and the Committee on Rules in reference to this added this language where it says "mature in not more than 10 years, except that where a loan is for all or part of the costs of constructing a new fishing vessel, such period may be 14 years."

So overall, I suppose, it actually has to do with helping our fishing fleet—but that has to do with a different act than this bill, and that is the way I understand it.

Mr. HALL. If the gentleman will yield further, I understood that the first time that the distinguished gentleman explained it, but what I am wanting to know is about the substance of the amendment to the Fish and Wildlife Act; and, is that increase from 10 to 14 years of loan actually pertinent to that portion of the fish and wildlife fleet that deals with surveillance perhaps of the merchant marine or fishing fleet or which works in conjunction with them?

Mr. SMITH of California. This extends the term of the loan under the Fish and Wildlife Act so far as the fishermen loan fund is concerned. It extends the time of permissibility of the loan and the fishermen loan fund for the fish and wildlife, which is not in the U.S. fishing fleet. That is the best explanation I can give the gentleman.

Mr. HALL. I thank the gentleman.

Mr. SMITH of California. Mr. Speaker, I urge the adoption of the resolution.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4813) to extend the provisions of the United States Fishing Fleet Improvement Act, as amended, and for other purposes.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4813, with Mrs. GREEN of Oregon in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Michigan (Mr. DINGELL) will be recognized for 30 minutes, and the gentleman from Washington (Mr. PELLY) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan.

Mr. DINGELL. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, this bill was reported unanimously by the Subcommittee on Fisheries and Wildlife Conservation and by the Committee on Merchant Marine and Fisheries of the House of Representatives. It constitutes as careful an effort by the committee and the subcommittee which considered it as possible to achieve as complete a revamping of the fundamental legislation which it amends as is possible to make for meaningful assistance to our commercial fishermen and to our commercial fishing fleet.

It seeks—insofar as the committee was able through a period of most careful deliberation—to revamp existing law, to extend every possible help, and to alleviate every possible evil that has been found in the administration of the original act.

Madam Chairman, in a recent study of the age of vessels fishing in coastal waters of the United States during 1966, conducted by the Bureau of Commercial Fisheries of the Department of the Interior, it was found that the oldest vessel was constructed in 1866. Over half of the vessels operating in 1966 were 20 years old or older and more than one-fourth of them were constructed prior to 1940.

Although there is some variation between fisheries, due to the type of construction and vessel usage, vessels generally become much less economical to operate by the time they are 15 years old. Repair costs increase and engine and equipment replacements become more common. Furthermore, technological improvements usually make the newer vessels more efficient producers and less expensive to operate.

These outmoded vessels are competing for fishery resources in the Northwest Atlantic and Northeast Pacific against large, modern fishing vessels of Russia, Japan, Canada, and many European nations. This disparity in the age, size, and productivity of vessels which severely handicap of fishermen continues to grow worse each year with the entry of additional new, modern vessels from foreign countries and the continued aging of our own fleet.

Madam Chairman, a U.S. commercial fisherman must have his vessel built in a domestic shipyard if he desires to land his catch at a U.S. port. Therefore, he has to pay the higher cost of construction if he is to get a new vessel. Even though this requirement in effect constitutes a subsidy or at least a guarantee of freedom from foreign competition for our domestic shipyards, it is the view of the Committee on Merchant Marine and Fisheries that the maintenance of this protection for the domestic shipyard should be borne by the Government rather than by the fishing industry, which is itself suffering from the effects of foreign competition.

Madam Chairman, in furtherance of this principle, the Congress in 1960 enacted the U.S. Fishing Fleet Improvement Act. That act provided that the construction subsidy which the Secretary of the Interior may pay with respect to any fishing vessel built under the act should be an amount equal to the difference between the cost of constructing such vessel in a U.S. shipyard based upon the lowest responsible domestic bid and the estimated cost of constructing such vessel under similar plans and specifications in a fair and representative foreign shipbuilding center, as determined by the Maritime Administrator, but in no event should such differential subsidy exceed 33⅓ percent. The act authorized an appropriation of $2.5 million per year for a 3-year period.

In 1964, the Congress extended the program to June 30, 1969, increased the maximum subsidy from one-third to one-half of the cost of construction, and au-

thorized an annual appropriation of not more than $10 million.

Madam Chairman, the purpose of the legislation we are considering today, H.R. 4813, is to simplify the procedures governing construction of fishing vessels with Federal aid under this program and to broaden and extend the program for the rebuilding and modernization of our U.S. commercial fishing fleet.

Briefly explained, section 1, subsection (a) of the bill would amend section 2 of the U.S. Fishing Fleet Improvement Act—46 U.S.C. 1402—to authorize any citizen of the United States to apply for a construction subsidy to aid in the remodeling, conversion, or reconditioning of any vessel in accordance with the act.

Present law permits such a subsidy for construction of a new fishing vessel only.

Subsection (b) of section 1 of the bill would amend clause (1) of section 2 of the act to require as one of the conditions for approval of an application that, when appropriate, a remodeled, converted, or reconditioned vessel be suitable for use by the United States for national defense or military purposes in time of war or national emergency.

Present law requires a new fishing vessel constructed under the act to meet such a requirement. This subsection would extend the requirement to remodeled, converted, or reconditioned vessels, when appropriate.

Subsection (c) of section 1 of the bill would amend clause (2) of section 2 of the act to extend the requirement that the applicant possess the ability, experience, resources, and other qualifications necessary to enable him to operate and maintain the fishing vessel proposed to be constructed to include a vessel proposed to be remodeled, converted, or reconditioned.

Subsection (d) of section 1 of the bill would amend clause (7) of section 2 of that act.

Clause (7) of section 2 of the act, under present law, now requires that in order to be eligible to receive a subsidy, the Secretary of the Interior must determine, among other things, that the proposed vessel "be of advance design" and "be equipped with newly developed gear." Some have contended that this requirement means that a vessel must have innovations that are not on any other vessel before it can be considered to be of advance design. If this interpretation were accepted, it would prevent the building of a number of vessels of the same design and have the effect of straitjacketing the program. In order to clarify this situation, subsection (d) would provide that the Secretary would only have to find that the vessel and its equipment be of modern design; that is, up to date in all respects.

Clause (7) of section 2 of the act, under present law, also requires the Secretary to find that the new vessel will not cause economic hardship "to efficient vessel operators already operating in that fishery." This is an appropriate requirement in the case of new vessel operators coming into the fishery, but it has been interpreted by some as being intended also to prevent modernization of old and obsolete vessels already operating in that fishery.

To correct this misinterpretation, subsection (d) would provide that the "economic hardship" finding does not apply where the Secretary finds that the new vessel will replace an existing vessel operating in the same fishery during the 24-month period immediately preceding the date the subsidy application is filed and having a comparable fishing capacity of the replacement vessel.

Section 2 of the bill would amend section 3 of the act to remove the requirement for a mandatory public hearing on each application.

Every application approved since 1964 has involved a formal hearing before a hearing examiner. Except for a few cases, most of the hearings have been quite pro forma, since there was no one to speak in opposition to the application. The hearing provision is a good one, but it should not be made mandatory in every case. By providing everyone with an opportunity to request a hearing, equal results would be obtained with a smaller expenditure of time and money.

Section 3 of the bill would rewrite section 5 of the act.

Under section 5 of the present law, the Maritime Administrator is required to determine the differential in the cost of constructing a vessel in the United States and abroad for each application for a construction subsidy.

Madam Chairman, this method of determining the differential has not proved to be very practicable. While the Maritime Administrator attempts to determine the differential, foreign shipyards have no reason to bid on the construction of such American fishing vessels because of present U.S. prohibition against the use of foreign-built fishing vessels. Consequently, the price obtained abroad has been largely speculative and based on surveys, not actual experience. This procedure has delayed the processing of applications unnecessarily.

Section 3 would rewrite section 5 of the act to abandon the requirement for a separate determination of each individual vessel. Also it would require the Maritime Administrator in subsection (a) to determine the general difference in foreign and domestic costs based on the class of vessel similar or identical to the applicant's. In carrying out this function, the Maritime Administrator would, within 60 days after enactment of the legislation, and periodically thereafter as the market changes, survey foreign shipyards to determine the estimated differences between the cost of constructing various classes of new fishing vessels in such shipyards and the cost of constructing such vessels in U.S. shipyards. The Maritime Administrator also would be required to conduct such surveys on various classes of vessels that might be remodeled, converted, or reconditioned.

Subsection (b) of the new section 5 of the act would authorize the Secretary of the Interior to pay, with respect to approved applications for new vessel construction, a subsidy of not less than 35 percent and not more than 50 percent of the lowest responsible bid for constructing such vessel in a domestic shipyard, exclusive of any added defense costs. The subsidy would be based on the survey conducted under subsection (a) of this section.

Under present law, the subsidy cannot exceed 50 percent of the cost of constructing a vessel in a domestic shipyard. Subsection (b) of the new section 5 of the act would retain the maximum limitation, but in addition, would for the first time provide a minimum subsidy of 35 percent of such domestic cost.

In the past, applicants have never been sure just what percentage subsidy they would receive. Many fishermen, particularly the smaller craft operators, have been reluctant to become involved in time-consuming subsidy applications without some definite percentage upon which they could estimate the total investment they would be required to make. Based on the testimony presented at the subcommittee hearings, a 35-percent minimum subsidy appears to be fair and reasonable under the circumstances, and would be large enough to encourage the smaller craft operators to take advantage of the program.

Subsection (c) of the new section 5 of the act would authorize, for the first time, the Secretary of the Interior to pay with respect to approved applications for vessel remodeling, conversion, or reconditioning, a subsidy of not more than 35 percent of the lowest responsible bid for constructing such vessel in a domestic shipyard, exclusive of any defense costs. Like new vessel construction, the subsidy would be based on the survey conducted under subsection (a) of this section, and would be determined on the estimated difference of remodeling, converting, or reconditioning various classes of vessels in foreign and domestic shipyards.

Testimony at the hearings indicated that a fisherman could remodel as many as four surplus Government vessels with the same amount of subsidy that would be allowed for construction of a new vessel in the same fishery, thereby modernizing up to four times as much of that fishery fleet.

Section 4 of the bill would amend section 7 of the act to allow an applicant to disapprove the lowest responsible bid and have the vessel constructed by another responsible bidder, provided he pays all of the excess cost.

Section 5 of the bill would rewrite the first sentence of section 9 of the act to authorize the Secretary to approve a transfer of a subsidized vessel to another fishery when he determines, after notice and a public hearing, that the availability of the resource in the fishery in which such vessel operates has declined or market conditions of that fishery have changed or there has been a combination of these factors and such a transfer would not cause economic hardship to operators of efficient vessels already operating in the new fishery.

Section 6, subsection (a) of the bill would amend paragraph (3) of section 11 of the act to insure that at least 75 percent of the ownership of a vessel to be operated in the fisheries of the United States would be held by U.S. citizens.

Subsection (b) of section 6 of the bill would amend section 11 of the act to include a definition of the word "remodeling." As used throughout the legislation, "remodeling" include the construction,

through the conversion or reconditioning of any existing vessel to a fishing vessel and the rebuilding of any existing fishing vessel.

Section 7 of the bill would amend section 12 of the act to authorize to be appropriated $20 million per year for a period of 2 years, such sums to be authorized without fiscal year limitations.

Section 8 of the bill would amend section 13 of the act to extend the time for accepting applications for subsidy for the construction of fishing vessels from June 30, 1969, to June 30, 1971.

Section 9 of the bill would authorize the Secretary of the Interior to conduct a study on various ways to further upgrade the U.S. fishing fleet. The study to be conducted in consultation with the Maritime Administration, other interested Federal agencies and organizations, and persons knowledgeable about commercial fishery operations, would cover such items as insurance costs, ship and equipment design, trade in of obsolete vessels, safety, and the establishment of construction-reserve funds. The study would be conducted with a view to reduce operating expenses as much as possible, obtaining information that would be helpful to vessel operators, and promoting new ship construction and remodeling.

The Secretary would be required to submit to the Congress, through the President, a report on the study, together with his recommendations no later than January 1, 1971.

To carry out the study, $125,000 would be authorized to be appropriated for fiscal year 1970. Such sums as may be necessary would be authorized to be appropriated for that portion of fiscal year 1971 that would be needed to complete the study.

Section 10 of the bill would rewrite section 4(b)(2) of the Fish and Wildlife Act of 1956 to authorize the Secretary of the Interior to make loans for periods of up to 14 years for new ship construction.

Loans for financing and refinancing of operations, maintenance, replacement, repair, and equipment of fishing gear and vessels—other than for new vessels—and for research into the basic problems of fisheries would be limited to maximum periods of not more than 10 years, as provided under present law.

Madam Chairman, H.R. 4813 was introduced by the distinguished chairman of the Merchant Marine and Fisheries Committee as a result of an executive communication. There were no Government agencies opposing the legislation and all amendments suggested by the agencies are incorporated in H.R. 4813, as reported.

All witnesses testifying at the hearings were unanimous in expressing their support of the legislation. H.R. 4813 was unanimously reported by the Committee on Merchant Marine and Fisheries and I would like to urge its prompt passage.

Mr. HALL. Madam Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Missouri for the purpose of asking a question.

Mr. HALL. Madam Chairman, I appreciate the distinguished gentleman from Michigan yielding. As I understand his very lucid explanation of the bill—and he has been kind enough to talk with me about it in advance—this simply extends for 2 years an already-authorized, much-needed program to revitalize, to renew, and to remodernize our U.S. fishing fleet so that we can at least keep up with the requirements for food and fiberstuff for the people of our Nation, and hopefully start a program which will eventually be competitive with other nations of the world which have long coast lines; is that correct?

Mr. DINGELL. The gentleman is correct.

Mr. HALL. Madam Chairman, will the gentleman yield further?

Mr. DINGELL. I am glad to yield further.

Mr. HALL. I understand that in the next 2 years of the extended life of this program that I have come to believe is essential for the United States, along with the improvement of our capital ships and the improvement of our merchant marine ships, we would double the amount of funds for subsidization; is that correct?

Mr. DINGELL. The gentleman is correct. The level authorized for the previous period was $10 million per year. The committee, after taking into consideration all the facts, doubled that figure to $20 million.

I must say to my good friend from Missouri, I rather doubt that we will be able to achieve that level of appropriations, but it is the honest feeling of the committee this is the level it should be if we are to really assist our commercial fisheries.

Mr. HALL. Madam Chairman, will the gentleman yield further?

Mr. DINGELL. I am happy to yield further.

Mr. HALL. In view of the need to update our construction—and I am coming to believe that perhaps the only way to do this is by some form of Federal subsidization—I presume the committee of the distinguished gentleman and the subcommittee of which he serves as chairman, are likewise convinced this is the only way we can rapidly gain the status of preeminence which we should rightfully have for our fishing fleets; is that correct?

Mr. DINGELL. The gentleman is correct.

I would point out that the committee has spent not only the regular time in conducting hearings but also in the course of the proceedings we brought in representatives of the Maritime Administration, the Interior Department, the Coast Guard and other agencies, to explore more fully the possibilities of making additional changes.

The gentleman will note that the bill has undergone very striking changes from that originally introduced, in order to expand to the fullest the ability of the Government to provide the assistance which our fishermen need.

Mr. HALL. I do appreciate that. I have a copy of the hearings in my hand, and I have reviewed them as well as the committee report, and of course the bill.

Is the additional $10 million per year within the revised budget? Can the gentleman inform me on that?

Mr. DINGELL. I do not believe it is. My best recollection is that it is not.

Mr. HALL. I have one further point, and I appreciate the gentleman's candor, and I would even go so far as to agree that perhaps this is the one place we ought to take legislative initiative and get on with this job that must be done for the people of America and for the constant flow of quality, nutritious products into the national larder, so to speak.

Be that as it may, under section 9, to which the gentleman alluded in detail, I notice that on page 11 of the bill the second years funding authorization of the newly created commission is left open-ended, so to speak, to use a term which is a part of the vernacular that has grown by custom and usage here on the floor of the House, wherein it says, "such funds as may be necessary" for fiscal year 1971.

Does the gentleman expect that a sum greater would be used in 1971 than is used in 1970 for this Commission? Secondly, would the gentleman object to an amendment to close that up?

Mr. DINGELL. I would be most pleased to advise my good friend it is the expectation that the figure would be less than the $125,000 authorized for the first year, and I will advise my good friend, as chairman of the subcommittee, I discussed with members of the subcommittee and with members of the committee this question, and we would have no objection to an amendment which would limit the second year expenditure to $100,000. If the gentleman will offer such an amendment I will be happy to agree to the figure.

Mr. HALL. I thank the gentleman.

Mr. DINGELL. Madam Chairman, I now yield to my good friend from Virginia (Mr. DOWNING) such time as he may consume.

Mr. DOWNING. Madam Chairman, I rise in wholehearted support of this bill. The U.S. fishing industry is indeed in poor shape. Our vessels are old, obsolete and inefficient and, as a result, our manpower in this industry is declining rapidly. In the last dozen years our share of the total world catch of fish has decreased from 13 percent to 5 percent. Other seafaring countries of the world have had significant increases.

Last winter, I had the opportunity of flying over the Communist-block fishing trawlers which were operating off the coast of Virginia. It was an overwhelming sight. There were at least a hundred trawler-type vessels and five superfactory ships stretched in a line 100 miles long. During our 3-hour observation of this operation, I did not see one American fishing vessel.

In previous years, this law has been extremely helpful to a limited number in the industry. We have modified and improved this bill to make it more useful and less combersome to the loan applicant. It has been broadened to include reconditioning conversion and remodeling; an additional $10 million has been authorized to allow a total of $20

million each year for 1970 and 1971. Under the new provisions, a number of time-consuming administrative requirements have been eliminated resulting in a savings of time and costs.

It is obvious that our fishing fleet must be upgraded and this bill will go a long way toward accomplishing this goal.

Mr. DINGELL. Madam Chairman, I yield to my good friend from Ohio (Mr. FEIGHAN) such time as he may require.

Mr. FEIGHAN. Madam Chairman, I would like to take this opportunity to commend my distinguished colleague, the gentleman from Maryland (Mr. GARMATZ), the chairman of the Merchant Marine and Fisheries Committee and the very able chairman of the subcommittee, the gentleman from Michigan (Mr. DINGELL), for their diligence in developing this very necessary legislation. Of note during our consideration of H.R. 4813 is the fact that all who testified on this legislation fully supported its provisions.

It is anticipated that small fishing craft operators will benefit substantially from this bill because of a new guarantee to receive a minimum subsidy of 35 percent for the construction of new fishing vessels. Heretofore, when a fisherman applied for a subsidy, he could never be certain of the amount he would receive until the 6 month's application period was completed. A 35-percent minimum subsidy should provide the needed incentive for the owner of a smaller fishing vessel to take advantage of the program particularly if he has ascertained that deficient vessels and equipment have served as a deterrent to increasing his catch.

Another important aspect of this bill is that for the first time it authorizes up to 35 percent of the differential cost of foreign and domestic costs for the remodeling, conversion of reconditioning of a vessel in a domestic shipyard. It was brought out during the committee hearings on this legislation that a fisherman could remodel as many as four Government vessels with the same amount of subsidy allowed for construction of a new vessel in the same fishery. Both the 1960 and 1964 acts precluded any applicability to reconstruction, however, thereby unnecessarily limiting the scope of the U.S. Fishing Fleet Improvement Act. Modernization will now be economically feasible for American fleet operators and will enable them to compete realistically in the world market.

The need for this legislation was emphasized during the committee's hearings on H.R. 4813 when it was disclosed that the United States had dropped from second to sixth place among the leading fishing nations of the world, primarily because of its obsolete vessels and equipment. Obsolescence occurs because of the high cost of constructing replacement vessels in domestic shipyards.

The Great Lakes contains 334 vessels engaged in commercial fishing operations. Over a third of these vessels were constructed between 1911 and 1940 and less than 50 were built in the 15-year period between 1951 and 1966. These figures are indicative of the problems confronting the U. S. commercial fishing industry since it is generally agreed that a fishing vessel is much less economical to operate after it has reached the 15-year mark.

This bill extends the U.S. Fishing Fleet Improvement Act until June 30, 1971, and broadens its provisions as I have explained. It also increases the authorization appropriation from $10 to $20 million a year, a sum considered imperative to handle the anticipated increase in applications resulting from this legislation.

H.R. 4813 deserves our enthusiastic endorsement. Its enactment will stimulate commercial fishing operations in the Great Lakes and coastal waters of the United States.

Mr. DINGELL. Madam Chairman, I yield to my good friend from North Carolina (Mr. LENNON) such time as he may require.

Mr. LENNON. Madam Chairman, I wish to commend at this time the distinguished gentleman from Maryland, the chairman of the Committee on Merchant Marine and Fisheries, for his sponsorship of this legislation. By all means at this time I wish to commend my distinguished friend, the gentleman from Michigan (Mr. DINGELL), the chairman of the subcommittee, who provided the leadership to bring this bill to the floor.

A very interesting observation is made in the report by the gentleman from Alaska in his supplemental views. I call this to the attention of the Members of the House, particularly the Members sitting here in committee. He goes on to say—and these figures are verified—that since 1956 the United States slipped from first to sixth in the ranking of the world's fishing nations. The U.S. percentage of the total world catch of fish has sunk from 1956, when it was 13 percent, to now, when it is actually less than 5 percent.

Those of us who live in the coastal areas of the Nation, be it on the Gulf of Mexico, the Atlantic, or the Pacific coast, are familiar with the tremendous Soviet fishing fleets, with their mother ship doing the processing and canning of the fish when they are caught.

This legislation is not a giant step forward, but it is a single small step and an essential one.

Madam Chairman, the distinguished gentleman from Missouri (Mr. HALL) referred to the fact that we have deplorable conditions in our merchant marine industry today. We are way down and much below what our so-called national posture calls for. Certainly, my friends, there must be an awareness and a recognition on the part of all Members of Congress that if we are going to supply the needs that can be met from the sea for the hungry of the world, we must provide the fishing fleets to make that available. I urge every member of this committee to support this legislation and also to come back soon and ask for a broader and more comprehensive program.

I thank the gentleman for yielding to me.

Mr. DINGELL. Madam Chairman, I yield to my distinguished chairman, the gentleman from Maryland (Mr. GARMATZ), 2 minutes.

Mr. GARMATZ. Madam Chairman, I want to emphasize that the legislation under consideration today, H.R. 4813, is vitally important to the American fishing industry. Basically, this bill seeks to extend—for an additional 2 years—the U.S. Fishing Fleet Improvement Act; it also proposes to increase the amount of Federal money authorized for construction of fishing vessels to $20 million annually, instead of the $10 million now provided.

The original act was designed to stimulate the construction of new fishing vessels needed so badly by the industry. In the face of aggressive competition from modern, foreign fishing fleets, and hampered by obsolete vessels and equipment, the American fishing fleet has seriously declined.

Since the 1940's, the United States has slipped from first to sixth place among the leading fishing nations of the world. We are now outranked by Peru, Japan, Red China, Russia, and Norway, respectively.

Naturally, every member of my committee is concerned about this serious decline, and that concern was evident in the long hours my Subcommittee on Fisheries and Wildlife Conservation spent in hammering out the legislation being discussed here today. Under the guidance of my distinguished subcommittee chairman, Congressman JOHN DINGELL, and the minority member of the committee, the gentleman from Washington (Mr. PELLY), the subcommittee held 2 days of hearings and met in three long executive sessions to develop the best legislation possible. This legislation embodies some changes in the original act which, hopefully, will provide more incentive to increase the quality and quantity of America's total fishing effort.

I want to again emphasize that this bill's passage is essential if we are serious about preserving America's position as one of the great fishing nations of the world. Therefore, Madam Chairman, I urge prompt passage of H.R. 4813.

Mr. DINGELL. Madam Chairman, I yield such time as he may consume to the distinguished gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Madam Chairman, I rise to speak in support of H.R. 4813, a bill to extend the U.S. Fishing Fleet Improvement Act.

My support of this legislation is based on the belief that continued construction assistance is needed by our fishing fleet so that it can compete more efficiently for the resources of our coastal waters against the advanced modern vessels of Russia, Japan, Canada, and other nations.

Since 1956, the U.S. share of the total world catch of fish dropped from 13 to 5 percent. The reason for this alarming decrease is obsolescence of the vessels and equipment being used in our fisheries. Over half of the vessels operating in 1966 were 20 years old or older, and more than one-fourth of them were constructed prior to 1940. In the past decade, technological improvements have been incorporated in foreign vessels, making them more efficient producers and much less expensive to operate. The continued aging of the U.S. fleet and the disproportionately higher costs of new con-

struction severely handicaps one of our major industries.

The 1960 Fishing Improvement Act authorized an appropriation of $2.5 million per year for a 3-year period to provide partial subsidies for improving our fishing fleet. The 1964 act extended this program to June 30, 1969, and increased the authorization to not more than $10 million per year.

H.R. 4813 would extend the construction assistance program for an additional 2 years until June 30, 1971, and increase the authorization from $10 to $20 million per year.

Madam Chairman, this bill simplifies procedures governing the construction of fishing vessels with Federal aid by providing that the determination of subsidy should be passed on the difference between foreign and domestic costs of construction of a similar class rather than the existing method of determining a separate subsidy for individual vessels.

In addition, the bill is forward looking in that it authorizes a study which will result in recommendations to the Congress in January 1971. This study, as prescribed by the bill, will outline ways and means to enhance the effectiveness of our fishing industry through such improvements as lower insurance costs, better ship design, removal of obsolete vessels, and general strengthening of safety features aboard fishing vessels.

In supporting this bill, I hope that in the very near future our fishing industry can modernize itself and move again toward leadership among the fishing nations of the world.

Mr. PELLY. Madam Chairman, I yield such time as he may consume to the distinguished gentleman from Massachusetts (Mr. KEITH).

Mr. KEITH. Madam Chairman, we have been trying to help the fishing fleet to regain its proper position ever since I have been a Member of this Congress, and for many years before that.

We have seen the vessels of foreign flags coming closer and closer to our shoreline and taking a larger and larger tonnage of fish, much of which is sold back into this country in competition with our own fishing industry.

Madam Chairman, we had an act in 1960, 1964, and now 1969.

The committee, under the chairmanship of the late Herbert Bonner, and now under the chairmanship of the gentleman from Maryland (Mr. GARMATZ), and particularly with the assistance of the midwesterner (Mr. DINGELL), has worked hard to find an answer to this most perplexing and difficult problem.

I think, perhaps, the most unique step in our current effort to solve this problem is in section 9 of this legislation. This provides for a study, under the leadership of the Secretary of the Interior, in consultation with the Maritime Administrator, other interested Federal agencies, and professional and industrial organizations knowledgeable about U.S. commercial fishing vessels and their operations.

The first area to be studied is that of insurance.

Madam Chairman, it costs about $800 per man for insurance premiums alone for a fishing vessel to put to sea. In some nations of the world the Communist countries, for example, they do not have any insurance. In other nations—Canada, for example—they subsidize the cost of this insurance and the net cost per man is around $200 per year; ours, as I said, is about $800 for an individual crewmember.

The Interior Department is also going to study the design of our vessels and their equipment to learn more about possible innovations and improvements. Here, again, we find ourselves competing with foreign vessels, many of them equipped with more advanced gear and of more modern design than our fleets.

Third, they are going to study the possibility of getting rid of some of the older vessels by trading them in to the fishing owners and fishing captains who are willing to junk their old vessels, some that we have learned earlier today are 100 years of age, and to start out fresh. We considered putting this item in this year's bill, but we decided it was too speculative and, therefore, it is in the study.

Fourth, we are going to study the question of the means and measures for improving the safety and efficiency of existing fishing vessels.

And fifth, the possibility of a construction reserve fund similar to that which is given to our merchant fleet, where owners are allowed to set aside reserves against the depreciation of their vessels—reserves that will accumulate tax-free, and in some instances, I believe, the payments from gross revenues are a deductible expense.

It is vital to a fishing vessel owner to have the funds with which to rebuild his vessel as it approaches the time when it is no longer seaworthy.

Madam Chairman, I think if this study goes forward as it is contained in this bill that perhaps the next time this act comes up for renewal we may have a better course on which to proceed. Hopefully we will be successful in finding some way to solve the problems that our fishing fleets and fishing vessel owners, their captains and their crews, are faced with.

Mr. PELLY. Madam Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Madam Chairman, I thank the gentleman from Washington (Mr. PELLY), for yielding me this time.

As another midwesterner, I have several questions to raise about this proposed measure. If in fact our fishing fleet has declined so radically in the last 10 years or so in spite of the subsidy program that I presume has been going on all through these years, are we not just throwing good money after bad money in providing another $20 million annually by this bill?

Mr. PELLY. Madam Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Washington.

Mr. PELLY. Madam Chairman, I must be frank and say to the gentleman from Illinois that I think in the past that this program has been a failure.

Mr. FINDLEY. It sounds like it.

Mr. PELLY. I would only add that we have included in the bill this year a provision which I am hopeful will correct the situation; namely, to allow a fisherman to remodel or reconstruct his older boat, which will not cost as much, or the taxpayer as much, and which I believe will provide much broader help to the fishing industry.

Second, Madam Chairman, I think that we are looking to the study which the gentleman from Massachusetts (Mr. KETIH) has referred to: To provide even further assistance in the years to come. It is only a 2-year bill, and I would be the first to agree with the gentleman from Illinois that I do not believe we can take any pride in this program, as it has existed in the past.

Mr. FINDLEY. As I understand the present law, Madam Chairman, a fisherman in this country cannot buy a foreign-built vessel. It would seem to me that that is an outrageous provision, and it would seem to me very logical for the committee to consider either amending or abolishing that requirement if in fact it does have this effect.

Mr. DINGELL. Madam Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Michigan.

Mr. DINGELL. Madam Chairman, I thank the gentleman for yielding.

Madam Chairman, I would like to point out to the gentleman that neither this Congress nor any Congress in which either the gentleman from Illinois or I have had anything to do had anything to do with that law. That was a statute that was enacted before 1800. As a matter of fact, it was enacted about the same time as our Constitution.

Mr. FINDLEY. Is it not high time, therefore, to sponge it from the books?

Mr. DINGELL. No, I would not think so.

Mr. FINDLEY. Does the gentleman think that it is essential to the national defense to subsidize these fishing fleets? I could understand that in regard to the merchant marine fleet which might have to carry supplies across the oceans in case of war, but can we really justify in terms of our national security our fishing fleets?

Mr. DINGELL. If the gentleman will yield further, the answer is that it is not so important that we have the cost of the fishing vessels subsidized, but the important thing is that we do have shipyards in this country that are kept in being and by so doing, are able to also make the small vessels which are needed in time of war. That was the reason for the enactment of the original legislation and the reason that it has remained on the books since then.

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

Mr. DINGELL. Madam Chairman, I yield 1 additional minute to the gentleman from Illinois.

Mr. FINDLEY. I thank the gentleman for yielding me the additional time.

Mr. DINGELL. Madam Chairman, if the gentleman will yield further, I would like to point out that the bill originated in its first form as an attempt to arrive at new designs and new types of vessels, and to modernize the U.S. fishing fleet through the evolution of new designs.

It was most successful in that particular in terms of new ship designs, however,

it was not successful in terms of construction of large numbers of vessels. The latter aspect was not successful for several reasons.

First, there had been certain provisions in the law to which this amendment is directed which prevented that. Second, there has never been an amount of money sufficient for construction of a substantial number of vessels.

This bill not only tries to maintain those objectives but also goes further in trying to evolve new devices in the construction of fishing vessels and also by evolving a desirable change in the law in that fishing vessel loans will be made available for longer periods.

Mr. FINDLEY. I feel sure that a good case could be made for a more substantial shipbuilding subsidy in this country than we have had up to today for national security purposes. But it does not seem to me that this is squarely on that point. Instead of making this look like subsidy to fishermen—why do we not come out and openly say that we need shipbuilding facilities and that we are ready to provide subsidies for vessels which do have a utility in times of national crisis?

Mr. DINGELL. If the gentleman will observe section 9 of the bill. The committee, I must tell the gentleman, was not fully satisfied with the way the program has gone. So as a result of this, we closed the door and held three executive sessions and brought out the ABC's with which the committee was concerned and went over these points, including the point the gentleman has been alluding to.

As a result of this, we directed the Secretary of the Interior in consultation with the Maritime Administrator, to go thoroughly over the whole question of assistance to commercial fisheries and the control of vessel construction and directed that at the end of 2 years he should provide a report giving the answers that we think are necessary to evolve a new program.

But because of benefits achieved by other sections of the law, we made certain changes that make for a better interim approach and we hope that we will have the new devices which will result from this study, and which will meet exactly the points the gentleman has raised.

Mr. FINDLEY. Would it not make sense to require that any subsidy be only to a vessel which does have a utility in time of war?

Mr. PELLY. I will say to the gentleman, it does make sense and that is a basic provision of the law. In other words, the basic provision of the law is that a fishing vessel to qualify for subsidy must be of a design that is suitable for defense.

Mr. FINDLEY. Then, no expenditure can be made except as it would serve national defense purposes; is that correct?

Mr. PELLY. The gentleman is correct.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PELLY. Madam Chairman, I yield 1 minute to the gentleman from Massachusetts (Mr. KEITH).

Mr. KEITH. Madam Chairman, in addition to the military mission, for which fishing vessels may serve on patrol missions during wartime, I think it is equally important that we are able to harvest the sea in times of trouble. We need these vessels for that peaceful purpose, to provide the protein requirements of the Nation. The defense aspect is involved in feeding our home forces as well as in shipping our military might overseas.

Mr. PELLY. Madam Chairman, I yield myself 5 minutes.

Madam Chairman, I rise to endorse the statement of the distinguished chairman of our Subcommittee on Fisheries and Wildlife Conservation, the gentleman from Michigan (Mr. DINGELL) and to support the bill H.R. 4813.

Historically, American fishermen have been required to secure their vessels from American shipyards. Shipyard workers in the United States have benefited from the ever-increasing standard of living enjoyed by all segments of labor, but this high standard of living has in turn meant that fishing vessel built in an American shipyard costs at least twice as much as a comparable vessel built in Europe or Asia where the standard of living is significantly lower.

There are approximately 13,000 American fishing boats of 5 tons or over which must compete in the marketplace with cheaper foreign vessels operated by crews that are paid much lower wages. The result, Madame Chairman, is that while the total consumption of fish and fish products in the United States has risen each year, the share of that market supplied by American fishermen has actually declined. The vast majority of our vessels are old, inefficient and simply cannot compete.

The original legislation to provide Federal assistance in the construction of fishing vessels was enacted in 1960. It authorized the Secretary of the Interior to pay up to one-third of the cost of constructing fishing vessels in American shipyards for citizens of the United States. This act was inspired by the drastic decline of the New England ground fisheries industry, and its provisions effectively limited its application to that industry. The act authorized an annual appropriation of $2½ million. From its enactment until mid–1964, 10 vessels were constructed utilizing the funds made available.

In August 1964, the act was extended for an additional 5 years to June 30, 1969. The authorization was increased to $10 million annually. The 1964 amendments eliminated the language of the law which had restricted its effectiveness to the New England ground fisheries. In addition, the maximum subsidy which could be paid was increased to 50 percent of the cost of the vessel. Since enactment of the 1964 amendments, 32 additional vessels have been constructed or are under construction. Notwithstanding the increased authorization, however, only a total of $25½ million has been appropriated for this program since its inception.

Although the basic objective of this act is commendable, I have found that its implementation by the Bureau of Commercial Fisheries of the Department of Interior in the past has fallen far short of expectations. When this act came up for amendment in 1964, based on 4 years experience with it, I decided that it should not be continued. Together with my colleague, the gentleman from Pennsylvania (Mr. GOODLING), I filed minority views to the 1964 amendments in which I argued that no evidence had been presented to the committee to indicate that the expenditure of $10 million per year over a 5-year period would materially change the situation confronting the American fishing industry.

I also was concerned that the addition of new vessels constructed with a subsidy might pose a serious economic threat to the other American fishing boats whose owners had constructed them in good faith without any Federal assistance. I am afraid, Madam Chairman, that the experience of the past 5 years has justified the concern I expressed in 1964.

Rather than being of assistance to the rank and file American fisherman, the Fishing Fleet Improvement Act has enabled a number of firms which had never engaged in commercial fishing before to enter this business with new ships built at cutrate prices. Two of the vessels which were constructed under this program were stern trawlers costing $5.2 million each. They were built for a subsidiary of a large steamship company which was created simply for the purpose of taking advantage of this act. Another firm up in New England which had never been in the fishing business before was able to have three ships built for it with the aid of this subsidy.

The Bureau of Commercial Fisheries has attempted to justify this concentration on a handful of favored operators by maintaining the position that the real benefit of this program lies in its impact upon the design of fishing vessels and the improvement of fishing gear. The fact remains, however, that while these vessels may be the most up-to-date fishing boats in the world, the condition of the overall fishing industry has not been measurably improved.

There have been two things wrong with this legislation ever since it was first adopted in 1960. Hopefully, the legislation before this body today will be a step toward rectifying these deficiencies. In the first place, the legislation covered only the construction of new vessels. A modern fishing boat in a U.S. shipyard is a very substantial investment. For example, the cheapest boat constructed under this legislation since the 1964 amendments cost over $230,000.

Many of them were over $500,000 and several cost in the millions. For the average fishing boat operator, the construction of a vessel of this size and complexity is simply out of the question.

The second factor which has hindered this legislation is the fact that the complicated hearing and administrative procedures of the Maritime Administration were adopted as the guidelines for the granting of subsidy applications. While the Maritime Administration's procedures for determining foreign shipbuilding costs and for weighing the merits of a given application may be desirable in the construction of cargo liners costing from $15 to $20 million each, they are an unnecessary burden and expense for small companies in the fishing business.

I have heard many fishing-boat owners say that they investigated the possibility of obtaining funds under this act but gave up when confronted with the mountain of paperwork involved. Additionally, due to the procedures for determining foreign shipbuilding costs, they could not find out how much subsidy actually would be paid until after committing themselves. The amount of money they would have to raise to cover their share of the cost was always in doubt pending final certification by the Maritime Administration of the cost of building a comparable vessel in a foreign yard.

Madam Chairman, I do not harbor any illusions that the amendments to this legislation which we have adopted will work miracles. We have, however, broadened the scope of the act to cover the rebuilding and modernization of existing fishing vessels, so that a vessel operator may improve the efficiency of his existing fleet without the staggering burden of constructing completely new ships. We have also simplified the procedural aspects of granting a subsidy application. No longer will the Maritime Administrator be required to determine the foreign costs of building each vessel for which subsidy is requested. Under this legislation, the Maritime Administrator will only be required to make periodic general surveys of the cost of building representative classes of vessels in foreign yards. These cost determinations will be a matter of public record so that applicants will be able to determine in advance how much assistance they can expect if their application is approved.

These two amendments may be the means by which we can begin to improve the lot of the vast majority of existing fishing boat operators provided sufficient funds are made available to make the program meaningful. The Bureau of Commercial Fisheries has estimated that it will take $30 million per year in Federal funds over a 7-year period to significantly modernize the American fishing fleet. This money would, of course, be matched dollar for dollar in the case of new construction where the subsidy allowed is 50 percent and up to $2 for each dollar of Federal funds in case of modernization where the subsidy may range from a minimum of 35 to 50 percent.

In recognition of the budgetary restraints that now exist, we have not adopted the $30 million figure but have limited the authorization to $20 million per year for 1970 and 1971. For the extension of the program beyond 1971, further legislation will be required. By that time, we should be in a position to study the effect of the changes we are now considering. Hopefully, they will prove to have been an effective aid to our existing fishing fleet and will justify a further commitment to complete the modernization of this segment of our industry.

Finally, Madam Chairman, H.R. 4813, as amended by our committee, will call upon the Secretary of the Interior to study certain critical aspects of the American fishing industry including the question of vessel employee insurance, means of improving designs, the possibility of a trade-in system, and the establishment of construction reserve funds similar to those which are available for merchant vessels. A very modest appropriation of $125,000 is authorized to carry out these studies during 1970. The Secretary of the Interior will submit through the President a report to Congress together with his recommendations not later than January 1, 1971. These studies are essential, Madam Chairman, if we are to effectively review this program in 1973.

These amendments to the Fishing Fleet Improvement Act are the result of extensive public hearings and several days of executive sessions during which the members of our Fisheries and Wildlife Subcommittee grappled with the past deficiencies of this program and numerous proposals for its improvement. I sincerely believe that we have produced significant amendments which will greatly broaden the impact of the program, if it is intelligently administered. Speaking for myself, I intend to ride herd on the Bureau of Commercial Fisheries to see that that agency extends the benefits of the Fishing Fleet Improvement Act to the widest possible number of fishing vesesl operators. Therefore, Madam Chairman, I support the enactment of H.R. 4813 and urge its passage.

Madam Chairman, I reserve the balance of my time.

Mr. DINGELL. Madam Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Madam Chairman, I am happy to join with others in support of H.R. 4813. This bill has one single purpose—to provide Federal funds to improve and upgrade the U.S. commercial fishing fleet at a time when other nations, some friendly and some unfriendly, are making rapid strides in the development of their fishing fleets; then this Congress has no choice but to enact this authorization for $20 million annually to subsidize the building of new and modern vessels. It is deplorable that this country has fallen to sixth position in the fishing fleets of the world.

Mr. DINGELL. Madam Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Madam Chairman, at this time I compliment the chairman of the committee for moving a little further ahead in trying to bring all of our merchant marine, fishing fleets and other fleets we have in our arsenal up to date. The time has come when we have to awaken to a very serious situation which I have been trying to call to the attention of the House for the last 10 years. I would like to ask the Members today, if they get an opportunity to do so, to read my remarks in the RECORD tomorrow morning. They deal with our approach to the type of merchant marine and fishing fleet we need.

The United Fruit Co. found six of its ships were no longer needed in the Vietnam logistics trade, and they were shifted to foreign states and completely foreign crews were put on them. In the last month or so new ships have been ordered built in foreign shipyards. The men who were manning our yards have been thrown out of work. This is typical of the game we are playing at this time in our lives with our runaway merchant marine. At the present time we are carrying less than 6 percent of American international trade in American bottoms.

I compliment the committee and ask, if it is within their jurisdiction, that they look immediately into this serious situation because if we were to be forced into a two-front banana-type war or one major war, we would be suffocated in defeat because we have not the ability to supply our own troops.

Mr. DINGELL. Madam Chairman, I yield 1 minute to the distinguished chairman of the full committee, the gentleman from Maryland (Mr. GARMATZ).

Mr. GARMATZ. Madam Chairman, I want to inform the gentleman from Pennsylvania that we are looking into the particular matter the gentleman mentioned at this time, with reference to the United Fruit Co. ships. The committee is wide awake and we are looking into that.

Mr. DENT. Madam Chairman, I should have known the gentleman would be doing that.

Mr. DINGELL. Madam Chairman, I yield 1 minute to the gentleman from California (Mr. HANNA).

Mr. HANNA. Madam Chairman, I thank the gentleman for yielding. I compliment the committee and particularly the chairman of the subcommittee, the gentleman from Michigan (Mr. DINGELL). The gentleman's presentation of this bill speaks very highly of the kind and quality of work the gentleman has done with his subcommittee. I know the gentleman is suffering from a bad back and he has stood up very well under arduous circumstances in giving a very fine presentation of the bill.

Madam Chairman, I should like to have in the record that in my judgment it is not just a question of presentation to the fishermen of ships that are competitive; not just a question of the kinds of craft to be used. Rather it is a question of the processes of extraction of foods from the sea.

Extracting fish from the sea has become a highly technical process, including the hunting vessel; the processing vessel; the interface between such vessels and their support and market. Unless our fisherman are willing to adjust themselves to the modern processes of fishing that have been devised and used by other nations, just putting our fishermen into competitive ships will not put our fishermen into a competitive posture.

I think our committee is aware of the problems, and I trust they will work with the fishing industry, which is probably the last bastion of the laissez faire in our economy in the United States. Hopefully there can be worked out an appropriate answer so our fishing industry can compete successfully.

They can compete successfully only if they adapt to the integrated, modernized processes of extraction in the fisheries. Putting them into new vessels but, leaving them in their old postures of extraction will not do.

Again I would say we have moved forward as far as we can with this bill. I think the committee brings to this House the kind of opportunity that will move the industry to where further and more meaningful improvement is possible.

Then we may once again be back competitively in the fishing business, competing successfully with the rest of the world.

(Mr. BOW (at the request of Mr. PELLY) was granted permission to extend his remarks at this point in the RECORD.)

Mr. BOW. Madam Chairman, I rise in support of H.R. 4813. I believe the time has long since passed when we should have done something about our commercial fishing fleet in this country. I believe, however, that in consideration of this matter it should be pointed out there are no standards for these fishing vessels that have been adopted to bring them into a safe category, and for that reason inexperienced crews are operating many of the ships and insurance costs are very high. It would seem to me, Madam Chairman, that perhaps in the consideration given by the Secretary of the Interior the question of standards should be set up so that they could be enforced by the Coast Guard and other officials of our Government. At the present time, as I say, there are no standards set for these ships. I would hope that these ships are all built in American yards and that a provision be made for training of crews, for many times I have learned of inexperienced officers taking these ships out, which endanger the men aboard. Again, Madam Chairman, I do support this legislation, and again say that standards should be established to protect the ships at sea and protect the investment this Government has made in ships.

GENERAL LEAVE TO EXTEND

Mr. PELLY. Madam Chairman, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD.

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

There was no objection.

Mr. VAN DEERLIN. Madam Chairman, I enthusiastically support H.R. 4813, which expands a promising program to help revive our American fishing industry.

The Merchant Marine and Fisheries Committee is to be commended for broadening the program to include subsidies for the conversion and remodeling of fishing vessels, as well as for new construction.

The bill also would double the annual authorization for this assistance. The $20 million a year provided by the measure represents, in my view, a realistic adjustment in the face of rapidly rising costs in the shipbuilding industry or elsewhere.

My one reservation about H.R. 4813 is the continued exclusion of vessel trade-ins from the program. I feel this omission may discriminate somewhat against people who are already in the fishing business but trying to operate with obsolescent boats. Logic would seem to dictate that they too be given a break, by extending more fully to them the subsidy benefits already available to newcomers in this industry who may be starting from scratch and do not have to worry about unloading an aging boat in order to obtain a new one.

The committee has recognized this problem by authorizing a $125,000 study by the Interior Department which among many other things would involve a look at the possibilities of vessel trade-in subsidies. I hope for the sake of many fishermen who could use precisely this kind of help that the proposed survey will produce positive results.

Mr. POLLOCK. Mr. Chairman, I rise to support H.R. 4813, which is intended to make the Fishing Fleet Improvement Act more effective. It only takes a quick glance to tell that the fishing fleet is in serious trouble. The average U.S. vessel is over 20 years old. To be more precise, some 13,000 ships are over age and obsolete. Since 1940, we have slipped from first to sixth among the world's fishing nations. Our imports of fishing products have tripled in the last 20 years.

The American fisherman has been left behind. He has not been able to incorporate the technological discoveries that are modernizing our foreign competitors' fleets. In fact, modernizing ships in the United States is more expensive. We have traditionally upheld the American shipbuilding industry in order to keep its laborers at a high standard of living. If U.S. builders had to cut prices for competition in the world market, the American laborer would be the first and hardest hit. This course is also unacceptable because it leaves our country dependent on the whims of other nations. American ships have been of vital importance, for example, in transporting supplies and troops to Vietnam. To lose our self-reliance on the sea might prove disastrous at some future hour when our support is needed or our Nation's very survival is at stake.

The alternative course—the one which Congress chose—was to help rebuild our sorry fishing fleet. Hence, the U.S. Fishing Fleet Improvement Act of 1960.

Since 1960, this incentive has resulted in completion or progress on 26 new vessels; 31 more applications for assistance have been approved. Unfortunately, Mr. Speaker, this is nowhere near enough help; therefore, H.R. 4813 is designed to eliminate unnecessary and costly paperwork of the application process, and provide funds for continuing the modernization of the fishing fleet.

The proposal has three main elements. First, it will revise the method of determining how much of a subsidy shall be paid for each new vessel. The present procedure involves getting foreign and domestic bids for each prospective vessel. Of course, the foreign bids are speculative at best, for each foreign builder knows he has no chance of constructing the vessel. H.R. 4813 will allow the Secretary of the Interior to classify vessels and determine the cost of various classes on the foreign market. Then the difference between the lowest domestic bid and the foreign price may be more effectively calculated.

Second, the bill authorizes upon request a hearing to determine what harm might be done by a new vessel to competing U.S. fishermen. The bill eliminates the mandatory hearing requirement. Usually no one utilizes these hearings anyway, and the empty formality often causes delays of up to 2 months.

Third, the bill requires that modern, efficient vessels be built, but that they not glut the supply of fish or destroy all competition with the assistance of Government funds.

Our fishing fleet is in dire need of help. This bill will begin to halt its discouraging slide. It will bring modernization more efficiently, but not without thought for our marine resources and other fishermen who have not yet received help.

Mr. DINGELL. Madam Chairman, I have no further requests for time.

Mr. PELLY. Madam Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2 of the United States Fishing Fleet Improvement Act, as amended (46 U.S.C. 1402), is amended by inserting after the first sentence thereof a new sentence to read as follows: "Any citizen of the United States may apply to the Secretary for a construction subsidy to aid in the remodeling of any vessel in accordance with this Act."

(b) Clause (1) of section 2 of the United States Fishing Fleet Improvement Act, as amended (46 U.S.C. 1402(1)), is amended by inserting after the words "and suitable" a comma and the words "in the case of a new fishing vessel and, when appropriate, a remodeled vessel,".

(c) Clause (2) of the United States Fishing Fleet Improvement Act, as amended (46 U.S.C. 1402 (2)), is amended by deleting the word "new" from said clause.

(d) Clause (7) of section 2 of the United States Fishing Fleet Improvement Act, as amended (46 U.S.C. 1402 (7)), is amended to read as follows: "(7) the vessel will be modern in design and equipment, be capable, when appropriate, to operate in expanded areas, and will not operate in a fishery if such operation would cause economic hardship to operators of efficient vessels already operating in that fishery unless such vessel will replace a vessel of the applicant operating in the same fishery during the twenty-four-month period immediately preceding the date an application is filed by the applicant, and having a comparable fishing capacity of the replacement vessel, and".

SEC. 2. Section 3 of the United States Fishing Fleet Improvement Act, as amended (46 U.S.C. 1403), is amended by changing the words "after notice and hearing," to "after notice and opportunity for a public hearing,".

SEC. 3. Section 5 of the United States Fishing Fleet Improvement Act, as amended (46 U.S.C. 1405), is amended to read as follows:

"SEC. 5. (a) Within sixty days after the date of enactment of this subsection, and from time to time thereafter, the Maritime Administrator shall survey foreign shipyards to determine the estimated difference between the cost of constructing various classes of new fishing vessels engaged in the fisheries of the United States in such shipyards, and the cost of remodeling various classes of vessels in such shipyards, and the cost of constructing or remodeling such vessels in a shipyard of the United States.

"(b) The Secretary may pay, from funds appropriated under this Act for fiscal year 1970 and subsequent fiscal years with respect to any new fishing vessel for which an application is received in such years and approved under section 3 of this Act, a con-

struction subsidy of not less than 35 per centum and not more than 50 per centum of the lowest responsible bid for the construction of such vessel in a shipyard of the United States, as determined and certified to the Secretary by the Maritime Administrator, excluding the costs, if any, of any feature incorporated in the vessel for national defense uses which costs shall be paid by the Department of Defense in addition to such subsidy. The amount of such subsidy for each such vessel shall be determined and certified to the Secretary by the Maritime Administrator based on the periodic survey conducted under subsection (a) of this section.

"(c) The Secretary may pay, from funds appropriated under this Act for fiscal year 1970 and subsequent fiscal years with respect to any vessel for which an application is received in such years and approved under section 3 of this Act for the remodeling of any vessel, a construction subsidy of not more than 35 per centum of the lowest responsible bid for the remodeling of such vessel as a fishing vessel in a shipyard of the United States, as determined and certified to the Secretary by the Maritime Administrator, excluding the costs, if any, of any feature incorporated in the vessel for national defense uses which costs shall be paid by the Department of Defense in addition to such subsidy. The amount of such subsidy for each such vessel shall be determined and certified to the Secretary by the Maritime Administrator based on the periodic survey conducted under subsection (a) of this section."

SEC. 4. Section 7 of the United States Fishing Fleet Improvement Act, as amended (46 U.S.C. 1407), is amended by inserting after the first sentence thereof a new sentence to read as follows: "Beginning on the date of enactment of this sentence, if the applicant disapproves the lowest responsible domestic bid certified by the Maritime Administrator for convenience or other reasons, the Secretary may permit the applicant to accept another responsible domestic bid and agree to pay a construction subsidy under subsection (b) or (c) of sectiton 5 of this Act which shall not exceed the amount the Secretary would have paid if the applicant had accepted the lowest responsible domestic bid."

SEC. 5. Section 9 of the United States Fishing Fleet Improvement Act, as amended (46 U.S.C. 1409), is amended by changing the first sentence thereof to read as follows: "The Secretary, in the exercise of his discretion, after notice and a public hearing, may approve the transfer of any vessel constructed with the aid of a subsidy to another fishery when, as determined by the Secretary, the operations of such vessel are shown to be uneconomical or less economical either because of an actual decline of the resource in the particular fishery or fisheries in which such vessel operates, or because of changed market conditions or a combination of these factors, and where he determines that such transfer would not cause economic hardship to operators of efficient vessels already operating in the fishery to which the vessel would be transferred, or where he determines that such transfer would enable such vessel to operate in a newly developed fishery not yet utilized to its capacity by operators of efficient vessels."

SEC. 6. (a) Paragraph (3) of section 11 of the United States Fishing Fleet Improvement Act, as amended (46 U.S.C. 1411(3)), is amended to read as follows:

"(3) 'citizen of the United States' includes a corporation, partnership, or association if it is a citizen of the United States within the meaning of section 2 of the Shipping Act, 1916 (39 Stat. 729), as amended (46 U.S.C. 802), and the amount of interest required to be owned by a citizen of the United States shall be at least 75 per centum,".

(b) Section 11 of such Act is further amended by striking out "and" at the end of paragraph (4); by redesignating paragraph (5) as paragraph (6); and by inserting immediately after paragraph (4) the following new paragraph:

"(5) 'remodeling' includes the construction through the conversion or reconditioning of any vessel to a fishing vessel and through the rebuilding of any existing fishing vessel, and".

SEC. 7. Section 12 of the United States Fishing Fleet Improvement Act, as amended (46 U.S.C. 1412), is amended to read as follows:

"SEC. 12. There is authorized to be appropriated for the fiscal years 1970 and 1971, $20,000,000 per fiscal year to carry out this Act. Such sums are authorized without fiscal year limitation."

SEC. 8. Section 13 of the United States Fishing Fleet Improvement Act, as amended (46 U.S.C. 1413), is amended by striking out "1969" and inserting in lieu thereof "1971".

SEC. 9. The Secretary of the Interior, in consultation with the Maritime Administrator, other interested Federal agencies, and interested professional and industrial organizations knowledgeable about United States commercial fishing vessels and their operations, and other persons, shall conduct a study (1) on the need for, and desirability of, measures to make available at lower costs insurance for such vessels and their employees, (2) on means and measures to improve the design of United States fishing vessels and equipment to make available as much information as possible to lower the costs of constructing or remodeling such vessels, (3) on the need for, and desirability of, provision for trading in existing fishing vessels, (4) on means and measures for improving the safety and efficiency of existing fishing vessels, and (5) on the need for, and desirability of, authorizing the establishment of a construction reserve fund for fishing vessels documented under the laws of the United States for the purposes of promoting the construction, reconstruction, or acquisition of fishing vessels. The Secretary shall submit, through the President, to the Congress a report together with his recommendations not later than January 1, 1971. There is authorized to be appropriated $125,000 for fiscal year 1970 and such sums as may be necessary for fiscal year 1971 to carry out the purposes of this section.

SEC. 10. Section 4(b)(2) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742c(b)(2)) is amended to read as follows:

"(2) Mature in not more than ten years, except that where a loan is for all or part of the costs of constructing a new fishing vessel, such period may be fourteen years.".

Mr. DINGELL (during the reading). Madam Chairman, I ask unanimous consent that further reading of the committee amendment may be dispensed with and that it be printed in the RECORD and open to amendment at any point.

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

There was no objection.

AMENDMENT OFFERED BY MR. HALL

Mr. HALL. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALL: On page 11, line 10, strike out "such sums as may be necessary" and insert "$100,000".

Mr. HALL. Madam Chairman, as discussed in the colloquy during consideration of House Resolution 515 and in the colloquy right after the distinguished gentleman from Michigan presented H.R. 4813, there was left an open-ended section pertaining to the fiscal year 1971 amount, for concluding the work prior to the time of the report of the Commission established in section 9 of the amendment.

In my opinion, much of our legislative difficulty accrues by either lack of ways and means written into legislation or lack of termination date thereof.

I appreciated the comments made by the distinguished gentleman from Michigan and the ranking minority member, the distinguished gentleman from Washington, concerning this proposed amendment, and their willingness to see that this legislation is tidied up.

Mr. DINGELL. Madam Chairman, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman from Missouri. I discussed this with my colleagues on the committee, and I find no objection to it. We will be happy to accept the amendment.

Mr. HALL. I thank the gentleman.

Mr. PELLY. Madam Chairman, will the gentleman yield?

Mr. HALL. I yield to my friend and colleague the distinguished gentleman from Washington.

Mr. PELLY. As always, the gentleman from Missouri has done his homework. Again I commend him for offering the amendment. We on our side will be happy to accept it.

Mr. HALL. I appreciate the gentleman's comments.

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

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

Madam Chairman, I was a member of the Merchant Marine and Fisheries Committee when the first fishing vessel subsidy was written into law. I have supported this program in the past and want to continue to support it, but I would urge my colleagues, and my former colleagues on that committee, not to balloon this program all out of shape.

I am willing to go along with this bill, but I hope the members of the Merchant Marine and Fisheries Committee and the other Members of the House will join me in some real good cutting amendments so that we can recover the cost of this program and more out of the foreign aid bill when it comes to the floor. I know of no reason why we should subsidize the building of fishing trawlers in foreign countries and then be compelled to subsidize them in this country; in other words, to provide competition for our own fishermen. So when the foreign aid bill comes before the House—I call it the foreign handout and giveaway bill—I hope that Members will be as cooperative as I plan to be here today and help to recover the cost of this assistance to Americans.

Moreover, I am wondering how wise we are in the matter of subsidizing the building of fishing trawlers in this country only to see them seized on the high seas by the Peruvians, the Chileans and others, and we are made to pay right through the nose by way of fines. Yes, the taxpayers of this country are made to pay through the nose for the recovery of these vessels and for the cargoes of fish that have been seized.

Mr. PELLY. Madam Chairman, will the gentleman yield?

Mr. GROSS. I am delighted to yield to my good friend from Washington.

Mr. PELLY. I am interested in the statement of the gentleman from Iowa. It just so happens in our hearings the Director of the Bureau of Fisheries indicated to us that we would probably not in the future need to subsidize our tuna boats, the ones going on the high seas to Latin America and other places. So, judging from that statement of his, I do not think any further funds will be going in that direction. However, I say to him that we have had that problem because only this year the South Koreans came over with their fishing vessels. We had an agreement with them, because we had put money into their fishing industry and upgraded their fishing industry, that as a result they would not come in and compete with us in Alaska and other places. However, they did come in with their fishing vessels. I can assure the gentleman, as you know, that I, for one, as long as I am on this committee, will try to see to it that when we spend American dollars we will help American industry.

I thank the gentleman for yielding to me.

Mr. GROSS. That has been my position in supporting these bills. I believe in supporting American industry, but I just cannot live very much longer with the contradictions that I have seen. We subsidize the construction of merchant vessels as well as fishing trawlers in American shipyards. We subsidize them because of the difference in the cost of construction between Japanese and American yards. Yet, if we can believe the newspaper article of a few days ago, the Japanese sold $100 million worth of steel to be used for a pipeline in Alaska. There must be an end to the contradictions that we are seeing in this country.

Mr. DINGELL. Madam Chairman, will the gentleman yield?

Mr. GROSS. I am very happy to yield to the gentleman from Michigan.

Mr. DINGELL. There are a couple of points that I want to make. I am glad to say that because of the interest that my good friend from Iowa has manifested in this problem I have displayed a very active interest in the problem of ship seizure. I am able to report that there is underway at this time negotiations with those nations involved with a view toward eliminating this major foreign policy question we have.

Second, let me say that there are some good aspects to the program. On one vessel it was found that the amount of subsidy could be recouped from income taxes derived from the operations of the vessel within a period of 2 years.

Further, I wish to point out, Madam Chairman, that in the case of vessel construction, although the number of vessels constructed has been very slight, I can report to the gentleman in the case of scallop vessels that although only 10 have been constructed with subsidies, those 10 vessels land 21 percent of the scallops landed in the United States. In the case of ground fish in New England, although there have been only five vessels constructed with subsidies, those five vessels landed better than 14 percent of the total ground fish landed in the United States. In the case of tuna, I am able to make an even happier report. The tuna fishing fleet has been considerably modernized and although only 11 vessels of our tuna fleet were constructed with the benefit of a subsidy, those 11 vessels accounted for 33 percent of the total tuna landings in 1968, consisting of 222 million pounds of yellow fin and skipjack tuna.

So I wish to say to the gentleman that the committee is very alert to the points raised by my good friend from Iowa and appreciate his attention while he was present on the committee where he was a very valuable and constructive member.

Mr. GROSS. I thank the gentleman for his remarks.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. HALL).

The amendment was agreed to.

The CHAIRMAN. The question now recurs on the committee amendment.

The committee amendment, as amended, was agreed to.

Mr. HALL. Madam Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Missouri will state his parliamentary inquiry.

Mr. HALL. Does the Chair mean the committee amendment, as amended?

The CHAIRMAN. That is correct.

Mr. HALL. I thank the Chairman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mrs. GREEN of Oregon, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4813) to extend the provisions of the U.S. Fishing Fleet Improvement Act, as amended, and for other purposes, pursuant to House Resolution 515, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2721. An act to increase funds for college student loans by increasing the authorization of appropriations for the national defense student loan program, and by providing for an incentive allowance for insured loans under title IV–B of the Higher Education Act of 1965 on a temporary basis, and for other purposes.

MANPOWER TRAINING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 91–147)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Education and Labor and ordered to be printed:

To the Congress of the United States:

A job is one rung on the ladder of a lifelong career of work.

That is why we must look at manpower training with new eyes: as a continuing process to help people to get started in a job and to get ahead in a career.

"Manpower training" is one of those phrases with a fine ring and an imprecise meaning. Before a fresh approach can be taken, a clear definition is needed.

Manpower training means: (1) making it possible for those who are unemployed or on the fringes of the labor force to become permanent, full-time workers; (2) giving those who are now employed at low income the training and the opportunity they need to become more productive and more successful; (3) discovering the potential in those people who are now considered unemployable, removing many of the barriers now blocking their way.

Manpower training, in order to work on all rungs of the ladder, requires the efficient allocation by private enterprise and government of these human resources. We must develop skills in a place, in a quantity and in a way to ensure that they are used effectively and constantly improved.

Today, government spends approximately 3 billion dollars in a wide variety of manpower programs, with half directly devoted to job training; private enterprise spends much more on job training alone. The investment by private industry—given impetus by the profit motive as well as a sense of social responsibility—is the fundamental means of developing the nation's labor force. But the government's investment has failed to achieve its potential for many reasons, including duplication of effort, inflexible funding arrangements and an endless ribbon of red tape. For example:

—*A jobless man* goes to the local skill training center to seek help. He has the aptitudes for training in blue collar mechanical work, but no suitable training opportunities are available. At the same time, vacancies exist in a white collar New Careers project and in the Neighborhood Youth Corps. But the resources of these programs cannot be turned over to the training program that has the most local demand.

—*A 17-year-old boy wants to take job training.* The only manpower program available to him is the Job Corps, but its nearest camp is hundreds of miles away. With no other choice, he leaves home; within 30 days he has become homesick or feels his family needs him; he drops

out of the Corps and has suffered "failure" which reinforces his self-image of defeat.

—*A big-city Mayor* takes the lead in trying to put together a cohesive manpower program for the entire labor market area—tying together jobless workers in the inner city with job openings outside the "beltway." He finds it difficult to assemble a coherent picture of what's going on. Manpower programs funded by different agencies follow different reporting rules, so that the statistics cannot be added up. Moreover, there is no single agency which maintains an inventory of all currently operating manpower programs. He knows that help is available—but where does he turn?

—*An unemployed high school dropout* in a small town wants to learn a trade in the electronics field. His local employment office tells him that there is not enough demand in his town for qualified technicians to warrant setting up a special training class in a local public school. He is also told that "administrative procedures" do not lend themselves to the use of a local private technical institute which offers the very course he wants. This youngster walks the streets and wonders what happened to all those promises of "equal opportunity."

This confused state of affairs in the development of human resources can no longer be tolerated. Government exists to serve the needs of people, not the other way around. The idea of creating a set of "programs," and then expecting people to fit themselves into those programs, is contrary to the American spirit; we must redirect our efforts to tailor government aid to individual need.

This government has a major responsibility to make certain that the means to learn a job skill and improve that skill are available to those who need it.

Manpower training is central to our commitment to aid the disadvantaged and to help people off welfare rolls and onto payrolls. Intelligently organized, it will save tax dollars now spent on welfare, increase revenues by widening the base of the taxpaying public, and—most important—lift human beings into lives of greater dignity.

I propose a comprehensive new Manpower Training Act that would pull together much of the array of Federal training services and make it possible for State and local government to respond to the needs of the individual trainee.

The Nation must have a Manpower System that will enable each individual to take part in a sequence of activities—tailored to his unique needs—to prepare for and secure a good job. The various services people need are afforded in laws already on the books. The need today is to knit together all the appropriate services in one readily available system. By taking this step we can better help the disadvantaged gain control and direction of their own lives.

A first step was taken in this direction in March when I announced the reorganization of the Manpower Administration of the U.S. Department of Labor. This reorganization consolidated the agencies that had fragmented responsibility for carrying out most of the Nation's manpower training program. We must now complete the job by streamlining the statutory framework for our manpower training efforts.

In specific terms, the Act which I propose would:

1. *Consolidate major manpower development programs* administered by the Department of Labor—namely, the Manpower Development and Training Act and Title I-A (Job Corps) and I-B (Community Work and Training Program) of the Economic Opportunity Act. These programs, operated in conjunction with strengthened State manpower agencies, will provide training activities in a cohesive manpower services system. The Office of Economic Opportunity, without major manpower operational responsibilities, will continue its role in research work and program development working with the Department of Labor in pioneering new manpower training approaches.

2. *Provide flexible funding* of manpower training services so that they can be sensitive to and focused on local needs; this will ensure the most efficient use of available resources.

3. *Decentralize administration of manpower services* to States and metropolitan areas, as Governors and Mayors evidence interest, build managerial capacity, and demonstrate effective performance. This process will take place in three stages. First, a State will administer 25 per cent of the funds apportioned to it when it develops a comprehensive manpower planning capability; second, it will exercise discretion over 66⅔ per cent when it establishes a comprehensive Manpower Training Agency to administer the unified programs; and, third, it will administer 100 per cent when the State meets objective standards of exemplary performance in planning and carrying out its manpower service system.

The proposed Act will assure that equitable distribution of the manpower training dollars is made to the large metropolitan areas and to rural districts, working through a State grant system.

By placing greater reliance on State and local elected officials, the day-to-day planning and administration of manpower programs will become more responsive to individual job training needs. A dozen States have already taken steps to reshape administrative agencies and to unify manpower and related programs.

To qualify for full participation under the proposed Act, each State and the major cities in a State would unify its manpower administration under State and local prime sponsors. These agencies would administer the programs funded by the Federal Government; be responsible for other State and local activities to help people secure employment; help employers find manpower; and work in close liaison with State and local vocational education, vocational rehabilitation and welfare programs, for which leadership will be provided at the national level by the Department of Health, Education, and Welfare.

In addition, the State and local prime sponsors would establish advisory bodies, including employees, employers and representatives of the local populations to be served, to assist in developing local policy. In this manner, the units of government would be able to benefit continually from the experience and counsel of the private sector.

4. *Provide more equitable allowances for trainees*, simplifying the present schedule to provide an incentive for a trainee to choose the training best suited to his own future, and not the training that "pays" the most.

As an incentive to move from welfare rolls to payrolls, the allowance to welfare recipients who go into training would be increased to $30 per month above their present welfare payments. These increased training allowances carefully dovetail into the work incentives outlined in my message to the Congress regarding the transformation of the welfare system. As the welfare recipient moves up the ladder from training to work, the first $60 per month of earnings would result in no deductions from Federally-financed payments.

5. *Create a career development plan for trainees*, tailored to suit their individual capabilities and ambitions.

Eligible applicants—in general, those over 16 who need training—would be provided a combination of services that would help them to train, to find work, and to move on up the ladder. These services will include counseling, basic vocational education, medical care, work experience, institutional and on-the-job training, and job referral. Manpower services will also be available for those who are presently employed but whose skill deficiencies hold them in low-income, dead-end jobs.

6. *Establish a National Computerized Job Bank* to match job seekers with job vacancies. It would operate in each State, with regional and national activities undertaken by the Secretary of Labor, who would also set technical standards.

The computers of the Job Bank would be programmed with constantly changing data on available jobs. A job seeker would tell an employment counselor his training or employment background, his skills and career plans, which could be matched with a variety of available job options. This would expand the potential worker's freedom of choice and help him make best use of his particular talents.

7. *Authorize the use of the comprehensive manpower training system as an economic stabilizer.* If rising unemployment were ever to suggest the possibility of a serious economic downturn, a countercyclical automatic "trigger" would be provided. Appropriations for manpower services would be increased by 10 percent if the national unemployment rate equals or exceeds 4.5 percent for three consecutive months. People without the prospect of immediate employment could use this period to enhance their skills—and the productive capacity of the nation.

I proposed a similar measure in my message to the Congress on expansion of the unemployment insurance system.

The proposed comprehensive Manpower Training Act is a good example of a new direction in making Federalism work. Working together, we can bring order and efficiency to a tangle of Federal programs.

We can answer a national need by de-

centralizing power, setting national standards, and assigning administrative responsibility to the States and localities in touch with community needs.

We can relate substantial Federal-State manpower efforts to other efforts in welfare reform, tax sharing and economic opportunity, marshaling the resources of the departments and agencies involved to accomplish a broad mission.

We can meet individual human needs without encroaching on personal freedom, which is perhaps the most exciting challenge to government today.

With these proposals, which I strongly urge the Congress to enact, we can enhance America's human resources. By opening up the opportunity for manpower training on a large scale, we build a person's will to work; in so doing, we build a bridge to human dignity.

RICHARD NIXON.

THE WHITE HOUSE, *August 12, 1969.*

PRESIDENT NIXON'S MANPOWER MESSAGE

(Mr. GERALD R. FORD asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GERALD R. FORD. Mr. Speaker, President Nixon's manpower training message is a vital part of the overall formula he has produced to bring disadvantaged Americans into the economic mainstream and to bring more funds and greater responsibilities to the States and local communities.

With this message, President Nixon has declared it a national objective that we extend to every American the opportunity to learn a job skill and to fulfill all of his capabilities. This, I believe, is a national goal the Congress should endorse and embrace.

There is no question that the most efficient and effective implementation of our manpower training programs is necessary if we are to meet our commitment of helping people get off welfare rolls and onto payrolls.

Every feature of the President's seven-point Comprehensive Manpower Training Act is important, but I would call attention especially to the need for flexible funding, the provision for decentralized administration "as Governors and mayors evidence interest, build managerial capacity, and demonstrate effective performance," proposed establishment of a National Computerized Job Bank long advocated by the House Republican leadership, and proposed use of the comprehensive manpower training system as an economic stabilizer.

The last of these points is one which deserves the closest possible congressional attention.

While many economic stabilizers have been built into the American economic system, we cannot have too many safeguards against potential economic problems.

President Nixon's proposal that appropriations for manpower services be increased by 10 percent if the jobless rate rises to 4.5 percent or more for 3 consecutive months is one that appears to have great merit. It would be a welcome addition to an economic arsenal that for too long has contained little else but pump-priming mechanisms.

Mr. ARENDS. Mr. Speaker, I welcome the opportunity to support President Nixon's new manpower training policy. I am convinced that it is the first proposal in many years which comes to grips with a total problem. The problem is the chronic and persistent one of providing decent jobs for everyone who wants to work at the same time that the job market is becoming increasingly selective in terms of the education, skills and experience a worker must possess to obtain and hold a decent job.

The most impressive feature of the manpower training proposal, from my point of view, is that it would be possible to provide each person with whatever kind of help he needs to become employable. For the first time we could give him not only a complete range of skill training but basic education, remedial medical care, work orientation, on-the-job support—any service which will help an individual to get a steady job. In short, the full range of our knowledge in the field of education and training could be utilized to develop an individual's potential.

This is an exciting prospect and one which could enrich the lives of every American. An individual's leap from unemployment to meaningful productive employment not only means a gain in his self-respect and independence, but an additional skilled pair of hands and another alert mind to provide the essential goods and services we need.

Mr. ANDERSON of Illinois. Mr. Speaker, today we are witnessing the culmination of a pledge our President made to the American people that he would make the manpower programs work more efficiently and effectively.

In the new manpower training proposals, we see the Nixon administration's determination to have the States, along with the local governments, resume the management of their own affairs—to plan and administer their own manpower programs—and to provide the necessary facilities and opportunities through which their citizens can improve their capabilities enabling them to secure employment.

President Nixon recognized that the numerous manpower programs—enacted and administered in the 1960's—were too involved, too cumbersome and too complex to adequately serve the needs of our people in the 1970's. He believed, as I do, that the Governors, the mayors, and our other local leaders are more aware of the problems encountered by their constituency and could, therefore, design better programs to fit their personal needs.

In the 1960's, the Federal Government acknowledged its help was needed if we were ever to attain our goal of full employment. Only the Federal Government had the necessary resources to finance a program of retraining for those whose skills had become obsolete because of technological breakthroughs—and remedial academic and vocational education programs for those not adequately prepared for employment in the space age.

Similar conditions exist in the 1970's. However, President Nixon feels that more efficient and effective manpower programs can be administered by the States—provided they are still financed by the Federal Government. His manpower training policy would achieve that end. Its enactment by the Congress will benefit the whole Nation.

Mr. RHODES. Mr. Speaker, the Nixon administration's new manpower training proposals represent a major advance in the Nation's services for unemployed, underemployed, and other disadvantaged citizens. It is a greatly needed effort to rationalize and raise the efficiency of our increasingly complex arsenal of manpower programs. This policy deserves strong endorsement.

Of particular importance is the effort to unify the planning and delivery of manpower services—to bring together the many agencies and programs involved in an orderly and comprehensive system of manpower development activities. The proposal covers a wide and flexible range of services to jobless and underemployed workers, including occupational training, counseling, recruitment and placement services, basic education required for employability, work experience programs, relocation assistance, incentives to induce employers to hire and train the hard-core disadvantaged, and a variety of essential supportive services. It would pull together key manpower services authorized under the Wagner-Peyser Act, Manpower Development and Training Act, and the Economic Opportunity Act and help to consolidate the mounting variety of specialized manpower programs which have been proliferating under a bewildering variety of names. New responsibilities are given to the Governors for planning and overseeing the operation of a comprehensive system of manpower services adapted to the particular needs of each State, through the establishment of comprehensive manpower agencies.

At the local level, also, the manpower training proposal would cut through the network of heterogenous organizations that have grown up in the manpower program field over the last few years, through the designation of a single prime sponsor in each local area, responsible for reviewing area needs and resources, developing program priorities and objectives, planning the delivery of manpower services, and overseeing their administration.

In addition, the President's proposal would make wise provision for strong advisory bodies representing all major elements of a community at the State and local levels, to insure that unified local and State plans fully reflect community needs and that unification of services will be accompanied by increased flexibility and responsiveness to the needs of our citizens.

Mr. STEIGER of Wisconsin. Mr. Speaker, President Nixon deserves high praise for the bold and forthright position he has taken in his Manpower Training Act of 1969. There is a crying need to restructure and revitalize the excessive number and crazy quilt pattern of manpower programs which are now administered in an unbending fash-

ion from Washington. The President's emphasis on the necessity for more uniform standards of program eligibility, more flexible funding of manpower plans developed at the State and local levels, and a more decentralized administration of such employment programs is long overdue and most welcome.

There is much to do in the manpower field, if these proposals are to be passed and implemented effectively, but the President's message marks a vital turning point. By facing squarely those manpower problems which now demand the highest priority, the President's message and Comprehensive Manpower Act enable us to turn the corner toward achieving a national manpower policy.

As I pointed out last May, when introducing my Comprehensive Manpower Act of 1969:

> The array of manpower programs that have emerged in the 1960's are not part of any systematic effort to identify and provide each of the services needed by various groups of workers or by all the labor force. Instead, individual programs were written, made into law, and amended in rapid succession to meet current crises with little attention to their interrelationship. Though particular goals of various programs are reasonably clear, the overall objectives of these programs, when viewed together, are not.

The President's message and manpower bill have reaffirmed my conviction that the time is at hand to develop and strengthen a systematic National, State, and local manpower policy and to provide for a comprehensive delivery of manpower services. There is only one way to develop a greater standard of excellence in the implementation of State and local manpower programs.

If the New Federalism means anything, it must mean that we now stand ready to give the program administrators on the firing line the authority to make the critical decisions on manpower problems and the funds to back up those decisions.

Although the administration bill closely parallels my Comprehensive Manpower Act, there are some differences. The administration's pass-through device will enable our cities to receive the manpower funds they desperately need in an important breakthrough in Federal relations. At the same time we must determine whether it really is advisable to have funds flow directly to the large number of cities which would be eligible for such an arrangement under the administration bill or whether it would be preferable to limit such an arrangement to those larger cities which are most capable of doing such manpower planning. It also remains unclear in the administration bill how the large number of cities, towns, and counties, and other units of general local government will manage to coordinate manpower planning within their metropolitan area. We must be more precise in outlining how such coordination at the local level can best be achieved. Finally, it would seem worthwhile to discuss in more detail what the duties the Secretary of Labor would be in a comprehensive manpower effort. He will have to play a major role in national, regional, and interstate manpower planning and in dealing with particularly severe pockets of poverty.

But the direction of the bill is clearly forward. The national computerized job bank which promises to match our unemployed and underemployed people with current job openings is excellent. The emphasis upon the use of an active manpower policy as an economic stabilizer is also most welcome. Where the Nation becomes threatened with economic slowdown manpower programs must be used to offset such a danger and reduce the agonizing effects of long- and even short-term unemployment. Most important of all, the President has demonstrated now both in deeds and words that he is ready to turn over the challenge, the responsibility and the power for meeting our critical manpower needs to the States and localities—I am convinced that they now have the potential to face that challenge and come out on top.

Mr. O'HARA. Mr. Speaker, there is much in the Manpower Training Act which the President recommends with which no student of the manpower problems of this Nation can take issue. Most of the proposed bill will be, if not noncontroversial, at least close enough to legislation that Members on this side of the aisle introduced some weeks ago so that we will have a useful common ground on which to stand, so together we may seek to develop meaningful changes in our manpower programs and institutions.

Over half of the Democratic Members of this House have already joined in the sponsorship of legislation, entitled "The Manpower Act," which was first introduced on May 26. Like the President's bill, the Manpower Act seeks to consolidate major manpower programs, though unlike the President's proposal, the Manpower Act does not seek to make the State public employment agencies the chosen instrument for the provision of manpower services or to abandon Federal administrative responsibilities.

I fail to discern in the President's message any serious proposal for a public service employment program, which is at the heart of the Manpower Act, and in my judgment, the need for which is at the heart of the Nation's manpower need. I concur with the decision now reached by President Nixon that a reorganization of the Nation's manpower systems is essential. Indeed, I have so felt and so said for several years now. But, we cannot meet the needs of those who cannot find work by telling them that a better organization of Government agencies will "eventually" result in an improvement of their lot.

Reorganization is important. More important, however, is action to provide jobs to those in need of jobs—jobs doing work the Nation needs done, and work that isn't being done now. But I am encouraged that President Nixon agrees with those of us who have advocated a modernization of the manpower structure. By the time we have completed hearings—which I hope we can complete this year—on the several manpower proposals before the House—we may have come to a meeting of the minds on public service employment as well.

I cannot agree with those, Mr. Speaker, who suggest that the President's proposals of last Friday night were new and revolutionary suggestions—except possibly to the President himself. But I most assuredly can agree with those who would describe them—and who would describe today's message and proposed bill as constructive, responsible proposals providing us with suggestions for improving our manpower system, and perhaps with some of the raw material from which this Congress will—soon, I hope—construct the kind of program the Nation needs.

Mr. TAFT. Mr. Speaker, I believe that President Nixon has come up with a program to meet a problem that has deeply concerned every elected public official in my State. For years Governors and mayors have vainly tried to keep up with the flood of manpower programs streaming out of Washington. While States and communities desperately needed Federal assistance, the programs were so rigid and complicated that precious time was lost in the process of trying to determine which programs were best suited for the needs of their constituents. A review by my office in my district last year revealed over 30 separate training programs.

Even so, many good people were screened out of manpower programs, in effect denied assistance, either because their needs were too great or too specialized to be met by the particular program which was operating in their community.

The manpower training policy outlined by the President would attack this problem in one bold stroke. Each State and metropolitan area would be able to design a tailormade program to exactly fit its needs. Whatever assistance required would be available through a single agency at the local level.

This policy would put the responsibility for planning and decisionmaking where it can be carried out most effectively—on elected officials at the State and local level. These are people on the firing line. They know the problems of their constituents and their political futures are dependent upon prompt solutions to these problems.

Thus national interest would be safeguarded while State and local public officials would be encouraged to take the initiative, to experiment and innovate with new offensives against the waste of human resources.

GENERAL LEAVE

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on the subject of the President's message on manpower training.

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

There was no objection.

CONTROLS AND RESTRAINTS ON TESTING, TRANSPORTATION, STORAGE, AND USE OF CHEMICAL AND BIOLOGICAL WARFARE AGENTS

(Mr. McCARTHY asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. McCARTHY. Mr. Speaker, the action yesterday in the other body in approving restraints on the testing, transportation, storage, and use of chemical and biological warfare agents is in my view a major step forward in the drive to place these weapons of mass destruction under control.

Also of significance is the fact that four foreign nations have joined the ranks of some 60 who have ratified the Geneva Protocol. Some of these are in an actual de facto state of war and they include Israel, Syria, Lebanon, and Nigeria, which I think all adds to the importance of this—if nations in a state of war would feel that this treaty should be ratified, certainly the United States could.

I am also placing in the RECORD today evidence of hazards connected with the disposal of germ and gas warfare agents at sea, and incidents heretofore undisclosed of how the U.S. disposal operations in the ocean went awry and explosions occurred with potentially very serious consequences.

Early in May this year I learned that the U.S. Army planned to move 22,000 tons of poison gas munitions from various Army arsenals and depots to the Naval Ammunition Depot at Earle, N.J., where it was to be loaded on Liberty ships, taken to sea, and sunk.

I was particularly concerned that the movement by rail of large quantities of nerve gas and mustard gas moving by rail from as far away as Denver, Colo., to New Jersey might be accidentally released with deadly effects on people living near the railroads. I was also concerned that the poison gas being taken to sea might be accidentally released while being towed to the disposal site or while sinking at the disposal site and endanger sailors on vessels near the scene. I was also concerned that the poison gas might effect the ecology of the ocean where it was dumped in a manner that had not been contemplated.

Representative CORNELIUS GALLAGHER, of New Jersey, chairman of the House Subcommittee on International Organizations nad Movements, held hearings on May 8, 13, 14, and 15, 1969, to learn more of the details about the shipment scheduled to begin on May 16, 1969. The gas had been loaded on railroad cars at Rocky Mountain Arsenal in Denver, Colo., and the Coast Guard had been given a schedule for moving the ships to sea.

The Department of Defense asked Chairman GALLAGHER to postpone the hearings from May 8 until May 13 because they were not prepared to discuss the disposal plans on the first day. On May 13, Acting Assistant Secretary for Research and Development of the U.S. Army, Charles L. Poor, and Dr. Robert A. Frosch, Assistant Secretary for Research and Development of the U.S. Navy were the principal witnesses for the Department of Defense. They described in some detail the plans for disposal of nerve and mustard gas and answered questions raised by members of the committee concerning the safety of the disposal plans.

Secretaries Poor and Frosch assured the committee that disposal at sea of the unwanted nerve gas and mustard gas was the safest procedure. They said that unwanted ammunition had been taken to sea 12 times in the past in ships and disposed of. Three of these from Earle Naval Ammunition Depot involved poison gas. These dumping operations were called Operation CHASE, an acronym for "cut holes and sink 'em."

Secretaries Poor and Frosch emphasized that the ships would be sunk in water about 7,200 feet deep where the currents of water were very slow and the gas would have an opportunity to dissolve over a long period of time. Dr. Frosch said at the time:

> The depth is such that the time for any of the water in which this would be dissolved to come to the surface has been estimated at best as something over 40 years, so that what would happen to this industrial waste-contaminated water, if I can use that as an approximate term, would be that it would gradually disperse at depth, and finally dissolve out so that it would be in below-detectable trace amounts.

Although the case of the ship loaded with explosives that was sunk by the Navy off the Aleutians and failed to explode at the planned depth was discussed, the committee was assured by Secretary Frosch that this was an isolated case and that there was no danger of this happening again.

My doubts concerning the safety of this phase of the poison gas disposal plans were not satisfactorily answered by the testimony of Secretaries Poor and Frosch. This skepticism was confirmed in the subsequent report of the ad hoc committee of the National Academy of Science chaired by Dr. George Kistiakowsky that questioned the effects on the ocean of dumping large quantities of poison gas.

My doubts were further confirmed yesterday when an article in the U.S. Naval Institute Proceedings of September 1967 was called to my atention. This article by Steve Kurak, entitled "Operation CHASE," described earlier sinkings of ammunition in ships at sea. One of the CHASE ships loaded with surplus ammunition had exploded 5 minutes after she sank. As he describes the incident:

> The second CHASE ship was the SS *Village* which was loaded at NAD Earle, New Jersey. The *Village* was towed to the deep water dump site on 17 September 1964, loaded with 7,348 short tons of cargo. She sank bow first at a 45-degree angle three hours and 32 minutes after the EOD team had opened the sea cocks. Five minutes after she sank, three large explosions were heard and felt. An oil slick and some debris appeared on the surface. It was obvious that some part of the cargo had detonated either as a result of water pressure or impact when the hulk hit the ocean floor.
>
> The explosion was sufficiently large to register on seismic equipment all over the world. Inquiries were soon being received in this country concerning the seismic activity off the east coast of the United States.

Yet despite this unplanned explosion, when Mr. Kazan of the committee asked Secretary Frosch whether the pressure might explode this ammunition, he stated that it would more likely corrode than explode.

Mr. Kurak describes another CHASE operation in which the tow rope connecting the loaded ammunition ship broke and the ship drifted aimlessly for 6 hours. His description is:

> The SS *Isaac Van Zandt*, the fifth CHASE ship, showed CHASE officials that, despite their success with *Santiago Iglesias*, no CHASE sinking was routine. The *Van Zandt* loaded at NAD Bangor, Bremerton, Washington. On 23 May, 1966, en route to the deep water dump site, the tow cable parted in high seas. She was loose with 8,000 tons of cargo on board, of which about 400 tons were high explosives. The Coast Guard notified all shipping in the area of this dangerous hulk adrift, while the Navy tugs *Tatnuck* and *Koka*, hampered by the high seas, pressed the pursuit. After almost six anxious hours, the tow line was recovered and the tow continued toward the deep water dump site.

These two incidents illustrate the dangers associated with disposal of large quantities of poison gas at sea. What would have happened if the tow rope on one of the Liberty ships had parted close to the New Jersey coast and an explosion had blown nerve gas and mustard gas over a wide area? What would have happened if a premature explosion had ripped open the gas cannisters and nerve gas bombs as one of the Liberty ships had started down? Both U.S. Navy and and Coast Guard sailors as well as sailors on merchant ships in the area would have been in serious danger and the oil slick mixed with mustard gas might well have been carried onto beaches of the east coast.

What puzzles me is that these accidents with previous CHASE operations were not made known at Chairman GALLAGHER's subcommittee hearings. This information was highly pertinent to the deliberations of Congress yet for some reason was not mentioned other than in the briefest passing reference by the Department of Defense witnesses. Had this information been available, I doubt that there would have been any further consideration of disposal of gas at sea.

I am including the full text of Mr. Kurak's article in the RECORD for the information of my colleagues:

OPERATION CHASE

(By Steve Kurak) [1]

(NOTE.—On a September day in 1964, the U.S. merchant man Village went down by the bow in the North Atlantic. Five minutes after she sank, three large explosions were heard and felt by the onlookers. An oil slick and some debris appeared on the surface. It was a completely successful, contrived calamity, for the American taxpayer was saved some $5 for each of the 7,348 tons of cargo the Village took down with her.)

Gunpowder, high explosives, solid rocket fuels and propellants and pyrotechnics, besides being classified under the general heading of explosives, all have in common the characteristic of deterioration with age. When

[1] Mr. Kurak has been a civilian employee of the Navy in the field of inventory management and logistics since his graduation from the University of Minnesota in 1951. For more than ten years, he was an inventory manager of major shipboard hull, mechanical, and electrical equipment for the Bureau of Ships. He then became Assistant Branch Head of the Inventory Management Branch of the Technical Materiel Division of the Bureau of Naval Weapons. He is now Head of the Planning Office of the Ship Materiel Department of the Naval Ships Engineering Center.

this deterioration occurs, these articles become unstable; that is, they become easily susceptible to ignition or explosion. Within the Navy, safely disposing of over-age, obsolete, damaged or otherwise deteriorated explosives has been a slow, expensive, and, more often than not, a hazardous process. Two principal methods of disposal have been employed. The first method is by burning the explosive after it has been removed from a cartridge case or container; it is used when salvage of the brass or metal parts is an objective of the disposal operation. This method is not especially satisfactory. Not all explosives can be burned, and special apparatus is required to ream or steam the explosive from the metal parts. It is slow, and it is a low-volume disposal system. Furthermore, the drilling, steaming, and burning of explosives obviously is potentially dangerous and, notwithstanding the fact that part of the cost is offset by the value of the metal parts salvaged, it is expensive. The second method of disposing of deteriorated explosives is by deep water dump.

Operation CHASE is a unique method of deep water dump.

The deep water dump has been for many years, and is today, the preferred method for disposing of deteriorated explosives, primarily because it is a large volume operation. Preferred or not, deep water dump has been an expensive and hazardous method. The expense and the hazard stem from the multiple handling of the material, both ashore in preparing the material for dumping and at sea during actual dumping operations. Until the advent of Operation CHASE in May 1964, the accepted procedure, if the ordnance did not in itself have a negative buoyancy, was to load the explosives into containers to achieve a negative buoyancy of 100 pounds per cubic foot. This procedure sometimes required the addition of sand or cement to each container for additional ballast. These containers were then loaded in a ship, transported to the dump site, and manhandled over the side. Drop-bottom barges were sometimes used so that the explosives would not be handled again at sea. This was somewhat unsatisfactory because barges had only a limited capacity as compared to a ship, and oftentimes the cargo would hang up in the bottom hatches and would have to be brought back with the barge.

In 1964, it was estimated that it cost $78.00 per ton to dispose of explosives by this method. This cost included charges for preparing the material to ensure negative buoyancy, handling and loading in port, and dumping at sea. As will be shown later, these costs were dramatically reduced when the Operation CHASE technique was employed.

In late 1963, just prior to the commencement of the Southeast Asia build-up, the Bureau of Naval Weapons (now the Naval Ordnance Systems Command) began receiving numerous queries from higher authority as to the condition of the expendable ordnance held in the Naval Ammunition Depots (NADs). Much of this ordnance had been in storage since the Korean conflict and, in some cases, since World War II. BuWeps, at this time, undertook a large surveillance program to determine to what degree, if any, this ordnance had deteriorated during its long storage. Much of it had been stored deep in magazines at ammunition depots and was found to be in excellent condition.

Unhappily, not all the ordnance was so stored, and soon there was an increase in requests for shipments of deteriorated explosives to the deep water dump preparation sites. In addition, the closing of the NAD at Hastings, Nebraska, had generated large quantities of explosives that were awaiting disposal. Most of the excesses were shipped by rail from Hastings to load-out ports in USNX cars (government-owned railway cars especially designed for transporting explosives) and, as capacity to store the excesses at coastal activities was reached, the Navy was forced to stow these explosives in the open or in the USNX cars. The rapid build-up of material awaiting deep water dump on both East and West Coasts soon indicated that a faster, cheaper, large volume method of disposal must be found.

As CHASE was conceived, the Navy, through Military Sea Transportation Service (MSTS), obtains obsolete, surplus, World War II cargo ships from the U.S. Maritime Administration. These ships are transferred to the Navy at no cost since they have no value beyond their intrinsic worth as scrap metal, and there is little demand for them as scrap. The hulk is towed to the out-loading port and there stripped of any usable machinery or equipment. The ship is then filled with the explosives to be disposed of, the cargo being stowed as any general cargo would be stowed.

No special preparation of the explosives is required before lading. Hence, they are generally hoisted into the ship on the same pallets or in the same containers in which they were stored. When the ship is loaded, the cargo hatches are closed, and the hulk, escorted by a Coast Guard cutter, is towed by a commercial or Navy tug to the deep water dump site. The deep water dump site is "at least ten miles from any shoreline and in water of at least 1,000 fathoms depth," to quote the Chief of Naval Operations instruction on deep water dump. After arrival at the site, an Explosive Ordnance Demolition (EOD) team opens the sea cocks on the hulk. It takes about three hours for the average ship to fill and sink. The C–3 Liberty hull will take about 8,000 tons of cargo to the bottom.

The inspiration for Operation CHASE came from the U.S. Army, which, in 1958, was faced with the ticklish problem of disposing of 8,000 tons of mustard and lewisite chemical warfare gas. The Army solved its problem by loading the gas into the SS *Wm. Ralston*, towing her to sea and scuttling her. The method was not used again, however, until the Navy's Operation CHASE commenced.

The first CHASE ship was the SS *John F. Shafroth*, which was taken out of the National Defense Reserve Fleet at Suisun Bay, California, and towed to Naval Weapons Station Concord, California, for stripping and loading. The *Shafroth* cargo was predominantly 40-mm. ammunition from NAD Hastings, but it also included a mixed bag of bombs, torpedo warheads, mines, cartridges, projectiles, fuses, detonators, and boosters, including some over-age Polaris motors which weighed up to 33,000 pounds each.

Most subsequent CHASE ships have also loaded this type of mixed cargo. CHASE ships included material from the other services; recently the Canadians have requested space on future disposals. The *Shafroth's* cargo even included a quantity of contaminated cake mix which an Army court had ordered dumped at sea. The *Shafroth* departed NWS Concord under tow, late on 22 July 1964, and reached the deep water dump site 47 miles west of the Golden Gate early the next morning. The sea cocks were opened by the EOD team at 1135. At 1403, the SS *Shafroth* disappeared beneath the surface without incident, carrying 9,799 tons of cargo. When the figures were in, it was determined that the operation had been carried off at a cost of about $22.00 a ton—a saving of $56.00 a ton over the old method.

As comforting as that statistic was to the promoters of CHASE, it was soon evident that each CHASE out-loading was unique and would present its own different set of problems. The second CHASE ship was the SS *Village* which was loaded at NAD Earle, New Jersey. The *Village* was towed to the deep water dump site on 17 September 1964, loaded with 7,348 short tons of cargo. She sank bow first at a 45-degree angle three hours and 32 minutes after the EOD team had opened the sea cocks. Five minutes after she sank, three large explosions were heard and felt. An oil slick and some debris appeared on the surface. It was obvious that some part of the cargo had detonated either as a result of water pressure or impact when the hulk hit the ocean floor.

The explosion was sufficiently large to register on seismic equipment all over the world. Inquiries were soon being received in this country regarding the seismic activity off the east coast of the United States. The explosion also aroused the interests of the Office of Naval Research (ONR) and the Advance Research Projects Agency (ARPA), as well as other groups in the scientific community. ONR and ARPA were fundamentally interested in measuring seismic travel times and attenuations of seismic signals with distance. Such explosions, at a known site and at a known time, provide a precise source for these determinations, which previously had been made from earthquakes whose location and time had to be adduced from the same signals from which the travel times and attenuations were being determined. ONR and ARPA were also interested in determining whether or not a distinction could be made between man-made underwater shocks and natural seismic shocks. Being able to make such a distinction would be invaluable in monitoring of possible underwater nuclear explosions which are banned under the provisions of the nuclear test ban treaty.

ONR and ARPA proposed, and the Navy agreed, that the next CHASE ship would be instrumented and rigged to detonate at a prescribed depth and at a controlled location.

The third CHASE ship was the SS *Coastal Mariner*. She was not scheduled for scuttling until July 1965 because of extraordinary preparations and precautions that would be required by virtue of the fact that her cargo was to be detonated.

The tasks to be completed in preparing the *Coastal Mariner* for her trip to the bottom were many and complex. Besides instrumenting the ship, selecting her cargo, and devising the means of exploding the cargo at a predetermined depth, there was the enormous task of co-ordinating the mission with all other interested parties. The scientific community throughout the world had to be alerted as to when and where the explosion would take place. The Coast Guard had to issue a Notice to Mariners advising that the area would be restricted on the day of the sinking. Air surveillance had to be provided in order to warn off any ships or boats that might stray into the blast zone on the appointed day. As the planning progressed, more organizations became interested. The U.S. Department of Fish and Wildlife and the U.S. Bureau of Commercial Fisheries became interested parties because of a concern that such an explosion would result in a large fish kill. They were granted permission to send observers to the planning meetings and the sinking of the *Coastal Mariner*. The commercial fishing interests on the East Coast were unmoving in their belief that an explosion of the magnitude proposed would result in a damaging fish kill.

This, despite tests which showed that an explosion at the 1,000-foot depth, the depth at which *Coastal Mariner* was to be touched off, would have little or no effect on fish of commercial value, which do not normally frequent those depths.

The SS *Coastal Mariner* was loaded at NAD Earle with 4,040 short tons, of which 512 tons were actual explosives, the balance being metal parts, containers, and lading. On each level of No. 2 hold, adjacent to mass detonation ammunition, four MK–59 Sounding Fixing And Ranging (SOFAR) bombs were positioned along with 500 pounds of TNT. The SOFAR bombs, a type of underwater sound signal, are pressure-actuated devices that were set to detonate at the 1,000-foot depth. The *Coastal Mariner* departed NAD Earle on 13 July 1965 and arrived at the

deep water dump site early on the morning of the 14th. The final instrumentation was placed on board and by 0830 the EOD team had the sea valves open. She sank in 55 minutes. Seventeen seconds after sinking by the bow, a tremendous shock was felt and a spectacular 600-foot water spout was observed.

The explosion did not produce any significant amount of debris and the fish kill was negligble. From that standpoint the experiment was a success. To the scientific community it was somewhat of a disappointment. Due to the extremely short sinking period, East Coast seismic stations were unable to record and measure the explosion.

Yet, in retrospect, far from being a scientific failure, this experiment generated great scientific interest in the CHASE program.

On the very same day that the *Coastal Mariner* had gone up, the fourth CHASE ship, the SS *Santiago Iglesias,* commenced loading at NAD Earle. She was loaded with 8,715 tons of cargo, instrumented, and rigged for underwater explosion as her predecessor had been. The same consideration that had come to light in preparing the *Coastal Mariner* for scuttling had to be faced with the *Santiago Iglesias,* but the experience with the *Coastal Mariner* had shown the way. On 16 September 1965, 3 hours and 16 minutes after the sea cocks were opened, she sank. Thirty-one seconds after sinking, the cargo detonated at the prescribed depth of 1,000 feet, and ONR declared this operation a success.

The SS *Isaac Van Zandt,* the fifth CHASE ship, showed CHASE officials that, despite their success with *Santiago Iglesias,* no CHASE sinking was routine. The *Van Zandt* loaded at NAD Bangor, Bremerton, Washington. On 23 May 1966, en route to the deep water dump site, the tow cable parted in high seas. She was loose with 8,000 tons of cargo on board, of which about 400 tons were high explosives. The Coast Guard notified all shipping in the area of this dangerous hulk adrift, while the Navy tugs *Tatnuck* and *Koka,* hampered by the high seas, pressed the pursuit. After almost six anxious hours, the tow line was recovered and the tow continued toward the deep water dump site. A seemingly endless four hours and 31 minutes after the sea valves were open, she sank. One hundred and forty-five seconds after sinking, her cargo detonated at the prescribed depth of 4,000 feet. If, because of her unscheduled romp, the *Van Zandt* did not go down at the precise location the scientists had planned, she had at least blown at the designated depth.

The last instrumented CHASE ship was the SS *Horace Greeley* that was out-loaded from NAD Earle. She was scuttled on 28 July 1966 and detonated at 4,000 feet as scheduled, without incident. The SS *Michael J. Monahan* out of NAD Charleston carrying a load of over-age Polaris motors was scuttled on 30 April 1967. The SS *Eric C. Gibson* followed on 15 June 1967.

At this writing, four more CHASE ships are scheduled. The sinking of these ships will bring to a conclusion this series of operations. The large backlog of unusable munitions that plagued the Navy in the spring of 1964 has been disposed of, mostly as a result of Operation CHASE. In fact, two of the four scheduled sinkings will out-load only Army material. Only one of the four remaining ships will be instrumented and detonated, since, again, the other three will not carry sufficient explosive material. The SS *Robert Louis Stevenson,* now being loaded at NAD Bangor, will have a cargo of 5,000 tons of which 2,000 tons will be explosive matter. This operation will be the largest, non-nuclear, underwater explosion ever attempted.

Operation CHASE is a very large volume operation with 46,000 tons disposed of so far, with more to come. By reducing the multiple handling of the explosives, especially at sea, this method is inherently safer. Detonating the load after scuttling has not demonstrated that any additional risks are incurred as long as prudent precautions are taken. A bonus certainly not envisioned by the planners of CHASE is the benefit to the scientific community even though there is no way to measure the real value of the benefits. Nevertheless, important data are being obtained in the seismic and hydro-acoustic communities which cannot be obtained by any method except by large explosions at sea. Such experiments would be prohibitively expensive if it were not for the CHASE program. ONR and ARPA consider the CHASE program to be an extremely valuable scientific tool, and results obtained thus far have significantly contributed to ARPA's nuclear detection program. There are 1,100 uneconomical, inefficient, and obsolete vessels destined for scrapping. They could only be placed in service at abnormally high cost and with only marginal assurances as to reliability. This pool should provide ships for a resumption of Operation CHASE whenever the need arises.

CONGRESSIONAL GROUP PROTESTS ACTION OF SOUTH AFRICAN GOVERNMENT RESTRICTING VISAS FOR TWO MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES

(Mr. CULVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CULVER. Mr. Speaker, the South African Government has recently refused to grant visas to two of our colleagues, Mr. REID of New York and Mr. DIGGS of Michigan, unless they agree to make no speeches while in the country. Understandably, under the circumstances, both have found it necessary to cancel plans to go to South Africa.

As chairman of an informal bipartisan group in Congress interested in African-American relations, I include at this point in the RECORD a statement of protest which has been signed by 28 Members of the House and Senate, as an indication to the Government of South Africa of the depth of concern in this country about the restrictions which it has imposed, not only on our colleagues in the House, but upon communication and contact between the people of our two nations:

STATEMENT OF PROTEST AGAINST SOUTH AFRICAN GOVERNMENT DENYING VISAS TO MEMBERS OF U.S. HOUSE OF REPRESENTATIVES

As a bipartisan group of members of the House and Senate who have long been concerned about United States relations with Africa, we are disturbed to learn that the South African Government has refused to grant visas to two of our colleagues, Rep. Ogden Reid of New York and Rep. Charles Diggs of Michigan, without serious restrictions on their activity during the time they would be in that country.

Congressman Reid had been invited by the National Union of South African Students to deliver the address on the occasion of the Annual Day of Affirmation of Academic and Human Freedom on August 18th in the Great Hall of the University of Witwatersrand in Johannesburg. He has been informed that the South African Government will grant him a visa only on the condition that he make no speeches while in the country.

Congressman Diggs is the Chairman of the Africa Subcommittee of the House Foreign Affairs Committee, and had intended to include South Africa in a special study mission of a number of nations on the African continent. His visa, too, was granted only with certain conditions attached.

Both Mr. Reid and Mr. Diggs have found, as we do, that these conditions are unacceptable for them as Members of Congress and they have, regretfully, cancelled their plans to go to South Africa. This is particularly unfortunate in the light of their deep concern for human rights and the rule of law.

We very much share our colleagues' concern in this matter and feel that it is a cause for genuine regret that, at a time when our world grows smaller, any nation should act to restrict communication between peoples.

Most particularly, we take an extremely dim view of the practice of granting conditional visas to Members of Congress. As far as we can determine, this procedure is unprecedented, and we wish to point out that the United States has imposed no restrictions on South African Members of Parliament visiting this country.

There is no question but that the granting of conditional visas to Mr. Reid and Mr. Diggs will have an effect on relations between South Africa and the United States, and could signal to the world further South African withdrawal into isolation. This is a point which our government has made clear at the highest levels in both Washington and Pretoria, and one with which we agree most strongly.

The decision of the South African Government is an insult to our colleagues and, beyond that, it constitutes a devastating attack on the principles of freedom and mutual understanding to which all men of good will are devoted. We wish to make clear to the South African Government that their decisions in the cases of Rep. Reid and Rep. Diggs will surely affect any plans we may have, as individuals or as a group, to visit South Africa in the future.

SIGNERS

Congressman Allard Lowenstein (New York).
Congressman Jonathan Bingham (New York).
Congressman John Brademas (Indiana).
Congressman John Conyers (Michigan).
Congressman John Culver (Iowa).
Congressman Donald Fraser (Minnesota).
Congressman Peter Frelinghuysen (New Jersey).
Congressman Frank Horton (New York).
Congressman Paul McCloskey (California).
Congressman Brad Morse (Massachusetts).
Congressman Charles Mosher (Ohio).
Congressman Thomas O'Neill (Massachusetts).
Congressman Richard Ottinger (New York).
Congressman Benjamin Rosenthal (New York).
Congressman Fred Schwengel (Iowa).
Congressman John Tunney (California).
Congressman Don Edwards (California).
Congressman Richard McCarthy (New York).
Senator Edward Brooke (Massachusetts).
Senator Clifford Case (New Jersey).
Senator Thomas Eagleton (Missouri).
Senator Gale McGee (Wyoming).
Senator Frank Moss (Utah).
Senator Edmund Muskie (Maine).
Senator Edward Kennedy (Massachusetts).
Senator Charles Mathias (Maryland).
Senator James Pearson (Kansas).
Senator Mark Hatfield (Oregon).

TIME GROWS SHORT ON PESTICIDES

(Mr. PODELL asked and was given permission to address the House for 1 minute and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, it is absolutely essential that swift and definite action be taken by the Department of Agriculture to curb the use of hard pesticides in areas of our economy where it has jurisdiction. It is a national shame as well as a national disaster that even now the Federal Government is allowing DDT and other hard pesticides to be used in Federal programs on Federal lands. It is incumbent upon the Federal Government to set an example and insure that every farmer and pesticide user in the Nation be told of that example. The Federal Government should inform and encourage pesticide users to shy away from use of these environment-polluting poisons. I have sent a letter to the Secretary of Agriculture citing these dangers and calling for action on the part of his Department. I include a copy of that letter in the RECORD today:

AUGUST 11, 1969.

Hon. CLIFFORD M. HARDIN,
Secretary of Agriculture,
Washington, D.C.

MY DEAR MR. SECRETARY: I am increasingly concerned by the accumulating evidence proving beyond a doubt that DDT and other hard pesticides are endangering our entire environment. Simultaneously, I am aware that such pesticides are still in use by the Federal Government in national parks, forests, and similar areas under Federal control.

It is my hope that you will ask for a discontinuance of such activities, utilizing such hard pesticides in Federal areas. It is also my hope that you will extend the temporary ban on DDT indefinitely, and consider making it permanent.

New evidence is in the offing from several sources indicating that DDT has some bearing on some types of cancer, enzyme difficulties and cell diseases. I feel that curtailment of operations and ban on production and shipment would give scientists a chance to make their research available.

I thank you for your previous courtesy and hope that you will give this request consideration.

Sincerely yours,

BERTRAM L. PODELL,
Member of Congress.

NEW COAST GUARD FACILITY AT WRIGHTSVILLE BEACH, N.C.

(Mr. LENNON asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. LENNON. Mr. Speaker, on Monday, August 4 of this year, I had the very great pleasure and honor of participating in the dedication of a new Coast Guard facility at Wrightsville Beach, N.C. This dedication ceremony properly was scheduled on the 179th anniversary of the U.S. Coast Guard.

At that time, all of us were privileged to hear an eloquent and appropriate invocation which was rendered by the Reverend Edwin E. Kirton, rector, St. Mark's Episcopal Church, Wilmington, N.C. We were so moved by this prayer that I would like to share it with the other Members of Congress as well as all who may be privileged to read it from the RECORD. It is as follows:

DEDICATION OF COAST GUARD INSTALLATION,
AUGUST 4, 1969

"Eternal Father, strong to save, Whose arm hath bound the restless wave. Who bidd'st the mighty ocean deep, its own appointed limits keep. O hear us when we cry to Thee, for those who serve us on the sea".

Almighty God, our Heavenly Father overwhelmed as we are by the staggering accomplishment of a moon landing, we offer Thee our humble and grateful thanks for those who serve and save human lives in the obvious duties of every day life.

On this 179th anniversary of the 5th Coast Guard District, we praise Thee O God, and offer our heartfelt prayers as we dedicate this Coast Guard Installation this day. We humbly pray for those who will be engaged in the course of their duties to search and rescue their brethren on the waters, and for all their colleagues who at the risk of their very lives, guide ships and planes to safe havens.

We beseech Thee to guide and protect all those who serve their fellow-men in this capacity, and grant that we who live in safety and comfort through their toil and sacrifice, may always remember them in our prayers, with gratitude.

We pray for our Country that she may move forward with continued faith and trust in Thy Almighty Arm, and That the faith of our fathers will be our faith still. May we continue to build bridges of human cooperation and involvement over the stormy seas which trouble us internally and externally as a nation, and may we always remember that Almighty God is still the Controller of history.

All these petitions we ask in the Name of Thy Son, Jesus Christ, Who quieted the stormy waves with the command, "Peace be still". May His peace and love and sacrifice for all men, abide in our hearts and inspire us always. Amen.

PROGRESSIVE IS THE PROPER ATTITUDE ON FASHION

(Mr. CHARLES H. WILSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHARLES H. WILSON. Mr. Speaker, the other day my distinguished colleague from the great State of California offered for our enlightenment and edification a lengthly digest of what is and what is not proper decorum for Members of this distinguished body engaged in legislative business within the walls of this Chamber. I must certainly offer the deepest gratitude and the humblest thanks for such magnanimous instruction. Although I have had the privilege of serving in this great body for nearly 7 years, and although Mr. TALCOTT's message, as he stated, was designed primarily for our newer Members, one has to concede that perhaps an old dog can learn some new tricks after all, and that we do learn something new every day. I must certainly emphasize, before I continue, that I too share the deep respect and esteem for this body which the gentleman from California described.

There is, however, one point which, although it by no means was the central theme of my colleague's remarks, does suggest a degree of narrowness which is really not befitting to this diverse and individualistic group of Representatives. I refer to the age-old question which we have all heard so many times from our wives and others concerned with the wonderful world of fashion: What to wear?

At no point in his remarks did the gentleman suggest that we are all alike; indeed, the gentleman went out of his way to state quite the opposite, and I quote:

Members of Congress are as different from each other as their districts are different from one another. This ingredient of individualism enhances the legislative product.

So we are and so it does. Consequently, it seems rather odd that the gentleman would then subsequently suggest that all of us should enter these Halls each day dressed in virtually the same manner and that we should shy away from the newer, up-to-date clothing which is an everyday part of the natural evolution of style.

Would the gentleman suggest that the long tails, high boots, leotards, and wigs of the First U.S. Congress are now appropriate? I think not. Would the gentleman suggest that the beards, long coats, capes, and tophats of the 19th century should still be worn? Again, I would think not. Yet is it not true that if some Member at some time had not walked onto this floor attired in a slightly different, somewhat modified progressive style from what was presently popular, we would today still be standing here, powdered, wigged, belted, and booted in precisely the same manner as our Founding Fathers? Probably so. And is it not true that if some forward-looking legislator had not once shown the imagination and courage to take a step forward in fashion we would be standing on the Capitol steps in today's high temperatures roasting and boiling in long black coats and tophats? I should think so.

To those courageous souls who battled the forces of sameness and regimentation, we owe a deep debt of gratitude. Where would we be today if we went to dinner in Georgetown dressed like Thomas Jefferson? Probably mistaken for the doorman at an early American discotheque. What would happen if we slid into a sleek 1969 hardtop wearing a tophat§ It would doubtlessly have to be collapsible.

My point here is not to suggest that my distinguished colleague is ready to ease the Members of this body into a time machine for a journey back to antebellum. My point is a simple one: If individualism and the courage to be different are to be decried by those who sit in this Chamber, we had better pack up and call it a day. Why bother to have a Congress at all if the individualism upon which this Nation was founded is condemned within these very walls? What would visitors think if they came to the gallaries and saw 435 identically dressed men sitting in a row? They would probably decide to give up voting—what is the difference, they would reason.

Now I am by no means venturing the opinion that dignity, taste, and proper manners should be dumped in favor of a ballpark atmosphere; not at all. But dignity takes many forms. Why, just recently, the President of the United States attended a state dinner in the Philippines dressed in an embroidered silk shirt, proving that the fabric of diplomacy is not always woven from the threads of a dark blue suit. And suppose the sturdy residents of the North Pole became the population of a 51st State. Clearly, they would be most likely to send to the Con-

gress their most popular, leading resident—How would Santa Claus look clean shaven, coming down the chimney in a dark blue suit? And what of our attractive female colleagues who share this great Chamber with us? I daresay "dark business suits, plain, light-colored shirts, and dark single-colored shoes" would not do much for them; not much at all. In other words "to each his own" or "one man's robes can be another man's rags," if I may alter an old axiom.

The distinguished gentleman (Mr. TALCOTT) being from the great State of California as I am, should pause to consider the great leadership our State has exercised in many important areas. One of these areas is the realm of modern, attractive, up-to-date fashions, which have led the way for the rest of the country. I certainly do not hesitate to take pride in this leadership and in our progressively attired and well-groomed California population. It would certainly not be out of place for those of us representing California to share that pride and to lead the way in proper, but also distinctive and attractive attire. I invite my fine colleague to consider this privilege.

It would certainly seem unlikely that a body which votes on appropriations to send men to the moon must cling to established, conservative styles. It would seem equally unlikely that a nation of such great diversity as ours would have a corps of identical automators as its elected representatives. As my colleague said in his remarks:

The House long ago abandoned any regimen of special dress.

Enough said.

REVOLT IN THE COAL MINES

(Mr. HECHLER of West Virginia asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, a new day is dawning for coal miners. Down through the bleak and tragic history of the most hazardous occupation in the Nation, observers have often marveled at the patience, the courage and the stolid optimism of a huge majority of those who toil underground, day after day, without complaint. For want of a better word, we have called this attitude "fatalism." We have marveled that over 140,000 men have been able to continue their grubby tasks in these death traps which every day crush, gas, burn, and destroy life or produce the living death of "black lung."

But now in 1969, the coal miners are speaking out against these intolerable conditions. This Congress has awakened to the tragedy which has gripped thousands of coal miners. I have confidence that this Congress is now determined to pass meaningful and effective coal mine health and safety legislation, if the Congress can resist the everpresent lobbyists who on every occasion in the past have weakened any coal mine safety legislation and shot it through with loopholes. Only if this Congress has the courage to place protection ahead of production will the coal miners be safeguarded and treated like human beings.

Yet no matter what laws are written, the coal miners will never receive genuine protection until their union stands up and fights for the rank and file. Monopoly and lack of competition breed laziness, indifference, and dictatorship—which have for too long been the practices of the top leadership of the United Mine Workers of America. But now in 1969, we have the good old American forces of competition at work. In 1964, UMWA President Boyle persuaded the union convention to increase from five to 50 the number of local unions required to place a presidential candidate on the ballot. Obviously, Mr. Boyle never thought it would be possible for any opponent to get the required number of 50 nominations—but Mr. Joseph A. Yablonski has done it—in fact he already has been nominated by 85 local unions.

This competition is the healthiest thing that has ever happened in the entire tragic history of the coal industry, and that is why I include the text of Mr. Yablonski's statement at a press conference yesterday, along with several newspaper articles relating to these great new developments:

[From the New York Times, Aug. 10, 1969]

COAL MINERS REVOLT IN THE "DARKEST CREVICE" OF INDUSTRY

(By Ben A. Franklin)

WASHINGTON—Just before dawn last Nov. 20, the towering steel surface works at the Consolidation Coal Company's huge No. 9 mine near Farmington W. Va., were enveloped by flame and smoke. Six hundred feet beneath the Appalachian Valley bottoms, 78 miners at work on the cat-eye shift, in a honeycomb of passageways as intricate as the street map of Manhattan, were trapped by explosions and fires. Their bodies are still there, in a mine still too hot and poisonous to permit them to be brought to shallower graves.

But these dead sons and husbands have composed a revolution that seems likely to make their dying well remembered. Already they have done what none of the 120,000 deaths in 100 years in the mines has accomplished before. And last week disclosed that there is more to come. A large group of rank and file miners sued their union, an institution long held in almost religious reverence except by a few noisy heretics, and accused it of conspiring to defraud them and thus to perpetuate, not improve, their miserable condition.

The whole, halting history of reform in the coal mines—long known to be the most death-dealing and disabling occupation among the 40 major industrial job classifications—has always been one of reaction to catastrophe. And always—until now—the reaction has been half-hearted.

It was not until 1941, for example, that the first token Federal mine safety regulations were enacted, taking note of the most primitive survival technology known to mining engineers for 100 years. To please the mine owners, however, Congress neglected to provide any kind of enforcement.

In 1952, after a legendary explosion disaster at the Orient No. 2 mine in West Frankfort, Ill., had taken 119 lives, Congress adopted the present law—and filled it with so many enforcement loopholes that President Truman, in signing it, labeled it a sham.

During the 18 years between the great explosions at Orient No. 2 and Consol No. 9, 320 miners were dismembered, incinerated or suffocated by what the 1952 law called "major disasters." But they died, from the standpoint of publicity, in more manageable groups, usually of a dozen or two dozen—never more than 37 at one time. There continued, of course, thousands of lonely, unpublicized coal mine deaths in such "non-disaster" accidents as falls of rock, machinery failures and explosions claiming fewer than five lives. There were nearly two peaceful decades without public outcry.

A combination of events, some of which did not become fully apparent until last week, has now revealed how drastically altered is the long record of fatalistic acceptance of this carnage. Last Monday, a symbolic group of 78 plaintiffs, union miners and miners' widows, filed a sweeping $75-million damage suit in Federal Court here in effect against the core of the feudal coal system—the United Mine Workers Union itself and its high-salary, multimillion dollar ancillaries, including the profitable union-owned National Bank of Washington, and also the largest trade association of soft coal operators, the Bituminous Coal Operators Association.

The suit does not mention the union's much-criticized lack of militancy on miners' health and safety, or its cooperation with the mine owners against "irresponsible" reforms. Instead, in page upon page of condemnatory complaint, it alleges betrayal of an even more explicit relationship with the membership—that of protecting and enhancing the rank and file pension benefits of an estimated 70,000 retired miners who have been cut off "capriciously and arbitrarily" without a penny. The union was accused of conspiring with the B.C.O.A. mine operators to defraud retirees and widows of their mites, both by general fiscal mismanagement and directly by manipulation of money "for private gain." The membership complaint against the union confirmed the rise of an unmatched spirit of mountain militancy in the great Appalachian coal basin that has frankly dismayed the mining industry, long accustomed to fraternal relations with the U.M.W. By last week, committees of both the Senate and the House had taken account of it by clearing mine health and safety measures that in some respects went beyond the U.M.W. leadership's requests, also to the coal industry's dismay.

The lawsuit, and the bottom-of-the-shaft militancy it evidenced, moreover, was obviously an awkward augury for the U.M.W. President W. A. "Tony" Boyle. Mr. Boyle is the main target, in a union election year, of mounting rank-and-file resentment over seemingly cavalier treatment of both pension and safety matters, and of large union salaries paid to members of his family. Mr. Boyle, 64, faces the most serious insurgent challenge to re-election since the late John L. Lewis, unassailable in life who made the coal union his personal fief in 1920, on retiring picked Mr. Boyle as his heir.

Because of the Farmington disaster and all that has flowed from it, it is conceivable that Joseph A. Yablonski, 59, formerly the most ardent of Boyle loyalists but who now calls his chief "a dictator," may oust the president in December on a reform platform. This would be a feat in its way as remarkable—and some Farmington widows say, as deserved—as any of the unexpected consequences of the last cat-eye shift in Consol No. 9, and proof that the unrest of our time has finally recalled the most remote, darkest crevice of American industrial society.

[From the Washington (D.C.) Sunday Star, Aug. 10, 1969]

RUMBLINGS FROM THE MINES

(By Mary McGrory)

The first indication that dissent had spread to the most patient Americans and literally gone underground came last February, when West Virginia coal miners defied their union leaders and marched on Charleston, the state capital.

The miners, led by three doctors, were not asking much—merely workmen's compensation for their worst occupational hazard,

"black lung." They did not get much, either—recognition of coal dust as a health hazard and black lung as a disease.

Since then, the miners, whose loyalty to their union is legendary, have given several other signals that their remarkable patience is further unraveling.

On May 29, Joseph Yablonski, a member of the international executive board of the United Mine Workers, announced he would challenge W. A. (Tony) Boyle, John L. Lewis' hand-picked successor, for the presidency of the UMW.

The United Mine Workers Journal, which carries a mention and sometimes a picture per page of president Boyle, did not take note of the Yablonski move, on the grounds that he was not a "bona fide candidate" until nominated by 50 locals. His opponents according to Yablonski, have taken many steps, some of them violent, to see that this did not occur.

Last Monday, in the most unusual development of all, a group of disabled miners and widows came to Washington to announce that, representing 4,000 others, they were bringing a suit for $75 million against Boyle, the UMW, the UMW Welfare and Pension Fund, the Bituminous Coal Operators Association and the National Bank of Washington.

Boyle is a kind of one-man interlocking directorate, being not only president of the UMW, but trustee, chairman and chief executive officer of the Welfare Fund, a director of the National Bank of Washington, which is controlled by the union, and president of the Coal Policy Conference, an organization of coal operators, consumers and manufacturers.

Eight of the petitioners, plain and humble people, sat by while their attorney, Harry Huge, read their complaints of "plunder" and "fraud" against Boyle and other officials of the union.

A few of them told tales that were worthy of Dickens. One widow, who said she has been deprived of a pension, told of a neighbor whose welfare fund hospitalization card was "pulled" during his long convalescence from a heart attack suffered in the mines.

"The union truck came and took away his oxygen and his hospital bed," she recounted. "He died fairly soon after."

Howard Linville of Peytona, W. Va., who became permanently disabled in 1958, was denied his pension because, he said, despite 21 years' service in union coal mines, he did not qualify under Regulation B–2, which requires that he work "20 years in union mines within the 30-year period immediately preceding his pension application to the Welfare Fund."

Reformer Ralph Nader and Rep. Ken Hechler, D.–W. Va., have pointed out that Boyle and the other two top officers of the UMW have made pension arrangements that guarantee full payment of their present salaries which are in the $40,000–$50,000 bracket. Coal miners too sick to work and too young to die can, if they qualify, look forward to $1,380 a year.

A UMW spokesman called the suit "unfounded, inaccurate and politically motivated"—that is, related to the Yablonski campaign. Yablonski says it is not so.

Yablonski knows that he does not come to the fight as a knightly figure, having been part of the UMW establishment for many years at a salary of $26,000. He accuses himself of being part of the "glorification" of Boyle which was part of his official duties.

But he has changed with the times, he says.

"In the old days, every mine kitchen had a picture of Roosevelt, Lewis and Jesus Christ," says Yablonski, a short, beetle-browed, nattily dressed man, who went into the mines to take his dead father's place at the age of 15. "Now we have younger men coming along, and they want to be heard."

He has promised to hold elections in every local district, if elected. Presently, participatory democracy is at a low ebb in the UMW. Of 23 districts, 19 are in trusteeship, which means their officers are appointed by the union president, a circumstance which, one of them explained, "keeps us from being under any pressure from individual members."

Yablonski had to go to court to get his literature sent out; his supporters, he says, have been threatened and bribed. He himself was subjected to a karate attack on July 28.

But he is much encouraged by the fact that at one of the largest mines, the Robena, in Masontown, Pa., he won over Boyle by 10 to 1.

STATEMENT BY JOSEPH A. YABLONSKI

Just over two months ago I announced my candidacy for the Presidency of the United Mine Workers of America.

I can report today a total victory in the first round of that candidacy and in the struggle to oust Tony Boyle from the leadership of the Mine Workers.

Five years ago, in a desperate effort to prevent any future challenges to his presidency, Boyle had the Mine Workers Constitution amended to increase the number of local union nominations required for a place on the ballot from 5 to 50. Boyle assumed that, with all the power at his command, no man could ever win the nomination of 50 local unions. But he was wrong; in the last 30 days 85 local unions have voted to nominate me for president. We have verified each of those 85 nominations. And about an equal number have voted to nominate Elmer Brown for Vice President on our ticket.

This was accomplished by rank and file miners with no money and very little organization. Mr. Brown and I are deeply grateful to those who helped us win this first round at great risk to their jobs and to their personal safety.

We got the 85 nominations in the face of massive violations of the democratic election procedures guaranteed by the Landrum-Griffin Act. Boyle and his henchmen have:

Perpetrated violence upon me and those working with me;

Fired me from my job as Acting Director of Labor's Non-Partisan League to which the Courts have restored me;

Embezzled from the union treasury huge sums for Boyle's election campaign;

Sought to bribe miners with jobs and cash;

Threatened miners with loss of jobs and other reprisals;

Refused so much as to mention my name in the Mine Workers *Journal* while playing up Boyle as a demi-god;

Refused to distribute my literature—as required by law—until ordered by the Courts to do so;

Violated the U.M.W. Constitution in myriad ways, including holding secret local union meetings to nominate Boyle.

Discriminatorily revoked the charters of locals which were about to nominate me.

More than 100 violations of the Landrum-Griffin Act have been documented. Some are criminal violations that are under investigation by the Department of Justice. Others are civil violations that we have reported to the Labor Department. Boyle has been afraid to answer our charges to the Labor Department because he knows he could be prosecuted for lying to the Department.

Yet, despite this unprecedented violence, despotism and corruption, the nomination barrier has been surmounted.

Tony Boyle and his associates thought they owned the union. They thought the miners were too weak to rise up in an election campaign. Now at long last, Boyle knows he misjudged the men who belong to this union.

The hardest part of the battle remains ahead. Boyle has a big organization—mainly union officials appointed by him—and millions of dollars at his command. We have neither. But we have something far more important. We have the will to build a democratic union that will protect the lives and safety of its members.

Within the limits of our ability, we will take this campaign to every mining town in the nation. Every miner, working and retired, must be given the facts that show Boyle's failure to protect the working men of this union. The true story must be told.

Here are a few additional examples of how Boyle and his associates have failed the men of this union:

1. Boyle and his group have done nothing about enforcing the safety provisions which we fought to place in the contracts the UMW has made with the coal industry. Between 1960 and 1967, even the notoriously lax U.S. Bureau of Mines found 371,000 violations of these safety provisions and more than 200,000 of these were repeated from previous inspections. One can only imagine how many millions of other violations went undetected and how many miners' lives were lost as a result. It should be noted that the responsibility for enforcing these regulations rests upon Boyle and his appointed district officials. I promise that in my administration these safety regulations will be strengthened and rigidly enforced. In addition, I will insist upon heavy penalties for coal operators who violate these regulations and others affecting the safety of our men. What will Boyle do?

2. Under Boyle's regime, the Welfare and Retirement Fund has failed drastically to provide for the needs of retired and disabled miners for two reasons. 'First, although the coal industry is booming, the royalty on coal production by which the fund is financed has not been increased. It has been 40 cents a ton since 1952. Second, Boyle has allowed some coal operators to pay only 20 or 30 cents a ton to the fund. Despite growing rank-and-file resentment, Boyle refuses to eliminate these "sweetheart" contracts.

3. Boyle has made the UMW the most notoriously dictatorial labor union in America, in part by refusing to allow miners in 19 of the union's 23 U.S. districts to elect their own district officers. Though this practice is clearly illegal, Boyle refuses to change it, even in the face of a law suit brought by the Labor Department under the Landrum-Griffin Act. The first thing I will do when elected is to insure that all district officers are elected by the miners.

4. While many rank-and-file miners have been denied their measly pensions, Boyle and his fellow officers have created an extravagant fund for themselves with miners' dues. These elite pensions pay more than 20 times the amount received by the retired coal miners. Moreover, Boyle and his associates have packed the UMW payroll with their relatives and friends. Boyle continues to pay his brother and sister over $75,000 a year with the dues of working miners. I will stop this practice when I am president.

5. It is now clear that Tony Boyle's favorite coal company, the Consolidation Coal Co., has no intention of opening the Farmington, W. Va., mine where 78 miners were entombed while mine safety legislation is before Congress. Though the customary waiting period before unsealing a mine after an explosion has long since passed; the Bureau of Mines remains silent. And so does Tony Boyle. I demand that the Bureau of Mines—and Boyle—tell us what safety purpose is served by waiting another month or two.

6. Boyle and his cronies do not understand, much less seek, what miners need in terms of legislative protection from death and disease underground. Despite my efforts to urge a dust standard low enough to protect miners from black lung disease, the union has supported a 3.0 dust level in public advertisements. A recent HEW study states that this 3.0 standard is totally inadequate to protect miners. It exposes them to more than 15

times the maximum air pollution level deemed safe for city residents by HEW. I want to know why mine workers should not receive the same degree of protection for their health that city residents receive. I am today demanding that the union legislative goal for dust level exposure be changed from 3.0 milligrams per cubic meter to 0.2 milligrams per cubic meter. Boyle should explain why he feels the higher dust level is adequate, while more than 100,000 coal miners are suffering from black lung. I am also sending a letter to Secretary Finch asking that HEW give us its recommendation within two weeks as to whether even the 0.2 goal is low enough to protect those miners who have already received 10, 20 or 30 years of coal dust exposure.

7. I favor restoring to coal miners the right to sue coal operators for negligence which results in occupational disease or injury. No longer should our union members be forced to rely on the whims of bureaucrats on government boards and agencies for just compensation for their injuries. Boyle has never even mentioned this injustice. Where does he stand?

These are a few of the issues which are of increasing concern to long-neglected coal miners. They are issues which the dictatorial regime of Tony Boyle has failed to deal with. It is clear that America's coal miners want new leadership. I will give it to them.

[From the Washington (D.C.) Evening Star, Aug. 11, 1969]

YABLONSKI CLAIMS 85 LOCALS SUPPORT BID FOR UMW JOB

(By Robert Walters)

Joseph A. (Jock) Yablonski, the insurgent candidate in the contest for the presidency of the United Mine Workers, today said he had met the campaign's first major legal requirement despite "unprecedented violence, despotism and corruption" on the part of the union's incumbent leadership.

Yablonski said that 85 UMW locals had formally nominated him for the union's top post, handily surpassing the union's constitutional requirement that 50 such endorsements be received in order to officially qualify for a place on the ballot in the December election.

The union's current president, W. A. (Tony) Boyle, is understood to also have easily cleared that hurdle in his bid for reelection, thus setting the stage for what many observers expect to be one of the most bitter elections in the history of the country's labor movement.

Since Yablonski, a 59-year-old resident of Clarksville, Pa., announced his candidacy on May 29, the campaign has been marked by unrestrained personal invective, charges of improper and illegal actions and flurries of legal actions on both sides of the struggle.

COULD BREAK CHAIN

A victory for Yablonski in the Dec. 9 election would mark the first break in a 50-year chain of command that began with John L. Lewis, president from 1920 to 1960, and continued through two Lewis-picked successors—Thomas Kennedy, who led the UMW in 1960 and 1961, and Boyle, first elected in 1962.

Despite his apparent victory in gaining a spot on the ballot, Yablonski is still considered an underdog. However, he has made a better showing than many expected, displaying surprising strength in the massive U.S. Steel Corp. Robena complex in southwestern Pennsylvania outside Pittsburgh.

The union's more than 1,500 locals began the nominating procedure on July 9 and concluded their first-stage balloting on Saturday. Yablonski has charged that much of Boyle's strength comes from "pensioner locals," whose membership is comprised of retired rather than active miners.

"Five years ago, in a desperate effort to prevent any future challenges to his presidency, Boyle had the Mine Workers' constitution amended to increase the number of local union nominations required for a place on the ballot from 5 to 50. Boyle assumed that, with all the power at his command, no man could ever win the nomination of 50 local unions," Yablonski said.

CLAIMS 85 VOTES

"But Boyle was wrong. In the last 30 days, 85 local unions have voted to nominate me for the high office of president. We have verified each and every one of those nominations. And about an equal number have voted to nominate Elmer Brown for vice president on our ticket," he added.

The nominations were secured "in the face of the most massive violation of law in labor history," said Yablonski, charging that "Boyle and his henchmen have perpetrated violence upon me and those working with me . . . embezzled the funds of the union for political purposes, spent huge sums of money on Boyle's behalf (and) sought to bribe miners with jobs and cash."

Yablonski also charged that Boyle and his supporters had "threatened miners with loss of jobs and other reprisals, refused to so much as mention my name in the Mine Workers Journal, while playing up Boyle as a demigod, refused to distribute my literature until ordered by the courts, violated the UMW constitution in a myriad of ways (and) discriminatorily dechartered locals which were about to nominate me."

Touching on some of the issues he will pursue in the coming months, Yablonski charged that Boyle and his backers:

"Have done nothing about enforcing the safety clause" in UMW—industry agreements despite "over 200,000 violations of these safety standards between 1960 and 1967" on the part of mine owners.

"Let the (UMW) pension fund run down by failing to obtain agreements for adequate royalties and failing to enforce the existing royalty agreements."

"Made the UMW today the most dictatorial union in the history of American labor by denying 16 of the 23 districts the right to select their own president."

[From the Washington (D.C.) Post, Aug. 12, 1969]

MINES BUREAU, UMW ATTACKED BY YABLONSKI

(By Robert C. Maynard)

Sometime around Sept. 1, the Farmington, W. Va., mine in which 78 men have been entombed since last Nov. 30 will be entered by officials of the U.S. Bureau of Mines and the Consolidation Coal Co.

John S. O'Leary, director of the Bureau of Mines, made the disclosure yesterday in response to a charge that the mine was being kept sealed with the compliance of his agency.

The charge was made here earlier in the day by Joseph A. Yablonski in an accusation-studded press conference. Yablonski called the conference to announce his belief that he had obtained the endorsement of a sufficient number of locals of United Mine Workers Union to be a candidate for president against W. A. (Tony) Boyle, the incumbent.

MINE WAS SEALED

An explosion in the huge Farmington mine's Consol 9 on Nov. 20 trapped the 78 men below ground. Giving up hope, the Consolidation Company sealed the mine on Nov. 30.

Yablonski charged that the mine was being kept sealed while Congress considers mine safety legislation. O'Leary denied that charge and explained the Bureau of Mines had engaged experts from several universities who had advised against attempting to open the mine for fear of new explosions.

Recent data, O'Leary said, pointed toward the possibility that the mine could now be approached for entry and that men could probably set foot inside by the first of next month. Meetings with the mine officials and O'Leary's office are scheduled in West Virginia today and with the university consultants on Thursday.

Yablonski, once a friend of Boyle and now his principal challenger for leadership of the Mine Workers, said he had been nominated by 85 of the estimated 1200 locals of the UMW. Fifty locals are required for placement on the ballot.

The official nomination results will be announced today.

Seated beside his attorney, civil rights lawyer Joseph L. Rauh, Yablonski charged that Boyle had "embezzled from the union treasury huge sums" for his election campaign. The union denied the charge as a "vicious lie."

Edward L. Carey, general counsel for the Mine Workers, disputed the dozen or so charges made against Boyle and the union leadership by Yablonski and then demanded to know "why doesn't Joe love Tony in December as he did in May," a reference to the fact that Yablonski was a staunch backer of Boyle until he announced his candidacy for union president.

Asked if he expected violence during the ensuing campaign, Carey said:

"Violence? No. Coal miners are sweet and gentle people."

Boyle and Yablonski are entering the most heated contention for the leadership of the Mine Workers since the days before the union was headed by the late John L. Lewis.

FUND, AUTONOMY ARGUED

Local and district autonomy and the management of the union's large pension fund have been the focal issues of the campaign thus far.

In addition, a group of rank-and-file union members have sued the union, charging mismanagement of the pension fund. The law firm of Edward Bennett Williams has been retained to answer for the union.

Yablonski charged yesterday that one of the reasons the pension fund is in difficulty is that some coal companies are being allowed by the union to contribute less than the 40 cents per ton contributed by most operators. Carey, speaking for the union, denied that any firm is being allowed to pay less than 40 cents a ton.

Another union spokesman said that Boyle, who became a trustee of the pension fund only after Lewis died in June, has ordered "an in-depth study" of the fund's entire operation.

The Department of Justice appeared likely to become involved in the election as both sides promised to use its services to investigate irregularities.

Although the nomination process did not officially close until 4:45 p.m. yesterday, it seemed unlikely that any other candidates but Boyle and Yablonski qualified as nominees.

[From the New York Times, Aug. 12, 1969]

UMW INSURGENTS CLAIM VICTORY ON NOMINATION—YABLONSKI GROUP CONTENDS IT HAS WON BALLOT POSITION—BOYLE'S RIVALS SAY 85 LOCALS HAVE BACKED THEIR STAND

(By Ben A. Franklin)

WASHINGTON, August 11.—Insurgent candidates challenging the re-election of W. A. (Tony) Boyle and other top officers of the United Mine Workers of America said today they had won a month-long nomination struggle to get their names on the union ballot.

But the U.M.W., which counts the nomination certificates of its local unions, did not confirm this victory claim. Although the union constitution says the nominating

deadline is Aug. 9, U.M.W. officials said today that the effective deadline, allowing for the weekend, was 4:45 P.M. today and that there would be no announcement from union headquarters then "because that's quitting time."

The election is to be held Dec. 9. Mr. Boyle, 64-year-old union president, is certain of renomination for a second five-year term.

At a news conference in the Mayflower Hotel here this morning, Joseph A. (Jock) Yablonski, 59, a tough, gravel-voiced veteran member of the union's international executive board, said he had won the nominating endorsements of 85 locals. This is 35 more than the constitutional requirement of 50.

Mr. Yablonski, the candidate of the anti-Boyle group, said his endorsements had been won despite a "nomination barrier" that he charged had been erected by the union through "massive violations of law."

DICTATORSHIP ALLEGED

Mr. Yablonski, the highest-ranking union officer ever to challenge a U.M.W. president, is regarded as one of the strongest election rebels in the mine workers' 79-year history. He has labeled Mr. Boyle "a dictator" and a "collaborator" with the coal industry and has accused the incumbent of packing the union payroll with members of the Boyle family.

"Boyle assumed that, with all the power at his command, no man could ever win the nomination of 50 local unions, but he was wrong," Mr. Yablonski said today.

Joseph L. Rauh, Jr., a Washington lawyer representing Mr. Yablonski, said the union had rejected a written request to admit Yablonski observers to the tally of nominating certificates. Mr. Rauh said he had also been unsuccessful in requesting the Labor Department to send observers.

"They will count us out if they can," he said. Union officials declined to comment.

SHULTZ GIVEN CHARGES

During the July nominating period Mr. Rauh filed three long, detailed complaints with Secretary of Labor George P. Shultz. They charged the union with "flagrant," "massive" and "continuous" violations of Federal law that is supposed to protect democratic election processes in labor unions. The union has declined to comment.

Mr. Rauh alleges illegal use of union funds to advance Mr. Boyle's candidacy, the use of administrative reprisals, bribery, intimidation and threats of violence—and even of a threat of death against one of Mr. Yablonski's supporters. He also alleges that a broad campaign of "tricks" and "fraud" was waged at local union nominating meetings in the coal fields in an effort to deny Mr. Yablonski nominations that he might otherwise have received from rank and file miners said to be supporting his candidacy.

Secretary Schultz was told, for example, that at the nominating meeting of U.M.W. Local 1577 in Girardville, Pa., on July 19, about 20 pro-Boyle members and salaried union officials completed the nomination of Mr. Boyle in secret before the scheduled 6 P.M. meeting. About 40 Yablonski supporters reportedly waited outside the union hall for the meeting to begin while those inside advanced the clock.

Mr. Rauh complained that when the pro-Yablonski members entered at 6, the clock inside read 6:10 and nominations had already been closed. He said other local nominating meetings were illegally convened without notice.

LOSSES IN HOME AREA

Mr. Rauh also detailed charges involving U.M.W. District 5 in southwestern Pennsylvania, where Mr. Yablonski, a resident of Clarksville, Pa., is widely known. The lawyer told the Labor Department that orders from union headquarters here had summarily disbanded and de-chartered on June 27 all local unions with fewer than 20 members, thus denying Mr. Yablonski potential nominating support in his home territory.

The complaints said that in no other union district had locals been generally disbanded although the charters of selected locals elsewhere suspected of favoring Mr. Yablonski had been revoked.

Secretary Shultz has taken the position in a letter that, although he has statutory authority to investigate alleged election irregularities "at any time," he will follow "the department's long standing policy not to undertake investigation" until after the election is completed.

The letter to Mr. Rauh on July 23 was not entirely without promise for Mr. Yablonski, however. For the Secretary said that if Mr. Yablonski's complaints were valid, violations of at least five sections of the Landrum-Griffin Act of 1959 were involved. Proof of any of them could invalidate the election later.

OTHER COURT MOVES

Mr. Schultz noted that Mr. Yablonski, through private lawsuits, had already taken "corrective action" to remedy two Landrum-Griffin violations directly affecting him. The union is under two Federal court injunctions requiring it, despite its earlier refusal, to mail Mr. Yablonski's campaign literature and to refrain from dismissing him from his union job, which it sought to do.

The F.B.I. investigations have focused so far on Mr. Yablonski's charge that he was knocked unconscious while attending a meeting of U.M.W. officials at Springfield, Ill., on June 28.

The Boyle administration is under other pressures in various courts, meanwhile, none of which detracts from Mr. Yabonski's efforts.

The union, among others, was sued here for $75-million in damages last Monday by 78 rank-and-file miners. They alleged a conspiracy to defraud them of pension benefits by officials of the U.M.W., its welfare fund, its union-owned bank in Washington, and the Bituminous Coal Operators Association, an industry group.

The union said it has hired Edward Bennett Williams, the Washington criminal lawyer who also defended James R. Hoffa, former Teamsters' Union president, to represent it in that case.

On Saturday, Congressional Quarterly, a Washington news service, said that the U.M.W.-owned bank, the National Bank of Washington, of which Mr. Boyle is a paid director, had offered special low-interest loans to members of Congress, raising the prospect of a Congressional investigation.

Included in the rank-and-file miners' damage complaint is an allegation that top union officers, through the bank, have failed to protect members' interests by the most vigorous and prudent prosecution of bank business.

Later this month, the union is expected to go on trial in the United States District Court here on Justice Department charges that it has suppressed democratic union practices for decades by illegally maintaining many of its districts under "trusteeships." This suit has been pending since 1964.

The "trusteeship" arrangement involved in the suit allows Mr. Boyle to appoint the top officers of nearly all the union's 23 districts.

His brother, R. J. Boyle, is president of District 27 in the low coal producing Pacific Northwest at a salary of $25,000. His daughter, Antoinette, is a $40,000-a-year U.M.W. attorney in Billings, Mont., the locale of the two-room District 27 headquarters.

REGULATION OF PORNOGRAPHY

(Mr. POLLOCK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POLLOCK. Mr. Speaker, the bill I am introducing today offers a solution to many of the problems surrounding regulation of pornography. Both the legislative and judicial branches of government have often been baffled in attempts to develop workable definitions of obscenity and determine how to deal with it. Sometimes we are reduced to the exasperation of Supreme Court Justice Stewart, whose means of identification is, "I know it when I see it."

Indeed, this area of legislation involves conflicting and confusing values. On the one hand, to overregulate distribution of any printed matter might be disasterous. The government should steer far clear of censorship, and allow adults their first amendment right to choose reading material. On the other hand, Congress cannot ignore its responsibility to rescue adults from unwanted pornography thrust into the home through the mails. Congress must also recognize the right of States to determine how minors shall be especially protected from obscene matter, but must face the responsibility of backing State laws in areas of Federal jurisdiction, like the mails.

To satisfy all these criteria, this proposal employs delicate balancing. The bill offers a clear, workable definition of what is objectionable. This is something the Courts have been seeking from the legislature for years.

The bill also offers solutions to other problems. It will allow adults to receive sexually oriented material through the mail, but only if they specifically request it. This provides protection without censorship. It makes mailing pornographic material to a minor illegal when State laws prohibit distribution to minors. This provides support for State laws without smothering State experimentation under a blanket of Federal uniformity.

This proposal rescues the majority of citizens from the undesirable task of destroying unwanted smut. In addition, it protects those who are not old enough to judge wisely for themselves what might be harmful. At the same time, the bill recognizes that no judgment of the proper age for self-determination has yet been proven correct, and offers a reasonable definition of what material falls under the jurisdiction of this act.

In hopes that we will cut through the confusion that has surrounded this area of the law for so long, I urge the passage of this bill.

REVENUE-SHARING PROGRAM

(Mr. TALCOTT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. TALCOTT. Mr. Speaker, President Nixon's message proposing a revenue sharing program is a dramatic innovation in the often proclaimed, but seldom achieved, Federal-State-local governmental partnership.

This is the big bold step many of us have been advocating. Obviously there is a long difficult trail between the Executive proposal and the legislative enactment. But the ice has been broken. I applaud the President and his economic advisers for this first step toward fiscal

adequacy for State and local governments. The tax-sharing concept is an appropriate vehicle for building substance into the governmental partnership.

The State and local municipalities are more efficient and responsive governmental agencies than the Federal agencies. The Federal Government has, for all practical purposes, usurped the principal taxing mechanisms—the income and the excise tax. The time for revenue sharing has come.

Although, of course, the Congress must work its will and many changes can be accomplished, I commend the President's proposal for distribution which appears to utilize two equal factors of population and local tax effort. State and local municipalities who are more willing to tax themselves for municipal services will share a larger portion of the Federal revenues. This formula can be an incentive and a reward for self-help.

The President's plan is a modest proposal, one that can be gradually implemented to strengthen our various governments as the revenue sharing system matures.

One major defect in the revenue sharing plan is that the first application omitted education.

Education is our most serious unmet domestic need. Income is the most appropriate tax source for educational purposes. The correlation between education and income is direct, but there is no correlation between sales or real property and education.

Revenue sharing should have been initiated for local educational purposes. Perhaps if the demonstration of revenue sharing for State and local general governmental purposes is successful, the new sharing concept can be utilized for education.

STATE, COUNTY, AND COMMUNITY RESOLUTIONS HONOR REPRESENTATIVE BATES

(Mr. MORSE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MORSE. Mr. Speaker, in furtherance of our tributes to our late beloved colleague, the Honorable William H. Bates of Massachusetts, I wish to place into the RECORD at this point several resolutions adopted by State, county, and community governmental agencies following Bill Bates' untimely passing.

The Executive Council of Massachusetts, with the Governor presiding, adopted this resolution:

RESOLUTION

Whereas, Congressman William H. Bates of Salem, Massachusetts, served his district and the nation with great distinction during the past 19 years, and

Whereas, Before his election to Congress he had been promoted to the rank of Lieutenant-Commander in the United States Navy in recognition of his 10 years of faithful and courageous duty in behalf of the country that he loved, and

Whereas, he was the ranking minority member of the House Armed Services Committee who had the understanding and appreciation of our defense needs that was matched by his determination to keep our armed forces strong in order to discourage potential aggressors, and

Whereas, In every way he was the exemplary public servant who was respected and admired by his colleagues, constituents and many friends for his complete devotion to his responsibilities, and therefore

Be it resolved, That the Executive Council of Massachusetts does hereby express its grief and its sympathy to the members of his family by having a signed copy of this resolution forwarded to his widow, and be it further

Resolved, That this Council shall adjourn forthwith to honor the memory of the late Congressman William H. Bates.

Francis W. Sargent, Governor; Thomas D. Lane; G. Edward Bradley; Raymond F. Cronin, Jr.; Herbert L. Connolly; Nicholas W. Mitchell; Walter F. Kelly; Patrick J. McDonough; Samuel M. Flaksman, Executive Secretary.

The Massachusetts House of Representatives passed the following resolution, which was offered by Representative Samuel E. Zoll and Michael J. Harrington, both of Mr. Bates' home city, Salem:

RESOLUTIONS ON THE DEATH OF WILLIAM H. BATES

Whereas, the Massachusetts House of Representatives with deep sorrow has learned of the death of the Honorable William H. Bates who, for the past nineteen years, has sincerely and faithfully served the Sixth Congressional District as its Representative in Congress; and

Whereas, a naval officer in World War II and a model family man, William H. Bates was distinguished as a public servant; as the ranking Republican member of the House Armed Services Committee he championed a nuclear navy; he also served as the second ranking member of the Joint Committee on Atomic Energy; and

Whereas, During his term of office, this truly dedicated public servant exercised the authority of his office with great dignity and a great sense of responsibility and endeared himself to all those with whom he came in contact by his demeanor, sincerity of purpose and knowledge of State, National and World Affairs; and

Whereas, The Commonwealth may justly grieve when a statesman and public servant, such as William H. Bates, is so untimely called to his reward; therefore be it

Resolved, That the Massachusetts House of Representatives hereby expresses to the bereaved family of William H. Bates its profound sympathy in the great loss which has come to them and the Commonwealth; and be it further

Resolved, That these resolutions be spread upon the records of the House and an engrossed copy thereof be sent by the Secretary of the Commonwealth to the family of William H. Bates.

House of Representatives, adopted, June 24, 1969.

DAVID M. BARTLEY,
Speaker.
WALLACE C. MILLS,
Clerk.

A true copy. Attest: John F. X. Davoren, Secretary of the Comonwealth.

The action of the county commissioners of Essex County, Mass., was reported in this manner:

COMMONWEALTH OF MASSACHUSETTS,
Essex, ss:

At a regular meeting of the County Commissioners held at Salem on Tuesday, June 24, 1969, Chairman Burke and Commissioners Cahill and Donovan were present.

Upon motion of Mr. Cahill, duly seconded, it was unanimously voted:

That Resolutions be drawn as a memorial to Congressman William H. Bates, of the Sixth Congressional District, said Resolutions to be spread upon the records of the County Commissioners, a copy thereof sent to his wife, and copies to be posted at the Superior Court House in Salem, to wit:

Whereas, the passing of Congressman William H. Bates of the Sixth Congressional District, on June 22, 1969, removed from his district and the County of Essex a man of high principle, great dignity and devotion to public duty, and

Whereas, the Sixth Congressional District, the County of Essex, the Commonwealth of Massachusetts, and the United States of America, have lost in his death a man who always carried out his public duties in an exemplary manner, and

Whereas, throughout his distinguished career in public service his objective was what was best for all the people, and

Whereas, he always had the courage of his convictions and was not afraid to take a stand on issues, and

Whereas, he was always most cooperative with the County Commissioners of Essex County in helping them solve problems where federal assistance was needed, and

Whereas, his untiring efforts for the people and industries in his district were most laudatory, Be It

Resolved, that as officials of the County of Essex, personally and as representatives of those who have so many times honored him with public office, we cause these Resolutions to be spread upon the records of our County of Essex as a memorial of our recognition of the achievements of Congressman William H. Bates in the Congress of the United States of America, and as an expression of our profound sorrow and deep regret on his passing.

Be it Further Resolved, that a copy of these Resolutions be transmitted to his beloved wife as an expression of our sympathy in her bereavement.

Attest:

BARBARA O. CHAPMAN,
Deputy Asssistant Clerk.

This was the resolution adopted by the city council of Haverhill, Mass.

RESOLUTION

Let the record show that the Citizens of Haverhill join with the Nation in mourning the death of William H. Bates, our distinguished Representative in the Congress of the United States.

His sensitivity to the Human rights and needs of his people, mark him well in the Journals of our District and our Nation. His service to the Brotherhood of Man have earned for him the love and esteem of all of those who knew him and those whom he served so well and devotedly for these many years.

The Haverhill City Council joins with his legions of friends to extend our Heartfelt sympathies to his family and pray that God grant him strength to endure this Hour of tragedy.

May God Grant Him the eternal rest he so richly deserves, as we commit his mortality to the earth and his momory and deeds to the Generations to come after us.

In city council: June 24, 1969, adopted.

Attest:

W. CHESTER ANGUS,
City Clerk.

The mayor and members of the city council of Gloucester, Mass., adopted this resolution:

RESOLUTION OF RESPECT: CONGRESSMAN WILLIAM H. BATES

Whereas, on the twenty-second day of June 1969, death brought to a close, the active life of Congressman William H. Bates; and

Whereas, Congressman William H. Bates

has, through his foresight and zeal for this District, earned the affection of the people in the entire District and in particular Gloucester; and

Whereas, the stature he experienced in this District by his exemplary life and monumental achievements was recognized during his lifetime;

Be it therefore resolved, that the Mayor and City Council of the City of Gloucester, Massachusetts, does, by this Resolution and public record, recognize the profound influence of Congressman William H. Bates upon the development of the Sixth Congressional District recognizing further that his death is a distinct loss to our City in which he won deep respect and affection.

Be it further resolved, that this Resolution be spread upon the minutes of the Council and a copy be forwarded to his family in recognition of Congressman Bates' respected place in this community, a copy be forwarded to his Washington office and a copy be forwarded to the Gloucester Daily Times in order that the public may know of the esteem and affection in which he was held.

Adopted this tenth day of July 1969.

Mayor Joseph F. Grace; Miles J. Schlichte, Vice Chairman; Virginia C. Flannagan, Argyle G. Lautzenhiser, John Stanley Boudreau, Edward P. Flynn, Andrew C. Nickas.

Attest:

A true copy.

FRED J. KYROUZ,
City Clerk.

At a special town meeting, the citizens of Manchester, Mass., adopted the following resolution:

RESOLUTIONS ON THE DEATH OF THE HONORABLE WILLIAM HENRY BATES, CONGRESSMAN

(Resolution offered by J. Joseph Flatley, Town Moderator)

Whereas, God in His divine wisdom has called from our midst the soul of our esteemed Congressman, The Honorable William Henry Bates, who has served our citizens as a dedicated and diligent Representative, and

Whereas, his passing has left a great void in our community,

Now, be it resolved, that the people of Manchester, Massachusetts, in Town Meeting assembled, do hereby deeply mourn his loss, and

Be it further resolved, that this resolution shall be incorporated into the Town records and a copy of the same be sent to the bereaved members of his family.

Attest:

GEORGE C. RICE,
Town Clerk.

QUOTA ON STEEL IMPORTS

(Mr. BEVILL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BEVILL. Mr. Speaker, during the second half of 1968, we were given indications and forecasts of a phenomenal increase in steel imports. Early in January 1969, we got the word that total steel imports during calendar year 1968 amounted to 17.960 million tons—an all-time high. This compares to imports of 11.5 million tons during 1967. This means not only that imports increased by over 55 percent in 1 year, but that steel imports now comprise nearly 17 percent of our national steel production. It is inconceivable to me that we, the major steel producing country of the world, can allow such a vital percentage of our total consumption to be allocated to imports.

It is clear that a vital percentage of our steel producing capability is being curtailed.

When the alarm was raised about the increasing and injurious imports, the immediate response in Congress was for the imposition of tariff surcharges, antidumping fees, countervailing duties as well as the stricter enforcement of our Buy American Act.

On the other hand, the State Department felt that by contacting the major steel exporting companies in Western Europe and Japan, some type of voluntary agreement to curb exports could be initiated.

After months of discussions with the European Coal and Steel Community—ECSC—and Japanese steel exporting interests, a voluntary program for restricting steel exports to the United States was tentatively arrived at.

This was not a government-to-government trade agreement, as that could only be arranged under the aegis of the General Agreement on Tariffs and Trade—GATT. Rather, the precedent of the Voluntary Textile Agreement was followed. In other words, the major steel exporters of the ECSC and Japan have advised their respective governments that they would voluntarily restrict their exports to the United States. Since Japan and the six nations of the ECSC combined, ship 82 percent of all U.S. steel imports, the voluntary restrictions by those two areas would apply to the bulk of steel exports to the United States. The State Department received an offer from the Japanese and Europeans to limit imports on their part to 14 million tons in 1969 with an import growth of 5 percent during 1970 and 5 percent during 1971. Thus, during 1969, steel exporters in Japan would limit themselves to 5.6 million tons, the ECSC countries to 5.6 million tons, the United Kingdom to 1.4 million tons, and other various small exporting countries to 1.4 million tons. In the case of the latter exporters, it was hoped that they would abide by the limits set for them.

Thus, the current status on steel import negotiations is that we have a voluntary agreement by foreign steel exporting interests that they would restrict themselves to an overall total of 14 million tons during 1969.

Now, Mr. Speaker, my question is: What assurance do we have that this total is to be the limit of imports? We ourselves impose no specific restraints under which shipments in excess of the voluntary agreement are prohibited and refused. What assurance do we have that a large steel-producing company in Japan will comply with its Government's request to limit its exports to the United States in compliance with the agreement? What assurances do we have that smaller countries will not simply increase their exports while satisfying their own needs from Japan or the ECSC? In fact, do we have assurances that excess capacity overseas will not find its way to our shores in the form of further-processed items and thereby increase the injurious effect of excessive steel imports?

Mr. Speaker, I question the whole system of voluntary agreements. I do not see much evidence that voluntary agreements in international trade have worked. We need only point to the frozen fish and crab shipments from Japan, as well as the continuous efforts to circumvent our textile import totals.

Since we have this voluntary agreement of 14 million tons for 1969 and a 5 percent growth increase during 1970 and 1971, let us use this agreement as a point of departure to provide legislation to solve the problem in a definitive way. I am recommending, Mr. Speaker, a legislative proposal which would contain a trigger mechanism which would impose a quota on pig iron, iron ore and steel mill products entering the United States only if the ceilings for any year set in the bill are violated.

The advantage of this kind of legislation is that there is no rollback of current imports to a lower level by the use of a quota and, therefore, as a signatory of the GATT, the United States should not be subject to any trade retaliation.

I suggest that the level of imports for 1969 be 14 million tons with a quota only to be imposed if that level is exceeded; that imports in 1970 and subsequent years increase at the average rate of actual increase of steel consumption in the U.S. over the past 10 years. This increase, Mr. Speaker, has averaged approximately 2 to 2½ percent over the past 10 years.

Thus, Mr. Speaker, upon the passage of this bill by both Houses of Congress and the signature of the President, this law will not have any effect whatsoever if the countries comply with their voluntary agreement. If a country does not comply with its voluntary agreement, then this law would substitute for the voluntary agreement insofar as the violating country is concerned and be in force and effect at a lower percentage of increase of imports for each year than that set forth in the violating country's voluntary agreement.

THE MARS MISSION

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, I should like to add my praise to the speech of the distinguished chairman of the House Science and Astronautics Committee, GEORGE P. MILLER, on the matter of our future space explorations. As a member of Chairman MILLER's committee, I was particularly pleased to hear his judicious advice that we, in our enthusiasm over the Apollo 11 success, not endeavor to set a definite timetable for "setting sail for Mars."

Chairman MILLER spoke of a "balanced" space program, one that fully exploits the great potential of the unmanned spacecraft while our nation continues with manned space flights. During my 7 months here in the Congress and with the Science and Astronautics Committee, I have urged that we make greater use of unmanned space vehicles in gathering what data and materials are needed from the moon and the outer reaches of space. Manned missions cost

at least five times that of unmanned missions. Furthermore, information supplied by NASA indicates that the scientific objectives of space exploration can be achieved as effectively and more economically by using automated spacecraft and that one of the principal values of the manned program is its psychological impact on the peoples of our country and the world. Indeed the landing of the Apollo 11 was a magnificent achievement and boosted the spirits of the American people, but we do have problems at home that need attending to and certainly our morale would be boosted should these problems be met.

It is interesting to note that last week the Gallup poll indicated that the public is cool to making a big push to Mars. Only 39 percent of those interviewed favored appropriating money for sending a man to the planet Mars; 53 percent opposed the proposition. Among blacks, the opposition ran three to one. The general concensus among those opposing the Mars manned mission was that we have more important concerns here on earth on which to spend our limited resources.

As the chairman pointed out, frontiers lie undeveloped and unexplored in our space applications program and on the moon. The sum of $128.4 million has been authorized for the space applications program which is designed to improve the technology available for weather, communications, navigation, and geodetic satellites. I believe that we should pursue very vigorously this program which will turn some of the vast knowledge acquired through our space development program and space missions into terrestrial applications making a better and more meaningful life here on earth.

PRESIDENT NIXON'S PLAN FOR THE OFFICE OF ECONOMIC OPPORTUNITY

(Mr. MACGREGOR asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MACGREGOR. Mr. Speaker, a recent article in the Reader's Digest pointed out that approximately one in eight Americans presently lives in poverty. More alarming still, the article goes on, close to one in four of those who are under 18 come from families whose income is below the poverty line.

This is a situation which our country cannot long tolerate. One of the reasons it exists, I believe, is that, for too long, Government programs have concentrated on relieving the symptoms of poverty. There has been too little emphasis on getting at the cause. But the President's recent proposals in this area, and particularly his description of a new role for the Office of Economic Opportunity, give promises that the misdirection of our efforts will soon be corrected.

The President's message on OEO stresses the Agency's responsibility for setting people on their own feet. The Office will try to find out just what it is that determines a person's capacity to make a social contribution. It will seek new ways of stimulating and developing that capacity. And it will work to provide ways in which such capacity can be tapped and rewarded by the society at large. When the Agency finds workable programs and proves them out, they will then, in most cases, be transferred to other departments and agencies for on-going operation. OEO will thus be free to continue with new experiments.

Here then is a place where the most creative minds in the country can focus on the causes of poverty and not just its effects. If OEO does its job well, it will become possible for every American to have access to the ladder of opportunity and to receive an initial boost as he begins to climb it. From there on in, of course, it's up to him. He must prove that he can make his way.

The Government does not owe its citizens a living; but it does owe them a fair chance to make a living. In a complex, fast-changing society, that fair chance is being denied to many, and it will require a great deal of tenacity, ingenuity, and courage on the part of OEO to remedy that situation.

The President's reforms in OEO do not guarantee that these qualities will be present, but they will make it a lot easier for OEO to attract the people who will provide these qualities. They also make it a lot easier for these qualities, when they are present, to make their impact felt. I commend President Nixon and the Director of the Office of Economic Opportunity for subjecting that agency to such a careful review and for developing such a useful set of changes in its operations.

TO SAVE THE MAINSTREETER PASSENGER TRAIN

(Mr. OLSEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. OLSEN. Mr. Speaker, about 2 years ago the Interstate Commerce Commission took a good look at a request of the Northern Pacific Railroad to discontinue its Mainstreeter passenger train between Fargo, N. Dak., and Seattle-Tacoma, Wash., and denied its request. The railroad is again asking that it be permitted to discontinue this service. I wish to go on record as opposing the discontinuance of the Mainstreeter.

In its decision to deny the request for discontinuance, the Commission pointed out that to allow the carrier to cancel this train would deprive the public of a needed service, and would seriously harm the substantial number of small communities which would be left without rail passenger service. Out of 88 stations now served by the Mainstreeter, only 24 would have alternate rail service. The balance of the 88 would have none.

At the hearings held by the ICC, 145 persons testified in opposition to discontinuance of the Mainstreeter, and the Commission stated that 43 additional witnesses would have similarly testified if time had permitted. Included in those asking that the service be retained were representatives of student bodies of several colleges who presented the results of polls indicating the use and need of students of the Mainstreeter. Other students and college staff members also expressed their opposition to elimination of the train.

The Commission's decision reflected that in each of the years 1966 and 1967 a quarter million passengers used the service, although not all of them went the entire length of the route. The average trip in 1966 was shown as 390 miles. Also, the Commission pointed out that the 1966 total was up 8 percent over 1965, while the 1967 preliminary estimate showed a 9-percent increase over 1966. The Commission was forced to conclude at this point that "We consider it clear beyond dispute that the public has not abandoned the Mainstreeter."

Mr. Speaker, I want to call your attention and the attention of my colleagues to a statement by Northern Pacific President Robert S. MacFarlane. Mr. MacFarlane made these remarks in Missoula, Mont., March 10, 1961, as he discussed the proposed northern lines merger. Our citizens feared even then that a merger would result in the elimination of vital service. But Mr. MacFarlane assured them:

> Now while on this subject of service, I want to say a word about the Vista Dome North Coast Limited and our Mainstreeter. . . . Some people think that the trains—the passenger train service through Missoula on the Northern Pacific trainage is going to be changed. It is not going to be changed. I assure you that as long as the public will use our trains, the North Coast Limited and the Mainstreeter will operate just about as they are at present. Perhaps their schedules can be improved a little bit but we are going to maintain that wonderful service until, in the end, if ever, the public abandons this train service.

Mr. Speaker, in voicing my opposition to the discontinuance of this important rail passenger service, I joined last spring with my esteemed colleague in the other Chamber, Senator METCALF who also comes from my State—Montana—in a request for an investigation by the ICC of a matter related to the discontinuance of the Mainstreeter. The investigation was proposed by the National Association of Railroad Passengers in a letter to the Commission dated May 1, 1969, in which they declare, in part, that:

> Within the past year we have received several reports that the railroad has deliberately removed mail and express formerly handled on the trains and placed such traffic on freight trains. The Commission should thoroughly explore this matter, and if it finds that such action was taken to prepare a foundation for the present discontinuance proposal, it should require continued operation if the record shows any significant public demand for the service.

Mr. Speaker, the situation regarding our Nation's rail passenger service is cause for alarm. It is all the more so because I am certain that the general public, and perhaps even Congress itself, is not fully aware of what is happening.

The ICC has declared that we are in danger of losing significant segments of the remaining long- and medium-distance railroad passenger service within the next few years unless the present trend is reversed. The Mainstreeter is

one of these trains in danger. The Commission pointed out in a 1968 report to Congress on intercity rail passenger service that during the last 10 years the service has declined sharply. The number of regular intercity trains fell nearly 60 percent in that time, with 13 of our railroads having abandoned all such service, while seven roads are down to a single pair of trains each.

The Commission emphasized that the movement toward discontinuance had accelerated during the last 2 years. For instance, during the 12-month period ending in early 1968, the number of trains proposed for discontinuance had more than doubled.

And I call attention that the brunt of such curtailment is falling on the West. The Commission said in its report that—

> While it is important to note that the volume of filings under section 13a has been sharply increasing, the most critical problem is presented by the recent receipt of several proposals to discontinue the last remaining rail passenger service between major areas in the country, particularly in the West.

Mr. Speaker, this is what is happening to railroad passenger service, particularly in the West. The ICC has given us clear warning that such service is disappearing faster and faster. This, in part, is why I strongly oppose the removal of the Mainstreeter. I know that it is an important service to the people of my State, and to the other States through which it passes.

Moreover, discontinuance now could prove untimely, for several reasons. First, the growing affluence of our society, coupled with increased leisure time and greater mobility, point to sizable increases in intercity travel in the years ahead. Long- and medium-distance rail passenger service could be on the threshold of a revival, especially if properly promoted.

Second, we are just beginning to probe the techniques and possibilities of intercity high speed service. While it is true that the immediate application is confined to the northeast corridor, is it not entirely possible that some of the knowledge gained, and the developments achieved, will be applicable to other sections of the country? I am confident that it is so.

Third, the railroads themselves recently asked for financial aid for passenger service. I presume that a first step would be a determination of the amount of loss involved on which to base such aid. Other studies likely to be needed cover areas such as the essentiality of particular service, and of alternate means of assistance. Pending a broad survey of all the ramifications involved in the proposal, important rail passenger trains such as the Mainstreeter should be retained.

Let us be forewarned that once trains are gone, they are gone for all time.

OEO: THE INNOVATIVE AGENCY OF THE FEDERAL GOVERNMENT

(Mr. STEIGER of Wisconsin asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. STEIGER of Wisconsin. Mr. Speaker, the OEO has been both attacked and defended on blind faith since its inception. Regrettably, this often hasty, frequently visceral reaction from friends and foes alike has damaged some of the OEO's best programs and helped retain some of its most dubious ones. Why has this been so? The main reason, I think, is clearly related to the confusion over OEO's role. Is it an innovating agency? Or is it an operational one? Can it be both? And if it tries to be, will its operating features be compromised by its planning, research, and evaluation components, and visa versa?

The often bitter appropriation fights in Congress hinged on these conflicting philosophic questions. The OEO defenders said the agency had too little money to mount effective programs. The OEO critics charged the agency with mounting programs willy-nilly, with squandering money in massive undertakings that flew in the face of congressional intent.

I believe President Nixon's new recommendations, when implemented, will point OEO in new directions and remove it from the swirl of political controversy that has surrounded so much of its past history. It seems to me the overriding merit of the President's proposal is that it clarifies OEO's role by underscoring its essentially innovative thrust and modifying its scope as an operational agency. And this is as it should be. For certainly, the Federal agency charged with innovating solutions to the problems of poverty should have the widest measure of support throughout our country.

Too often in the past this innovative aspect was submerged in operational responsibility. Headstart, for example, began as an experiment and ended as an operational program involving hundreds of thousands of people. Earlier this year an evaluation study performed on the Headstart program by the Westinghouse Learning Corp. indicated some failings in the program. No one denies that Headstart is a good program that has helped poor children. But the question must be asked, might it not be a better program if OEO had concentrated more heavily on the research and evaluation side of the program, rather than its operational side? Can an agency be truly innovative if it fails to ask the proper follow-up questions on the programs it creates?

The point here it seems to me is that OEO's creative energies and staff functions have all too often been absorbed in the massive problems of running complex programs. There has been a tendency to look to research and evaluation as a defensive arrangement, a wall of figures for buttressing what already exists. And even when the research and evaluation are negative they tend to become suppressed, because of the operational problems their open dissemination would create. On balance, this type of conflict must hurt OEO's research, evaluation, planning, and operational components in equal measure. The role of research and evaluation is to challenge, assess, and sometimes even to reject the operating assumptions of the past.

In this light, the central point of the President's OEO reorganization plan rests on the clear-cut establishment of the agency's innovative role. Linked to this is the priority given to OEO's research, planning, and evaluation capacity. The reorganization envisions doubling the size of OEO's professional staff in these areas. For the first time this vital area of the OEO operation will have the manpower and authority to assess the needs, performance, and results of innovative programs. It will mean that unsuccessful new approaches to poverty can be dropped, while promising ones can be encouraged with extra resources. This new office will be at the very heart of the OEO, charged with the task of defining problems, proposing a variety of solutions, and after these proposals are put to the twin tests of development and operation, they will then undergo an objective scrutiny as to their effectiveness. Those programs that prove workable can be retained by the OEO or transferred to other Government or private bodies. The virtues of the President's reorganization seem plain. It will strengthen the OEO focus on innovation by eliminating the need to administer large national programs with insufficient staff. It will allow the OEO to concentrate on the truly crucial role of finding the answers and programs that others can administer.

In the final analysis this is the course, I believe, OEO should follow. The streamlined reorganization the President has outlined gives OEO the mandate to rationally and deliberately find that course

HE WALKS WITH GOD

(Mr. ASPINALL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include a poem.)

Mr. ASPINALL. Mr. Speaker, I would like to pay tribute to Mr. Milford E. Shields, poet laureate of the State of Colorado, whose poetic ability has been inspired by man's conquest of the moon.

Much has been said and much has been written on this same subject. However, Mr. Shields has captured a moment of history, which through his unique poetic ability has provoked the imagination of his fellow man and created a new perspective through which one may view the magnitude of such an achievement.

At this point, I include the poem in the RECORD:

HE WALKS WITH GOD

(By Milford E. Shields)

He walked with God, his name was man,
He left his tracks upon the moon;
He walked in love and showed the plan
Where men could walk and move in tune.

He walked in joy, he walked in peace,
He walked in hope, he walked in truth;
His walk has made all men increase,
His walk has brought a buoyant youth.

His tracks are pointed for the stars
As he unfolds the greater plan
Where mankind walks on tranquil bars—
He walks with God, his name is Man.

LEGISLATIVE PROGRAM

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

Mr. GERALD R. FORD. Mr. Speaker, would the distinguished majority leader tell us what the legislative program is for the rest of this week and the program when the Congress returns after the recess?

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the distinguished majority leader.

Mr. ALBERT. In response to the inquiry of my distinguished friend, tomorrow we will announce the program for the week we come back after the recess.

We will have business on Wednesday and the balance of that week and certainly on Wednesday and Thursday of that week.

We have no other legislative business and barring some emergency—I do not expect any further legislative business this week. I do not know of any contingency that might require it. Of course, I need to protect the membership by advising the Members that only in the event of an emergency might we have business tomorrow. Beyond that we have no further business.

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

Mr. GERALD R. FORD. I yield to the gentleman.

Mr. GROSS. Mr. Speaker, would the distinguished majority leader consider the student loan bill emergency legislation, if that were to be called up tomorrow?

Mr. ALBERT. I must answer the gentleman by saying I do not anticipate that it will be called up tomorrow.

Mr. GROSS. I thank the gentleman.

The SPEAKER. The time of the gentleman from Michigan has expired.

REVENUE SHARING FOR THE CITIES

The SPEAKER. Under previous order of the House, the gentleman from New York (Mr. FARBSTEIN) is recognized for 15 minutes.

Mr. FARBSTEIN. Mr. Speaker, I have today introduced H.R. 13479 legislation to prohibit bloc grants to States until Congress and the administration give more aid directly to the Nation's largest cities.

The Nation has become acutely aware of the extent to which poverty permeates our society. Almost daily new statistics and editorial revelations document the hunger, malnutrition, and unemployment which constitute the personal crisis of America. The varied proposals put forth, like the negative income tax suggested by President Nixon in his address to the Nation last Friday, suggest that there is a public awareness of the problems of individual poverty and of the need for a national plan to eliminate it.

But inherently intertwined with the problems of the individual poor is the fiscal poverty of the cities in which the poor live. The high concentration of urban poverty and race problems in the central city imposes an extra burden on the cities to provide additional services at the same time they are narrowing the fiscal base of the municipality. The result is that the residents of the cities, the very people who are least able to afford it, must bare a far greater tax burden than the more affluent suburbanite. For the residents of New York City, this means an average local tax of $279 per year, while his suburban neighbors are paying only $221.

Nor do the States or the Federal Government significantly alleviate the burden imposed upon the city government. Although residents of the city of New York contribute $2.9 billion annually to the State—an amount equal to half the State's total revenue—New York City receives less than 45 percent of that, or $1.7 billion back in the form of State assistance. In contrast, Upstate New Yorkers receive 58 percent of the revenue they contribute to the State budget back in State assistance.

Residents of New York City also contribute between $16 and $17 billion annually to the Federal Government for which they receive a little over $1 billion back in the form of grant assistance.

A national effort to eliminate poverty can only be successful if the city-related functions—social and public services, recreational facilities, and transportation—affecting the environment in which the poor live are maintained and improved. But in his Friday address to the Nation, President Nixon ignored this fact in outlining his solution to poverty.

His proposal of bloc grants to the States is based on a new federalism that is out-of-date before it is even implemented. Our country faces, as we have been told over and over again, an urban crisis. The money should go to the cities, where the greatest need is, and not to the States.

State governments are glorious anachronisms; putting the Lower East Side of Manhattan under the same State jurisdiction as Scarsdale makes absolutely no sense at all. The problems facing the city and the suburb are just not comparable. Even if the New York State legislature were interested in solving the problems New York City faces, I sincerely doubt that it would succeed. The State government is too far removed from the day-to-day lives of city dwellers to be the instrument of social change.

The President's "flow-through plan," under which a certain portion of the bloc grants would be earmarked for major cities, is mere tokenism designed to divert attention from the attitudes of the administration. Under it the cities would become merely serfs to the rural and suburban lords who control State legislatures.

The fiscal problems of the cities are much more acute than those of the States. If Nixon really believed in putting funds where they could do the most good, he would scrap his bloc grant plan in favor of the legislation I am introducing today.

My bill would provide bloc grants to local governments based on population and need. Localities with populations of 50,000 or more would be eligible to receive an amount equal to 1 percent of the Federal income tax collection for the previous fiscal year. The bill would also prohibit unrestricted grants to State governments until 5 years after the cities receive $1 billion from the Federal Government.

The text of the bill follows:

H.R. 13479

A bill to provide appropriations for sharing of Federal revenues with cities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; DECLARATION OF POLICY

(a) This Act may be cited as the "Federal Municipal Financing Act".

(b) The Congress hereby declares that it is the policy of the United States that no revenue-sharing program be enacted for the benefit of the States until five years after the cities have received under this Act an aggregate amount of revenue sharing payments in excess of $1,000,000,000.

APPROPRIATIONS

SEC. 2. (a) In order to provide for a sharing with the cities of receipts from Federal income taxes, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to the Secretary of the Treasury (hereinafter referred to as the "Secretary") for making revenue-sharing payments under this Act an amount for the fiscal year ending June 30, 1970, and for each of the four succeeding fiscal years, equal to 1 per centum of the total receipts from individual income taxes during the fiscal year preceding the fiscal year for which the appropriation is made; except that the amount so appropriated for any fiscal year ending on or before June 30, 1975, shall not be less than the amount so appropriated for the preceding year.

(b) For purposes of this Act, the term "individual income taxes" means the proceeds of taxes collected from individuals under subtitle A and the taxes collected under chapter 24 of the Internal Revenue Code of 1954. Determinations under this section shall be made pursuant to regulations prescribed by the Secretary, and his determinations shall be final.

REVENUE-SHARING PAYMENTS

SEC. 3. The revenue sharing under this Act shall be carried out by the Secretary through payments under sections 4 and 5 to all qualified cities (as defined in section 12). The aggregate of such payments to a city shall be the "revenue-sharing payment" for that city.

BASIC REVENUE-SHARING PAYMENTS

SEC. 4. The Secretary shall each year make a payment to each city which, under section 6, is qualified for a revenue-sharing payment in an amount which bears the same ratio to 50 per centum of the amount appropriated for that year under section 2 as the population of the city, bears to the population of all cities which are qualified for a revenue-sharing payment.

LOW INCOME REVENUE-SHARING PAYMENTS

SEC. 5. (a) The Secretary shall each year make a payment to each city which, under section 6, is qualified for a revenue-sharing payment in an amount which bears the same ratio to 50 per centum of the amount appropriated for that year under section 2 as the number of low income persons residing in such city bears to the aggregate number of low income persons residing in cities which are qualified for a revenue-sharing payment.

(b) For purposes of this section, the term "low income person" means a person whose family income ranks in the lowest quartile of family incomes of persons residing in the same State.

CITY UNDERTAKINGS

SEC. 6. (a) In order to be qualified for a revenue-sharing payment under this Act a city shall undertake—

(1) to assume the same responsibility for the fiscal control of and accountability for revenue-sharing payments as it has with respect to funds derived from its own tax resources;

(2) to use 5 per centum of that portion of the revenue-sharing payments made to it under sections 4 and 5, for executive management improvement to meet the particular needs of the city for (A) well-staffed city budget offices, (B) qualified executive planning personnel, and (C) salary increases for top-level management personnel; but the city may use such funds for other purposes if it determines, in its sole discretion, that there are areas of greater or more urgent needs;

(3) to furnish information and data to the Secretary in accordance with the rules and regulations of the Council on Revenue Sharing.

COUNCIL ON REVENUE SHARING

SEC. 7. (a) There is hereby established a Council to be known as the Council on Revenue Sharing (hereinafter referred to as the "Council") which shall be composed of fifteen members appointed by the President without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. Of the members of the Council, ten shall be persons who are mayors or chief executive officers of cities having populations of 50,000 or more (of whom (1) 5 shall be mayors or chief executive officers of cities having populations of 500,000 or more and (2) not more than 6 shall be of the same political party); and, of the remainder, not more than three shall be of the same political party. The Secretary shall designate a member of the Council as its Chairman. Eight members of the Council shall constitute a quorum. Each member of the Council who is a mayor or chief executive officer of a city or urban county may appoint another person to act as his delegate in carrying out any of his functions under this Act.

(b)(1) It shall be the duty of the Council to prescribe by rule or regulation the information and data to be furnished by cities to the Secretary, and the manner and form in which such information and data shall be provided. In carrying out this duty the Council shall give emphasis to reducing to a minimum the administrative burden on cities, consistent with the need of the Secretary and the Council for information and data to carry out their duties, and of the Congress to carry out periodic reviews of the revenue-sharing program. Reports and forms required under this Act shall be kept at an absolute minimum, and in as simplified a form as is practicable.

(2) It shall also be the duty of the Council to prescribe, by rule or regulation, the manner in which computation under sections 4 and 5 shall be made by the Secretary.

(3) It shall also be the duty of the Council to make determinations under section 8 on withholding revenue-sharing payments from cities.

(c) The Council may appoint and fix the compensation of a Director and such other employees as it may find necessary to carry out its duties. Members of the Council while serving away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

WITHHOLDING REVENUE-SHARING PAYMENTS

SEC. 8. Whenever the Council, upon complaint of the Secretary, finds, after reasonable notice and opportunity for hearing to a city, that there is a failure to comply substantially with any undertaking required by section 6, the Council may notify such city that further payments under this Act will be withheld until it is satisfied that there will no longer be any failure to comply. Until the Council informs him that it is so satisfied, the Secretary shall make no further payments to such city under this Act.

JUDICIAL REVIEW

SEC. 9. (a) If any city is dissatisfied with the Council's final action under section 8, such city may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Council. The Council thereupon shall file in the court the record of the proceedings on which it based its action as provided in section 2112 of title 28, United States Code.

(b) The findings of fact by the Council, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Council to take further evidence, and the Council may thereupon make new or modified findings of fact and may modify its previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Council or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

ADMINISTRATION

SEC. 10. (a) There shall be in the Department of the Treasury an Administrator of Revenue Sharing who shall be appointed by the President. The Administrator of Revenue Sharing shall have such duties as may be prescribed by the Secretary.

(b) The Council shall make an annual report to the President and to the Congress with respect to the operation of the revenue-sharing program provided for in this Act.

REVIEW OF REVENUE-SHARING PROGRAM

SEC. 11. It is the intention of the Congress to conduct a full and complete study and review of the revenue-sharing program during the fifth year of its operation with a view to determining the need for revision therein. To assist the Congress in making such a study and review, the President and the Council shall each submit to the Congress a comprehensive report on the program before the end of the fourth fiscal year during which the program is carried on.

DEFINITION OF CITY

SEC. 12. For purposes of this Act, the term "city" means only (1) a city located in a State and having within its boundaries a population of 50,000 or more, or (2) the District of Columbia.

IN HONOR OF A FORMER MEMBER OF THE HOUSE

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 20 minutes.

Mr. FLOOD. Mr. Speaker, in 1961 the Congress of the United States, by unanimous action of the two Houses, officially named the new $20 million toll-free bridge across the Pacific entrance of the Panama Canal as the Thatcher Ferry Bridge, which in 1962 superseded the Thatcher Ferry, both named in honor of Maurice H. Thatcher, former, and sole surviving, member of the Isthmian Canal Commission and civil Governor of the Canal Zone, 1910–13. What are the highlights in his career that justified such signal recognition by the United States at this crossroads of the Americas?

Born on August 15, 1870, he was reared in Butler County, Ky., and educated in public and private schools. After reaching his maturity, he was elected as clerk of the Circuit Court of Butler County, in which office he made an excellent record, and proved himself a young man of promise. Taking up the study of law there, and later in Frankfort, he was licensed to practice in 1898 and started upon a unique career.

Appointed as assistant attorney general of Kentucky soon afterward, he served until 1900, when he moved to Louisville and began the private practice of law. Named in 1901 as the Assistant U.S. district attorney for the western district of Kentucky, he served in that capacity until 1906, when he returned to Louisville and resumed his profession.

From 1908 to 1910, Mr. Thatcher was State inspector and examiner for Kentucky, rendering unprecedented services in that post. He resigned this position to accept an appointment on April 10, 1910, by President Taft as a member of the Isthmian Canal Commission, with specific duties as head of the Department of Civil Administration, at a time when canal construction was at its greatest volume.

In this capacity, he functioned as Governor of the Canal Zone, and represented the Canal Commission in all its relations with the Republic of Panama, and foreign representatives accredited to Panama. Civil administration, which included the functions of State, county and civil government combined, was not as dramatic as sanitary and construction activities. It was, nevertheless, indispensable for the success of the great undertaking of constructing the Panama Canal and better relationships between the United States and Panama.

As a student of Panama Canal history, I long ago learned that Governor Thatcher's canal service was not only distinguished but also that it provided the necessary background of experience for further comparable attainments when he became a Member of the Congress, and after leaving the Congress.

On retiring from his canal post in August 1913, Governor Thatcher returned to Louisville to resume his law practice and continued his public career as a member of the board of public safety and as department counsel for the city.

Elected as a Representative in the Congress from the Louisville district, he was a broadly experienced and capable leader and, after the convening of the 68th Congress on December 3, 1923, was chosen as a member of the House Committee on Appropriations, with assignment to the Subcommittee on Treasury and Post Office, with later added assignment to the Subcommittee on the District of Columbia.

Governor Thatcher did not limit himself to the normal routine of processing annual and supplemental appropriations bills, but became a leader for much long needed legislation for his district and State, the Canal Zone and Isthmus of Panama, and also for the Nation at large.

He was largely instrumental in the obtention of appropriations for the following significant projects:

Transformation of Camp Knox, which, following World War I, was only a summer training site, into Fort Knox, one of the Nation's most important permanent military posts with guardianship of the Nation's gold as an added duty. He and General MacArthur, Chief of Staff, worked together for this result;

Construction of various Federal buildings and hospitals in Kentucky, the latter including the great veterans' hospital at Lexington, Ohio River improvements, and a Coast Guard station at Louisville; publication of braille books for the blind; and

Establishment of foreign and domestic airmail.

Congressman Thatcher was the author of important legislation, as follows:

The establishment, maintenance and operation of the Gorgas Memorial Laboratory in Panama for research in tropical diseases, which has grown to be the outstanding institution of this character in the world;

A toll free ferry across the Panama Canal at the Pacific end and a roadway on the west side of the Canal Zone to join the ferry with the road system of Panama, as links in the Inter-American Highway, officially named as the Thatcher Ferry and Thatcher Highway—the ferry operating for more than 30 years;

The permanent improvement and maintenance of the Lincoln Birthplace Farm in Kentucky, now a national park unit;

The construction of the George Rogers Clark Memorial Bridge across the Ohio River at Louisville under original fiscal legislation leading to a toll-free status, which has since served as a model for financing of other bridges throughout the country;

Creation of the Zachary Taylor National Cemetery and the construction thereon of an impressive mausoleum for the remains of our twelfth President and his wife, and burial sites for our soldiers and sailors; and

The establishment and maintenance of the Mammoth Cave National Park in Kentucky.

In addition, he was also the author of other enactments, including the kidnapping law of the District of Columbia, and an act for the benefit of the forgotten men of the Treasury Department, the storekeeper gagers, whereby they were given continuous employment with attendant benefits, comparable to those of Treasury employees.

In the summer of 1929, he was a member of the three-member commission representing the House at the celebration of the founding of the city of New Bern, N.C.; and, in the fall of that year, at the commemoration of the canalization of the Ohio River.

In 1930, he was appointed by President Hoover as a member of a special mission to present to Venezuela a statue of Henry Clay at Caracas, and participated in the attendant ceremonies.

Representative Thatcher retired from the Congress in 1933 and resumed the practice of law in Washington, D.C. Since then he has performed outstanding service for the advancement of our national parks and parkway systems, and has been especially active in the effort to construct a national parkway from the Great Smoky Mountains to the Natchez Trace Parkway near Nashville via the Mammoth Cave National Park; he organized, in April 1931, the Eastern National Park-to-Park Highway Association, and has been president of that organization ever since.

He has long served as vice president and general counsel of the Gorgas Memorial Institute of Tropical and Preventive Medicine, which supervises the work of the Gorgas Memorial Laboratory. His congressional experience well fitted him to obtain important results in the Congress touching beneficial legislation of the character previously mentioned.

For Governor Thatcher's many services and contributions, all rendered without compensation, he is widely known as a humanitarian and one of the Nation's leading conservationists and as a valuable contributor to the work of international sanitation.

Although long out of the Congress, he has retained his friendship with the few oldtimers here, and has made many new friends with succeeding memberships. I often heard our late distinguished chairman of the Committee on Appropriations, Clarence Cannon of Missouri, voice his respect for Governor Thatcher as being one of the ablest members of Congress that he had known.

It was, therefore, particularly appropriate that the Congress in 1961, by unanimous action of both Houses, and, as previously stated, should name the new bridge at Balboa, C.Z., in his honor. This action, as described by Chairman Cannon, "placed honor where honor is due."

When opportunities permitted, Governor Thatcher, accompanied by his wife, traveled widely and has written extensively on historic, conservation and travelog subjects. He has also found time to write a considerable volume of excellent poetry, much of it in classic, quatrain and sonnet forms, and variously published. As well as any one I know, his life and achievements are an inspiration to the youth of our land, demonstrating that it is possible by ones own efforts to serve the public well and gain a place in history.

As a student and scholar of ability and vision, Governor Thatcher has collected the papers of his career. Along with his library, portraits, albums, press books and valuable souvenirs, they are being deposited in the Scottish Rite Temple in Washington, the famous headquarters of the Rite for perpetual maintenance as the "Thatcher Collection" for the use of researchers and students.

Governor Thatcher's wife was the former Ann Bell Chinn, of Frankfort, Ky. Their marriage occurred at Frankfort on May 4, 1910, 2 days before sailing for Panama. An interesting and gracious personage, she was distinguished in her own right, shared the experiences and gratifications of Governor Thatcher's outstanding career, was a charming hostess, and possessed qualifications that were of great benefit to her husband. She passed away on October 10, 1960.

Mr. Speaker, on August 15, Governor Thatcher will be 99. Though most of the facts that I have enumerated have been commented upon from time to time in the annals of the Congress, in view of this anniversary, repetition is justified.

Young in spirit and mentally alert, and possessing the abundance of genius, he still holds important positions, and continues to perform valuable services of beneficent character. I believe that I reflect the feelings of my colleagues, and of all others who know Governor Thatcher, or are familiar with his career, when I say that our country is fortunate in having had for so long a leader who has accomplished so much of lasting value. I deem it fitting to quote a sonnet written by him in recent years:

YOUTH AND AGE

How may one keep his youth, despite the years?
Or face the East, altho his sun be setting?
Or stay Time's pen, naught aiding or abetting
Its cruel graph which all too soon appears?
How shall dear Hope supplant the doubts and fears;
The sense of loss, the racks of sighing, fretting,
Which aging breasts are constantly begetting?
And what shall staunch the flow of silent tears?
None may reply; but Faith may well suggest
That never does life end, but it begins
With each new hour, whate'ver the Past may be.
The spirit's all-in-all: by it we're blest,
Or cursed; its force, unquenched, the victry wins
O'er Time's advance and Death's dread regency.

RADIOISOTOPES AND THE WOOD INDUSTRIES

The SPEAKER. Under previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 10 minutes.

Mr. STAGGERS. Mr. Speaker, the future of wood products in West Virginia was enlarged and brightened by an occurrence in Hanover, N.J., on July 31, 1969. The occasion was the dedication of the Radiation Machinery Corporation's new headquarters and development center. This new plant is designed to produce radioisotopes, particularly cobalt 60. A similar plant is projected for Hardy County, W. Va., a plant, however, three times as large.

At the Hanover dedication, Dr. Glenn T. Seaborg, Chairman of the U.S. Atomic Energy Commission, discussed the use of radioactive isotopes in industry and in the arts. His address was necessarily somewhat technical in nature, and some simplification might make the explanations he gave more acceptable for general use.

Chemistry asserts that the unit of matter is the atom, but that the atom itself is made of building blocks. The heaviest of these building blocks is the proton, or neutron. Each element contains a normal number of protons in an atom, and this number of protons provides the atomic weight. Hydrogen, for instance, has only one proton, and therefore an atomic weight of one. Oxygen

weighs 16, carbon 12, and so on through the approximately 100 different known elements.

Occasionally an atom may be made up of more than the normal number of protons. A few atoms of hydrogen may contain two protons, or even three. Water made up of two- or three-proton atoms is called "heavy water," and is different from ordinary water. Carbon 14 has two extra protons, and its use in measuring the age of objects found in nature has been publicized for some time.

In consequence of the different number of protons found in an element, the atoms of such elements have different atomic weights. These different weights are called isotopes.

Many isotopes disintegrate in the course of time by casting off one or more of the extra protons. Such isotopes are said to be "radioactive." Radium and other elements are highly radioactive, and throw off not only protons but other building blocks of the atom. The process of throwing off the extra particles of matter is explosive in nature, and this gives us atomic power.

In modern scientific development, man has learned to produce radioactive isotopes of many elements. This is exactly what the plant at Hanover, N.J., will be doing, and likewise the plant in Hardy County, W. Va. Cobalt 60 is an isotope which disintegrates much more slowly than radium. But the energy given off by the disintegration has pronounced effects on various materials.

At the Hanover dedication, Dr. Seaborg explained that:

Wood-plastic material treated by cobalt 60 radiation "yields a solid wood-plastic combination which:

1. Is harder than natural wood by several hundred percent—thus more resistant to blows, scratches, etc.
2. Has much higher compression strength and abrasion resistance.
3. Absorbs water more slowly and therefore provides resistance to warping and swelling.
4. Retains the natural wood grain and color, or can be artificially colored throughout.
5. Can be sawed, drilled, turned and sanded with conventional equipment, giving a hard, beautiful, satin-smooth finish.

The distinct advantage of this new process is that many of the properties of natural wood are improved without sacrificing any of the wood's important characteristics, including aesthetic appeal."

In a word, this means that we can now take the waste products of lumbering, milling, and construction, such as sawdust, waste lengths of lumber, and turn them into a material better than the natural wood. What this may mean to the wood industries of West Virginia can be easily imagined at a time when lumbering prices skyrocket by the day.

The Hanover plant is designed to produce enough cobalt 60 to treat 25 million square feet of flooring per year. It is estimated that within a few years there will be a market demand for 100 million square feet.

The plant to be constructed in Hardy County will help to supply the increased demand. It will cover 100,000 square feet, and will be built on a site of 500 acres. Hardy County was the logical choice for the plant because of the abundance of red oak, a highly desirable wood for radiation treatment.

It is significant that research and development on wood-plastic materials was initiated at West Virginia University in 1962 with a Federal Government grant of just $9,000. The project was under the direction of the Atomic Energy Commission, as were most of the projects involving the production of radioactive isotopes. Up to this time, the Atomic Energy Commission has turned over the job of production and distribution of some 37 different isotopes to private industry. Altogether about 100 different private firms produce such isotopes, and as many as 4,500 firms are licensed to use them. Research and development has been taken as the responsibility of the Federal Government. When a product has been found to have commercial application, it is turned over to private industry. Thus the Government promotes industrial progress and expansion, to the benefit of the total populace.

SUPPLEMENTAL AIR CARRIERS FLYING IN VIOLATION OF REGULATIONS SET DOWN BY CAB

The SPEAKER. Under previous order of the House, the gentleman from Ohio (Mr. HAYS) is recognized for 10 minutes.

Mr. HAYS. Mr. Speaker, you will recall that on the 9th of July I brought to your attention the fact that many so-called supplemental air carriers were flying around this country and around the world in violation of the regulations governing their behavior set down by the CAB.

At that time I urged immediate corrective action by the CAB regulation department charged with keeping these carriers in line and out of the hair of the regularly scheduled air transport companies certificated by the CAB. It has been brought to my attention, Mr. Speaker, that one of these carriers, Standard Airways, has suddenly suspended operation and gone out of business leaving many hundreds of people scattered around the world. The Standard decision to cease operating even affected a group of passengers in Rome who were supposed to be delivered by that carrier to Toronto.

Nevertheless, the Seattle Post-Intelligencer of just a few days ago carried an interesting and illuminating newsstory about the plight of Standard Airways and I include it in the RECORD at this point:

[From the Seattle Post-Intelligencer, Aug. 2, 1969]

CHARTER AIRLINE SHUTS DOWN

Standard Airways, a Seattle-based charter airline, suddenly suspended operations yesterday, stranding some vacationers who had to find other transportation.

The airline operates two Boeing 707s, primarily on domestic charters between large Eastern cities and Las Vegas and Hawaii.

Edward J. Driscoll, president of the national charter airline organization, said he was trying to reschedule at least 20 Standard flights on other carriers.

He said 12 of them had already been handled but he couldn't make any guarantee about the others. Only one flight, a Toronto group in Rome, involved returning passengers.

Robert Fraley, Standard's vice president and legal counsel, would say only that all operations had been suspended with a final flight between Las Vegas and New York early yesterday.

He would not discuss the reason for the shutdown or what might happen next.

Standard moved its headquarters to Seattle from Miami, Fla., in 1966. Despite vigorous leadership, it never seemed to get untracked in the heated competitive world of the supplemental or charter carriers.

Just this May the Civil Aeronautics Board filed a complaint against the company for allegedly dealing with charter groups which were improperly certified.

Earlier the line leased two twin-engine propeller airlines to expand its business to smaller charter groups. Before that its fleet consisted of two Boeing 707s.

The small-group business apparently fell through and the leased planes were returned to their owner.

In a later deal, Standard worked out a reported $8.5 million contract with a San Francisco travel firm which was to supply charter passengers.

The fate of that arrangement hasn't been revealed.

One airline industry observer speculated that Standard isn't actually going out of business but is "regrouping" in order to attract new financial support.

The airline's stock has not been traded on a regular basis recently.

Fraley said the company might have a statement to make next week.

Driscoll, who heads the National Air Carrier Association, said his organization had no legal requirement to take up Standard's unfulfilled flights, some of which are domestic military charters.

He said other supplementals were in the midst of their busy season and might not be able to spare aircraft to rescue Standard passengers.

CONGRATULATIONS TO WASHINGTON WORKSHOPS FOUNDATION

The SPEAKER. Under previous order of the House, the gentleman from Michigan (Mr. GERALD R. FORD) is recognized for 5 minutes.

Mr. GERALD R. FORD. Mr. Speaker, today I would like to extend my congratulations to the Washington Workshops Foundation for the wonderful program which it is offering to this country's secondary school students.

The foundation which is offered in cooperation with Mount Vernon Junior College is a nonprofit educational foundation offering high school youngsters a unique opportunity for specialized summer study in the Nation's Capital.

The participants come from throughout the country to attend the 2-week seminars. Daily morning classes on the legislative process are conducted by graduate instructors. These classes are followed by afternoon visits to Capitol Hill where the group is addressed by various Representatives and Senators. The Congressmen lecture briefly on the politics of the legislative process. These talks are followed by a question and answer session between the participants and the Congressmen.

The Washington Workshops students come from every State in the country and from every social and economic background. A number of students are assisted by title I funds for disadvantaged students under the Elementary and Secondary Education Act of 1965. Some

of this country's larger corporations are underwriting the cost of participation for ghetto area youngsters.

Realizing that there is a need for more and better communication between the leaders and youngsters in this country, the Washington Workshops Foundation is taking meaningful measures to satisfy this need.

GREEK EXPULSION LIST FOR AMERICANS

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, the deteriorating situation inside Greece must concern all of us. While some of those opposed to the present Greek Government are now venting their feelings on Americans, because of their belief this government supports the present dictatorship, that dictatorship has apparently established a proscribed list of Americans.

I must warn every American tourist planning to visit Greece to first contact the Greek Embassy here to see if he or she will be allowed into that nation.

A recent incident, the strange case of Chris Janus, illustrated what may happen to Americans wishing to visit Greece.

Christopher Janus, Jr., and his wife, Nancy, both of Chicago, have been in Tunnis. He is a Peace Corps volunteer, an employee of the U.S. Government, and he plans to extend his term of duty with the Peace Corps.

Mr. Janus, like many other Americans planned a summer vacation, a vacation in Greece. He and his wife flew to Athens, but as they got off the airplane they were met by police and Mr. Janus was held at the airport. Some hours later he was expelled grom Greece.

His case is not a single one, but it illustrates what may happen to any American tourist going to Greece.

I and other Members of Congress asked the State Department what is Greek policy.

The following is the cablegram the State Department has forwarded to me, a report by the U.S. officials in Greece:

Based on explanations given by two different official sources, Christopher Janus, Jr. was refused admission either because of his father's anti-regime activities, or because passport control officers at airport mistook him for his father who has the same name.

Christopher Janus, Sr., a Chicago stockbroker, who has organized numerous tours of Greece, was decorated by the Greek Government once for his services as a U.S. official in aiding Greece to combat communism. Mr. Janus, Sr., has written antijunta articles, published in Chicago papers.

The present Greek dictatorship punished the son for the writings of the father. That government has no more consideration of freedom of the press in the United States than freedom of the press in Greece.

How many others are on the proscribed list? I do not know, although I have asked the State Department to inquire.

I do know this. Look magazine was invited to Greece by the Government at Government expense after it published an article exposing the use of torture by that Government. Look replied it would send a team at its own expense. I was invited by Look to be a member of the team along with James Becket of Amnesty International. The Greek Government withdrew its invitation and said none of us would be welcome. I suppose I am on that list, along with my staff and the staff of Look magazine.

The actions of the Greek dictatorship are those of desperate men. Let me share with you some encouraging and some discouraging signs concerning Greece.

On the 30th of July, 49 other Members of Congress and I joined together in writing Secretary of State William P. Rogers outlining our views on the deteriorating situation in Greece and calling for a tougher U.S. policy toward the dictatorship in Greece.

I am pleased both with the international response to this appeal and to the response from our State Department. William B. Macomber, Jr., Assistant Secretary of State for Congressional Relations, writing in the absence of the Secretary of State, made clear the present situation in Greece when he noted:

On the one hand we see an autocratic government denying basic civic liberties to the citizens of Greece. We think such an internal order does not coincide with the best interests of Greece, whose stability in the long run, we believe depends upon the free play of democratic forces.

The State Department's position was never more clearly outlined, and I will include the full text of the letter at the close of my remarks.

Mr. Macomber did include an "on the other hand," which I believe points out the one flaw in present American policy. He notes the military junta has fulfilled its treaty obligations to NATO. He does not note that the present dictatorship violates the very principles of NATO, the very reason for NATO, the protection of free people through the presentation of governments chosen by the people.

He also fails to note that up to 2,000 U.S. trained Greek officers have been purged and the Greek military forces have accordingly been weakened.

Both the congressional letter and the State Department reply have been widely circulated overseas. A steady stream of mail has poured into my office, much of it in support of our stand against the dictatorship in Greece.

There was one writer, however, an American living in Greece, who said, "Greece is no more ready for democracy than Spain."

I would ask the Greek Government, the Greek people to reply to that kind of opinion.

Our basic political concepts, those on which this Nation was founded, came from Greece. If Greece is not ready for Democracy, then more than 2,000 years of history are a lie.

Sadly, however, time is running out in Greece, at least for the good will once evoked by the United States. Anti-American feeling, feeling coming from the mistaken belief the United States supports the present dictatorship, is rising, witness the recent bombings. Currency is flowing out of Greece, witness the dictatorship's recent action, as reported on the financial pages of Monday's New York Times, in attempting to block that flow. The oppressions of the dictatorship are growing more desperate, witness the recent arrests and tortures.

What should we hope for in Greece?

I do not know that answer, but I can outline the answers of a former high Greek official who visited in my office recently. I outline his views in the hope that their repetition will bring them to the attention of our State Department and to the Pentagon.

He called for three steps:

First. The withdrawal of the junta, hopefully without bloodshed;

Second. The establishment of a coalition government, including all spectrums of Greek political life, except the junta;

Third. National elections to be held as soon as possible, and in no case later than a year from the establishment of the coalition government.

This gentleman also pointed out the proposal, apparently now being circulated in some of our military circles, that the junta can broaden its support by bringing opposition members into its government while retaining its control over key government positions. He made it clear that this proposal will not work. He said there can be no compromise with the junta.

However, these are decisions to be made by the Greek people. The U.S. role is clear. It should disassociate itself from this hated military dictatorship.

The letter referred to follows:

AUGUST 5, 1969.

JOSEPH P. ADDABBO,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ADDABBO: In the absence of the Secretary I am replying to your letter of July 30, also signed by a number of your colleagues, concerning our policy towards Greece. I am sending a copy of this reply to the other Members who signed the letter.

Your letter points up the dilemma we face in determining our policy toward Greece. On the one hand we see an autocratic government denying basic civil liberties to the citizens of Greece. We think such an internal order does not coincide with the best interests of Greece, whose stability in the long run, we believe, depends upon the free play of democratic forces. We have been pressing this viewpoint upon the Greek Government, and our policy on military assistance has been motivated by our desire to see Greece evolve toward representative government.

On the other hand, Greece is a NATO ally which has scrupulously fulfilled its treaty obligations. It is important to our strategic interests in the Mediterranean area and has extended full cooperation in this field.

This, then, is the dilemma—how to deal with an ally with whose internal order we disagree yet who is a loyal NATO partner working closely with the United States in furtherance of the purposes and obligations of the NATO Treaty.

Our policy toward Greece is now under intensive review. As we consider this difficult problem we will keep the suggestions of yourself and your colleagues very much in mind.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary for Congressional Relations.

OFFERING A DROWNING MAN AN ANCHOR—OR—COMMUTER OR SUBWAY TRAINS ANYONE?

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PODELL. Mr. Speaker, this administration has derailed the hopes of millions upon millions of Americans who depend upon subways and commuter trains every day. Rarely, if ever, have I seen an administration more completely misjudge, misunderstand, and misdirect evidence, pleas and reality more than in the case of the gentlemen downtown regarding urgent needs of mass urban transit in our country.

Buses, subways, and railroad trains all over the Nation are creaking, collapsing, and dying financially before our eyes. Our cities are utterly dependent upon mass urban transit for continued survival, much less prosperity. It is absolutely imperative that massive Federal aid be pumped into cities of our land in form of aid to such modes of transportation. Our cry has gone unheard in the White House, for a change.

Cities, in order to make massive, long-range commitments for urban transit construction, require long-term fund guarantees. A trust fund to finance such improvements on a Federal level would have been the best and only really viable alternative. Such a plan has been used for interstate highway construction for years. Secretary of Transportation Volpe enthusiastically supported such a concept. Mayors of so many of our major metropolitan areas—members of both parties—pleaded for Presidential approval of this approach, in vain.

Instead of $10 billion spent over a 5-year span, which is required to meet existing and proven needs, the President offers a $10 billion program over a 12-year period, the appropriation for which may or may not be forthcoming. Totally inadequate. Such expenditures would begin with a paltry $300 million in 1971. Disastrously late. Putting out a three-alarm fire with an eye dropper would be a more sensible exercise.

The plan advocated by so many, from Mr. Volpe and the mayors to so many Members of Congress, including myself, would have funneled some revenue from excise taxes on new autos into the trust fund. Here was guaranteed revenue. Instead, Congress under the President's plan would have to approve any and all appropriations on an annual basis.

Without a new long-range program of Federal aid to improve, expand, and upgrade metropolitan transportation systems of the Nation, our cities elsewhere will wither, choke and die. That is the truth of it. What a horrible catastrophe we face as a result. For death of our cities will mean chaos and destruction of the rest of our Nation. No area will be immune. Such a danger will be faced with ever-increasing imminence by this Nation. All blame is to be laid directly and squarely at the door of this administration for refusing to help avoid a potential disaster almost without comparison.

Our cities are choking on automobiles and their pollution. We are aiming at crossing oceans in 2 hours with an SST. For what? To wait three hours in traffic jams? Why should any city or suburban Congressman support programs which leave the overwhelming majority of our people's problems unattended to? Millions of Americans demand mass transit aid just as they have demanded tax reform. We cannot afford more breakdowns in the traffic of our cities. We are sick unto desperation of more concrete ribbons tearing neighborhoods to pieces in the name of dumping more cars into our cities. We must have mass transit. We must have a trust fund. If the White House will persist in ignoring city needs. Congress cannot follow its example.

The Metropolitan Transit Authority of New York alone will need $2.1 billion over the next 7 years. Chicago's Transit Authority will require $1.5 billion over the next 5 years. This very capital of our Nation is a scandal as far as mass transit is concerned. Depriving this city of a subway for another useless bridge and more destructive roads is a situation more in keeping with some macabre and grotesque Punch and Judy show.

The President, under his plan, proposes to pay one-third of total cost out of Federal funds for urban mass transit. Today, the Federal Government absorbs 90 percent of cost for building highways out of the trust fund. Applying the same Federal rule and share to mass transit brings the concept within reach of localities, encouraging them to choose one over the other. Now they have no choice.

Mr. Speaker, there will come a day, and soon, when cities will grind to a halt and choke. As the Nation contorts in economic, political, and physical agonies, people will ask how and why amidst the carnage. When that time comes, I feel certain that a battalion of articulate voices will ensure that from sea to shining sea the person and administration causing it is given full credit in the minds of all the American people.

So as the dirty, crowded, and late commuter and subway trains continue, and the agonized, uncomfortable American pleads for relief—he can always look up in the sky to note a Presidential helicopter hovering or flying, whatever the case happens to be. Who knows? Someday, every American may have a helicopter.

THE CONSTITUTIONAL OATH OF OFFICE PRESCRIBED FOR THE PRESIDENT OF THE UNITED STATES

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, I am today introducing a joint resolution to amend the U.S. Constitution by adding the words "So Help Me God" to the official oath taken by the President of the United States at his inauguration. The Constitution, in article II, section 1, prescribes the exact wording of the oath of office for the President, and while the taking of an oath in other cases almost necessarily concludes with the words "So Help Me God," the constitutional oath does not use this phrase. The remarkable fact is, however, that every American President has voluntarily added these four words to the oath of office upon being sworn in as President of the United States. Oaths of office for Members of Congress, Cabinet members, and other Federal officials are specified by law and they do include "So Help Me God."

Mr. Speaker, it is understandable but unfortunate that neither the Constitution or its 25 amendments contain any reference to a Supreme Being. Why have we not written the word "God" into the Constitution by amendment? Or, we might ask—how have we had the effrontery to ask His help in actual fact when we deny Him constitutional recognition? Or do some people view the entire question as too petty for consideration? I think it is high time to put our house in order by adding the words "So Help Me God" to the constitutionally prescribed oath of office for the President of the United States.

FORT KNOX STUDENT CREDIT UNION TEACHES FINANCIAL RESPONSIBILITY

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, one of the main reasons, I believe, that personal bankruptcies are at an alltime high in our country and some lenders are able to extract usurious interest rates is the lack of consumer financial training available to the American public.

In too many cases, students graduate from college without knowing how to fill out a check or make a bank deposit and thus they are easy targets for unscrupulous lenders and are often induced to get in over their heads in financial matters.

Financial education is one of the answers to the problem. If we can teach our young people how to save and budget their funds, they will not be so easily lured into financial difficulties when they go out on their own. One of the best institutions to accomplish this education is the credit union and it is my hope that credit unions across the country will begin consumer education programs in connection with our Nation's school systems.

In order to get some experience for this program, a pilot project has been set up at Fort Knox, Ky., using the Fort Knox Federal Credit Union and the Fort Knox Dependent School System. The student credit union will be run entirely by the students. In a few weeks this credit union will hold its first annual meeting and although the credit union has been in operation but a short time, its results have been impressive. Not only are students learning habits of thrift but they are learning all aspects of personal finance that will serve them so well in later life.

The August issue of the Credit Union magazine, the official publication of CUNA International, the worldwide credit union association carries an excellent story about the operations of the Fort Knox student credit union. I am including the article in my remarks and I hope that in the near future the pilot project at Fort Knox will be extended into every school district in the country:

GOLDEN OPPORTUNITY AT FORT KNOX

While many credit unions are striving to bring youth into their existing organizational structure, Kentucky's Fort Knox Federal Credit Union has helped a group of youngsters set up its own credit union.

Owned and operated by students at Fort Knox High School, it functions according to federal credit union regulations and bylaws even though not chartered. The students elect their own officers and committee members, pool their savings to make loans to each other, and maintain their own records.

Fort Knox Federal Credit Union serves more than 1,200 military and civilian government employees at Fort Knox; it's student counterpart serves military dependents attending the army post high school.

Although the Fort Knox Federal Credit Union is sponsoring the student project, the students set their own policies. For example, at the student board's first meeting the directors adopted the following guidelines:

Once a member, always a member;

Minimum deposit requirement for opening an account is $1; minimum for subsequent deposits is 25 cents;

Date of the monthly board meeting is the third Wednesday of each month;

Date of the annual membership meeting is August of each year;

Interest on loans is 1 per cent a month on the unpaid balance;

Signature loan limit is $30 with a maximum term of six months;

Secured loan limit is $500 with a maximum term of 18 months.

The credit committee appointed a loan officer, granting him authority to approve signature loan requests up to $10.

Although the Fort Konx First Student Credit Union uses the same forms and supplies as its sponsor—membership cards, deposit slips, withdrawal slips, and so forth—the students did design their own loan application. The federal credit union's was used as a guide, but the new one is geared to student use.

The program is actually a pilot project, conceived by Rep. Wright Patman (D-Tex.) to remedy the lack of "consumer education, particularly in the area of handling money," in the school systems. "Because of this, students, even on the college level, know little about handling money and are financially naive." the Congressman said.

To set up the program, Rep. Patman sought the assistance of the Fort Knox Federal Credit Union and school system. As a result credit union manager Robert Schaffner and superintendent of Schools Herschel Roberts drew up the proposal. It called for a minimum of 20 students to manage the student credit union: board of directors, seven; credit committee, five; supervisory committee, three; and education committee, five.

"The objective of this program is educational in nature," manager Schaffner said. "All of the students involved will reap the benefits of a deeper insight into a portion of the economic and monetary system of our nation. They'll participate in the democratic processes of an open and free election of officers by the members. They'll exercise the right of free expression during annual meetings. And through their participation they'll generate income that will be returned to the student owners."

When Schaffner met with the student body in March he explained the proposal and the reasons for it, and also outlined the history, organization and operations of a credit union. "This is a new bag," he told the youngsters. "It's never been tried in any other high school, and it's all yours. You organize it; you plan it; you sustain it; and you maintain it."

The students picked up the challenge when 133 of them—representing a quarter of the school's 550 students—turned out for the organizational meeting on April 14, 1969. The attendance was so overwhelming that the meeting eventually had to be recessed until April 16. That day 206 showed up—37 per cent of the student body—and the elections were concluded.

The first board of directors of the Fort Knox First Student Credit Union consists of Ron Karpinsky, persident; David Dayton, vice-president; Jo Kelly, secretary; John Marchese, treasurer; Laura Rawlings, membership officer; and Jennifer Kimball and Reed Kimbrough, directors.

Among its initial actions, the new board had set May 15 as the deadline for charter memberships in the credit union. But by May 14, the new credit union had only 17 members. The next day, however, was a busy one for treasurer Marchese. By the time he closed up shop, membership had swelled to 143. "Every single one of them had waited until the last minute," Marchese said amazedly.

"A lot of seniors were reluctant to join," Marchese continued, "because they knew they were leaving within a month after the credit union was being started." Still, 15 seniors did sign up and three of them were elected to the board.

A month and a half later—on June 30—membership was 141 with total assets of $2,231. Four loans totaling $429 had been granted, with $54 repaid. The first two loans were to pay expenses for going to the high school prom; the third loan was to buy a mini-bike; the fourth for a Honda.

The response of the students to the credit union project reinforced the faith of Sgt. Major Leo C. Pike, president of the Fort Knox Federal Credit Union and a member of the school board.

"This is a most worthwhile experiment," Sgt. Pike said. "Young people today know how to spend money, but they don't know how to manage money. This is an opportunity for them to learn."

The credit union was available to the students on Tuesday and Thursday mornings during the school year. Marchese would set up office in the school building at 7:30 a.m.—25 minutes before classes began. After-school hours had proved unproductive because 90 per cent of the students rely on school buses to get home. Although there is a late bus, students remaining that long are usually involved in other extracurricular activities.

During the summer, Marchese and William Raker, high school mathematics teacher and coordinator of the student credit union program, are working at the Fort Knox Federal Credit Union office as fulltime employees.

Raker is the link between the school board, the student credit union and the Fort Knox Federal Credit Union. His assignment for the summer is twofold:

"I'm learning the inner workings of this credit union and credit unions in general so I can guide the students in the operation of their credit union. And I write the letters and prepare the brochures to keep interest in the student credit union alive during the summer."

Early indications are that he's succeeding admirably.

A June mailing to all members to encourage savings drew $1,020.91 in just seven days.

"Some adventures just seem to be destined for noticeable success from the word 'go,'" Raker said. "And if you'll permit us to laud ourselves just a little, then I'll say that we believe that the Fort Knox First Student Credit Union is just such an undertaking."

With Marchese in the federal credit union office during the summer, students are able to transact business Monday through Friday from 9 a.m. until 3:30 p.m. Meanwhile, he's also "learning all I can about how credit union work is done. I'm in everything at the credit union, working with all (17) permanent employees there."

As a representative of the federal credit union during the school year and a paid employee in the summertime, Marchese is covered under CUNA International's 576 Blanket Bond. He's the only student who handles any money, and all funds are deposited in the federal credit union.

"We have all student accounts under separate control in our credit union," explained Guy W. Berry, assistant manager of Fort Knox Federal Credit Union. "Student accounts are designated with an S prefix, and we keep track of the number of members, shares and loans. We can run a trial balance for them anytime."

Students may make cash withdrawals up to $3. Withdrawals above that amount and loans are drawn on checks issued by the federal credit union to facilitate bookkeeping.

"Our student officers maintain all of the records required under law," Raker explained. "All the necessary paper work and accounting, though, is handled by the facilities and personnel of the Fort Knox Federal Credit Union. This is virtually a necessity, for we do not have the time, the equipment, or the personnel for keeping complete and up-to-date records as are necessary."

The actual contributions of the federal credit union to its student counterpart include handling the details of bookkeeping; providing facilities for holding monthly board and annual membership meetings; permitting student officials to observe their officials while transacting business affairs; printing literature and forms, paying the loan protection and life savings insurance premiums; and furnishing prize money for contest awards and door prizes at the annual meeting.

Total cost of the program to the federal credit union so far has been about $250, plus the time spent by Schaffner and his staff in preparing and implementing the program. An additional $200 will be spent this month on the student credit union's first annual meeting. Door prizes will account for about $150, refreshments the rest.

Holding the annual meeting in August is one of the group's few deviations from federal credit union regulations. The youngsters decided on the summer month so seniors can also serve on the board and committees. If it were held in the first three months of the year, seniors could only serve those few months until graduation.

Guest speaker at the annual meeting will be Major General James W. Sutherland, commanding general of Fort Knox.

In return for the few hundred dollars invested so far, the people of Fort Knox Federal Credit Union are gaining the challenging experience of working with young people and the satisfaction of doing an important job well.

"These people have demonstrated a unique desire to learn how to manage their own financial destiny," Schaffner said. "If we can accomplish one thing, the education of young people in the area of money management, all our time will have been extremely well spent."

Pointing to the important role of credit unions in this area, Schaffner explained that "the young people of today are the adults and leaders of the future, of our nation and our business enterprises. If credit unions are to continue to expand and become a major force within the structure of our economy, young people must be trained to assume positions of responsibility within our credit unions. What better time to commence this training than *now*?"

Once the credit union is convinced of the importance of such an undertaking, it's easy to involve the students, Schaffner explained. Young people want to become involved in worthwhile causes.

"With the exception of satisfying the need for a strong and abiding faith, what better cause could young people become involved in

than improving the economic welfare of their fellow man?"

The student credit union has the full backing of not only the federal credit union but the post commanding general, the school board, the superintendent of schools, and the high school faculty.

In fact, when five high school teachers expressed an interest in joining the student credit union, the board—at the suggestion of Schaffner—made associate memberships (without vote or voice in the affairs of the credit union) available to teachers and staff personnel of Fort Knox High School.

The superintendent of schools, Herschel Roberts, is also a charter member of the 19-year-old federal credit union and has strong feelings about the worth and possible effects of this program.

"From the school's standpoint," Roberts said, "this program is a good way for high school girls and boys to learn the economics of credit, savings, and everyday economic transactions that they'll be confronted with the rest of their lives. It's impossible to teach this as a course in high school and reach as many students as this can. The potential is tremendous."

Ron Karpinsky, president of the student credit union, couldn't agree more with the superintendent. "I've been president of the student council," he said, "but this is the biggest challenge I've ever had, working with other students to manage and invest their money."

Karpinsky was graduated from the high school this spring and will leave office after the annual membership meeting this month. But he gained more than just a quick course in money management from his experience with the Fort Knox First Student Credit Union.

"The leadership thing is going to help me," said the outgoing president, who is on his way to the University of Kentucky under a four-year ROTC (Reserve Officer Training Corps) scholarship. "My position here on the board is a leadership position and leadership is what ROTC is looking for."

Although the program is presently limited to students of the senior high school, "We envision a time in the future when student credit union privileges may be extended into the junior high level," William Raker explained.

Rep. Patman envisioned an even greater extension of this type of service to students. In telling his fellow Congressmen on the floor of the House of Representatives about the Fort Knox program, he explained that "one of the best ways to educate our school children in the important area of personal finances is through the help of the more than 23,000 credit unions throughout the country. . . . It has always been stated by leading educators that the best way to learn something is by actually doing it. Thus, the best way students can learn how to handle finances is for them to actually engage in financial transactions."

The Congressman expressed the hope that as a result of the Fort Knox program there will be "credit unions in every school in the United States, hopefully working through the teachers' and school employees' credit unions in the various school districts of our nation."

THE NATIONAL LIVING INCOME PROGRAM

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, I am happy to join with my colleagues, the gentleman from Michigan (Mr. CONYERS) and the gentleman from Ohio (Mr. WHALEN) in introducing today a bill to establish a national living income plan.

At a press conference this morning, Messrs. CONYERS, WHALEN, and I, issued a joint statement on the proposal as follows:

THE NATIONAL LIVING INCOME PROGRAM

[Statement by Congressman JOHN CONYERS, JR., CHARLES W. WHALEN, JR., and JONATHAN B. BINGHAM]

During the past several years, the approach of Federal, State and Local Governments to welfare programs has been a patchwork quilt of policies weak in coordination and efficiency. With the best of intentions, those in command have seen their efforts become little more than a holding action against a flood of difficulties which will not end.

In a time of economic inflation, our cities have become bankrupt and lack the resources to resolve this national problem. In this crisis of welfare lies a challenge to the Federal Government. That challenge is, simply, to provide the direction and strength to create for each American the best conditions in which to live and develop and to become a fully contributing member of our society. The existing welfare programs have not succeeded. Poverty continues as an abject sore with little prospect for improvement under the present approach.

To provide a basic framework so that the Congress can study more critically the possible direction the Federal Government should take legislatively, we are introducing today a bill titled "A National Living Income Program." The outline of this measure was drafted several months ago by the Yale Law Journal under the direction of Professor James Tobin, the noted economist. We hope that this proposal might serve as the basis—the beginning point—of exhaustive Congressional discussions of what can be done to come to grips with the grievous blight of poverty.

The NLIP is similar to the proposal announced by President Nixon last week in that it represents a radical departure from the present welfare system, particularly the aid to dependent children program, which clearly has become totally unsatisfactory.

Our plan, like President Nixon's, contains built-in incentives for work and also, like the President's, provides for supplemental allowances, where needed, to an employed head of a family.

However, the legislation we are introducing differs sharply from the President's proposal in the following respects:

1. The minimum allowances take into consideration the realities of what it costs to live today and therefore are substantially more generous. The basic allowance proposed for a family of four is $3,200, or twice the President's figure of $1,600 annually.

2. Our plan provides for regional cost-of-living differentials, which the President's plan does not.

3. Our plan provides that the Federal Government match, on a 50–50 basis, supplementary allowances which individual states may decide to institute.

4. The President's plan appears to be limited to families with children; our plan covers individuals, childless couples and couples with grown children.

5. Unlike the President's proposal, our legislation attempts to cope with some of the difficult interpretive questions which will arise, including the definition of family units, the computation of income (including such items as home grown food), the handling of savings or other capital, and the like. It also specifies certain procedural safeguards.

An obvious question is that of cost. A precise estimate of the over-all expense is extremely difficult. The President's plan envisioned expenditures of approximately $4 billion for a program which is quite limited. Yet that figure is probably on the low side. Our proposal seeks to identify what a realistic program would have to encompass, if it is to have any impact, one that is comprehensive in its scope and that responds to society's real needs. On this basis, the entire program could approach $20 billion annually, if fully implemented. We state this in all candor in recognition of the magnitude of the problem as it actually is, not as some would like to believe it is.

We recognize that the goal of a comprehensive and adequate program cannot be achieved overnight. The President's plan indicates this difficulty and, worthy as it is, his proposal represents only a first step in the direction of what needs to be done.

This legislation is being offered as a vehicle for the development of an effective and realistic program that will attack the problem directly.

It also reemphasizes dramatically the need for sharp reductions in military spending, particularly in relation to the war in Vietnam, if we are to be able to cope adequately with our problems at home.

Mr. Speaker, since coming to Congress, it has become increasingly clear to me that the present welfare system in America, especially the aid-to-dependent-children program, was in drastic need of revision. I studied a number of alternate proposals, including family allowances and guaranteed minimum income proposals, such as that introduced in bill form some time ago by my colleague, the gentleman from New York (Mr. RYAN) and came to the conclusion that the most promising approach was that known as the negative income tax. In particular, I read with keen interest an article entitled "Is a Negative Income Tax Practical?" in the Yale Law Journal by James Tobin, Joseph Pechman, and Peter Mieszkowski. A detailed legislative proposal based on the ideas expressd in that article was prepared by the editors of the Yale Law Journal and was entered in the RECORD last March by the gentleman from Michigan (Mr. CONYERS) for study and comment. The bill we are introducing today is based on the Yale Law Journal's proposal but the title of the program has been changed to "The National Living Income Plan."

The details of the proposal, along with some comments and suggestions for additional study, are summarized in the following staff memorandum prepared by Arnold P. Lutzker, who holds a Robert F. Kennedy memorial fellowship in my office for this summer:

SUMMARY REPORT ON THE NATIONAL LIVING INCOME ACT

The need for the Federal Government to reorganize the effort to assist the poor of America has now become manifest. What direction this new leadership should take is still an open question, but one of the most promising and progressive suggestions is to establish a National Living Income Act. Under this proposal, the machinery of the Treasury Department would be mobilized to catalogue the resources of those who are to receive benefits and the Department would be authorized to guarantee every American family an income it can live on.

One model statute has been drafted by the Yale Law Journal based on an article by Profs. James Tobin, Joseph Pechman, and Peter Mieszkowski. Today, Representatives Jonathan B. Bingham, John Conyers, Jr., and Charles W. Whalen Jr., introduce it as the National Living Income Act of 1969. This report is a summary of that bill, together with some suggestions for further study.

I. POLICY DECLARATION FOR THE NATIONAL LIVING INCOME ACT

Sections 1 and 2: The statement of policy declares that every citizen has a right to receive a guarantee income he can live on. This is a complement to the 1946 Full Employment Act when the Federal Government stated that a job for every citizen was a national goal, and a complete expression of the desire to win the War on Poverty. In broad terms, the plan calls for a flat grant to be given family units, rather than assistance with mandated budget guidelines. Behind the flat grant approach is the belief that family needs are neither uniform nor regular. Without flexibility in spending its money, a family cannot meet emergencies as they arise. The bill tries to recognize the needs of low income citizens while maintaining the dignity of the individual participants. But a flat grant approach cannot guarantee that the money will be used most reasonably. Therefore, there will be need, to maintain programs designed, for example, to insure that children do not go hungry or neglected. It would be desirable to offer budget planning assistance to families wishing such aid.

II. INCOME SUPPLEMENT

The basic component of the proposal is the government payment or income supplement.

Election

Section 3: The proposal creates a voluntary, rather than automatic system which a family can join by filing an application. (See § 8a) The bill also permits a family to elect the mode and time of payment. It can select either an annual grant or semimonthly payments.

Family unit income supplement

Section 4: The proposal allots a supplement which will vary with the size of a family—$1200 for the first claimant, $800 for the second claimant and $600 for each dependent. This departs somewhat from Tobin's plan which further reduces the allowance per dependent as the size of the unit increases.. The reduction is designed to create a disincentive for having large families and to add a measure of equity to the system, since shoppers can economize when they buy in greater quantities. To adopt Tobin's scale would require some modification of the Yale figures for dependents, such as reducing the allowance for every other dependent $100. This approach is arbitrary, however, and may not reflect the lowest net income desirable for a single person.

Inequities arising from variations in the size of the family unit and regional and yearly consumer price changes are covered by the proposal. If a claimant or dependent is in the family for less than a year, he receives a short period allowance. Further, as the cost of living is not uniform in the United States, the bill permits regional and yearly adjustments. The procedure requires the Bureau of Labor Statistics to maintain a low income Consumer's Price Index which will enable the payments to reflect needs of particular areas. The plan also utilizes the Bureau's statistics to prepare a minimum adequate standard of living for low income families.

The bill envisages a breakdown of budgets into different family situations based on several factors—family size; regional needs; urban, urbanized or rural areas. The variety of the statistical components add complexity to the administration of the plan and the preparation of guidelines. Even if budgets are devised for just urban, urbanized and rural needs of each state, that would be 150 sets of figures. Further refinements would make computation more difficult. However, without these various listings, the disbursement of the supplement would become either inequitable for many claimants or too expensive for the government.

Further, many agencies and organizations currently prepare such statistics. Therefore, if a common standard can be found, it may be possible utilize such evaluations and simplify research procedures significantly.

Optional State supplementation

Section 5: This section provides incentive for states to coordinate their welfare programs with the national effort while meeting the needs for local variance. Simply, it permits states to increase the allowance by sharing costs with the Federal Government. The optional clause would require states to pay into the Federal Treasury the amount they wish to supplement the Federal allotment. One incentive to such payment is that the Government matches the funds. By using Federal machinery, the states can save on the administrative costs of public assistance. However, the plan offers no flexibility on who may receive the additional state allotment. Anyone living in the state for more than 15 days is eligible and receives a proportionade share. Whether this technical equity is most desirable should bear scrutiny. It may be, for example, that the state supplement would accomplish more in urban areas than rural or for the elderly than the young. The residency requirement is described as an administrative tool to make compiling the rolls less difficult. Whether or not it would pass the constitutional test recently established by the Court is a matter for further study.

III. THE SPECIAL TAX

Section 6: Many of the present state welfare programs reduce assistance by an amount equal to earnings. This effectively places the highest tax on the poorest citizens. The Yale plan adopts a different approach—the allowance is reduced by 50% of a claimant's income. The operational effect of this "tax" is to encourage work by permitting a family's gross income to be increased by their own labor, rather than setting a defined income level which a family cannot rise above without going off welfare. Under the tax, there is no actual transfer of funds from the recipient to the government, but rather a paper reduction of the supplement.

What the "tax" should be is a matter for further study; theoretically, the lower the tax the greater the work incentive. Current studies by OEO and HEW are evaluating the effect of welfare proposals like the National Living Income Plan on work incentives and should shed light on this issue. In the main, present welfare receipients are not employable, being young children, mothers, disabled or elderly persons. Work incentives for these people will not have a significant effect. However, as the NLIP system will reach a larger section of the nation, depending on the budget projections, the incentive for work should be stressed. One suggestion by Tobin not incorporated in the plan draws a distinction in the tax on income of those classified as "employable" and those as "unemployable." For the former, a "presumed" income would reduce their supplement, but a lower tax would make it more profitable for them to work. At the very least, there would be some penalty if they did not seek employment.

The 50% rate means, by Yale's computation, that the program will cost approximately $27 billion. Reports of substantial savings on other social welfare projects are viewed exaggerated. Many of the current Federal and State programs will be retained or slowly phased out but the net returns should not come close to $27 billion.

The following is a table summarizing the proposed effects of the supplement and the tax on a family of four with varying income:

EFFECTS OF PROPOSED NATIONAL LIVING INCOME PLAN FOR FAMILY OF 4

(a) Before tax family income	(b) Positive tax liability	(c) Negative liability tax (0.50)-(a minus 2b)	(d) Total tax liability (b plus c)	(e) basic income supplement	(f) Net Government transfer (e minus d)	(g) Net NIT transfer (e minus c)	(h) After tax family income (a plus f)
0	0	0	0	$3,200	$3,200	$3,200	$3,200
$1,000	0	$500	$500	3,200	2,700	2,700	3,700
$3,000	$4	1,496	1,500	3,200	1,700	1,704	4,700
$6,000	450	2,550	3,000	3,200	200,	650	6,200
$6,400	511	2,689	3,200	3,200	0	511	6,400
$7,000	603	2,897	3,500	3,200	−300	303	6,700
$7,916	758	3,200	3,958	3,200	−758	0	7,158

Supplement period

Section 7: The Yale plan calls for a general supplement period—the taxable year under § 441(b) of the Internal Revenue Code (1954). Also, it creates a short period of less than 12 months to meet more current changes in circumstances, such as unanticipated periods of unemployment or a new member in the family. This second accounting period, however, is not designed to assist families who poorly manage their budget. With these two approaches, the program effectively covers the families whose long range planning places them within the system and those whose short term situation leave them in need of assistance.

IV. ANNUAL AND SEMIMONTHLY PAYMENTS

Section 8: The plan is somewhat ambiguous on what form the filing application should take. It refers to "sufficient information for an accurate appraisal of the family unit's rights and obligations under this act." Tobin suggests a postcard form requiring information on family composition, expected income for the year, income in the prior quarter and net worth. The Yale form would require at least that information, as it has adopted the concept of net worth. This latter category complicates the application. As will be discussed later, there is a need for some sophistication in accounting and estimation of resources to reflect "net worth."

Under the plan, a family may select its payments procedure, i.e. receive the funds either in a lump sum once a year or in semimonthly amounts. It seems more reasonable to stress or encourage the semimonthly payments rather than the annual, as it provides an institutionalized budget. Indeed, although annual payments may make for easier bookkeeping, they do not make much sense except in cases of very low allotments. In any event, the application would have an election of payments items with some notation elsewhere on the advantage of semimonthly payments for large allowances.

Any form which permits the claimant to estimate his income for the year may be criticized as encouraging inaccuracies in reporting. A standard IRS procedure is to check 5% of the returns for inconsistencies, and the bill adopts that for the National Living Income Plan. Tobin views the self-reporting as desirable, despite potential underestimation of income. First, it removes the onus of demeaning detailed checks on claimants common to the present system. Second, even if initial estimates of income are too low, the higher payments can serve as a form of credit for low income families. While the government should not take over the credit business, such added money will help meet the need of the poor for added ready cash and the books can be balanced at year's end where errors are discovered. (One other

point to note is that studies suggest that the poor are just as honest in reporting their income as the median and high income taxpayers.)

To keep a check on variations in income, the proposal further requires quarterly reports on available income. But as administration becomes increasingly more complex, individual cooperation may suffer. There is a need to balance the efficiency of the program, i.e. determining the changing resources of the claimant and modifying payments with those changes, with the burden on the participants. Problems with administration and psychology may make it desirable to limit the procedural requirements of implementing the National Living Income Plan.

Nevertheless, there is a need to adjust allowances to highly variable incomes as are common in seasonable occupations and high risk undertakings. (Yale bill uses fluctuation of 10% or greater as basis.) There can be injected an incentive for prudent control of money by adopting an accounting procedure of estimating income over a period of years (e.g. three) rather than for a single year. Thus, income variations over a period of years (for example $7000 in '67, $2000 in '68 and $1000 in '69) or within one year (such as $4000 from Jan. to June, $100 from July to Dec.) may call for special treatment. It may be better to try and isolate such jobs and provide special accounting for claimants so employed, than to require everyone in the National Living Income Plan to file several reports a year.

V. FAMILY UNIT DEFINED

Section 9: IRS operates on individual tax returns and the proposed National Living Income Program employs the family as its basic unit. Therefore, the Treasury Dept. may have to make certain adjustments, but the procedural changes are necessary because of the advantage of a family unit system. As the theory behind the plan is to assure a living income to every person, it is more efficient and reasonable to utilize the family structure. The family can pool its resources and budget its expenses over a larger unit, thus saving on the cost of living. The reduction in allowance per person as the size of claimant's family increases is one reflection of this savings.

This reduction per person raises the problem of "splitting" families, i.e. married couples separating in order to collect added benefits or dependents leaving home to get more money. There are two checks against splitting in the bill. First, the plan prohibits an individual from filing alone when he is part of a larger unit—spouses must join unless they have been deserted, children under 21 can't file except if they are married or over 18 and out of school and not supported by their parents. Second, the incentive to split is limited by the gain that can be realized in the allowance schedule. The Bureau of Labor Statistics estimates that a single individual needs 70% of the allotment for a married couple (with no children). Under the plan, two persons would receive $2000, but one claimant would be given $1200 rather than $1400. It is believed that the realized gain will not be worth the bother of separation. It must be appreciated, however, that the basis of this check is a lower allowance for a single individual. The prudence of this suggestion must be reviewed as to the actual incentive for splitting and the cost of alternatives.

The bill also considers informal family arrangements of separation, cohabitation and support. Where couples have not maintained a common residence for 30 days and they affirm their belief their separation will be indefinite, they may file individual returns. Further, when a man and woman are domiciled together with at least one child of their own, they may file as a family. Finally, if adults are supporting someone who lives with them as dependents, they may receive an allowance, even though they owe no legal duty to that dependent.

VI. INCOME

Central to the National Living Income Plan is an appraisal of the usable income of the claimants. The bill suggests three standards—available income, imputed income and capital utilization income.

Determination of available income of persons

Section 10 and 11: The proposal isolates twenty-four sources of income. It includes many items not presently included in the IRS gross income standard such as tax-exempt interest, scholarships and fellowships and all dividends.

The extent to which pensions, transfer payments and public assistance should be included in the available income depends on the integration of the National Living Income Plan with other policies. Tobin suggests the following distinctions: where the payment is made as a deferred compensation, such as unemployment compensation, then it should be included. If the income is based on need, for example food stamp benefits, then it should be viewed as supplemental to the National Living Income Plan and not included as income. Job pensions and strike benefits are included in the plan, as they are deferred payments. Gifts in excess of $50 are also included, but transfers from those in the same family unit are not. (Since the family's resources are pooled, such gifts have no effect on the unit's allowance.) Also, private charity gifts are excluded. It is argued that since these charities assist the needy, it would be inconsistent with the program to tax such benefits.

As to government transfer payments and public assistance, the proposal attempts to integrate Tobin's guideline. Cash benefits under unemployment compensation, Old Age Survivors and Disability Insurance and Health Insurance for the Aged plans are includable income. Excluded are payments made under the following programs: Old Age Assistance and Medical Assistance for the Aged, Aid and Services to Needy Families with Children, Aid to the permanently and totally disabled, Medical Assistance Programs, as well as money from any government program where financial need is an essential prerequisite of the award.

A major difficulty with the program which must be ironed out in committee is its indecisive position on present welfare programs. Operationally, the NLI program takes these into account in the following manner: the income supplement is to be paid out prior to estimating the financial needs of the poor for other state programs. The supplemental will, in most cases, eliminate the need for the claimant to receive any further assistance under current aid plans—ADC, Aid to the Blind, Aid to the Permanently Disabled and Old Age Assistance. There will be instances, however, where the income supplement is less than the current allocation. In such cases, the present programs would provide money on top of the income supplement.

However, maintaining the old bureaucratic framework with the new system is costly, inefficient and undesirable. The old grievances and troubles would continue, if just in minature. Therefore, an alternative is for Congress to determine what programs should be eliminated as duplicating the NLI program, revised as still valuable but modified by the NLI program or retained as complementary to it. Yet, as long as the new plan leaves any citizen in a less advantageous position, the Congress would be wise to evaluate how the Government should best cope with the inequities springing from the change. Also, a way must be devised to maintain the counseling and advising services presently performed by state welfare agencies.

Deductions from income are permitted. Major items stressed are business and child care expenses as under I.R.C., as well as commuting costs over $10 per month. The original Yale bill has been modified to permit deduction for casualty losses. Its omission was viewed as a serious mistake because such losses can substantially affect a family's resources and needs. Deduction for medical expenses indicates the belief that Federal medical assistance must be continued after adoption of the NLI program. No system of income maintenance will succeed without a comprehensive medical program which prevents doctor bills from eating away the funds of the poor.

Finally, other deductions—support payments, alimony, gifts, pension plan payments—are made to aid accounting consistency, as the benefits of such payments are included in income computation.

Imputed income

Section 12: This section attempts to account for the current resources of a claimant. The main items here are the value of owner-occupied homes and home grown food. The 5% basis for imputed value is suggested by Tobin (and used by the plan). This is viewed as a reasonable estimate of the income value of personal assets. Excluding this category could introduce inequities into the National Living Income Plan. A ghetto family with $1000 income is in a more difficult financial position than a rural one with the same income but which grows its own food. The exemption of $1500 for each claimant and $500 for dependant is added to simplify processing. The advantage in using this income measure, from the standpoint of equity is clear and compelling. However, once again, it complicates participation for the claimant and the administration of the program. Alternatively, the bill could have a higher exemption rate or could limit very severly the items to be considered as part of imputed income.

Capital utilization income

Section 13: The plan takes into account for income purposes 30% of the net wealth of the claimants beyond exemptions of $5000 per claimant and $3000 per dependent. Behind this section is the theory that the National Living Income Plan is designed to assist those who lack the resources to provide for themselves. Any family which prefers to invest its resources in capital sources may do so, but should not benefit disproportionately from that decision.

Basis

Section 14: The plan adopts the basis for property of the IRC with two modifications to adjust to the sections in the NLI proposal relating to income evaluation.

Valuation

Section 15: As a result of the sections on imputed income and capital utilization, a current valuation of resources is necessary. The plan establishes a procedure whereby each year a family's resources would be reappraised according to Treasury Department guidelines. Once again, this requirement complicates the work of the administration as well as placing a substantial burden on the claimants. The Yale Law Journal anticipates a less critical problem as it expects exemptions to eliminate many from making the annual re-evaluation. The most complex cases will be those with owner-occupied homes, small business and farms. Property held with others will be valued on a proportional basis and holdings subject to contingencies will be estimated as if the conditions were favorable, unless the contingencies are real and substantial, beyond the claimant's control and with no benefits flowing to other family members on failure of the enterprise. Under the latter conditions, the property value is computed as zero.

Methods of accounting

Section 16: The procedures for accounting are those regularly used by the IRS under § 446 of the Internal Revenue Code.

Claims against supplement payments prohibited

Section 17: The bill prohibits assignment or attachment of the allowance in order to assure that the funds go directly into the hands of the claimants. Although it would be easier to buy on credit if the allotment were assignable, the full effect of the National Living Income Plan will be to raise the credit rating of the poor by giving them adequate funds for making purchases. (The one exception to this prohibition is claims by the Government for overpaying on previous supplements which may come out of future payments.)

VII. PROCEDURAL

Records and returns

Section 18: The proposal envisions claimants maintaining records to provide information for filing and requests from the Treasury Dept.

Procedural rights and review

Section 19: A necessary concomitant to an effective National Living Income Plan is established procedural machinery for handling personal complaints within the bounds of due process and without unreasonable delay or confusion. The bill projects three sources for review: (1) A review board created by the Secretary of the Treasury, (2) An appeals board, (3) The civil courts. It also guarantees that legal and incidental expenses will be provided claimants so that a challenge does not become financially impossible.

Several other novel, but necessary steps are incorporated in the plan. First, claimants may see their own files. In the past, welfare recipients have been denied such access. Second, public review of policy is facilitated by permitting organizations comprised of 50 or more claimants to participate in hearings. Third, a complaint board to review charges of misfeasance by Treasury employees is proposed. Fourth, a random sample of 5% of the forms will be analyzed to serve as a check on fraud. This is standard IRS procedure in present income tax policy and current studies have disclosed no reason for employing a more rigorous check on the poor than on the more wealthy taxpayers.

Application of income supplement laws

Section 20: To oversee the National Living Income Plan, the bill proposes the creation of a new commission within the Treasury Dept. The Bureau of Income Maintenance. It would be responsible for running the program and dispensing the allowances. A new bureau is considered more desirable than IRS, according to the Review, because of IRS' bias toward "collecting" rather than "distributing" money. HEW was ruled out because its own general bureaucratic jungle certainly does not need another massive administrative agency. Furthermore, the Bureau would not be saddled with the stigma of old welfare policies and would hopefully forge a new direction with new confidence on anti-poverty work.

PROPERTY TAXES—ANOTHER BURDEN

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SAYLOR. Mr. Speaker, we have just completed work on the most comprehensive tax reform bill since the last Republican administration, and although the proposals passed by the House will not satisfy the desires of every Member, they have put us on the right track for even more extensive reforms in the future. In the past few months, we have been rightly concerned with the burden of Federal income taxes but we should not forget that those taxes are only part of the burden carried by the American taxpayer.

In a recent edition of the New Bethlehem, Pa., Leader Vindicator, Editor Leroy Tabler reminds us that the American property owner is shouldering another heavy tax burden in the form of real estate taxes. The article points out that income taxes are "fairer" if the dozens of loopholes and special provisions are plugged. Perhaps if we manage to get all the Federal income tax loopholes plugged, the States and localities can begin to ease up on the amount of revenue they must take from the public in the form of property taxes.

Mr. Tabler's article is an eminently fair and reasoned approach to the subject of property taxes and I include it here in order that our colleagues may have the benefit of its message:

HOMEOWNER PENALIZED BY TAX POLICIES

(By Leroy Tabler)

Assuring you right off the bat that I am not a member of the Clarion County Taxpayer League, The Armstrong County Taxpayer League, or even the National Committee on Tax Justice (you didn't know that existed, did you?), I have decided to create a little tax flak from this small corner of the U.S.A. about taxes.

Somewhere along about third grade I became aware—and this awareness has increased over the years—that a society such as ours must have taxes. It would be quite impossible to eliminate them—despite what some people, supposedly in complete sincerity and with supposedly good mental faculties will tell you.

The concern over taxes, therefore, is not that taxes can be eliminated. The major interest—and the taxpayer groups offer a collective voice for saying this—is that the taxpayer gets a full dollar's value for a dollar investment.

In Clarion County, there have been ruffled feathers in the last few weeks about a supposed proposal from certain sources that there be a complete reassessment of real estate throughout the county. No such complete task has been completed in more than 10 years. But the idea scares the britches off some countians who maintain that their britches are about all that remain after we pay all of our taxes today.

It has been estimated that the "average" American works something like 16 weeks a year just to pay his taxes of all varieties, from personal income tax to sales tax to per capita tax and possibly including syntax. Not all people, or even nearly all, know what syntax is, but they figure with "tax" attached, it must be bad, and they reason that "syn" is actually "sin" mispelled.

The business in reassesing properties is something that may well shake a few people. Say what we might about today's property tax levies, the thoughts of possibly paying more make each owner thank his stars . . . Things could be worse, he rightfully reasons, and he doesn't want any modern-day Zaccheus climbing down from his sic-'em-more tree with a still-larger tax pouch affixed to his legal arm.

What many taxpayers don't realize until the deed has been done is that there is a method by which additional taxes can be raised without increasing the millage.

For instance, if the assessed valuation to market value is increased, the net result is more tax monies. The State Tax Equalization Board, which governs and observes the assessed valuation to market value business, reported recently that Clarion County "is considerably below the state average" in the percentage. The average percentage of assessed valuation to market value for Clarion County stood at 28.0 percent as compared with the statewide average of 42.3 percent.

The result if Clarion County assessed-to-market-value percentage were increased is that each real property owner would pay considerably more on the same millage he now has. But it's no secret that this section of the state is anything but a rapidly growing industrial area, and the value and demands for properties are not as great as in many areas. The state, and especially the Legislature and the Department of Public Instruction, when making new mandates on school districts, apparently assume that the ability to pay is the same in rural Clarion, Armstrong or Jefferson counties as in wealthy Camp Hill, Penn Hills or suburban Philadelphia.

What bothers me—in fact, the practice seems unjustifiable—is that so much tax burden is placed upon private property owners, while those who possess neither the desire nor supposed means to own a home get away comparatively light.

The result in the property taxation is that a person who wants to establish his roots by buying or building a home, and who has the desire and pride to constantly improve his home and therefore his neighborhood, is penalized for this initiative.

While the homeowner is being penalized thusly, someone else, possibly with far more income and assets than the homeowner, has far more pin money because he doesn't have to face the annual property assessments.

Invest your money in intangible or fleeting things—pleasure, parties, drink, etc.—and escape much of the tax grip. A person who invests in a $5,000 automobile pays the initial taxes, yet someone who takes the same amount of money and invests it in a home addition is penalized forever. The ever-increasing emphasis upon taxing real estate is doing much to discourage home ownership.

In my opinion, and I may be wrong, the tax emphasis should be placed upon income, and not upon what a person does until that income. Morally and legally it should not concern any level of government whether a man invests his money in his home or whether he chooses to rent and blow his money on pleasures, high-priced automobiles or anything else.

As much as we all kick about personal income taxes, such taxes—if the dozens of loopholes and special provisions were plugged—appears to be by far a more fair and equitable system than real estate taxes, especially on private homes which do not produce any further income for the owners. Money-making real estate and property, however, are in a different tax category than the private home.

One study I saw recently showed that an income tax, if it is to be equitable, must be a graduated one—or else the lower income persons will actually be paying a greater proportion of their income. Based upon some "averages" and accurate estimates, the study showed that the family earning under $3,000 annually averages 34 percent of its income for all taxes, while the family earning $25,000 and over each year averages 28 percent of its income for taxes.

It's foolish and impractical, even impossible, to eliminate taxes. But the nation which has proven it has the brainpower to place a man on the moon should have the brainpower to balance the tax load and quit punishing the small and giving tax "breaks" to the big—those who need such breaks the least.

NATURAL RESOURCES CONTINUE LOW BUDGET PRIORITY

(Mr. DINGELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DINGELL. Mr. Speaker, the August 1, 1969 issue of the Outdoor News Bulletin, the publication of the Wildlife Management Institute, carries an item headlined, "Natural Resources Continue Low Budget Priority." So that my colleagues will be assured of an opportunity to read this excellent analysis of budgeting for natural resources, I insert the text of the article at this point in the CONGRESSIONAL RECORD:

NATURAL RESOURCES CONTINUE LOW BUDGET PRIORITY

The House Appropriations Committee's report on the new fiscal year funds for the Department of the Interior and Related Agencies illustrates the contradictions that are causing less and less emphasis to be given national resources and conservation programs, according to the Wildlife Management Institute.

The Committee expresses concern in its report that the "Federal Government is not placing as great emphasis on the conservation and development of our natural resources as the situation warrants." The committee voiced its "earnest hope . . . that those in the Executive Department responsible for our natural resources will seriously analyze our position now and what it might be within the next 20 years and do everything possible in the development of our renewable resources and the conservation of our depletable resources."

That said, the committee whacked more than $28 million out of the department's skin-tight budget request for the new year. Leading loser in the battle of words was the Bureau of Land Management with more than $10 million. The Bureau of Outdoor Recreation took a slash of nearly $800,000, not including the appropriation of only $124 million, and not $200 million as provided by law, from the Land and Water Conservation Fund. The Bureau of Sport Fisheries and Wildlife received $570,000 more than requested, but $600,000 was earmarked for the National Fishery Center and Aquarium. The Bureau's emergency wetlands acquisition account was cut to $5 million from $7.5 million. The National Park Service was given $475,000 less than requested. The U.S. Forest Service received $6.9 million more than requested, but its appropriation could fall short of 1969 funds by $9.7 million.

Tight-money years, such as those now nagging at the Federal Government, have a way of taking more out of the hide of resources programs than other activities. When fiscal conditions ease, resources programs get more money, but the inescapable fact is that natural resources, which are the backbone of this nation's wealth and position, traditionally receive only tablescraps in the budgeting process. As a nation, we are overdrawing our resources capital.

Charts in the budget-in-brief booklet of sources in the lowest category of federal outlays by function in the new fiscal year. Resources are the furthest from the life-sustaining federal money spigot. In the new year only $1.891 billion (1 percent) of the total federal budget outlay will be invested in water resources and power, land management, recreation, fish and wildlife, minerals, and general resource surveys. National defense claims budget support of $81.5 billion, nearly 42 percent to total expenditures. Space and research technology, a lusty youngster, claims $3.9 billion (2 percent); agriculture and agricultural resources $5.1 billion (2.7 percent); and interest on the public debt will be $15.9 billion (8 percent).

The fact is that the Federal Government is ill prepared to analyze and assign priorities to natural resources programs. Congress relies on the estimates of the executive agencies, but the agencies in turn are squarely under the thumb of economists and analysts in the Bureau of the Budget. BOB holds no public hearings. It operates behind closed doors, out of the public eye, and its word is close to law.

Agencies must justify budget requests to the BOB, and it decides how much the President will request from Congress. Allocations appear to be based more on economics than on need. Few resources programs yield firm estimates of hard-dollar returns as a result of investment, so the programs come up on the light end of budget requests. How can the investment of the authorized $1 billion in federal grants to municipalities for construction of sewage treatment facilities, for example, be analyzed as to returns to national well-being? It cannot, and that helps explain why only $214 million is requested for the new year.

The final frustration in the budgetary process is the repeated admission of members of the Senate and House Appropriations Committees—some of the most influential men in government—that Congress has no way to force the Bureau of the Budget to spend money appropriated for a resources program if BOB decides against it, BOB simply impounds the money. Perhaps the basic difficulty in the whole process is that federal funds outlays are eyed as expenditures. None are regarded as investments.

GUN CONTROL

(Mr. DINGELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DINGELL. Mr. Speaker, the Committee for Effective Crime Control, a Minnesota organization headquartered in Minneapolis, has sent me a copy of its statement on the Firearms Control Act of 1968. So that my colleagues may be aware of the views of the Committee for Effective Crime Control on this matter, I insert the text of the committee's statement at this point in the CONGRESSIONAL RECORD.

STATEMENT OF THE COMMITTEE FOR EFFECTIVE CRIME CONTROL ON THE GUN CONTROL ACT OF 1968

A gravely concerned public which was insufficiently informed impelled its legislators to the enactment of the Gun Control Act of 1968. Legislation hastily enacted on a wave of emotion has seldom served best the public and this law is no exception. The members of Congress seem to have sincerely intended and believed that the act would be used to control crime. Assurances were given that the inconvenience to legitimate users of firearms would be minimal.

Administration of the act has belied those assurances. In interpreting the act, the Treasury Department has chosen to go beyond the intent of Congress and let the courts determine the maximum limits of the law. This administrative expendiency has been accomplished at the expense of the honest citizen, upon whom the onerous provisions of the act have fallen. It has been only through costly proceedings that some of the more repressive interpretations have been ameliorated. Collectors, in the meantime, have been harassed by over-zealous federal agents who have made private interpretations which caused the destruction of valuable collectors' items—items now interpreted to be entirely within the law.

Dealers were formerly allowed to temporarily transfer their licensed places of business to the locations of gun shows. This practice has been eliminated to the detriment of honest citizens, not criminals.

Purchasers of ammunition are forced to register and go through a considerable amount of paperwork every time they make a purchase. Such a provision does not fight crime—it enrages voters.

The retail mail-order firearms trade should have been regulated; instead the Congress overreacted and regulated it out of existence. The overwhelming majority of all mail-order sales were legitimate. They allowed sportsmen and collectors the benefit of comparative pricing on a national market and the availability of hard-to-get items. It is becoming increasingly apparent that this provision is economic legislation, not crime control.

Were it not bad enough that honest citizens have borne the brunt of the law, criminals have not been adequately dealt with. The Congress amended the 1968 act to water down mandatory penalties for conviction of a felony committed with the use of a firearm. Prosecution of criminals has been apathetic and ineffectual. In Minneapolis, for example, federal officials have refused to prosecute all but one of several recently convicted felons who had firearms in their possession despite specific local police requests for them to do so. This is a mockery of justice.

We call upon the Congress to either repeal the entire Gun Control Act of 1968 or revise it substantially to treat honest citizens in an equitable manner.

Our organization, composed of groups of veterans, collectors, policemen, and sportsmen, believes that legislation should be directed against the criminal use of firearms, not their legitimate use by honest citizens. We believe that the Congress would receive substantial support from groups such as we represent were it to seek passage of properly directed legislation.

POLICE COURTESY TO AFFIRM "GOOD GUY" IMAGE

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, in these days of rampant crime, disorder, and unrest, we must rely more and more on law-enforcement officers to preserve domestic peace and maintain public trust.

J. Edgar Hoover, the highly respected and competent Director of the Federal Bureau of Investigation spells out the need for courtesy by police officers in the current FBI Law Enforcement Bulletin for August. Mr. Hoover's message follows:

MESSAGE FROM THE DIRECTOR

Emerson once stated that "Life is not so short but that there is always time for courtesy." This truism expresses a principle which should be a common virtue among all present-day law enforcement officers.

The enforcement of the law in our country today is not an easy task. Certainly, law enforcement is subjected to more abuse and criticism than ever before. Some citizens not only verbally attack policemen, but they also physically assault them without provocation. While such unwarranted action cannot be condoned, the law enforcement officer should not let hostile public reaction affect the manner in which he performs his duty.

One of the complaints law enforcement officials hear repeatedly is that the personal contact between the public and officers on the streets is decreasing. No doubt this is

true, but police officials have valid explanations for the decline. Some of the factors involved include the rapid increase of population, the continuing growth of areas to be policed, the lack of manpower, and the obvious advantage of direct, constant communication with motorized patrolmen. Thus, in adopting procedures and changes to meet its obligations in the fight against crime, law enforcement has, out of necessity, but with reluctance, lost some of its valuable personal relationship with the individual citizen. This is why it is so vitally important that every officer be courteous and considerate in the contacts that he does make.

Objectionable traits of one member of a police department can be a serious liability to all members. Arrogance and condescension have no place in law enforcement. If an officer is to uphold the ethics of his profession, he cannot let personal feelings or prejudices influence his actions. As a policeman, he is given to a public trust, and the public has every right to expect him to serve all citizens alike, with integrity and honor. After all, the good will and assistance of the public are his most valuable assets.

Departments seeking means to improve their public image should check their courtesy ratings. Courtesy is basic to good public relations. While it may be in danger of becoming a lost art in some segments of our complex society, courtesy must be an ingrained habit of every law enforcement officer. He should always have "time for courtesy."

HON. MARTIN McKNEALLY ADDRESSES NEW YORK STATE AMERICAN LEGION

(Mr. KING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KING. Mr. Speaker, many of us have known the Honorable MARTIN MCKNEALLY for many years and have sung his praises long before he came to Congress. Last fall the people of the 27th Congressional District of New York once more exhibiting their sound judgment, elected him to join our ranks. For years the district had been ably represented by the Honorable Catherine St. George who will long be remembered in the heart's of all of us who knew her. I know we will find in MARTIN MCKNEALLY a person eminently qualified to take her place as a Republican Member of the House of Representatives.

Congressman MCKNEALLY served in the military service during World War II, entering as a private in the Army and being discharged as a major. Recognizing his ability as a leader, the American Legion chose him as their national commander in 1959 to 1960. Recently, the Congressman had the privilege of addressing the New York State American Legion convention at Niagara Falls and spoke on the subject of the anti-ballistic-missile defense system. I am pleased to have this opportunity of calling Congressman MCKNEALLY's speech to the attention of my colleagues.

In recognizing the fact that the ABM could serve as an insurance policy against the devastation which would be the result of an accidental launch of an enemy missile, I believe he has again demonstrated his proper concern for the safety of his country.

I am pleased to include Representative MCKNEALLY's remarks in the RECORD at this point:

SPEECH BEFORE AMERICAN LEGION DEPARTMENT CONVENTION, NIAGARA FALLS, N.Y., JULY 19, 1969

My fellow Legionnaires, I am delighted to be here and pay my respect to your District Commander, Mike Kogutek, who is and has been rallying the forces of the American Legion during this past year, and at the same time, rallying the forces of our great state of New York. I am pleased also to pay my small tribute to our distinguished Adjutant who has been over all the years my close and unchanging and loyal friend. And I hope I have also been his.

I am delighted to be here with so many of my old friends today and flattered to be once again a speaker at the New York Department Convention. Two years ago, I spoke to you on the subject of law and order and its indispensible place in an organized and ordered society. I have not been persuaded in the interim that law and order are bad words. There is a theory today that law and order represents a repression of legitimate human aspirations and results in protecting some at the expense of others. This simply is not so. I said to you then and I say to you now, in the words of Theodore Roosevelt, "no man is above the law, and no man is below it." Unless the law is equally applied, no man will or should respect it.

It is good to be in Niagara Falls. It is a welcoming home vastly superior to that Tower of Babel on the banks of the Potomac. I am, I must say, a bit disturbed that the mighty pounding of the American Falls has been reduced to a mere trickle. I am sure that the U.S. Geological Survey has reason to be concerned with the five feet per year recession of the Falls. But I, for one, am inclined to believe that the Falls should have been left open. After all, opportunity knocks—as the Falls moves westward, it won't be long until we have our own Northwest Passage. Lord knows, this could prove to be the quickest way to Seattle—no one in his right mind counts on airplanes.

Each year that I have spoken to this annual convention, it has seemed that our Nation has been confronted with fateful and fearful issues. This year is no different. We are looking down the long road of a continuing and indecisive war in Viet Nam, no matter what the outcome of the present negotiations. Our campuses have been set aflame, our cities are a shambles, drug traffic and its use flourishes among our youth. Pornography, that is, the sale of materials both written and pictorial which seek to pander to man's basest parts, and to equalize him with, or more to the point, abase him below the beast of the field.

All of man's prurience, all of his weaknesses, all of his immoralities, have been loosed by disrespect for law, disrespect for property, disrespect for society, disrespect for his Country, and, most of all, disrespect for man himself.

There ARE elemental currents which make or break the fate of nations.

There IS a moral purpose in the universe. There are forces which affect the vitality and the soul of a people and they will control its destiny. Deny to a Nation as blessed as our own its moral purpose, and you bring it down in ruins around you.

In his poem, "The Waste Land," T. S. Eliot wrote:

"Come in under this red rock
"And I will show you something different
"From either your shadow at morning striding behind you
"Or your shadow at evening rising to greet you,
"I will show fear in a handful of dust.
"The 'handful of dust' is man."

The passage presents an accurate commentary on the human condition—man being frail, subject to fits of temperament, and often the victim of excessive pride and greed, is now, and has always been capable of doing great evil. Surely this observation is most valid when extended to the international level where history reveals the avaricious ambition of one nation to subjugate another nation, the result being war, and the loss of countless lives. We as a Nation have always sought the way of peace which often has demanded that we bear arms and resist the imperialistic designs of an aggressor. We have learned that the way of peace demands that we remain strong. It is precisely for this reason that I have chosen to support the proposed deployment of an ABM missile defense system.

In recent months, it has become increasingly apparent that the Soviets are on the verge of gaining strategic parity with the United States. During the last four years, they have begun the construction of more than 1,000 ICBM launchers, they have deployed an ABM system around the cities of Leningrad and Moscow, they have continued development of an orbital bombardment system, and they have reached the capability of producing one nuclear attack submarine per month.

It is estimated that in the late 70s, the Soviets could have another 100 SS–9 missiles, a total of perhaps 600, with as many as 1800 warheads. How can one deny that this would pose a formidable threat to our 1000 Minutemen? And then there are the Red Chinese who have not displayed a terribly friendly posture toward the United States, to say the least. One need only look a few years into the future to the day when they will be capable of delivering a nuclear warhead by means of an intercontinental ballistic missile. It seems to me that our own deployment of an ABM system is a most reasonable manner in which to prepare for these unpleasant events.

Yet, I am bewildered by those critics who argue that a missile defense system is not needed. They claim that a sufficient amount of our retaliatory force could survive an all-out nuclear attack and that this alone is enough to dissuade any possible aggressor. However, this claim does not deserve support in light of the substantial evidence to the contrary, namely, that at least 95% of our Minuteman missile force would be destroyed if they were left undefended in the event of an attack.

The need for an ABM system is justified in terms of the number of lives it might save in certain possible wars in the 70s. In his message presented to the Senate Committee on Armed Services, Dr. Donald G. Brennan of the Hudson Institute referred to Robert McNamara's 1968 posture statement which included estimates of American fatalities in such situations. It was estimated that 120 million American lives would be lost if no significant missile defense system were deployed in the United States. However, the statistics showed that an ABM system, comparable in cost to the one presently under consideration, "could reduce expectable fatalities to between ten and forty million persons, depending on the level of defense and the details of the war." I might add that these revealing figures were published by a man who, while he was Secretary of Defense, was an opponent of a missile defense system. Those critics of the need for ABM are ironically refuted by one of their own.

It is contended that so complicated a system, made up of radar, missiles, and computers will not work. Competent authority speaks otherwise. Wouldn't you like to see the smile on the enemy's face if we, who built vehicles that streak to the moon, decided to expose ourselves because we can't construct sophisticated defensive equipment.

There are many other strategic reasons why I feel compelled to support the proposed deployment. I am persuaded by the arguments of such eminent experts as Herman Kahn, Director of the Hudson Institute, Albert Wahlstetter, of the University of Chicago, and Eugene Wigner, the Nobel Laureate who emphasize the effectiveness of an ABM system against the form of limited

attack that the Red Chinese or another small nation might be able to initiate in the future. These men conclude, and I agree, that ABM could serve as an insurance policy against the devastation which would be the result of an accidental launch of an enemy missile. I also believe that the cost of ABM is relatively small in light of the fact that "the average annual cost of the completed program, on a five-year basis, is less than one-fifth of what we were spending for active defense against bombers at the end of the 1950s." To those critics of the cost of a missile defense system, I can only reiterate the former Secretary of State, Dean Acheson's warning that those in the Congress should not use the attendant issues, such as opposition to the war in Viet Nam, *"as an excuse to tamper with defense and foreign policies which rise from external necessities and are vital to the national existence."* I am very much in favor of cutting costs where there is a proven inefficiency, or the possibility of waste, but I am very much against such action if it might result in a greater expense in terms of human beings.

The strategic reasons for the deployment of ABM are convincing, but they are of less importance than how the proposed program could very well contribute to the cause of peace. It is absolutely preposterous for one to suggest that United States would ever initiate a nuclear war. Our position has always been that of the defender of the sacred principles of "life, liberty and the pursuit of happiness." In this position, our Government has contracted a responsibility, first and foremost, to our people and second, to our allies. Therefore, we must remain strong; and if a missile defense system will insure our strength, then we must have it. Prime Minister Trudeau of Canada, whose country borders the place whereon we stand, in reply to a request to have President Nixon move ABM bases away from the Canadian border, displayed a confidence in our role as a strong defender of peace. He said, on March 18th of this year . . .

"I do not want to argue the Canadian case if it means a little more protection for us and, therefore, less protection for the peace and future of the world."

I might add that would we not be betraying our people and our allies, if in an international crisis we must succumb to "Nuclear blackmail" and back down because the Soviets had an ABM system and we did not? Our past experience warns us that such a situation is a real possibility.

Moreover, the decision to deploy a missile defense system cannot be considered provocative of an escalation in the "balance of terror." The Soviets do not consider it provocative. At a press conference in London on February 9th, 1967, Premier Kosygin said, "I believe that defensive systems, which prevent attack, are not the cause of the arms race but constitute a factor preventing the death of people." He knows it. Why don't some of our experts who are critics. I would also like to mention that Dr. Brennan notes that after it was announced in September 1967 that we would deploy the Sentinel antiballistic missile system, "the United States came under attack from several of our allies and neutral friends . . . who complained that the American deployment decision would be bad for the incipient non-proliferation treaty and only heighten the arms race. There was one country that came to our assistance in that contest and it was not an ally, holding that the decision would not harm the prospects for the non-proliferation treaty: that country was the Soviet Union."

In view of the facts, I must regard the deployment of ABM as not jeopardizing the possibility of a meaningful arms limitation agreement which could be the first step toward a stable world. But until that ultimate dream becomes a reality, we as a country must be as the bald eagle on our national emblem: we must fix our gaze upon the right hand which bears the olive branch of peace and equally keep watch on the hand which grasps the weapons of war.

The quest for peace as the quest for brotherhood has been the central desire of all peoples since God revealed His law on Mt. Sinai. Our country has been cast the role of the leader in this eternal quest. There are many voices raised in many ways and all crying for peace. The United States will not achieve peace abroad until we find the formula for peace at home. Indeed we must have the will to find the formula for peace at home. We must seek that quality of strength, of character and determination which has always seen our Country through wars and crises; has made it the greatest and most successful nation in the history of mankind.

Fellow Legionnaires: This can be done; this must be done—if we are to regain the respect of peoples everywhere, if we are to fulfill our national purpose, if we are to win the gratitude of posterity and the blessings of God. It can be done if Legionnaires and their neighbors will hearken to those rules of life which are so easily identified and neatly summed up in the line in the American Legion preamble in the line which reads "to foster and perpetuate a one hundred percent Americanism." What's so wrong with patriotism? What's so wrong with Americanism? What's so wrong with love of country? We have been faltering as a nation ever since we began to jeer at it.

Let me tell you a little story.

Forty-two years ago, Charles Lindbergh made his pioneer flight to Paris. The fact that he was hailed as no other man was everyone knows. But, there is one incident that occurred in Paris worth thinking about. After the throngs which greeted him and Lindbergh had gone to bed and things had calmed down, a mob formed in the street in front of the American Embassy. They demonstrated until the Ambassador came out and they demanded that he bring out the American Flag. They wanted to cheer it.

That was just forty-two years ago.

I leave it to you to discover what went wrong.

THE 1970 WHEAT PROGRAM

(Mr. MIZE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIZE. Mr. Speaker, Secretary of Agriculture Clifford Hardin announced the 1970 wheat program yesterday afternoon. The long-awaited program includes some welcome adjustments to reflect current trends in wheat marketing—wheat marketing certificates will be paid on 48 percent of the 1970 crop, up from 43 percent this year.

Farmers will be permitted to divert up to 50 percent of their allotment at the maximum payment rate of 50 percent of county loan rates. Farmers also will be permitted to substitute the planting of feed grains for wheat or wheat for feed grains in any combination. This element will promote maximum flexibility in planning and planting.

In order to promote competitive pricing of wheat for livestock feed use and increased exports, the national average price support loan level will remain at $1.25 per bushel. We had hoped for a better loan price, but the Department has concluded that a higher level would reduce overall consumption of wheat—perhaps drastically.

Finally, the July 1 carryover of 811 million bushels necessitated some reduction in the national wheat allotment. After considerable disagreements between Bureau of the Budget experts and USDA representatives, the compromise figure of 12-percent reduction in acreage was adopted. Drastic as the 12-percent figure is, it must be considered somewhat of a victory for the Department of Agriculture. Many powerful forces were calling for a 16-percent reduction—or worse.

Why is it—in a hungry world—that the United States must cut back on its production of wheat, the staff of life? What conditions have eliminated all other options?

FOOD FOR PEACE IN DECLINE

U.S. exports of wheat under the provisions of Public Law 480 have declined. These sales were down by nearly 140 million bushels in the 1968–69 marketing year—representing 64 percent of the drop in overall exports from the year before. This decline does not reflect an indifference to hunger. It does not reflect an American policy decision to callously ignore the suffering of those in need of food. It does reflect the first effects of the so-called green revolution.

New strains of wheat and rice developed for tropical agriculture in Mexico and the Philippines have spread rapidly in the past 2 or 3 years. These "miracle" crops have the capacity to make the less developed nations self-sufficient in food in a very few years; indeed, they have already made a substantial impact. Mexico, chronically a food-deficient nation, is now a strong exporter of wheat. Pakistan will be self-sufficient within 5 years, and may well offer modest amounts of wheat for export to bolster the Pakistani balance of payments. India has had excellent success with the dwarf wheat, as has Turkey, Israel, and other semitropical countries.

The true situation is best summarized in a July 1969, publication from the USDA entitled "The Impact of New Grain Varieties in Asia." Under the subtitle, "The Outlook for World Supply and Demand," this paragraph appears:

Several recent studies suggest that production of food grains in some countries considered in this report may increase at a rate of 4 to 6% a year. On the other hand, it is unlikely that effective economic demand for grain in any of these countries will increase faster than 4 percent a year (less than 3 percent for population growth and perhaps 1 percent from rising per capita income), unless the livestock industry can be developed fast enough to use substantial amounts for feed. Countries now importing grain may use increased domestic production to replace imports. As a percentage of total consumption, imports of grain in most less developed countries are relatively small. Thus, the growth of production at a faster rate than demand could soon eliminate the need for imports. It seems possible that the less developed countries of Asia can generally become self-sufficient in grain before many years, although imports may continue to supply some large

coastal cities. Turkey and the Philippines are nearly self-sufficient in food grains. Both Pakistan and India plan to be self-sufficient within a few years.

As far as exports are concerned, one fact has emerged: The hope for a strong wheat export market must lie with building cash markets in nations with rapidly rising per capita income—and thus rapidly rising demands for diversity in food. Japan is an excellent example of such a nation, where the United States enjoys a $1 billion market for its agricultural products.

The developed nations of Europe also provide a strong export market—this outlet must be expanded as rapidly as practicable.

THE IGA FALLS SHORT OF EXPECTATIONS

Not only have our exports under Public Law 480 declined, but our commercial sales have also suffered. Most observers blame the International Grains Arrangement for this decline in U.S. wheat sales, but in truth the real villian is worldwide overproduction.

Canada has a 1 billion bushel surplus. Australia has a 300 million bushel surplus. The European community has a surplus. The major wheat exporting nations are struggling for shrinking markets with ever increasing oversupply at home.

The IGA, negotiated at a time of relative wheat scarcity, has proved ineffective in maintaining the world price minimums. The EEC has adopted a policy of selling at almost any price to offset a $14.3 billion internal subsidy for farmers. The Australians, after doubling their wheat acreage in the past 5 years, are scraping for new markets. Canadian farmers are outraged at their government's inability to move wheat abroad—largely a result of the evaporating Red Chinese market.

In a recent statement on the House floor, I congratulated Secretary Hardin and Assistant Secretary Clarence Palmby for their forthright efforts to make U.S. wheat more competitive in Europe, and for their efforts to avoid a worldwide price war that no one can win. These efforts continue, in spite of the reluctance of the Europeans to cooperate at all.

Secretary Hardin has traveled to promote trade, recently returning from Japan with some hope that increased sales of soybeans and beef can be promoted in that country.

Responsible critics of the IGA have suggested that the entire arrangement will have to be renegotiated before the United States can be assured of maintaining its traditional proportion of the world wheat market. Should efforts of the administration to regain our position fail, I will support such a renegotiation. In the meantime, reason and moderate economic pressure seems the more prudent course. The world wheat market is a powder keg, the price wars must be avoided through deliberate, delicate, and diplomatic initiatives.

U.S. ALLOTMENT CUT IS GOOD-FAITH RESPONSE

The 12-percent allotment cut by the United States for the 1970 crop is a good-faith response to the overburdened wheat situation. American farmers must again tighten their belts, as they suffer the third consecutive allotment cut in as many years. The Congress and the administration cannot fail to observe the positive efforts made by U.S. agriculture to keep supply balanced with demand.

Within a few weeks, the Secretary of Agriculture will propose his farm program recommendations to the Congress. Since the Food and Agriculture Act of 1965 expires with the 1970 crop year, it will be up to the Congress to approve programs which will protect the interests of the farmer, as he continues to adjust to the rapidly changing conditions of world food demand. Without support from the Congress—our farmer, caught in a cost-price squeeze—will never survive the adjustments.

Americans spend less of their disposable income for food than any other people. Thus, the auto industry, homebuilding, appliances, and all the other industries benefit from the efficiency of the farmer. Not only agribusiness, but all exceptional industries have a vital interest maintaining his viability and strength in the 1970's.

Mr. Speaker, under leave to extend my remarks at this point in the RECORD, I insert the USDA announcement of the 1970 wheat program, as follows:

THE 1970 WHEAT PROGRAM ANNOUNCED BY SECRETARY HARDIN

Secretary of Agriculture Clifford M. Hardin today announced a 1970 wheat program aimed at strengthening the U.S. position in world markets and at continuing the effort to bring wheat production into line with needs.

The 1970 program has five important features:

1. The national average price-support loan level will be $1.25 per bushel. Unchanged from recent years, this level is being maintained in an effort to achieve maximum utilization of wheat through increased exports and continued large livestock feed use.

2. A diversion program at the maximum payment rate of 50 percent of county loan rates is aimed at avoiding production of 80 to 90 million bushels of unneeded wheat. This feature will allow producers to tailor their plantings by diverting up to one-half of their acreage allotments while maintaining incomes through diversion payments.

3. The national wheat acreage allotment of 45.5 million acres is designed to reduce stocks and reverse the three-year upward trend in carryover levels. This is a 12-percent reduction from the 1969 national allotment of 51.6 million acres. State by State wheat acreage allotments follow in this release.

4. Wheat marketing certificates will be paid on 48 percent of the projected production on the alloted acres of participating producers. For 1969, certificates at a record $1.52 per bushel are being paid on 43 percent of projected production. They are adding more than $800 million to the farm value of wheat. Payments per bushel reflecting the difference between wheat parity on July 1, 1970, and the average loan rate announced today will be as high or higher for the 1970 crop.

5. The option under which a producer can substitute the planting of wheat for feed grains or feed grains for wheat in any combination will be available. This increases farm efficiency by providing producers the flexibility of adjusting acreages to field sizes and of producing the more suitable crop for their particular operations.

In announcing the 1970 program, Secretary Hardin said, "There are areas of hopefulness for improved world wheat trade. Following recent sessions of the major exporters, we are moving toward recognition of our determination to maintain the U.S. share of world wheat trade. However, 1968–69 marketing year is the third consecutive one for reduced international trade, putting severe pressures on the world wheat industry. With surpluses piling up in the world's major exporting nations as a result of large crops in recent years, the U.S. cannot go on producing an excessive quantity of wheat which would only lead to larger and larger acquisition and storage costs. The wheat allotment announced today meets this problem squarely."

"Our carryover on July 1 this year was around 800 million bushels. In view of the 1969 U.S. crop prospects and the world wheat over-supply situation, it is likely there will be an additional buildup of U.S. stocks by July 1, 1970.

The 1970 allotment is aimed at securing a modest reduction of our national carryover. The 1970 program is expected to produce about 1,200 million bushels of wheat," the Secretary said.

Other features of the 1970 wheat program will be much the same as those for the 1969 crop.

Farmers signing up in the voluntary program can qualify for price-support loans, domestic marketing certificates, payments for diverting acreage below their allotments, and alternative cropping options. If a farmer signs up in both the wheat and feed grain programs, one option can be substitution between wheat and feed grain acres. Another option is the overplanting of allotment acreages by one-half, with wheat from excess acres to be placed in secured storage until such time at it can be subsequently used because of underplanting or crop underproduction.

Whether barley will be included in the feed grain program in 1970 will be detemined and announced later. However, required diversion for barley as a condition of substitution, under any circumstance, will be identical to the qualifying minimum range diversion required for feed grain program participation.

Small allotment farms with 1970 allotments 19.2 acres or less will be able to divert the entire allotment for payment. Payment will depend on diverted acreage being put to conserving or other specified use.

Substitution of wheat acreage for oats and rye acreage will be possible if a grower so requests and has a history of production of these crops in 1959–60. Required diversion from oats and rye will also be the same as that required under the 1970 feed grain program.

A farmer can become a 1970 wheat program cooperator in exactly the same way as in the 1969 program. He will need to sign up in the program; remain within his allotment (unless overplanting or substitution options are used); devote to conserving use an acreage equal to 30.3 percent of his 1970 allotment (the approximate difference between the 1968 and 1970 allotments), as well as the acreage diverted for payment, and the acreage represented as normal conserving base. He needs also to remain within his acreage allotment for any other allotment crops on the farm, and within the permitted wheat acreage on any other farm in which he holds an interest.

Payments would be subject to any limitations that might be required by Congress in the Department of Agriculture appropriations.

The State by State allotments follow:

THE 1970 STATE WHEAT ALLOTMENTS (WITH 1969 COMPARISONS)

State	Acreage allotments 1970	1969
Alabama	54,953	62,337
Arizona	34,570	39,207
Arkansas	118,333	134,203
California	324,230	367,716
Colorado	2,064,208	2,337,893
Connecticut	280	317
Delaware	22,829	25,944
Florida	14,936	16,935
Georgia	109,147	123,776
Idaho	954,373	1,081,842
Illinois	1,429,548	1,622,392
Indiana	1,099,634	1,247,978
Iowa	121,665	138,115
Kansas	8,526,307	9,670,690
Kentucky	180,191	204,549
Louisiana	33,651	38,153
Maine	219	248
Maryland	138,269	157,013
Massachusetts	160	181
Michigan	950,232	1,079,086
Minnesota	820,981	928,778
Mississippi	47,159	53,469
Missouri	1,336,500	1,516,452
Montana	3,137,675	3,555,612
Nebraska	2,541,105	2,881,036
Nevada	13,553	15,379
New Jersey	40,602	46,225
New Mexico	377,664	427,349
New York	264,900	300,938
North Carolina	346,292	392,791
North Dakota	5,845,690	6,628,472
Ohio	1,300,867	1,476,808
Oklahoma	3,929,888	4,454,409
Oregon	677,341	771,570
Pennsylvania	470,186	534,144
Rhode Island	141	160
South Carolina	156,070	177,022
South Dakota	2,210,664	2,505,829
Tennessee	166,035	188,430
Texas	3,265,386	3,704,021
Utah	237,559	269,587
Vermont	395	448
Virginia	236,724	268,656
Washington	1,588,484	1,799,601
West Virginia	24,255	27,491
Wisconsin	46,656	53,002
Wyoming	219,493	248,749
Total	45,480,000	51,575,000
Reserve	20,000	25,000
National allotment	45,500,000	51,600,000

NATIONAL LIVING INCOME PROGRAM

(Mr. WHALEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WHALEN. Mr. Speaker, I am very happy today to join my colleagues, Representatives CONYERS, BINGHAM, and RYAN, in introducing legislation creating a national living income program.

We hope that this bill, along with the plan proposed on August 8, 1969, by President Nixon, will provide the basis for an exhaustive congressional review of what can be done to combat more effectively the grievous blight of poverty.

Our bill is similar in several respects to President Nixon's proposal. Both plans contain built-in incentives for work and provide supplemental allowances, where needed, to an employed head of a family.

However, the basic family allowance of the Conyers-Whalen-Bingham-Ryan proposal is double that of the $1,600 recommended by President Nixon. In addition to its higher base and wider applicability, our bill includes regional cost-of-living allowances, and a 50–50 Federal matching of any supplementary allowances by States. Unlike the President's plan, our bill also attempts to answer some of the difficult interpretive questions which are bound to arise.

As we concluded in our joint statement explaining this legislation, it is being offered as a vehicle for the development of an effective and realistic program that will attack directly and more effectively the problem of poverty.

An outline of the National Living Income Act of 1969 is submitted for the RECORD:

OUTLINE OF NATIONAL INCOME PROGRAM ACT OF 1969

Section 1: Title: National Living Income Program Act of 1969.

Section 2: Declaration of Intent:

(a) Findings:

1. Congress declares that general welfare and security of nation, and the health and happiness of its people, require that all families have adequate incomes.

2. Congress finds present welfare programs cannot assure all Americans freedom from want and that legislation is needed which provides everyone a decent standard of living while preserving individual liberties.

(b) Objectives and policy of this Act:

1. To entitle all families to an income supplement.

2. To recognize and protect the personal dignity and legal rights of recipients.

3. To leave recipients free to dispose of benefits as they deem proper.

4. To encourage the productive employment of recipients by allowing them to retain a substantial portion of earned and other income.

Section 3: Election of Income Supplement:

(a) Time and manner of election:

1. By filing a return at the end of the supplement period as provided in section 8(a) of this Act.

2. By filing a request for semimonthly payments at any time during the family unit's supplemental period or during the two months preceding such period as provided in section 8(d) of this Act.

(b) Effective period of election—for only one supplemental period.

Section 4: Family Unit Income Supplement:

(a) General rule—income supplement equal to unit's adjusted supplement (determined by subsection (b) less special tax imposed by section 6).

(b) Adjusted supplement:

1. Base supplement (determined under subsection (c)) multiplied by the low income consumer price index for such family unit (determined under subsection (d)) plus any state supplement provided.

(c) Base supplement:

1. Per year: $1,200 for the first claimant; $800 for the second claimant; and $600 for each dependent.

2. Short periods or dependents in family unit for less than a supplemental period—on percentage of yearly rate.

(d) Low income consumer price index:

1. The price index determined under paragraph (3) for the 12-month period ending on September 30 of the calendar year preceding the calendar year in which the supplement period begins, and for the area in which the family unit resides.

2. 15 days residency.

3. Bureau of Labor Statistics shall compile and price annual family budgets for all consumer goods and services necessary to a minimum adequate standard of living, including but not limited to diet, housing, transportation, house furnishings, clothing, personal care, regular medical and dental services, recreation, entertainment, education and personal communication—regional and urban/rural differences also are to be considered.

(e) Determining Minimum Adequate Standard of Living:

1. BLS within one year after enactment of Act and at least every five years thereafter, shall provide reports on annual family budgets and submit the report to Congress.

2. Ten days after report submitted, the Secretary of Labor shall cause it to be published in the Federal Register.

3. Within sixty days, the Secretary of the Treasury shall transmit to Congress recommendations for amending income supplements to reflect the findings of the BLS.

Section 5: Optional State Supplementation:

(a) State election of increased income supplements:

1. Additional income supplements, amount determined by state legislatures, must be provided for *all* family units within the state. Supplement must be increased by the same proportion for all.

(b) Residency—15 days.

(c) State sharing of additional costs:

1. State shall pay each year one-half the cost of such increase into the Federal Treasury at time and in manner designated by the Secretary.

(d) Period of election—60 days after Secretary receives notice of election or on later date as specified in notice, until the state revokes, terminates or modifies it.

(e) Other sections applicable:

1. Program shall operate in electing States exactly as it operates in nonelecting States.

Section 6: Special Tax—Fifty Percent.

Section 7: Supplement Period:

(a) General rule:

1. Family units' supplement period is taxable year of the claimant or claimants under the provisions of section 441(b) of the Internal Revenue Code.

2. If claimants have differing taxable years either may be used unless Secretary requires otherwise.

Section 8: Annual and Semimonthly Payments:

(a) and (b) General:

1. Unit shall file a return at the local or district office of the Bureau of Income Maintenance, whether by mail or in person, on or before the 15th day of the fourth month following the close of the supplemental period for which the return is made.

2. Within 30 days Secretary shall provide payment of income supplement due.

(c) through (k) Semimonthly payments:

1. Election of such a payment is a matter of right.

2. Election may take place at any time; it must be in writing signed by all claimants in the family unit; it must be filed at local office of Bureau of Income Maintenance by mail or in person.

3. Election shall be approved and implemented by the Secretary within seven days of the date of filing unless claimants request later date.

4. Payments made on first and fifteenth of each month—each payment 1/24.

5. Changes in family unit must be told to Secretary within 30 days; such notice will terminate semimonthly payments; unit may file new election for semimonthly payments.

6. Termination of semimonthly payments:

a. By request of family unit.

b. By the Secretary, if he finds election is improper on its face, but hearing must be held and findings reviewed by appeals board before termination.

c. Unit is liable for payments to which it was not entitled.

7. Family unit must submit estimate of income upon election and within 30 days of end of each succeeding quarter and must indicate whether income may increase or decrease by ten percent or more; Secretary shall include the increase or decrease in the declared amount.

8. Secretary withholds from each semimonthly payment a tax equal to 1/12 of the estimated quarterly available income.

9. Underpayments may be deducted from future semimonthly payments but not in excess of ten percent of such payment.

Section 9: Family Unit Defined:

(a) General: unit consists of at least one claimant, and not more than two claimants, plus any dependents to which claimant or claimants, individually or jointly, are entitled (if dependent is 16 or older, he must agree in writing to be claimed as a dependent).*

(b) Claimants:

1. U.S. citizen or resident aliens, 21 or older.

2. Any person 19 or 20 who maintains a domicile separate from his parents or guardian and does not receive more than half his support from them, and is not a student within the meaning of IR Code, Section 151(e)(4).

3. Any married person under 21 provided he and spouse maintain a common domicile.

(c) Dependent (U.S. citizen or resident alien):

1. Son or daughter or any person for whom claimant is legal guardian provided (1) claimant provides significant portion of support, (2) dependent lives with claimant, (3) or dependent is student.

2. Claimant must substantiate evidence of dependency.

(d) Required family units—those who must file as unit:

1. Husband and wife who are not informally or legally separated or divorced.

2. Man and woman, domiciled together, and common parents of at least one child.

(e) "informal separation":

1. If have not lived together for 30 consecutive days.

2. If separate residences are maintained.

3. One of spouses files affidavit with Secretary swearing above and stating intention to remain separated.

(f) Determination of dependency—by laws of state; if one claimant refuses to support dependent, money for that dependent will go only to other claimant.

(g) No person can be claimed as member of more than one family unit.

Section 10: Computation of Available Income of the Family Unit:

Sum of the available incomes of all family unit members during such part of that period as they are claimed as members of the family unit.

Section 11: Determination of Available Income of Persons:

(a) General: available income means adjusted gross income (section 62, IR Code).

(b) Includable in adjusted gross income:

1. All annuity, pension, or retirement benefit payments (including railroad retirement and veterans benefits).

2. Amount or value of prizes and awards.

3. Proceeds of life insurance policy in excess of amount equal to premiums paid personally by beneficiary or spouse.

4. Gifts, support, alimony, and inheritances (in excess of $50 a year total) except gift or support payment or other transfer received from member of same unit, or from private charity, and except property inherited from deceased spouse.

5. Interest on all government obligations.

6. Amounts received in form of damages, insurance payments, workmen's compensation or in any form as (1) compensation for physical, mental, or any other personal injuries or sickness (2) wage or income continuation, or (3) medical expenses.

7. Rental value of parsonages.

8. Quarters or subsistence allowance, gratuity pay, and combat and mustering out payments to members of Armed Forces.

9. All dividends, scholarships or fellowships.

10. Amount equal to reduction in living expenses that occurs by employer supplying meals or lodging at less than their fair market value.

11. Amount of current or accumulated income that could, within the discretion of any person with a nonadverse interest, be paid to an individual from a trust or estate of which he is a designated beneficiary, except that any such amount not exceeding $3,000 and in fact paid to some other person shall not be included.

12. All amounts deductible under section 1202 of IR Code.

13. Unemployment compensation, excluding payments made under section 407 of the Social Security Act (Title 4).

14. Strike benefits.

15. Social Security benefits under Titles II and XVIII (excluding Titles I, IV, XIV, XVI, and XIX) and payments from government programs where financial need is essential prerequisite for award.

16. Foreign source income excludable under IR Sections 893–94, 911–12, 931, 943.

17. Loans from Commodity Credit Corporation.

18. Deductions under sections 173, 175, 180, 182, 263(c), 615, and 616 of the IR Code.

19. Imputed income and capital utilization income (sections 12 and 13 of this Act).

(c) Deductions—adjusted gross income reduced by:

1. Medical expenses within meaning of IR Code, section 213(e) except—

a. Deduction not applicable to expenses compensated for by insurance or otherwise where such compensation has been excluded from available income.

b. Deduction only to extent that total medical expenses of unit exceeds $25 for each person.

2. Alimony, separate maintenance, and support payments.

3. Gift to member of another unit if signed statement from donee.

4. Deductions under sections 162 and 212 of IR Code plus the cost, in excess of $10 per month, of all transportation to and from work.

5. Deductions under IR Code section 214 (in applying section 214 any dependent (within the meaning of section 9 of this Act) shall be "a person with respect to whom the taxpayer is entitled to an exemption under section 151(e)(1)" for purposes of section 214(d)(1)).

6. Deductions under section 404 IR Code.

7. Twice the amount of taxes imposed by IR Code, Subtitle A, including amounts paid pursuant to chapter 24 IR Code, less twice amount of credits allowed against such taxes by section 33, 35, 37, 38 IR Code, except maximum deduction allowable to unit under this section may not exceed supplement.

8. Employee contributions under Social Security and Railroad Retirement.

(d) Losses may be deducted under sections 165 and 172 of IR Code—except—

1. Deduction for losses from sales or exchanges of capital assets only to the extent of gains—no deduction for capital losses unless during time supplement received was in excess of the special tax liability.

2. Section 172 IR Code—"Net Operating Loss"—definition for purpose of this Act shall mean the excess of deductions allowed by this Act over the income obtained by the operation of Section 11(b) on adjusted gross income.

3. No carryover or carryback of net operating loss shall be allowed unless during time in which individual was receiving supplement in excess of the special tax liability.

4. No loss deducted under IR provisions during time person not a member of a unit receiving supplement in excess of special tax liability.

(e) Depreciation and depletion allowed under sections 167 and 611, IR Code, but not those under section 613.

(f) Other deductions not specifically allowed by this section are disallowed.

(g) Subchapter S Corporations—any amount attributed to the available income of a member of the unit by operation of section 1373 IR Code shall be increased by an amount proportional to the amount by which the taxable income of the electing corporation would be increased if computed under this section.

Section 12: Imputed Income:

(a) General: available income includes:

1. An amount equal to five percent of the fair market value, at the close of the supplemental period, of the gross available capital, less the amount of any income derived from any interest included within the gross available capital to the extent that:

a. Such income is otherwise within available income.

b. Such income does not exceed five percent of the value of the such interest from which the income is derived.

2. Retail market value of food grown by a person or some member of unit and consumed by such person minus the costs not otherwise deducted of producing such food.

(b) "Gross available Capital" defined:

1. Gross capital, minus an exemption for clothing, furniture, automobiles, and other personal effects not used in a trade or business, the exemption not to exceed $1,500 for a claimant or $500 for a dependent; provided that the unused amount of an individual's exemption may be used by any other member of the unit.

(c) "Gross capital" defined:

1. All property, real or personal, tangible or intangible, wherever situated, but excluding pensions and annuities, to the extent of any interest of the person therein. The value of any interest in any property shall be diminished by the amount of any mortgage or indebtedness in respect to such property, to the extent that interest or other payments arising out of the mortgage or indebtedness have been deducted in the computation of available income.

Section 13: Capital Utilization Income:

(a) General: available income includes an amount equal to 30 percent of the fair market value computed at the close of the supplement period of the person's net available capital.

(b) "Net available capital" defined—gross available capital minus—

1. Any mortgage or indebtedness in respect to the property.

2. Any other indebtedness not otherwise deducted.

3. Difference between the current fair market value of principal residence of unit and the maximum amount for which such property commercially could be mortgaged if it were otherwise unencumbered.

4. An exemption of $5,000 for a claimant or $3,000 for a dependent.

5. An additional exemption, not to exceed $5,000 for a claimant for property used in a trade or business.

6. An additional exemption of $5,000 for claimant provided that such claimant be age 60 or over and provided that there be only one such exemption for each family unit.

Section 14: Basis:

(a) General: adjusted basis for determining the gain or loss from the sale or other disposition of property as defined in Section 1011, IRS Code.

(b) Exceptions: adjusted basis of any property (other than cash) used in trade or business held for production of income, shall be increased by:

1. The amount of income attributed to the property (Section 12) and included within available income, less the amount of income includable within adjusted gross income as defined by Section 62, IRS Code.

2. The amount of any deduction with respect to property disallowed in computing available income to the extent that such deduction would result in a reduction of the adjusted basis of the property under Section 1016, IRS Code.

Section 15: Valuation:

(a) General: Secretary of Treasury or his delegate shall prescribe all rules and regulations for valuation of interest under this Act:

1. When fair market value not readily ascertainable, Secretary or his delegate shall prescribe methods for approximating the value.

2. Secretary or taxpayer may establish greater or lesser value—burden of proof on person claiming differing value.

(b) Jointly held property shall be treated as if owned in separate, proportional shares.

(c) Interests subject to a contingency or condition, which may not otherwise be valued, shall be valued as if contingency did not exist unless:

1. It is real and substantial.

2. It does not depend upon a power exercisable by a person who is a member of the same unit or who does not have an adverse interest.

3. Failure of interest would not result in interest passing beneficially to another member of the unit.

Section 16: Methods of Accounting:

(a) General:

1. As in computing income tax liability.

2. If methods of two claimants differ, claimant's method whose taxable year is used as basis for unit's supplement period.

3. If no method, Secretary or his delegate may choose one which clearly reflects income.

(b) Special rule: Where an item of income or deduction may not be properly attributed to a specific period of time, such item of income or deduction shall be deemed to accrue ratably during the calendar year.

(c) Secretary or his delegate may apportion items (income, deductions or credits) among individuals if he determines such apportionment is necessary in order to prevent evasion of taxes or clearly to reflect the income of such individuals for accounting purposes.

Section 17: Assignment and Taxation Prohibited:

(a) Supplement payments shall not be assignable or taxable.

(b) Supplement payments are exempt from claim of creditors and from attachment or levy or from seizure by or under any legal or equitable process before receipt by beneficiary—except claims of the U.S.

Section 18: Records and Returns:

Every claimant in unit shall keep records, render statements and make such returns as required by this Act. Disclosure provisions subject to review provisions of section 19 of this Act.

Section 19: Procedural Rights and Review:

(a) Secretary shall make all rules and regulations which will be reviewable in federal court of competent jurisdiction—hearings as prescribed by Chapter II of the U.S. Code except as modified by this section.

(b) Recipient organization:

1. If have more than 50 people in membership receiving benefits under the Act, entitled to receive proposed rules and regulations from the Secretary when they are published in the Federal Register.

2. Have standing to participate in public hearings on rules and regulations and to challenge any proposals in federal court.

(c) Bureau shall publicize benefits of Act and apprise persons of rights to benefits and due process.

(d) "Due process" hearing:

1. Upon request in writing, opportunity for hearing before examiner to be afforded by Secretary or his delegate with respect to denying, withholding or modifying supplement.

2. Shall take place prior to effective date of denial, withholding or modification, unless all individuals agree in writing for later date.

3. Open to public unless aggrieved individual requests in writing a closed one.

4. All aggrieved individuals shall be entitled to representation by counsel, to present evidence in own behalf, to know evidence against them and to challenge reasonableness of rules, regulations, and practices adopted pursuant to this Act and as applied to his case.

5. Upon conclusion of hearing, Secretary or delegate shall make findings of fact and issue written decision.

(e) Right of administrative appeal:

1. Board of Appeals—established by Secretary to review findings, rulings, and decisions of trial examiner and publish its decisions and state reasons therefor.

2. Secretary bound by ruling unless judicial review sought.

3. Decision effective when rendered.

(f) Judicial review:

1. Decisions of Secretary or delegate reviewable in U.S. district court regardless of amount involved in controversy.

(g) Paid expenses:

1. Reasonable expenses in hearing or judicial review.

2. District court may disallow any or all expenses if it finds a party or his attorney acted frivolously or in bad faith.

(h) Complaint review board:

1. To review any complaint that a Bureau employee is not performing his functions properly or is not following properly issued regulations.

2. Board shall report findings in writing to person or organization making the complaint within 60 days.

3. If employee found guilty of willful or grossly negligent disregard of rights of any person under this Act and regulations issued pursuant to it, Secretary or delegate shall conduct a hearing on the charge.

4. If hearing sustains findings of Board, Secretary shall take disciplinary action, not excluding discharge or suspension without pay, as he deems proper and as authorized by Civil Service laws.

(i) All records of Bureau confidential except claimant shall have access to his own file by submitting written request (IRS may have access to records).

(j) Investigations:

1. Secretary or delegate may not conduct investigations with respect to more than five percent, randomly selected, of all units.

2. Except—Secretary or delegate may investigate whenever probable cause exists to believe a unit is not entitled to receive benefits and except limitations shall not apply to routine investigations undertaken in conjunction with hearings.

Section 20: Application of Income Supplement Laws:

(a) Powers and duties of Secretary:

1. The administration and enforcement of Act.

(b) Bureau of Income Maintenance:

1. Within Department of the Treasury.

2. Commissioner, head of Bureau, to be appointed by President, by and with consent of Senate; serves at pleasure of President.

(c) Appointment—by Secretary or delegate—or personnel. Secretary or delegate shall issue all necessary directions and rules applicable to such persons.

(d) Regulations—all necessary for administration and enforcement of Act—to be issued by Secretary or delegate.

Section 21: Definitions:

1. "Secretary"—Secretary of the Treasury.

2. "Secretary or his delegate"—as under definition contained in IRS Code, section 7701(a)(12)(A).

Section 22: Amendments:

1. Exemption of income supplement, section 123 IRS Code.

2. Income averaging, section 1303 IRS Code "individual not eligible if at any time during the year or base period, he was claimant under the National Living Income Act of 1969".

Section 23: Effective Date:

Benefits may be paid under this Act with respect to supplemental periods beginning on or after the first day of the first calendar year which begins more than 180 days after the date of enactment of this Act.

MILITARY PROCUREMENT PROCEDURES

(Mr. ANDERSON of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ANDERSON of Illinois. Mr. Speaker, I would like to express my approval of the action taken by the Senate last week on an amendment to the military procurement bill. I am referring to the amendment offered in that body by Senator SCHWEIKER that would require closer scrutiny of defense contracts.

The amendment requires the Secretary of Defense to report to the Congress, every 3 months, on the status of all major defense contracts, including an analysis of cost, completion time, and performance estimates.

The amendment also empowers the Comptroller General of the General Accounting Office to make an independent audit of the reporting system developed by the Secretary of Defense and to make independent audits of major contracts which he feels warrant such additional scrutiny.

In addition, the amendment provides the Comptroller General with subpena powers—powers which he does not now have—and for enforcement procedures in the Federal courts.

Mr. Speaker, we have been witnessing a growing concern in the Congress and in the Nation over the problem of waste, inefficiency, and mismanagement of defense procurement contracts. It seems to me that this Nation can maintain its security without throwing fiscal responsibility to the winds. In no way can Senator SCHWEIKER'S amendment be considered as antimilitary or unpatriotic; indeed, it merely calls on the Congress to reassert its constitutional responsibility to oversee our national budget and to establish a realistic set of national priorities given the resources available.

It is becoming increasingly evident that the Congress is ill equipped to responsibly exercise proper control and direction in these matters. We can no longer depend solely on occasional agency leaks and journalistic disclosures in identifying contract abuses. Congress must have its own means to systematically identify these failures so that proper action can be taken before large overruns are incurred.

Mr. Speaker, my interest in this question is a matter of public record. In late May the Joint Economic Committee's Subcommittee on Economy in Government published a report, entitled "The Economics of Military Procurement," which documented the extent of procurement contract abuses and made proposals for the rectification of this situation. On that same day I spoke to this body on my support for Congressman PODELL'S bill that would require the GAO to report annually to the Congress on all major Federal contract abuses including those contracts in which overruns of greater than 10 percent had been incurred.

In the same vein, I am today associating myself with the intent of the Schweiker amendment because it provides for

mechanisms that would insure even greater scrutiny of military procurement procedures. These provisions would greatly enhance our abilities to responsibly control the pursestrings.

Mr. Speaker, this body has an obligation to rectify the glaring inadequacies of present procurement oversight procedures. The Schweiker and Podell approaches are a modest first step in this direction. Both proposals deserve our most careful attention and consideration.

THE MIRV QUESTION

(Mr. ANDERSON of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ANDERSON of Illinois. Mr. Speaker, two related developments over this past week have heightened my concern and apprehension over the issue of MIRV testing and deployment. The first to come to my attention was the reported testimony of Dr. John Foster, Director of Research and Engineering for the Defense Department, before the House Foreign Affairs Subcommittee on National Security Policy and Scientific Developments.

Dr. Foster told the subcommittee that, in his opinion, the Soviets are testing a MIRV—and not an MRV as was previously thought—and that they could probably deploy their MIRV on the SS–9 by late 1970. Dr. Foster went on to say:

> The Soviet triplet . . . has little other function than the attack of large numbers of hard targets.

The imminent possibility of Soviet deployment of an effective counterforce weapon is a most serious matter.

I am equally concerned about a contract which the Pentagon has signed with Singer-General Precision Co. to develop components for the advanced ballistic reentry systems—ABRES. The ABRES is a sophisticated MIRV. Instead of targeting the individual warheads from the carrier "bus," the ABRES would equip each warhead with its own guidance system. The effect of such a development would be a significantly more accurate MIRV.

Dr. Foster stated that our present MIRV could in no way be viewed as a counterforce weapon because it relatively small yield was incapable of knocking out hard targets given its present accuracy. But with the increased accuracy of ABRES, the small yield of the warhead would be overcome and American ability to threaten Soviet ICBM forces would be greatly enhanced.

Mr. Speaker, in my testimony to the House Foreign Affairs subcommittee on my MIRV moratorium resolution, I stated that MIRV deployment poses two risks to our national security. First, a Soviet MIRV is the greatest present threat to our land-based second-strike deterrence capability. And, second, U.S. development of MIRV might provoke a new escalation in the arms race. The imminent possibility of Soviet deployment of a counterforce MIRV and the American development of a more accurate—and therefore more provocative—MIRV are the very eventualities which I feared would occur and which I have warned against.

The report of Dr. Foster and the announced ABRES contract make all the more clear the need to engage in a mutual moratorium on MIRV flight testing before it is too late.

Such a moratorium would be in our national security interest. It would reduce the risks to our national security by maintaining a situation in which we are capable of deterring nuclear war. And the risks which we run in delaying or halting our MIRV development are not great.

Dr. Foster stated that the justification for a U.S. MIRV is the necessity for our retaliatory forces to penetrate a Soviet ABM defense system. But as long as the Russians do not resume with the deployment of their stalled Galosh ABM, the United States already possesses sufficient retaliatory strength.

Mr. Speaker, the two events which I have referred to should serve as a warning that MIRV development and ultimate deployment are undesirable eventualities. Let us take note of Dr. Foster's words and the Pentagon ABRES contract before it is too late.

At this point in the RECORD I include an article by George Wilson on the ABRES development and also an editorial from the Wall Street Journal relating to the subject :

[From the Washington (D.C.) Post, Aug. 7, 1969]

ADVANCES IN MIRV PRESSED

(By George C. Wilson)

The Pentagon is pushing ahead with an advanced MIRV weapon with guidance so sophisticated that it poses a new threat to land-based missiles.

The idea is to put individual guidance units in each of the several warheads that fly toward their targets aboard one carrier missile, or "bus."

The present MIRV (multiple, independently targetable re-entry vehicle) warheads have no such guidance inside. The "bus" drops them off at a precise point along the way. Then, the warhead's shape keeps it on a fairly accurate path for the rest of the flight.

DESIGNED TO MANEUVER

The new MIRV package, according to informed sources, will be designed to maneuver to foil an anti-ballistic missile system as well as to guide its H-bombs to their targets.

Critics of the MIRV already undergoing flight tests, contend the existing weapon threatens to put the arms race beyond the point of no return.

They argue the MIRV missiles of one nuclear superpower will prompt the other to build more ABM defenses. And the more ABMs built, the more MIRVs each side will build to counter it.

Also, the critics fear the new weaponry will destabilize the balance of terror between the United States and Russia by making it tempting in a crisis to fire first to make sure land-based missiles are not caught on the ground by MIRV.

PENTAGON'S INTENTION

The more sophisticated MIRV under development is bound to intensify such fears.

An indication of the Pentagon's intention to go ahead with an advanced MIRV came last week in a two-sentence contract announcement. Singer-General Precision, Inc., of Little Falls, N.J., will get $3.9 million to develop vital parts for the advanced ballistic re-entry systems, or ABRES.

The ABRES work has been going on for years. But informed sources said the Singer contract was not just another routine study contract. The company will actually build parts for a new guidance system, including the gyroscopes, and test them in the laboratory.

The next step would be to decide whether to produce the guidance system and use it for MIRV warheads. The Singer work is portrayed by weapons specialists as a significant step in that direction.

One leading nuclear strategist, in contemplating what impact such a highly sophisticated MIRV would have on the world's super-powers, predicted the weapon would make obsolete the ICBMs buried underground for protection.

The offensive missiles, to escape MIRVs, would have to go under the sea or become mobile on land, he said. Both the United States and Russia have some of their nuclear missiles on submarines under the sea. And Russia also has built some ICBMs that move around the countryside so they are not a fixed target.

In the short term, the American lead in MIRVs in the test stage as well as the improved one under development may make it harder to reach an agreement with the Russians in strategic arms limitation talks.

John S. Foster, Jr., Pentagon research director, told a House Foreign Affairs subcommittee on Tuesday that the MIRV missiles the United States is now testing do not carry large enough H-bombs to knock out Soviet missiles buried underground.

While he did not specify, the warhead for the Minuteman 3 will carry H-bombs of about 170 kilotons each, while the cluster of bombs on the submarine-launched Poseidon missile will be about 40 kilotons each.

Warheads of that explosive range would have to land within a few hundred feet of a buried ICBM to knock it out, according to weapons specialists. The hoped for accuracy of the present MIRV is about 1500 feet. This—goes the Pentagon argument—obviously makes the present American MIRV a second-strike weapon. The advanced one, if it proves to be substantially more accurate, would look more like a first strike weapon to Russians.

But the multiple warheads on the Soviet SS–9, Foster said, are much bigger. Defense Secretary Melvin R. Laird has credited the SS–9 with a load of three H-bombs of five megatons each.

Foster's testimony indicated that he believes the Russians with their SS–9 have the same kind of MIRV "bus" that the United States is testing.

"Although we are not positive that the multiple warheads, being tested on the Soviet SS–9 ICBM are designed for multiple hard-target destruction," Foster said, "we do know that the guidance and control system employed in the SS–9 has capabilities much greater than that required to implement a simple MRV (multiple reentry-vehicle—a shotgun burst of warheads going to one target rather than each to a different target).

"While they have not yet shown in flight tests all the performance necessary to demonstrate that fact to us," he added, "they may wish to deny us such information."

What Foster seemed to be saying was that the Russians, like the Americans, have a "bus" that can let off warheads at different points along the way but have not yet used it in that way.

Some weapons specialists insist the United States does not have a true MIRV and will not until each warhead has its own guidance inside. In the meantime, they contend both the United States and Russia only have MRVs on their missiles.

[From the Wall Street Journal, Aug. 8, 1969]

BEYOND THE ABM VICTORY

Score one for the Administration in the anti-ballistic missile fight, and perhaps more importantly, also in the underlying fight over who should control the nations strategic posture. Now that it has won the big fight, perhaps the Administration can even find new confidence to seriously consider a delay in plans to deploy multiple warheads, a strategic development far more questionable than the ABM ever was.

The ABM decision was on its merits a problematical one, and there is something to be said for resolving the close ones in favor of the President. He is the one in charge of negotiating any arms control agreement with the Soviets, and his negotiating position would not be exactly solidified if the other side began to think a more acquiescent Senate would actually have more to say than the President about future strategic decisions.

As long as the ABM test loomed, further, we could sympathize with the Administration's hesitancy about a MIRV slowdown. Before the vote, this would have looked like an important concession to the dovish Senators, and thus would have left the President's influence and decision-making powers looking more nebulous than they have turned out to be. Also, if the ABM were defeated, the Administration would have wanted to proceed with MIRV to insure that something was done to counteract the very rapid recent advances in Soviet strategic strength.

None of these factors any longer applies, and the Administration can now consider MIRV far more on its own merits. Where the ABM is a defensive weapon, MIRV is an offensive one. MIRV is also far more destabilizing in the strategic balance, being intimately related with the possibility of one side launching a first strike to wipe out the other's deterrent. It is not clear that a U.S.-Soviet agreement to limit MIRV would be feasible, but it does seem pretty clear that MIRV deployment can be delayed safely a year or two to explore that possibility.

Pentagon research chief John Foster probably was correct in testifying recently that the U.S. version of MIRV is not a first-strike weapon, unlike the Soviet version with far larger warheads ideal for use against hardened missile sites. But even this is not entirely clear. Secretary of Defense Melvin Laird has referred to the use of American submarine-based MIRVs against "hard targets."

For that matter, Dr. Foster himself has previously testified that both current land-based missiles and the projected multiple-warhead version are "adequate with respect to warhead yield and guidance accuracy" when used for "a damage-limiting mission." Unless we have fallen behind in our Pentagonese, a damage-limiting mission would be a strike against missile sites. Perhaps the Pentagon's apparently contradictory statements can somehow be resolved, but if not, even the U.S.-type MIRV seems highly destabilizing.

Perhaps, of course, a U.S. MIRV may prove necessary even so. The Soviets are developing their own, and inspection difficulties both in the test stage and after deployment may make any kind of agreement impractical. But at least some competent witnesses believe a limitation could be enforced so long as the weapons are not deployed. Most importantly, holding back U.S. deployment long enough to explore both the inspection difficulties and the Soviet attitude would apparently not involve much risk.

American MIRV development is intended to assure penetration of a large-scale Soviet ABM, of which there is no firm evidence so far. Dr. Foster has testified that if the Soviets do build such a system, its initial operational capability is five years off. MIRV evidently could be deployed in a far shorter time. Donald Brennan, a Hudson Institute strategic specialist who agrees with the Administration on most issues, put it well in seeing no need for immediate MIRV deployment "on the basis of any philosophy whatever."

Even if there were no other considerations, we can see little justification for deploying a weapon the nation does not yet need. In this case, with arms limitations talks impending, such deployment seems doubly questionable. A delay would give both the Soviets and arms-control advocates at home assurance that the Administration is deeply serious about the talks. We would be opposed to such gestures if they endanger U.S. security, but all public indications suggest a MIRV delay would not.

The Administration is far freer to respond to all of these considerations now that it has won the ABM fight. It proved it can overcome opposition and proceed with arms advances when it considers them necessary. In MIRV it now has the opportunity to demonstrate even more conclusively it has a firm hand on the strategic tiller, by proving it can also hold back on arms development that seems the advisable course.

EQUAL EMPLOYMENT OPPORTUNITY

(Mr. NIX asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. NIX. Mr. Speaker, equal rights is a bipartisan concern. Equal employment opportunity, perhaps, stands at the top of the list in priority in the vast field of equal rights. That is why I was pleased to note the comments by the distinguished Senator from Vermont, WINSTON PROUTY, which accompanied his bill to further promote equal employment opportunities for workers.

Today, I, too, submit a bill for the same purpose, and I ask my colleagues on both sides of the aisle to join with me in assuring speedy success for this much needed and long overdue legislation.

I also take the liberty of submitting the text of Senator PROUTY's remarks on the same subject:

S. 2806—INTRODUCTION OF A BILL TO PROMOTE EQUAL EMPLOYMENT OPPORTUNITIES FOR AMERICAN WORKERS

(Floor remarks by Senator PROUTY)

Five years ago title VII of the Civil Rights Act of 1964 ordained a national commitment to eliminate discrimination in all aspects of employment. Unfortunately, as a result of compromises necessitated by political considerations, Congress did not see fit to provide realistic enforcement procedures to support title VII's guarantees.

This bill corrects that deficiency, and does so in a way that breaks new ground in the continuing development of American law. Under the President's proposal, the Equal Employment Opportunity Commission will continue to seek voluntary compliance with title VII but if conciliatory efforts prove unsuccessful, it may bring lawsuits against recalcitrant violators.

The main thrust of this bill, Mr. President, is to provide for the trial of cases in the U.S. district courts where the Equal Opportunity Commission has found reasonable cause to believe that a violation has occurred.

Traditionally, advocates of fair employment legislation have sought enforcement by regulatory agencies through administrative processes. This proposal preserves the most attractive features of that approach—expertise and independence from shifting political winds—while contemplating a vigorous policy of enforcement in the courts, where speedy redress can be obtained through due process. In addition, it has the advantage of being capable of easy accommodation within EEOC's existing structure.

Proceedings under this measure will be able to be commenced shortly after enactment. On the other hand, if we should instead enact legislation providing the EEOC with decisionmaking and enforcement authority through administrative processes, it will require 2 to 3 years of gearing up before results can begin to be realized, a further delay difficult to accept.

Under the administration's bill, Mr. President, charges of unlawful or discriminatory employment practices will continue to be filed with the EEOC. This agency will conduct investigations of these charges and, where the evidence establishes reasonable cause to believe a violation has occurred, the EEOC will attempt to conciliate the dispute as it does at present.

Should conciliation attempts fail, however, the EEOC will have complete freedom to file a complaint in an appropriate Federal district court, which will be the trial tribunal to hear the case on the merits.

Similarly, where the Commission dismisses a charge after investigation, the aggrieved person shall have the right to commence an action in Federal district court as he does under present law.

Decisions of the Federal district courts are appealable to the appropriate U.S. court of appeals and the U.S. Supreme Court in the usual manner, with one modification. This involves the situation where the EEOC loses a case in whole or in part in Federal district court litigation. In such circumstances, the Civil Rights Division of the Justice Department, after receiving recommendations from the Commission, will decide which cases to appeal to the court of appeals.

The alternative proposal to the procedures in the administration's bill, Mr. President, is to provide for administrative litigation in the first instance before a Federal trial examiner subject to the provisions of the Administrative Procedures Act. The trial examiner's findings and recommended order would then be subject to review by the Commission with ultimate judicial review in the U.S. court of appeals either as the result of an enforcement proceeding brought by the EEOC or by a petition for review filed by any party to the proceeding.

I have previously taken the position that the commission should have the same decision making authority and authority to enforce its orders in the courts of appeals as do other independent Federal agencies such as the Federal Trade Commission and the National Labor Relations Board.

I have taken this position in the past, however, in the context of either granting the EEOC decision making and enforcement powers or leaving the law in its present posture. This latter alternative is completely unacceptable, as both the law and the Commission need to be strengthened and given additional tools with which to accomplish the objectives set by Congress.

The bill which I introduce today, Mr. President, does contain the teeth of enforcement which are so badly needed. Enforcement comes much more quickly here, from the Federal district court initially, than it would under an administrative hearing type of bill.

In this regard, the entire proceeding will probably be substantially shortened by direct appeal to the court of appeals from the trial in Federal district court, rather than following the more circuitous route of administrative hearing before a trial examiner whose findings and order are appealable to the Commission before access to the courts of appeals may be obtained.

Furthermore, as I review this bill, I find no way in which it will hinder or tie the hands of the EEOC in performing its duties.

Thus, the Commission is free upon its own determination to litigate any or all cases it desires to in Federal district court with no

person or agency being given the right to veto or reverse such EEOC action.

Moreover, in the exercise of its own expertise in this particular area, the Commission may urge upon the courts any proposed remedies which it might have ordered in its own right if it retained decisionmaking authority.

The propriety in granting, modifying, or denying such remedies will finally be determined by the court of appeals, and possibly the Supreme Court, under this bill in the same manner as would be the case if the Commission were granted the authority to issue its own orders subject to court review.

There is also the question of whether this bill will result in a backlog of cases awaiting trial in Federal district courts. This is a matter we must study closely, but my present feeling is that it will not approach the backlog which would be faced by the Commission if it were required to review every litigated case in the country before enforcement in the courts of appeals could be sought.

Moreover, as Federal court precedents are established under this bill, I envision a substantial number of respondents complying with court decisions or entering into meaningful conciliation agreements with the Commission, rather than appealing, after they lose cases in Federal district court. Not to mention the increase in pretrial conciliations by respondents who would take their chances in drawn out administrative proceedings before a Federal trial examiner and the Commission, but who would hesitate to go to trial directly in Federal district court when the precedents are clear.

I want to note, however, that I reserve the right to offer amendments in our committee which in my judgment can make this piece of legislation stronger and even more effective in removing the blot of discrimination in hiring and employment practices and to insure true equality of opportunity for all qualified persons in seeking, obtaining and retaining employment in both the public and private sectors of our economy.

Mr. President, laws protecting human rights are as deserving of adequate implementation as any other declaration of national policy, and indeed, deserve priority. Congress has declared that certain discriminatory acts are unlawful and it is overdue in adding substance to its words. We must act now, to finally demonstrate that the law—all laws—apply to everyone equally, and that the comfortable as well as the disadvantaged are subject to its rule.

SOCIAL SPENDING FAR EXCEEDS THE MILITARY, INCLUDING VIETNAM

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, any number of pundits, all self-appointed, are joining in the attack on the administration and the Department of Defense over not only the ABM but in opposition to practically all expenditures by the military. It would appear that every dime we spend to defend our country or keep it strong enough to repel attack is a dime wasted.

Not everyone is fooled by most of this verbiage. The truth is that this Nation spends far more on so-called social welfare spending than it does on military preparedness including the cost of the war in Vietnam. This point should be kept in the public's mind.

The Shreveport Times, in an editorial on July 27, set the record straight and I would like to insert it here in the RECORD for the benefit of every Member:

[From the Shreveport (La.) Times, July 27, 1969]

SOCIAL SPENDING FAR EXCEEDS MILITARY COSTS INCLUDING VIETNAM

The heavy and continuing attacks by radical liberals and a few others in the United States Senate, and by comparable groups outside of Congress, on defense and space spending is simply part of the general scheme of these forces to endlessly increase social and welfare spending of the type for which some billions of dollars already have been poured down rat holes, with little return.

It is, therefore, regrettable that Louisiana's veteran Senator Allen Ellender has lined up with these forces against President Nixon's proposed Anti-Ballistic Missile (ABM) system—a missile defense Russia already is building. It is gratifying, however, to find that Louisiana's Senator Russell Long is taking an outstanding part in leadership in behalf of passage of the ABM measure, including not only Senate floor speeches but radio and TV appearances.

But ABM is only one segment of federal policy in which radical-liberal individuals and groups, especially the Fulbright-Gore-Teddy Kennedy-McCarthy-McGovern Senate forces, seem always to be found in opposition to national security in a manner which, if successful, will undermine the ability of the United States to maintain itself as a nation which no other nation dare attack.

The most fallacious part of the argument of radical-liberal-pacifist-isolationist forces is their contention that military spending has prevented essential spending in social and welfare fields. In their campaign against waste in the Pentagon, they are right, but they should point out that waste revealed there came under the two preceding administrations and not under the present one. Waste must be stopped, but not by stopping or hampering national security needs.

But the facts are that social and welfare spending in both the past decade and in the final three or four fiscal years of the Johnson administration rose far more rapidly, in both dollar volume and percentage of total federal spending, than military spending, despite $27 billion the Vietnam war cost in the 1968 fiscal year.

Studies by U.S. News & World Report and by the non-partisan non-profit American Enterprise Institute (AEI) show that while defense spending has dropped from 49.3 per cent of the total appropriations for fiscal 1960 to a current 41 percent. Despite Vietnam, defense spending has remained around $80 billion a year for several years during which period federal non-defense spending has jumped from $92 billions a year to more than $110 billions, according to AEI.

U.S. News & World Report says that federal social and welfare spending has risen, over less than a decade, from $25 billion in 1960 to $61 billion in 1968, an increase of $36 billion. In addition, states increased their spending for social and welfare programs by $24.1 billions in that period—from $27.3 billions to $54.1 billions—making a total of $112.4 billion in social and welfare spending of federal and state taxes in less than a decade—even while financing a war thousands of miles away. This is a federal-state increase in social and welfare spending of more than $60 billions in that period.

The contentions of the radical-liberals in the Senate as to military spending such as ABM are equally fallacious. Senator Kennedy, for example, might be expected to be the last of Senate liberals to oppose the moon landing portion of the space program, as he did while Apollo 10—predecessor of the current Apollo 11—was in full flight for a final moon orbit study prior to the landing flight. His contention at that time, made in a prepared public statement and obviously timed for the Apollo 10 flight, might easily have undermined morale of the nation and of the astronauts in space at the time, and of others planning to be on the moon soon.

For, it was Senator Kennedy's brother, President Kennedy, who in 1961 initiated the moon landing program as part of the space program which came into being under President Eisenhower in 1957. That was under public contention by then Vice President Nixon that Russia's success in orbiting the first earth satellite (Sputnik I) that year made it essential for us to get busy.

President Kennedy authorized the moon shot in 1961 shortly after Russia became the first nation to send a manned satellite around the earth and the Bay of Pigs fiasco came—April 12–17, 1961—a period when national morale was low, indeed. Now, his youngest brother terms it waste of money that should go to "the poor."

Senator Kennedy forgets that 300,000 persons hold steady jobs at good pay, most of them supporting families and paying taxes, in the space program. They are people who pay for their wordly goods from earned money without seeking giveaways. They earn the money to buy houses, to raise children. They follow the American way of life. They don't riot, shoot or kill, demand everything free, have numerous children and call on others to care for them.

For the worthy there certainly should be help. The workers see that they get it. But they should not be called on to support the unworthy who neither toil nor spin and who so often are not even willing to try to better themselves.

SOME REFLECTIONS ON THE PROBLEMS OF OUR TIME: THE QUEST FOR QUALITY

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROWN of California. Mr. Speaker, in a society in which services comprise the predominant activity—farming, forestry, fishing, mining, and industrial production make up far less than half of our total national output and are decreasing in proportion rapidly. The services involved in building more satisfying communities soon will take on a far greater role. I doubt that even a society providing a base of universal economic security and productive employment for each person who seeks it, will have solved all social problems.

Human beings demand that a community be more than just a place to live, just as they demand that a job be more than just a paycheck. Building that community must be a cooperative effort combining private enterprise, public organizations, and voluntary associations.

As we have seen the city grow from a community to a megalopolis, the structure of the city has developed from the network of personal relationships which once characterized it in an earlier and simpler day into a vast, remote bureaucracy which distributes "municipal services." With little prior planning, urban growth has been determined by the impersonal demands of its machines, not by needs of its people.

This process must be radically altered. We can probably never retreat to the small community and stable neighborhoods of that bygone era, but we can begin to shape the present urban environment to fit the needs of its inhabitants, and we can build cities of the future on a human scale.

The first step in this process must be to create a new urban political unit for citizen participation in government, a unit comparable to a community or neighborhood. In geographic size the unit would be less than a mile across so that no part of it would be more than a 15-minute walk from any other part. The population could range from five to 30,000. Boundaries would be determined by the democratic decision of its own inhabitants. The unit would have the right to elect its own unpaid community council of five to nine persons, and there could be a minimum paid staff, possibly one or two persons, but as many volunteers as needed.

This new unit, which I will term here a "Community" would not administer or "deliver" any tax-supported services, except by contract with another level of government. The primary function would be to involve citizens in the process of creating a better living community. The political unit would formulate goals for meeting future community needs. It would both review and analyze a "master plan" at "city hall" for future community development, and then would suggest any changes. There would be determination of needed services and the kind and quality of services already being received from all levels of government and the "community" would, through the proper political channels, seek new and improved services and to involve the business interests, the churches, and the service clubs, in meeting community problems. If, for example, there was a school problem, the community council would provide a forum in which it would be heard. And, if there was a community consensus on a solution to that problem, the council would negotiate for that solution with the school board "downtown." If there was a crime problem, or a police problem, the community council would mobilize the community to solve them.

It should be obvious that many of the difficulties in our cities stem from the growing number of citizens who lack concern for—and the ability to participate in—the social and political processes of the city.

If the decisions regarding your community, your schools, your police are not your decisions, then you resent being taxed to support them, and you may find it easy to engage in violent and antisocial activity to express your resentment. Or even if you live in an affluent suburb, you may vote against the bonds or taxes for schools and parks and other facilities if you had no voice in deciding upon the need for them.

A "community" will function more economically than a "noncommunity." With well-planned development and controlled execution of plans, the "community" will have better economic base than a "noncommunity." More citizens will work and shop and play there. Resources will not be wasted in unnecessary travel. More citizens will take pride in the community and treat its assets, public and private, with respect. Criminality will be reduced. Those individuals more blessed with talent and resources will be motivated to use these gifts to help less fortunate. Voluntary groups of all types, religious and secular, will be more inclined to show concern for the unmet needs of their own members and of the community at large.

Perhaps I have belabored too much the need to reverse the trend toward the impersonal and all-powerful bureaucratized megalopolis. It is much easier to assume that we can cure the ailments of the city by spending more money on welfare, police, schools, and health care, not to mention highways and high-rise apartments. But, I am convinced that the costs of solving urban problems will increase faster than the resources available to solve them—unless we develop a way to again involve the individual members of each community in solving urban problems.

If the community is not involved either in the process of decisionmaking or in problemsolving then a good part of the money spent on services becomes wasted. If citizens are involved, then the effect of that same money may be multiplied many times.

I do not minimize the need for more resources to meet urban problems. Housing, health, education, mass transit—all demand much more than they are now receiving. However, I am saying that even providing more resources will not alone solve the problem. Additional resources may be necessary; they will not be sufficient. There must be a strengthening of the intangible network of relationships—including the political power relationships—which help create communities out of masses of people.

One feasible means of strengthening that network of relationships, in addition to creating the new sublevel of government I have described, is to utilize much more fully the human talents of each community in providing the needed public and private services for that community.

I have mentioned already the importance of the role that community child-care centers can play in providing employment and training for community residents. Under professional supervision these residents can acquire skills to fill jobs of many types, such as teachers aides, playground attendants, dieticians aides, and office workers. The same potential for providing jobs and training exists in schools, health centers, and recreation facilities. Services of unskilled or subprofessional members of the community can be utilized even in the work of the fire and police departments, and with great benefit to the public image of these agencies.

While these are largely public services I have listed as examples, equal potential for creating both jobs and job skills is found in private industry and voluntary groups. A policy of maximizing job opportunities for community residents, and for strengthening the base of community owned and managed business and professional activity would assist creating economic and community stability. Major voluntary associations, such as churches, could also play a much more significant role than they now do in solving the multitude of human problems of every type within the community.

These suggestions should not be taken to apply only to communities made up of minority ethnic groups, or of the poor. No community today—black or white, rich or poor—adequately and economically satisfy the multitude of human needs of its members. Of course, this failure by a community, or by the metropolis itself, may be due to factors over which there is little or no control. A community in Los Angeles cannot provide clean air for only its members while the entire Los Angeles basin lies under a blanket of smog. A community in New York cannot provide clean streets for only its members when the entire sanitation department is on strike. But, when the metropolis is composed of organized communities in which the strands of individual and group interaction are strong, community problems will be solved more easily, and pressures for solutions to problems involving all communities within a metropolis will become surmountable.

THE QUEST FOR QUALITY

The significant fact emerging from the turmoil and discontent of these times—at least as I see it—is that of a growing and pervasive demand for a new concept of quality in human life and the human community. By quality, I mean to distinguish the factors which enrich and ennoble the individual spirit from other factors which merely add to individual consumption of goods or employment of power. Unfortunately, almost the totality of modern technological and scientific culture is aimed at the dual goals of enhancing both material consumption and material power. The operation of our social, political and economic systems are inextricably linked to these goals, whether the society calls itself capitalist, Communist, or something in between. The great communication media in our country are servants of these goals, and rarely question whether carrying out the demands of the system may be in reality degrading the overall health, welfare, and morality of the community.

If this demand for quality is real and lasting, as I believe it is, it will result in changes going far beyond the simple call for equality and justice among minority groups. It will go beyond the call for economic security and opportunity for every citizen. It will go beyond the call for communities designed to achieve the fullest in human satisfaction and growth.

I suspect that there are among the youth and the intellectuals of this country many who see—at least in part—the nature of the changes that may be in prospect for our culture.

Probably the most important and fundamental change will be toward a stable population, instead of one which at current rates doubles every 35 or 40 years.

Much of our system of morality, ethics, and law is entwined with the immemorial need of the human race to produce children in large numbers. When this need is seen not only as being utterly unneces-

sary but also as positively destructive to the more important goal of quality of life, then it will likewise become apparent that the complete framework of values related to this philosophy of "more" must be changed.

If we accept the condition of a relatively stable population, then many other preconceptions which revolve around concepts of perpetual growth must also be altered. An economic system geared to inevitable increases in GNP, in always rising sales of commodities, in record-breaking annual profits—indeed, new highs at all times in every conceivable index—must learn to accept new realities.

General Motors will have to learn to live with lower output and sales of automobiles and, possibly, may have to entertain the currently repugnant concept of building a product which emphasizes long-lasting economy and quality rather than planned and dangerous obsolescence. Hopefully, cities concerned primarily with growth problems will be then able to devote more resources to quality-enriching programs. I long for the day when a community first tears up a street and instead of building a new freeway leaves a park or a pool or a path for people to walk on and to enjoy.

Another large part of our system of morality, ethics, and law is built around another immemorial condition of mankind—the scarcity of food and material goods of all kinds and description. Over time, consumption and the ownership of real property and material goods acquired a role of increasingly higher importance in larger value systems, just as did the production of children in large quantities. That condition of gross scarcity no longer exists for developed industrial nations—and particularly for the United States—unless we make it exist by providing means for the ritual destruction or nonuse of resources, such as in war and military expenditures—the modern equivalent of the potlatch. And since abject scarcity does not exist, particularly among the large and affluent middle class in this country, the children of that class have difficulty accepting the overriding importance of the values which arose essentially from the conventional condition of scarcity. The results of this change are reflected in the nature of many of campus disturbances across the Nation.

The changes in values, which I have here suggested without attempting elaboration, are bound to be profoundly disturbing to the vast majority of this country's population. Most people will, for a period, feel adrift in an unknown sea without chart or compass. The foundations of their ego—of their innermost drives—may appear to crumble leaving them with no firm base upon which to judge both their actions and their lives. But this period will pass, perhaps more quickly than we now can anticipate. Man is more capable of change than he, himself, believes—largely through the constant process of education and reeducation of each new generation. This is the great blessing that accrues from man's mortality.

Emerging values of the new society will force each person to confront the eternal questions, those questions which we, as a society, often tend to put behind us in the drive to achieve wealth and power. These questions have always been: Who am I? Why am I here? Is there meaning and purpose in human life? In the universe? How do we acquire knowledge of that purpose?

Religion and philosophy grappled with these questions from ancient times. In each society it has been the role of a minute few to explore and attempt answers for these questions, while the multitudes labored and accepted the formulations of the few as being the answers. But almost always in the doctrines of religion and philosophy there emerged—from the elaborate structures of the mind created by the builders of religious and philosophical systems—a common thread of value and purpose which changes but little, and indeed is not different even today. This thread, this philosophy can be expressed, in its simplest form, as love—love of man by his fellow man, love of God by all men.

Despite the most radical changes which may take place in today's institutional structures, and in supporting value systems, I see nothing to threaten this fundamental concept. In fact, I see most of today's institutional failures resulting from far too little concern for practical applications of love of our fellow man, and far too little inspiration from the love of God. Perhaps the changes we must undergo will take us not to some unchartered future, but back to a foundation which we have deserted.

It is not generally appropriate for a politician to invoke the language and concepts of religion—except in a ritualistic way—in discussing the world of political reality. Unfortunately, as we face the political problems of a society in which overemerging demands for quality in all aspects of existance are becoming predominant, we must achieve an understanding of the meaning of "quality." This need led me to the preceding paragraphs. As I elaborate on the implications of "quality" in our society in future remarks, I will need to refer again to today's discussion.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DELLENBACK (at the request of Mr. GERALD R. FORD), beginning August 13, 1969, on account of official business in the Far East.

Mr. ADDABBO (at the request of Mr. PODELL), for Tuesday, August 12, 1969, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. VANIK, for 10 minutes, tomorrow, August 13, 1969, to revise and extend his remarks and to include extraneous matter.

(The following Members (at the request of Mr. BURLISON of Missouri), to address the House and to revise and extend their remarks and include extraneous matter:)

Mr. FARBSTEIN, for 15 minutes, today.
Mr. FLOOD, for 20 minutes, today.
Mr. STAGGERS, for 10 minutes, today.
Mr. GONZALEZ, for 10 minutes, today.
Mr. HAYS, for 10 minutes, today.
Mr. GERALD R. FORD (at the request of Mr. MCCLURE), for 5 minutes, today, to revise and extend his remarks and include extraneous matter.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PATMAN, to extend his remarks in the RECORD in three instances on Wednesday, August 13, and to include extraneous matter.

Mr. ADAIR and to include extraneous matter.

Mr. HALL and to include extraneous matter.

Mr. STEIGER of Wisconsin to extend his remarks immediately following the manpower message of the President.

Mr. MADDEN and to include an editorial.

Mr. CLEVELAND following the remarks of Mr. ICHORD on House Resolution 495.

Mr. DULSKI following the adoption of House Resolution 269.

(The following Members (at the request of Mr. MCCLURE) and to include extraneous matter:)

Mr. ARENDS in two instances.
Mr. PELLY.
Mr. SCHWENGEL in two instances.
Mr. RUPPE.
Mr. ASHBROOK.
Mr. MORSE in two instances.
Mr. FOREMAN in two instances.
Mr. BOB WILSON in two instances.
Mr. WYDLER.
Mr. FISH.
Mr. DELLENBACK.
Mr. BROYHILL of Virginia in three instances.
Mr. DERWINSKI in three instances.
Mr. SPRINGER.
Mr. STEIGER of Wisconsin.
Mr. DON H. CLAUSEN.
Mr. HOSMER.
Mr. TAFT.
Mr. COLLINS in five instances.
Mr. HORTON in two instances.
Mr. ZWACH in two instances.
Mr. LUJAN in two instances.
Mrs. HECKLER of Massachusetts.

(The following Members (at the request of Mr. BURLISON of Missouri) and to revise and extend their remarks:)

Mr. BURTON of California in two instances.
Mr. LONG of Maryland in two instances.
Mr. DENT in two instances.
Mr. FRASER.
Mr. DINGELL in four instances.
Mr. CAREY.
Mr. BOLAND in two instances.
Mr. KOCH in two instances.
Mr. HOLIFIELD.
Mr. PODELL.
Mr. BOLLING in two instances.
Mr. HELSTOSKI in three instances.

Mr. RYAN in three instances.
Mr. RARICK in four instances.
Mr. ANDERSON of California in two instances.
Mr. OBEY in three instances.
Mr. GONZALEZ in two instances.
Mr. FARBSTEIN in three instances.
Mr. BOGGS in three instances.
Mr. CONYERS.
Mr. MCCARTHY in three instances.
Mr. HUNGATE in two instances.
Mr. RANDALL in two instances.
Mr. O'NEILL of Massachusetts in two instances.
Mr. EDWARDS of California.
Mr. WOLFF in six instances.
Mr. EILBERG.
Mr. GRIFFIN in two instances.
Mr. MATSUNAGA.
Mr. FRIEDEL in two instances.
Mr. BIAGGI.
Mr. POWELL in six instances.

ENROLLED BILLS SIGNED

Mr. FRIEDEL, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1462. An act for the relief of Mrs. Vita Cusumano;

H.R. 1808. An act for the relief of Capt. John W. Booth III;

H.R. 2037. An Act for the relief of Robert W. Barrie and Marguerite J. Barrie;

H.R. 6581. An act for the relief of Bernard A. Hegemann; and

H.R. 9088. An act for the relief of Clifford L. Petty.

SENATE ENROLLED BILL SIGNED

The Speaker announced his signature to an enrolled bill of the Senate of the following title:

S. 1373. An act to amend the Federal Aviation Act of 1958, as amended, and for other purposes.

ADJOURNMENT

Mr. BURLISON of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 14 minutes p.m.), the House adjourned until tomorrow, Wednesday, August 13, 1969, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1049. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting plans for works of improvement at various locations, none of which provides more than 4,000 acre-feet of total capacity, pursuant to the provisions of section 5 of the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005); to the Committee on Agriculture.

1050. A letter from the Comptroller General of the United States, transmitting a report on the effectiveness and administration of the community action program under title II of the Economic Opportunity Act of 1964, Human Development Corp., St. Louis City and St. Louis County, Mo., Office of Economic Opportunity; to the Committee on Education and Labor.

1051. A letter from the Comptroller General of the United States, transmitting a report on the effectiveness and administration of the Acadia Job Corps Civilian Conservation Center, Bar Harbor, Maine, operated by the National Park Service, Department of the Interior, under an interdepartmental agreement with the Office of Economic Opportunity, pursuant to the Economic Opportunity Act of 1964; to the Committee on Education and Labor.

1052. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to establish a comprehensive manpower development program to assist persons in overcoming obstacles to suitable employment, and for other purposes; to the Committee on Education and Labor.

1053. A letter from the Comptroller General of the United States, transmitting a report on efforts to collect international postal debts and to pay postal amounts owed in excess in foreign currencies, Post Office Department, Department of State; to the Committee on Government Operations.

1054. A letter from the Administrator, National Aeronautics and Space Administration; transmitting a report of positions established as of June 30, 1969, under section 203(b)(2) of the National Aeronautics and Space Act of 1958, pursuant to the provisions of section 206(b) of the act of October 4, 1961 (75 Stat. 785; 791); to the Committee on Post Office and Civil Service.

1055. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting plans for works of improvement at various locations, each of which provides more than 4,000 acre-feet of total capacity, pursuant to the provisions of section 5 of the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005); to the Committee on Public Works.

1056. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38 of the United States Code to authorize the Administrator of Veterans' Affairs to participate in programs under title IX of the Public Health Service Act, and for other purposes; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7737. A bill to amend the Communications Act of 1934 by extending the provisions thereof relating to grants for construction of educational television or radio broadcasting facilities and the provisions relating to support of the Corporation for Public Broadcasting; with amendment (Rept. No. 91-466). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. H.R. 474. A bill to establish a Commission on Government Procurement (Rept. No. 91-468). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RODINO: Committee on the Judiciary. House Resolution 422. Resolution opposing the granting of permanent residence in the United States to certain aliens (Rept. No. 91-467). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. ADDABBO, Mr. BRADEMAS, Mr. BYRNE of Pennsylvania, Mr. CLARK, Mr. DIGGS, Mr. EDWARDS of California, Mr. GALLAGHER, Mr. HALPERN, Mr. HANSEN of Idaho, Mr. HAWKINS, Mr. JOHNSON of California, Mr. MATSUNAGA, Mr. MIKVA, Mr. MURPHY of New York, Mr. O'NEILL of Massachusetts, Mr. POLLOCK, Mr. POWELL, Mr. PRICE of Illinois, Mr. TIERNAN, and Mr. TUNNEY):

H.R. 13471. A bill to amend chapter 3 of title 38, United States Code, in order to provide for a veterans outreach services program in the Veterans' Administration to assist eligible veterans, especially those recently separated, in applying for and obtaining benefits and services to which they are entitled, and education, training, and employment, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. AYRES (for himself, Mr. GERALD R. FORD, Mr. QUIE, Mr. ASHBROOK, Mr. BELL of California, Mr. ERLENBORN, Mr. DELLENBACK, Mr. ESCH, Mr. ESHLEMAN, Mr. LANDGREBE, Mr. HANSEN of Idaho, Mr. RUTH, and Mr. MICHEL):

H.R. 13472. A bill to establish a comprehensive manpower development program to assist persons in overcoming obstacles to suitable employment, and for other purposes; to the Committee on Education and Labor.

By Mr. BROWN of Ohio:

H.R. 13473. A bill to amend the Internal Revenue Code of 1954 to provide that a farmer (or fisherman) shall have until March 15, instead of only until February 15 as at present, to file an income tax return which also satisfies the requirements relating to declarations of estimated tax; to the Committee on Ways and Means.

By Mr. CHAPPELL:

H.R. 13474. A bill to amend title 10 of the United States Code to require that U.S. flags be presented to parents of deceased servicemen; to the Committee on Armed Services.

H.R. 13475. A bill to provide more efficient and convenient passport services to citizens of the United States of America; to the Committee on Foreign Affairs.

By Mr. CONYERS (for himself, Mr. WHALEN, Mr. BINGHAM, and Mr. RYAN):

H.R. 13476. A bill to establish a national program to provide income supplements to every family in need thereof; to the Committee on Ways and Means.

By Mr. ERLENBORN (for himself, Mr. ABERNETHY, Mr. BRINKLEY, Mr. QUIE, Mr. BROCK, Mr. BUCHANAN, Mr. CEDERBERG, Mr. CLARK, Mr. DANIEL of Virginia, Mr. DELLENBACK, Mr. DEVINE, Mr. ESHLEMAN, Mr. FISHER, Mr. GOODLING, Mr. HANSEN of Idaho, Mr. HOSMER, and Mr. JOHNSON of Pennsylvania):

H.R. 13477. A bill to protect the privacy of the American home from the invasion by mail of sexually provocative material, to prohibit the use of the U.S. mails to disseminate material harmful to minors, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ERLENBORN (for himself, Mr. JONES of North Carolina, Mr. MONTGOMERY, Mr. KING, Mr. LEGGETT, Mr. MACDONALD of Massachusetts, Mr. PIRNIE, Mr. ST GERMAIN, Mr. SCHADEBERG, Mr. SCHNEEBELI, Mr. SCHWENGEL, Mr. SEBELIUS, Mr. SMITH of New York, Mr. STEIGER of Wisconsin, Mr. WILLIAMS, Mr. WINN, and Mr. ZABLOCKI):

H.R. 13478. A bill to protect the privacy of the American home from the invasion by mail of sexually procovative material, to prohibit the use of the U.S. mails to disseminate material harmful to minors, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FARBSTEIN:

H.R. 13479. A bill to provide appropriations for sharing of Federal revenues with cities; to the Committee on Ways and Means.

By Mr. GERALD R. FORD:

H.R. 13480. A bill to authorize the Secretary of Agriculture to utilize the columns removed from the east central portico of the Capitol in an architecturally appropriate manner in the National Aboretum; to the Committee on Public Works.

By Mr. GALLAGHER:

H.R. 13481. A bill to improve and increase postsecondary educational opportunities throughout the Nation by providing assistance to the States for the development and construction of comprehensive community colleges; to the Committee on Education and Labor.

H.R. 13482. A bill, Vaccination Assistance Act of 1969; to the Committee on Interstate and Foreign Commerce.

H.R. 13483. A bill to amend title XVIII of the Social Security Act to provide payment for chiropractors' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

By Mr. GUDE:

H.R. 13484. A bill to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes; to the Committee on Armed Services.

By Mr. HALEY:

H.R. 13485. A bill to amend the Budget and Accounting Act, 1921, to provide for the retirement of the public debt by setting aside the first 5 percent of the budget receipts of the United States for each fiscal year for the sole purpose of retirement of obligations counted as part of the public debt; to the Committee on Government Operations.

By Mr. HALL:

H.R. 13486. A bill to amend the Military Selective Service Act of 1967 as it pertains to selective service calls for physicians, dentists, and allied medical specialists, to provide for the allocation of health personnel among the Armed Forces, other Government agencies, and the civilian population, and for other purposes; to the Committee on Armed Services.

By Mr. HAWKINS (by request):

H.R. 13487. A bill to assist the private sector in the District of Columbia to expand the tax base and produce more revenue, taxes, and payrolls, to provide new housing units to help solve the housing crisis, to provide new employment and business opportunities and new work incentives for those existing on demeaning welfare and poverty programs and increase the number of stable, self-sufficient families, to reduce the number of homes and small businesses destroyed by federally aided programs which use eminent domain powers to excess, and for other purposes; to the Committee on the District of Columbia.

By Mr. HAWKINS (for himself, Mr. CLAY, and Mr. STOKES):

H.R. 13488. A bill to strengthen the provisions of the Civil Rights Act of 1964 with respect to discrimination in employment; to the Committee on Education and Labor.

By Mr. LONG of Louisiana:

H.R. 13489. A bill to amend title 10 of the United States Code to require that U.S. flags be presented to parents of deceased servicemen; to the Committee on Armed Services.

H.R. 13490. A bill to clarify and strengthen the cargo-preference laws of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 13491. A bill to amend chapter 3 of title 38, United States Code, in order to provide for a veterans outreach services program in the Veterans' Administration to assist eligible veterans, especially those recently separated, in applying for and obtaining benefits and services to which they are entitled, and education, training, and employment, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LUJAN:

H.R. 13492. A bill to establish the Federal Pollution Control Commission, to authorize the establishment of Federal standards on air and water pollution prevention, control, and abatement, and for related purposes; to the Committee on Public Works.

By Mr. MILLS (for himself, Mr. PRYOR of Arkansas, Mr. HAMMERSCHMIDT, and Mr. ALEXANDER):

H.R. 13493. A bill to change the name of certain projects for navigation and other purposes on the Arkansas River; to the Committee on Public Works.

By Mr. MILLS (for himself and Mr. BYRNES of Wisconsin):

H.R. 13494. A bill to amend the Internal Revenue Code of 1954 to clarify the status of the Tax Court of the United States as a court, to provide an optional procedure for the disposition of small claims in the Tax Court, and for other purposes; to the Committee on Ways and Means.

By Mr. NEDZI:

H.R. 13495. A bill to amend title 39, United States Code, to permit the mailing of first-class letter mail and certain parcels to members of the U.S. Armed Forces in overseas areas at one-half the rate of postage otherwise applicable, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NIX:

H.R. 13496. A bill to further promote equal employment opportunities for American workers; to the Committee on Education and Labor.

By Mr. OBEY:

H.R. 13497. A bill to amend the Tariff Schedules of the United States with respect to the rate of duty on whole skins of mink; to the Committee on Ways and Means.

By Mr. O'NEILL of Massachusetts:

H.R. 13498. A bill to provide for a comprehensive and coordinated attack on the narcotic addiction and drug abuse problem, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PODELL:

H.R. 13499. A bill to provide for payments to New York City in lieu of taxes on property of the United States, the United Nations, and of certain foreign governments; to the Committee on Foreign Affairs.

By Mr. POLLOCK:

H.R. 13500. A bill to protect the privacy of the American home from the invasion by mail of sexually provocative material, to prohibit the use of the U.S. mails to disseminate material harmful to minors, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PRYOR of Arkansas (for himself and Mr. MILLS):

H.R. 13501. A bill to name a water area on the Arkansas River at Pine Bluff, Ark., "Lake Langhofer"; to the Committee on Public Works.

By Mr. ROYBAL:

H.R. 13502. A bill to amend section 592 of the Tariff Act of 1930 (19 U.S.C.A. 1592), and for other purposes; to the Committee on Ways and Means.

By Mr. SAYLOR:

H.R. 13503. A bill to amend chapter 73 of title 38, United States Code, with respect to the amount of annual and sick leave which physicians, dentists, and nurses in the Department of Medicine and Surgery may accrue and accumulate, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SMITH of New York:

H.R. 13504. A bill to provide more efficient and convenient passport services to citizens of the United States of America; to the Committee on Foreign Affairs.

By Mr. STEED:

H.R. 13505. A bill to amend the National Guard Technicians Act of 1968 to provide that technician service performed before the effective date of such act by certain former technicians be credited for purposes of civil service tenure; to the Committee on Armed Services.

H.R. 13506. A bill to provide for the disposition of funds appropriated to pay judgments in favor of the Kickapoo Indians of Kansas and Oklahoma in Indian Claims Commission dockets Nos. 316 and 193; to the Committee on Interior and Insular Affairs.

By Mr. WEICKER (for himself, Mr. BUSH, Mr. SYMINGTON, Mr. CABELL, Mr. FULTON of Pennsylvania, Mrs. CHISHOLM, Mr. MCDADE, Mr. HALPERN, Mr. DERWINSKI, Mr. CONTE, Mr. FRIEDEL, Mr. HELSTOSKI, Mr. FINDLEY, Mr. ANDERSON of California, Mr. CARTER, Mr. BINGHAM, Mr. HORTON, Mr. SPRINGER, and Mr. POLLOCK):

H.R. 13507. A bill to provide more efficient and convenient passport services to citizens of the United States of America; to the Committee on Foreign Affairs.

By Mr. WIDNALL:

H.R. 13508. A bill to amend sections 701 and 702 of the Housing Act of 1954 to insure that assistance furnished thereunder to State, metropolitan, regional, and other areawide planning agencies, or to certain other public agencies, will not be used to provide local governments with services which they could reasonably obtain through private business channels; to the Committee on Banking and Currency.

H.R. 13509. A bill to amend title I of the Housing Act of 1949 and title I of the Demonstration Cities and Metropolitan Development Act of 1966 to provide a method for obtaining judicial review of administrative determinations as to the adequacy of relocation housing being planned or provided for displacees under the urban renewal and model cities programs; to the Committee on Banking and Currency.

By Mr. WOLFF (for himself and Mr. BIAGGI):

H.R. 13510. A bill to amend title 39, United States Code, to provide for the return to the sender of pandering advertisements mailed to and refused by an addressee, at a charge to the sender of all mail handling and administrative costs to the United States; to the Committee on Post Office and Civil Service.

By Mr. YATES (for himself, Mr. DINGELL, Mr. HICKS, Mr. WRIGHT, Mrs. MINK, Mr. OTTINGER, Mr. FRASER, Mr. WOLFF, Mr. MIKVA, Mr. HELSTOSKI, Mr. BINGHAM, and Mr. RYAN):

H.R. 13511. A bill to amend the Employment Act of 1946 to bring to bear an informed public opinion upon price and wage behavior which threatens national economic stability; to the Committee on Government Operations.

By Mr. ZION:

H.R. 13512. A bill to permit expenditures in connection with facilities constructed in the civic center area in Evansville, Ind., to be counted as local grants-in-aid to certain

federally assisted urban renewal and neighborhood development programs in Evansville; to the Committee on Banking and Currency.

By Mr. FOREMAN:

H.J. Res 874. Joint resolution to provide for the appropriation of funds to assist school districts adjoining or in the proximity of Indian reservations, to construct elementary and secondary schools, and to provide proper housing and educational opportunities for Indian children attending these public schools; to the Committee on Interior and Insular Affairs.

By Mr. McDONALD of Michigan:

H.J. Res. 875. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. PATMAN:

H.J. Res. 876. Joint resolution proposing an amendment to the Constitution of the United States to add the words "so help me God" to the Presidential oath of office; to the Committee on the Judiciary.

H.J. Res. 877. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ANDERSON of California (for himself, Mr. BURTON of California, Mr. CHAPPELL, Mr. CARTER, Mr. FOUNTAIN, Mr. FULTON of Pennsylvania, Mr. GAYDOS, Mr. GARMATZ, Mr. GIAIMO, Mr. HALPERN, Mr. KOCH, Mr. MELCHER, Mr. POWELL, Mr. SCHADEBERG, Mr. TIERNAN, and Mr. WHITEHURST):

H.J. Res. 878. Joint resolution authorizing the President to proclaim "Moon Day" and providing for the striking of medals and for the issuance of a commemorative postage stamp in honor of Apollo 11; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.J. Res. 879. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ANDERSON of Illinois:

H. Con. Res. 319. Concurrent resolution relating to U.S. military personnel held captive in Vietnam; to the Committee on Foreign Affairs.

By Mr. BRASCO (for himself, Mr. BLANTON, Mr. CAREY, Mr. CELLER, Mr. DELANEY, Mr. DULSKI, Mr. EDWARDS of Louisiana, Mr. FRIEDEL, Mr. GALLAGHER, Mr. KYROS, Mr. McCARTHY, Mr. MURPHY of New York, Mr. NIX, Mr. PODELL, Mr. ROSENTHAL, Mr. ST GERMAIN, Mr. STOKES, Mr. STRATTON, Mr. SYMINGTON, and Mr. TIERNAN):

H. Con. Res. 320. Concurrent resolution expressing the sense of Congress relating to films and broadcasts which defame, stereotype, ridicule, demean, or degrade ethnic, racial, and religious groups; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of Ohio:

H. Con. Res. 321. Concurrent resolution relative to Citizens Radio Service; to the Committee on Interstate and Foreign Commerce.

By Mr. CAHILL:

H. Con. Res. 322. Concurrent resolution expressing the sense of the Congress relating to the furnishing of relief assistance to persons affected by the Nigerian civil war; to the Committee on Foreign Affairs.

By Mr. COHELAN (for himself, Mr. MINISH, Mr. DULKSI, and Mr. WALDIE):

H. Res. 522. Resolution seeking agreement with the Union of Soviet Socialist Republics on limiting offensive and defensive strategic weapons and the suspension of test flights of reentry vehicles; 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. COHELAN:

H.R. 13513. A bill for the relief of Mrs. Revelyn G. Cayabyab and her two children, Nobilyn Cayabyab and Nodilito Cayabyab; to the Committee on the Judiciary.

By Mr. KLUCZYNSKI:

H.R. 13514. A bill for the relief of Demetre Porhas; to the Committee on the Judiciary.

By Mr. LONG of Louisiana:

H.R. 13515. A bill for the relief of the heirs of Harmon Wallace Jones; to the Committee on the Judiciary.

By Mr. MORSE:

H.R. 13516. A bill for the relief of Charles Colbath; 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:

213. By the SPEAKER: Petition of the City Council, Philadelphia, Pa., relative to collective bargaining for farmworkers; to the Committee on Education and Labor.

214. Also, petition of Allan Feinblum, New York, N.Y., relative to a day of national prayer; to the Committee on Foreign Affairs.

SENATE—*Tuesday, August 12, 1969*

The Senate met at 10 o'clock a.m. and was called to order by the President pro tempore.

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord of our life, come upon us to brace and reinforce us for the strenuous hours ahead of us. If we should forget Thee, do not forget us. Spare us from the sin of ignoring Thee, or from contriving to hide from Thee and from hurting another person. Shield us from anything which would tarnish character, blemish self-respect or efface the divine image Thou hast put upon us.

In these days of confusion and uncertainty when the problems seem almost insoluble and the burdens unbearable, be to us in this place the supreme source of wisdom and strength that we may be faithful to every trust committed to us by the people. So let the round of duties be sanctified into sacraments of service and may all our labor be lifted up as a tribute of our love for Thee.

Through Jesus Christ, our Lord. Amen.

MESSAGE FROM THE PRESIDENT

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

EXECUTIVE MESSAGE REFERRED

As in executive session, the President pro tempore laid before the Senate a message from the President of the United States submitting the nomination of William H. Quealy, of Virginia, to be a judge of the tax court of the United States, which was referred to the Committee on Finance.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDENT pro tempore. There is no pending business; but, under the unanimous-consent agreement heretofore entered, after the approval of the Journal, the Chair will lay down and the Senate will proceed to the consideration of S. 2721, to amend the Higher Education Act of 1965.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, August 11, 1969, be dispensed with.

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

EMERGENCY INSURED STUDENT LOAN ACT OF 1969

The PRESIDENT pro tempore. Under the order of yesterday, the Chair lays before the Senate the pending business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2721) to amend the Higher Education Act of 1965 to authorize Federal incentive payments to lenders with respect to insured student loans when necessary, in the light of economic conditions, in order to assure that students will have reasonable access to such loans for financing their education.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Emergency Insured Student Loan Act of 1969".

INCENTIVE PAYMENTS ON INSURED STUDENT LOANS

SEC. 2. (a)(1) Whenever the Secretary of Health, Education, and Welfare determines that the limitations on interest or other conditions (or both) applicable under part B of title IV of the Higher Education Act of 1965 (Public Law 89-329) to student loans eligible for insurance by the Commissioner of Education or under a State or nonprofit private insurance program covered by an agreement under section 428(b) of such Act, considered in the light of the then current economic conditions and in particular the relevant money market, are impeding or threatening to impede the carrying out of the purposes of such part B, he is hereby authorized, by regulation applicable to a three-month period specified therein, to prescribe (after consultation with the Secretary of the Treasury and the heads of other appropriate agencies) an incentive allowance to be paid by the