cronesia, Trust Territory of the Pacific Islands, relative to appointment of Prof. Harrop A. Freeman as the representative of the people of Micronesia; to the Committee on Interior and Insular Affairs.

261. Also, petition of the City Council, Elizabeth, N.J., relative to the weight and size limits for trucks on interstate highways; to the Committee on Public Works.

SENATE—*Tuesday, September 23, 1969*

The Senate met at 12 o'clock noon 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 Thou Lord of history and beyond, to whom each day belongs, bless all who in their daily vocations serve the government of the people. Let Thy truth inform their minds and Thy righteousness be enthroned in their inmost being.

Strengthen all who are working for peace between the nations, and all who are working for purer and juster laws. Sustain all who are engaged in healing diseases, in the relief of poverty, in the teaching of the young, and in the rescue of the fallen.

Deliver those who thus labor from discouragement or frustration or a sense of futility. Give them a stout heart to bear their own burdens, a willing heart to bear the burdens of others, and a believing heart to cast all their burdens on Thee.

In Thy holy name we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, September 22, 1969, be dispensed with.

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

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Geisler, one of his secretaries, and he announced that on September 22, 1969, the President had approved and signed the joint resolution (S.J. Res. 149) to extend for 3 months the authority to limit the rates of interest or dividends payable on time and savings deposits and accounts.

REPORT OF NATIONAL ADVISORY COUNCIL ON EXTENSION AND CONTINUING EDUCATION UNDER TITLE I OF THE HIGHER EDUCATION ACT OF 1965—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 91–161)

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

To the Congress of the United States:

I herewith transmit the Third Annual Report of the National Advisory Council on Extension and Continuing Education which functions under Title I of the Higher Education Act of 1965.

It is a special concern of this Administration that colleges and universities respond effectively to the needs of local communities and to the desire of their own members to become involved in the task of solving local problems. The increasing level of requests for this type of action, from both inside and outside the campus, raises the question whether Title I of the Higher Education Act is having the impact that it should. This we intend to find out. Therefore, I am instructing the Subcommittee on Education of the Council for Urban Affairs to coordinate a search for ways to improve the performance of this program and report to the Council at an early date.

After we have completed our review of the program under Title I of the Higher Education Act, as well as of the recommendations of the Advisory Council on Extension and Continuing Education, we will advise the Congress of the Administration's recommendations.

RICHARD NIXON.

THE WHITE HOUSE, *September 23, 1969.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

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

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

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

INTERNATIONAL ATOMIC ENERGY AGENCY CONFERENCE REPRESENTATIVES

The bill clerk proceeded to read sundry nominations of International Atomic Energy Agency Conference Representatives.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

Mr. STENNIS. Mr. President, I ask unanimous consent that I may proceed for 5 minutes.

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

LT. GEN. LEONARD DUDLEY HEATON, SURGEON GENERAL

Mr. STENNIS. Mr. President, it is most fitting again to recognize the outstanding career and dedicated service of a distinguished soldier and physician of the U.S. Army. Three years ago I asked the Senate to recognize the service of Lt. Gen. Leonard Dudley Heaton on the occasion of his approaching mandatory retirement on reaching age 64 and his being requested by then President Johnson to continue as Surgeon General after recall to active duty. Though yearning to retire, and in relaxation to enjoy all the pleasures and comforts of his retirement home in Pinehurst, N.C., General Heaton again responded to the call of duty and has continued to the present to give of himself in service to his country and to his fellow man. Indeed, this devoted public servant was further extended in service by President Johnson until May 1969, and then by President Nixon until September 30, 1969. He was appointed Surgeon General by one President and continued in office for over 10 years by three other Presidents of the United States.

The splendid accomplishments of the

Army medical department in continuing the excellent care rendered our servicemen in Vietnam, even through the periods of heavy casualties produced following the Tet offenses, attests the wisdom of the President in continuing the service of this officer-physician beyond mandatory retirement to draw on his professional skill, administrative ability, his years of experience, and his dedication to the cause of providing only the finest of care to the servicemen of this country.

The record of Dr. Heaton in his over 43 years of service has been remarkable and notable in that despite his positions of vastly increasing responsibility with many administrative duties and burdens, he has always maintained his role and image as an astute clinician, teacher, and skilled surgeon; never succumbing to the temptation to allow the burden of administration to turn him from the primary role of the physician—that of the healer. His ability to be a practicing physician, while at the same time proving himself as a forceful, able, and dynamic administrator and leader of military men, attest in deeds to the unsurpassed talents of this great man.

I do not intend today to recite all the accomplishments of General Heaton, or to repeat many of those I mentioned in tribute to him 3 years ago, but I would like to mention just a few. At that time I praised the formation of the Walter Reed Institute of Nursing, a fine school which was just beginning and which has proven itself. The first class graduated in June 1968; this year, the second class graduated, with 71 young women receiving their nursing degrees. The new mobile field hospital, which in 1966 just had been developed to provide the first real improvement in the environment for providing care to the soldier in the field since the time of the Civil War, has proven itself in combat in Vietnam under the most trying circumstances, and six hospitals are now equipped with these assemblies in Vietnam. This is just one of the improvements in medical care which have resulted from his insistence on research and development within the Army medical service, even through periods of personnel shortage and budgetary restrictions.

In his time in office, 16 new modern hospitals have been completed, the most recent the new Letterman General Hospital at the Presidio of San Francisco, Calif.; the groundbreaking ceremony for another, the new William Beaumont General Hospital is scheduled to take place in El Paso, Tex., this month. Another and a most important one—Walter Reed is in the programing stage with design engineering underway.

These new facilities and ever increasing capabilities of the professional corps insured by General Heaton's insistence on active professional teaching and clinical research programs have insured a dynamic, progressive, and efficient medical department which has rendered so effectively the finest of medical care to the several million servicemen and their dependents located throughout the world.

The professional accomplishments of General Heaton have been widely recognized and attested. Throughout his tenure as Surgeon General of the Army, he has continued the active practice of surgery and has skillfully operated on many distinguished persons of our great Nation and its allies. He was awarded the first Oak Leaf Cluster to the Distinguished Service Medal for assuming high responsibility in the care and treatment of the late General of the Army, Douglas MacArthur, at Walter Reed General Hospital. The persevering attention and professional skill that he devoted to the care of President Dwight D. Eisenhower, to include the emergency surgery delicately performed successfully on a critically ill patient, are so well known as not to warrant repeating except to focus attention on the many accomplishments of this most remarkable surgeon. Few know of the daily professional rounds he made in wards at Walter Reed General Hospital before going to his duties in the Surgeon General's Office, of the hours in the operating room or at the bedside in the evenings and throughout long nights. On his many visits to the Army medical facilities around the world, he was frequently called into consultation to render his professional judgment on cases of critically wounded servicemen or to advise foreign dignitaries who might have been former patients of his at Walter Reed.

His decorations have included the Distinguished Service Medal with two Oak Leaf clusters, the Legion of Merit with two Oak Leaf clusters, as well as distinguished awards from many foreign governments. This year he was honored with the award of the Guthrie Medal, presented by the council of the Royal Army Medical College of London, and was named an Honorary Fellow of the Royal College of Surgeons, one of England's oldest surgical societies. In this country he was honored this spring by being selected first vice president of the American Surgical Association.

On conclusion of his 43 years of service in the Army Medical Corps and of over 10 years as Surgeon General of the U.S. Army, I am sure that Leonard Dudley Heaton has established a record which will clearly reserve a place of honor among the distinguished physician-scientist-soldiers for whom the Army medical department is noted. He takes his place with Hammond, Sternberg, O'Reilly, and Ireland among the giants who have filled the office of Surgeon General.

Mr. President, I am one of many who have had a chance to observe rather directly the splendid achievements of this remarkable man, especially in the field of what I call military medicine which he has elevated in a professional way and also as an administrator. Several Members of this body have had the benefit of his remarkable skill and judgment in a professional and in a personal way.

We, too, will be his lifelong debtors. We salute this gentleman for his outstanding career as a professional in the medical profession in the Army service, and as an outstanding American. We wish for him and Mrs. Heaton, who has been a major part of his success, many years of happiness in a well deserved retirement.

The PRESIDENT pro tempore. The Chair, the Senator from Georgia, certainly wishes to associate himself with the remarks of the distinguished Senator from Mississippi. It is very doubtful that any man in the history of this country has contributed more, not only to military medicine but to science in general, than General Heaton.

Mr. STENNIS. I thank the President pro tempore for his tribute.

ORDER OF BUSINESS

Mr. BAKER. Mr. President I ask unanimous consent that I may proceed for 10 minutes.

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

S. 2948—INTRODUCTION OF THE REVENUE SHARING ACT OF 1969

Mr. BAKER. Mr. President, on behalf of myself and Senators ALLEN, ALLOTT, BELLMON, BENNETT, BROOKE, COOK, COOPER, COTTON, DOLE, DOMINICK, ERVIN, FANNIN, GOLDWATER, GRIFFIN, GURNEY, HANSEN, HRUSKA, JAVITS, JORDAN of Idaho, MATHIAS, MUNDT, MURPHY, PACKWOOD, PEARSON, PERCY, PROUTY, SCOTT, SMITH of Illinois, STEVENS, THURMOND, TOWER, and YOUNG of North Dakota, I introduce for referral to the appropriate committee the Revenue Sharing Act of 1969, a measure which would require the regular distribution of a specified portion of the Federal individual income tax to the State primarily on the basis of population with virtually no strings attached.

This is the administration bill recommended to the Congress by President Nixon. I ask unanimous consent that the text of the bill and accompanying data and other materials be printed in the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, the accompanying data, and the other materials will be printed in the RECORD.

(See exhibits 1 and 2.)

The bill (S. 2948) to restore balance in the federal form of government in the United States; to provide both the encouragement and resources for State and local government officials to exercise leadership in solving their own problems; to achieve a better allocation of total public resources; and to provide for the sharing with State and local governments of a portion of the tax revenue received by the United States, introduced by Mr. BAKER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

Mr. BAKER. Mr. President, while the history of Federal assistance to State and local governments goes back to the inception of our country, it is only for the last 20 years that Federal aid has increased at a rapidly accelerating rate. In the 10 years prior to 1956 Federal aid doubled to $3.7 billion, doubled again in the next

4 years to 1960, and between 1960 and 1969, only 9 years, it has expanded from $7 billion to $18.9 billion, an increase of almost 150 percent. Moreover, the projection for Federal aid to State and local governments for 1975 is estimated at $35 to $40 billion, and former President Johnson once set the figure at $60 billion.

This leaves open the decision as to what should be the form of future Federal aid. The problem which confronts the Congress is the establishment of the most efficient delivery system for this rapidly proliferating assistance. In my judgment, it is imperative that we create a delivery system with a greater degree of flexibility. We should move away from complete reliance on particularistic Federal grant-in-aid instruments and adopt approaches which seek to strengthen the political structure and enhance the responsiveness of American federalism. This can best be achieved, as the Advisory Commission on Intergovernmental Relations has recommended, by the establishment of a combination of Federal revenue sharing and general functional block grants along with Federal categorical grants-in-aid.

Under this flexible approach revenue sharing would be utilized to allow States and localities to devise their own programs and set their own priorities to help solve their own unique and most crucial problems. Block grants would be used to give States and localities greater flexibility in meeting needs in broad functional areas. And categorical grants would be used to stimulate and support programs in specific areas of national interest. Under this scheme revenue sharing would supplement rather than supplant existing categorical aids.

Underlying my firm support for the concept of revenue sharing is the basic conviction that strong and financially viable State and local governments are essential not only to a healthy federalism but also to the best possible performance of governmental services. The enactment of a revenue sharing measure would recognize a substantial role for the States and would provide a broad scope for decentralized decisionmaking. If the benefits of American diversity are to be exploited and enhanced, then the Federal Government must aid in creating a fiscal environment that will enable States and localities to exercise wide latitude in determining their own priorities and solving their own problems.

It is particularly important that we recognize the need for viable, imaginative State and local governments. We have during the last several years witnessed an increasing concentration of effective governing authority in the Federal Government and a decreasing ability for the States, the counties, and the cities throughout the Nation to cope successfully with the seemingly limitless problems which confront them. These trends constitute a threat to the traditional system of federalism which has produced the maximum good for the maximum number with maximum responsiveness in government throughout the history of this Nation. The federal system as we know it consists of an effective partnership of governing authority between the Federal Government on the one hand, and State and local units on the other. I believe that the future of this country interrelates to a large degree with our ability to preserve this partnership system of government.

The thrust of these remarks is not an appeal to some academic concept of States rights, sovereignty or independence, nor calculated to be in derogation of the absolute requirement for a vital, effective, imaginative Federal Government. Rather, it is a plea for the reinvigoration and revitalization of the authority of State and local governments in order that they may undertake and discharge their governing responsibilities. In a word, it is a plea for refederalization.

Mr. President, apart from the virtues of federalism, the fiscal argument for revenue sharing is compelling. From 1946 to 1966, State and local governmental purchases of goods and services rose 348 percent with State and local debt increasing 573 percent. During this same period States and localities made impressive efforts to meet domestic public service needs, increasing tax collections from $11 to $59 billion. In spite of this dramatic increase, as well as the substantial growth of Federal categorical aids, there has been no letup in the intense fiscal pressures on States and their local entities, and every indication is that State and local expenditure demands will continue to rise sharply.

While State and local governments are confronted with this unrelenting fiscal pressure, a somewhat different situation prevails at the national level. Because of a progressive tax policy, Federal revenues tend to increase at a faster rate than the Nation's economic growth. In fact, Federal income tax revenues increase by 15 percent for every 10-percent increase in the gross national product, producing approximately an additional $8 billion in Federal revenue each year with no increase in tax rates. Looking beyond the current costs of the Vietnam war, one can visualize the $8 billion automatic annual growth in Federal revenues generating new leeway for fiscal dividends among the States.

But the fiscal dilemma of State and local governments is only the beginning. Consider the unmet needs. One has only to walk in his suburb to see the need for schools, sewers, sidewalks, street lights, and more frequent garbage collection. He has only to walk in the urban area to see streets with gaping holes and crumbling curbs, to see rundown parks and miserable housing, and even to see increasing crime and poverty. And he must not at the same time forget the rapidly expanding cost of higher education, the woefully inadequate prisons and mental hospitals, and the still-to-be-conquered problems of air and water pollution.

There is, of course, no easy answer to these problems, but the establishment of the concept of revenue sharing would be a beginning. The bill which I introduce today contains the following major elements:

First, the amount of moneys to be shared will be a stated percentage of personal taxable income with one-sixth of 1 percent to be appropriated for fiscal year 1971. Thereafter, the rate will escalate until it reaches 1 percent of personal taxable income for fiscal year 1976, providing a yield of approximately $5 billion.

The base of personal taxable income has the advantages of relative stability, steady growth, and independence from tax-rate changes. Further, it insures that state and local officials will not become advocates of higher Federal tax rates in order to gain revenue sharing funds.

Second, the funds will be distributed from the Federal Treasury to the 50 States and the District of Columbia with each State receiving an amount based on its share of the national population adjusted by the State's own revenue effort. The revenue effort factor will be computed as the sum of all State and local general revenue, divided by personal income in that State, divided by the national average of such a revenue income ratio. The net result of the application of this formula to available funds will provide some premium to those States that exercise their best efforts to provide for their own requirements and also some premium to those States that have a greater fiscal need.

Third, a portion of the money allocated to each State will be required to be distributed to all general purpose local governments. The amount that must be distributed to local governments will be the proportion of locally raised general revenues compared to total State and local revenues, and the amount which an individual unit of general local government will receive is that percentage of the total local share that its own revenues bear to the total of all local government revenues in the State.

The money thus passed through will be shared with all general purpose local governments—cities, towns, and counties. There will be no minimum size requirement for a locality to participate, and no school district or special purpose district will be eligible for direct sharing. By sharing funds only with municipalities, counties, and townships, the State government portion of revenue sharing is enlarged by the relative proportion of special and school district revenues to total revenues.

Fourth, the States and their local entities will be given virtually complete freedom in the use of their revenue shares except for the usual public auditing, accounting, and reporting requirements on all public funds.

Mr. President, revenue sharing was endorsed in 1968 by both presidential candidates and by both party platforms. Over 100 different revenue sharing bills were introduced during the 90th Congress, and almost this number have already been submitted during the current session. President Nixon has made known his firm support for this concept on several occasions since his inauguration. And the bill which I introduce today is the result of long hours of work by the Treasury Department in consultation with Governors, mayors, county officials, Members of Congress, and their staffs. It is virtually identical in its major provi-

sions to S. 1634, which I introduced on March 24. I am hopeful, therefore, that the appropriate committees in both Houses of Congress will take prompt action.

The enactment of revenue sharing would relieve the intense fiscal pressure on State and local governments. It would serve the tradition of federalism by instilling in State and local governments a new vitality and independence. It would reverse the regressive tendency in the Federal-State-local tax structures. And it would enable the economically poor States to upgrade the quality of their services.

For all of these reasons, I urge the adoption of this measure.

EXHIBIT 1

S. 2948

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SEC. 101. This Act may be cited as the "Revenue Sharing Act of 1969".

DEFINITIONS

SEC. 201. (a) For purposes of this Act—

(1) except where otherwise indicated, the term "fiscal year" means the fiscal year of the Federal Government of the United States;

(2) the term "general revenue" of State and local governments means general revenue from their own resources, as defined and used by the Bureau of the Census of the Department of Commerce, provided that in the case of the District of Columbia it shall include the Federal payment authorized under 47 D.C. Code § 2501(a) (81 Stat. 339);

(3) the term "Governor" means the chief executive officer of each State or his delegate;

(4) the term "individual income tax returns" means the returns of tax required to be filed on the income of individuals under the internal revenue laws;

(5) the term "local government" means a municipality, county, or township (but does not include independent school districts or special districts), as defined and used by the Bureau of the Census of the Department of Commerce;

(6) the term "personal income" means personal income, as defined and used by the Office of Business Economics of the Department of Commerce;

(7) the term "population" means total resident population, as defined and used by the Bureau of the Census of the Department of Commerce;

(8) the term "Secretary" means the Secretary of the Treasury or his delegate;

(9) the term "State" means the several States of the United States and the District of Columbia;

(10) the term "taxable income" means taxable income, as defined by the internal revenue laws; and

(11) the term "units of government" means all units of local government (including independent school districts and special districts), as defined and used by the Bureau of the Census of the Department of Commerce.

(b) The definitions in subsection (a) of this section (other than the definitions in paragraphs 1, 3, 8, and 9) shall be based on the latest published reports available, and the internal revenue laws in effect, on the date of enactment of this Act. The Secretary may, by regulation, change or otherwise modify the definitions in subsection (a) of this section in order to reflect any change or modification thereof made subsequent to such date by the Department of Commerce or by a revision of the internal revenue laws.

REVENUE-SHARING APPROPRIATION

SEC. 301. (a) There is hereby appropriated for the fiscal year beginning July 1, 1970, and for each fiscal year thereafter, an amount, as determined by the Secretary, equal to the percentage provided in subsection (b) of this section multiplied by the total taxable income reported on Federal individual income tax returns for the calendar year for which the latest published statistical data are available from the Department of the Treasury at the beginning of such fiscal year.

(b) For purposes of subsection (a), the applicable percentage is—

(1) for the fiscal year beginning July 1, 1970, 2/12ths of one percent;

(2) for the fiscal year beginning July 1, 1971, 5/12ths of one percent;

(3) for the fiscal year beginning July 1, 1972, 7/12ths of one percent;

(4) for the fiscal year beginning July 1, 1973, 9/12ths of one percent;

(5) for the fiscal year beginning July 1, 1974, 11/12ths of one percent;

(6) for each fiscal year beginning on or after July 1, 1975, one percent.

(c) Amounts appropriated pursuant to this section shall remain available without fiscal year limitation for the expenditures authorized by this Act.

PAYMENTS TO STATES

SEC. 401. (a) For any fiscal year, each State is entitled to an amount, as determined by the Secretary, equal to the amount appropriated for such year pursuant to section 301 multiplied by the factor for such State. Each State's factor shall be obtained by—

(1) multiplying such State's population by its revenue effort, and

(2) dividing the product obtained in paragraph (1) by the sum of such products for all States.

(b) The amount determined under subsection (a) of this section shall be paid by the Secretary to the Governor of each State at such times as the Secretary may determine during any fiscal year, but not less often than once each quarter.

(c) For purposes of subsection (a), the revenue effort of each State for any fiscal year shall be obtained by dividing—

(1) the total general revenue derived by such State and all of its units of government from their own resources by

(2) the total personal income for such State.

(d) At the beginning of each fiscal year, the Secretary shall, on the basis of the latest available data for all States furnished by the Department of Commerce, determine—

(1) the population of each State referrable to the same point of time;

(2) the total annual general revenues of each State (including all of its units of government); and

(3) the total annual personal income for each State.

(e) All computations and determinations by the Secretary under sections 301 and 401 shall be final and conclusive.

PAYMENTS BY STATES TO LOCAL GOVERNMENTS

SEC. 501. (a) The local governments of each State shall be entitled to receive an amount equal to the payment to such State pursuant to section 401 multiplied by a fraction, the numerator of which is the sum of the general revenues derived by all local governments of such State from their own resources and the denominator of which is the sum of the general revenues derived by such State and all of its units of government from their own resources. Such amounts shall be computed by the Governor of the State on the basis of the latest data available from the Department of Commerce at the beginning of the fiscal year.

(b) Within 30 days after receipt of a payment pursuant to section 401, each State shall pay to each of its local governments an amount computed by the Governor of such State on the basis of the statistical data used in subsection (a) of this section equal to—

(1) the amount determined under subsection (a) of this section, multiplied by

(2) the ratio of each local government's general revenues from its own resources to the total general revenues of all local governments in such State from their own resources.

(c) To encourage States to take the initiative in strengthening the fiscal position of their local governments and to maximize flexibility in the use of the payments authorized by this Act for meeting the particular needs of differing State and local fiscal systems, the Secretary shall accept an alternative formula for the distribution of funds as required by subsections (a) and (b) of this section (and any modification or termination of such formula) if requested by the State, provided such formula (or modification or termination of such formula) is—

(1) enacted by the State in the same manner as authorized in such State's constitution for the enactment of its own laws, and

(2) is approved—

(a) by a formal resolution of the governing bodies of more than one-half of the local governments of such State, and

(b) by a formal resolution of the governing bodies of the local governments of such State which would be entitled to receive more than one-half of the payments otherwise required by this Act.

Such formula shall be filed with the Secretary not later than 180 days preceding the fiscal year to which such formula would be applicable. The provisions of such formula shall govern the use of funds otherwise allocated by this Act to local governments and shall be effective for the period stated therein.

QUALIFICATIONS

SEC. 601. (a) In order to qualify for payments under this Act, a State Government shall warrant to the Secretary that it waives immunity from suit by its local governments in the United States Court of Appeals under the provisions of this Act and shall, on behalf of itself and any local government which may receive any part of such payments, give to the Secretary such assurances as he may require that such State and its local governments will—

(1) use such payments for its governmental purposes;

(2) use such fiscal and accounting procedures as may be necessary to assure proper accounting for payments received by such State and its local governments, and to assure proper disbursement of amounts to which the local governments are entitled;

(3) provide to the Secretary or his representatives, on reasonable notice, access to, and the right to examine, any books, documents, papers, or records as he may reasonably require for the purposes of reviewing compliance with this Act; and

(4) make such reports to the Secretary in such form and containing such information as the Secretary may reasonably require, including therein any computations made pursuant to section 501.

(b) Except when an alternative formula has been adopted pursuant to section 501 (c), a State's aggregate payments to all of its local governments for such State's fiscal year (from all sources other than amounts received under this Act), shall be an amount not less than the average proportion of such State's general revenues received by its local governments for the three fiscal years of such State next preceding the date of enactment of this Act.

POWERS OF THE SECRETARY

SEC. 701. (a) The Secretary is authorized to prescribe reasonable rules and regulations for carrying out the provisions of this Act and to request from any Federal agency statistical data and reports and such other information which he may deem necessary to carry out his functions under this Act, and each Federal agency is authorized to furnish such statistical data and reports and other

information to the Secretary to the extent permitted by law.

(b) If, after giving reasonable notice and opportunity for a hearing to the Governor of any State, the Secretary determines that a State Government has failed to comply substantially with any provision of this Act or any rule or regulation issued pursuant thereto, he shall notify the Governor that if such State Government fails to take corrective action within 60 days from the date of such determination, further payments to such State Government in excess of the amounts to which the local governments of such State are entitled under section 501(a) will be withheld for the remainder of the fiscal year and for any subsequent fiscal year until such time as the Secretary is satisfied that appropriate corrective action has been taken and that there will no longer be any failure to comply. Until he is satisfied, the Secretary shall make no further payments of such amounts to the Governor.

(c) In the case of the failure of compliance by the Governor, or the failure of compliance by a State Government, for a period in excess of 6 months after the expiration of the 60-day notice given pursuant to a determination under subsection (b) of this section, the Secretary shall forthwith cancel any payments withheld pursuant to subsection (b) for the current and for any subsequent fiscal year and shall reapportion and pay such cancelled payments to all other States then entitled to receive payments under section 401 in proportion to the original installments paid to such States for the fiscal year to which such cancelled payments pertain. Such payments to all other States shall be considered payments made pursuant to section 401.

(d) If a payment or payments to a State Government are withheld or cancelled pursuant to this section, the Secretary shall continue to pay to such State the amount to which the local governments of such State are entitled, as determined pursuant to section 501(a), and such State shall continue to distribute such amounts among its local governments pursuant to section 501(b) or (c).

(e) The Governor shall be responsible to the Secretary for determining that local governments within his State have complied with the requirements of this Act and the rules and regulations issued pursuant thereto. If, after giving reasonable notice and an opportunity for a hearing to the chief executive officer of a local government of such State, the Governor determines that such local government has failed to comply substantially with any provision of this Act or any rule or regulation issued pursuant thereto, the Governor shall forthwith notify such local government that if it fails to take corrective action within 60 days from the date of such determination, further payments to it under this Act will be withheld for the remainder of the fiscal year and for any subsequent fiscal year until such time as he is satisfied that appropriate corrective action has been taken and that there will no longer be any failure to comply. The Governor shall forthwith notify the Secretary of his action.

In the event of a failure of compliance by such local government or a period in excess of 6 months after the expiration of a 60-day notice issued by the Governor pursuant to a determination under the preceding paragraph, the Governor shall forthwith cancel any payments withheld for the current and for any subsequent fiscal year and shall reapportion and pay such cancelled payments to all other local governments of such State then entitled to receive payments pursuant to section 501, in proportion to the original payments made to such local governments for the fiscal year to which the cancelled payments pertain.

JUDICIAL REVIEW

SEC. 801. (a) Any State or local government which receives a 60-day notice under section 701 pursuant to a determination that payments to it will be withheld may, within 60 days after receiving such notice, file with the United States Court of Appeals for the circuit in which such State or local government is located, or in the United States Court of Appeals for the District of Columbia, a petition for review of the Secretary's action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary shall file in the court the record of the proceedings on which he based his action as provided in section 2112 of Title 28, United States Code.

(b) No objection to the action of the Secretary shall be considered by the Court unless such objection had been urged before the Secretary, or unless there were reasonable grounds for the failure to do so.

(c) In accordance with the provision of this subsection, the court shall have jurisdiction to affirm or modify the action of the Secretary, or to set it aside, in whole or in part. The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive. However, if any finding is not supported by substantial evidence, the court may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous actions. He shall certify to the court the record of any further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(d) 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.

(e) In the event that judicial proceedings are instituted pursuant to this section, the Secretary shall, after the expiration of the 6 months period provided in sections 701(c) or 701(e) or the point at which any judicial decision becomes final, whichever is later, cancel, reapportion, and pay any payments withheld pursuant to section 701 for the current and for any subsequent fiscal years.

(f) For purposes of this section, the term "Secretary" means the Secretary of the Treasury or the Governor of a State, whichever is appropriate.

REPORT BY THE SECRETARY

SEC. 901. The Secretary shall report to the President of the United States and the Congress as soon as is practicable after the end of the fiscal year on the operation of this Act during the preceding fiscal year.

ADMINISTRATIVE EXPENSES

SEC. 1000. There is hereby authorized to be appropriated such sums as may be necessary for the administrative expenses required to carry out the functions of the Federal government under this Act.

EFFECTIVE DATE

SEC. 1001. The effective date of this Act shall be January 1, 1971.

EXHIBIT 2

NATIONAL ASSOCIATION OF COUNTIES,
Washington, D.C., September 5, 1969.

Hon. HOWARD BAKER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: We at the National Association of Counties, representing our nation's 3049 county governments, are delighted to learn that you will be the principal sponsor of the Administration's recently announced federal revenue-sharing legislation.

As you know, both our staff and our elected membership representatives, have worked long and closely with the Administration, the Advisory Commission on Intergovernmental Relations and with your staff and others on the complicated formula aspects of a federal revenue-sharing plan. We believe that what has emerged, after the considerable efforts of a great many people, both within and without the Administration, is, to our present understanding, a most efficient, acceptable and well formulated plan for sharing federal, individual income tax revenues with the states and general purpose units of government on the basis of tax share.

Our nation's 3049 county governments, which in 1966 spent a total of $13 billion (compared with about $18 billion for 14,000 cities) will be major recipients of this desperately needed, no-strings-attached federal revenue.

We are pleased that the Administration's bill has the general wholehearted support of the nation's Mayors and Governors. Certainly, all must enthusiastically concur with the President when he states that one of the purposes behind federal revenue-sharing will be "a new emphasis on and help for local responsiveness, and to provide both encouragement and the necessary resources for local and state officials to exercise leadership in solving their own problems."

The National Association of Counties pledges its wholehearted and enthusiastic support for this much needed harbinger of a basic change in our concepts of federalism. We urge you to continue your ongoing efforts to obtain hearings on this crucial and precedent seeking piece of legislation which holds so much promise for our nation's governments.

Sincerely yours,
BERNARD F. HILLENBRAND,
Executive Director.

STATE OF WASHINGTON,
OFFICE OF THE GOVERNOR,
Olympia, September 16, 1969.

Hon. HOWARD BAKER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAKER: The National Governors' Conference has supported by resolution since 1965 the concept of revenue sharing as vital to the continuation of a strong Federal system. The Committee on Executive Management and Fiscal Affairs, of which I have been chairman, was given the responsibility to develop specific recommendations for implementation of the concept. Those recommendations were adopted by the National Governors' Conference meeting in Colorado Springs this month, and I will present them to the Senate Sub-Committee on Intergovernmental Relations on September 24. The specific recommendations are based upon criteria which the National Governors' Conference adopted in 1968 as follows:

(1) Any allocation formula for revenue sharing should be simple, understandable, and be acceptable as equitable.

(2) The plan should assure substantial additional federal financial resources to urban communities as well as states.

(3) Revenue sharing for municipalities should not encourage present barriers to more effective structure of local government in accord with the scope of their public service responsibilities. As a minimum, the plan should deter further geographical fragmentation of local government.

(4) The revenue sharing plan should be designed to supplement state and community funds rather than substitute for state and local tax effort.

(5) The revenue sharing plan should not weaken any categorical federal grant designed to serve national priorities and national purposes.

(6) The procedures for federal revenue sharing should be flexible enough to support fiscal policy for a stable and growing economy, without impairing orderly planning and budgeting in states and communities.

Two other governors and I, together with the representatives of cities and counties, met with representatives of the administration in July as they formulated their revenue-sharing proposal. There was remarkable

agreement among those attending this meeting over the principles which should be embodied in a revenue-sharing proposal. This agreement represents a hallmark in new governmental relations.

While the policy statement adopted by the National Governors' Conference differs in several respects from the specific proposals of the administration's recently announced revenue-sharing legislation, I am exceptionally pleased with the degree to which the administration's proposal embodies the conclusions reached at the White House meeting in July and the general thrust of the Governors' Conference recommendations. While I will present to the Sub-Committee on Intergovernmental Relations additional ideas which I believe will improve the legislation, it has my wholehearted endorsement. I congratulate you and the co-sponsors of this legislation for presenting it to the Congress.

The Advisory Commission on Intergovernmental Relations states: "The existence of a gross imbalance among the levels of government and the power to raise revenue poses a critical threat to the integrity of a system of shared power." Seldom will Congress have an opportunity to more directly strengthen the principles and operation of the Federal system. The nation's governors stand ready to work with you closely and responsibly to achieve this vital result through the legislation which you have introduced.

Sincerely,

DANIEL J. EVANS,
Governor.

NATIONAL LEAGUE OF CITIES,
U.S. CONFERENCE OF MAYORS,
Washington, D.C., September 23, 1969.

Hon. HOWARD BAKER,
U.S. Senate,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR BAKER: Your introduction of an Administration bill to implement President Nixon's commitment to establish a system of Federal revenue sharing with states and local governments is enthusiastically welcomed by the mayors and other officials of all the nation's cities. On their behalf, we wish to indicate to you, as sponsor of the Administration's bill, their support for the principle of revenue sharing.

Your bill is truly an intergovernmental bill. The officials of the states, cities and counties were consulted and actively participated in its construction. As a result, there is general agreement and support among governors, mayors and county officials for most of its provisions.

In particular, there is substantial agreement on the provisions for establishing and funding the revenue sharing account, on the method of distribution of funds among the states and on the very important principle of guaranteeing that a substantial portion of the funds received by the states will be passed through to their general units of local government.

We are concerned, however, with the method used to determine the share of funds to be passed through and the method used to determine how money is allocated among individual local units. We will offer recommendations for specific improvements of these provisions at the appropriate time.

Revenue sharing is indeed a meaningful and necessary step toward the New Federalism proclaimed by the President. It is one of the most important pieces of legislation ever introduced to assure availability of resources needed by our states and general units of local government.

The demand for and complexity of local government services have outpaced the availability of local resources to pay for them. It became clear long ago that the superior capacity of the Federal revenue system must be utilized if this deficiency is to be overcome.

The local tax structure is characterized by an inherent intergovernmental competition, by regressivity and by complexity. It abounds wtih inequities. These conditions long ago precluded its expanded use for meeting critical local fiscal requirements and dictate the use of the more efficient and equitable Federal tax structure to provide funds to supplement locally taxable resources.

Federal revenues shared with the states and cities is a logical adjunct to the existing Federal categorical grant-in-aid system. Revenue sharing will complement the specific objectives of categorical aid by supplementing locally-raised operating revenues. Unrestricted use of shared revenues will significantly increase local flexibility in developing and executing local policies.

The amounts of money initially contemplated in your bill are not great and will not immediately meet the tremendous fiscal needs of local governments. Any future improvement in the general fiscal situation of the Federal government must contain a substantial increase in these unrestricted shared revenues as well as in the categorical aids if we are to begin to solve our domestic problems. Nevertheless, it is vitally important to establish the principle of revenue sharing at the earliest possible moment so that steps will be triggered to begin the long hard struggle to restore balance to our Federal system.

Finally, we wish to commend you for your continued strong interest in revenue sharing and your vigorous efforts to secure enactment of revenue sharing legislation. We look forward to working with you and the Congress in making revenue sharing a reality.

Sincerely,

C. BEVERLY BRILEY,
Mayor of Nashville, Tenn., President, National League of Cities.

JACK D. MALTESTER,
Mayor of San Leandro, Calif., President, U.S. Conference of Mayors.

STATE AND LOCAL SHARES UNDER ADMINISTRATION REVENUE SHARING PROPOSAL[1]

State	Population July 1, 1968 (thousands)	Personal income 1967 (millions)	State and local (thousands)[2]	State area percentage	State area share[3]	Local revenues (thousands)[4]	Local pass through	Local share	State residual
Alabama	3,566	$7,656	$937,084	0.017988	$8,994,000	$235,282	0.251078	$2,258,196	$6,735,804
Alaska	277	1,017	139,942	.001571	785,500	44,002	.314430	246,985	538,515
Arizona	1,670	4,444	664,054	.010282	5,141,000	140,906	.212190	1,090,869	4,050,131
Arkansas	2,012	4,130	499,306	.010025	5,012,500	80,211	.160644	805,228	4,207,272
California	19,221	70,204	9,507,432	.107253	53,626,500	2,939,286	.309156	16,578,954	37,047,546
Colorado	2,048	6,191	869,293	.011850	5,925,000	214,309	.246532	1,460,702	4,464,298
Connecticut	2,959	11,609	1,151,699	.012097	6,048,500	570,101	.495008	2,994,056	3,054,444
Delaware	534	1,905	245,701	.002839	1,419,500	36,221	.147419	209,261	1,210,239
District of Columbia[5]	809	3,336	450,613	.004504	2,252,000	450,613	1.000000	2,252,000	
Florida	6,160	17,101	2,132,736	.031657	15,828,500	622,737	.291989	4,621,748	11,206,752
Georgia	4,588	11,458	1,348,435	.022254	11,127,000	298,603	.221444	2,464,007	8,662,993
Hawaii	778	2,415	365,072	.004848	2,424,000	102,552	.280908	680,921	1,743,079
Idaho	705	1,800	264,376	.004268	2,134,000	56,104	.212212	452,860	1,681,140
Illinois	10,974	40,850	3,866,247	.042783	21,391,500	965,062	.249612	5,339,575	16,051,925
Indiana	5,067	15,980	1,856,861	.024265	12,132,500	406,122	.218714	2,653,548	9,478,952
Iowa	2,748	8,558	1,148,892	.015198	7,599,000	288,642	.251235	1,909,135	5,689,865
Kansas	2,303	6,961	905,542	.012348	6,174,000	275,105	.303801	1,875,674	4,298,326
Kentucky	3,229	7,737	892,691	.015356	7,678,000	188,334	.210973	1,619,851	6,058,149
Louisiana	3,732	8,995	1,298,898	.022209	11,104,500	225,771	.173817	1,930,151	9,174,349
Maine	979	2,585	301,717	.004708	2,354,000	129,205	.428232	1,008,058	1,345,942
Maryland	3,757	12,595	1,415,075	.017403	8,701,500	639,488	.451911	3,932,304	4,769,196
Massachusetts	5,437	19,197	2,301,759	.026866	13,433,000	1,187,565	.515938	6,930,595	6,502,405
Michigan	8,740	29,151	3,458,890	.042754	21,377,000	851,579	.246200	5,263,017	16,113,983
Minnesota	3,646	11,162	1,599,758	.021532	10,766,000	444,196	.277664	2,989,331	7,776,669
Mississippi	2,342	4,453	619,015	.013416	6,708,000	149,272	.241144	1,617,594	5,090,406
Missouri	4,627	13,775	1,478,684	.020460	10,230,000	358,930	.242736	2,483,189	7,746,811
Montana	693	1,939	272,206	.004010	2,005,000	103,144	.378918	759,731	1,245,269
Nebraska	1,437	4,422	518,536	.006947	3,473,500	156,369	.301558	1,050,935	2,422,565
Nevada	453	1,591	223,324	.002621	1,310,500	80,326	.359683	471,365	839,135
New Hampshire	702	2,094	216,083	.002986	1,493,000	73,136	.338462	505,324	987,676
New Jersey	7,078	25,686	2,654,924	.030161	15,080,500	1,051,267	.395968	5,971,395	9,109,105
New Mexico	1,015	2,484	394,562	.006643	3,321,500	66,898	.169550	563,160	2,758,340
New York	18,113	68,916	10,020,084	.108535	54,267,500	4,208,520	.420008	22,792,784	31,474,716
North Carolina	5,135	12,267	1,405,187	.024252	12,126,000	437,874	.311612	3,778,607	8,347,393
North Dakota	625	1,589	282,501	.004580	2,290,000	72,697	.257333	589,293	1,700,707
Ohio	10,591	33,605	3,351,507	.043516	21,758,000	922,402	.275220	5,988,237	15,769,763
Oklahoma	2,518	6,594	856,946	.013490	6,745,000	176,959	.206499	1,392,836	5,352,164
Oregon	2,008	6,122	835,715	.011296	5,648,000	160,746	.192345	1,086,365	4,561,635
Pennsylvania	11,712	37,065	3,864,363	.050342	25,171,000	934,110	.241724	6,084,435	19,086,565
Rhode Island	913	2,995	311,399	.003913	1,956,500	135,108	.433874	848,874	1,107,626
South Carolina	2,692	5,752	655,445	.012647	6,323,500	98,487	.150259	950,163	5,373,337
South Dakota	657	1,745	262,870	.004078	2,039,000	76,614	.291452	594,271	1,444,729
Tennessee	3,976	9,316	1,050,148	.018467	9,233,500	456,724	.434913	4,015,769	5,217,731
Texas	10,972	29,822	3,273,793	.049648	24,824,000	822,416	.251211	6,236,062	18,587,938
Utah	1,034	2,667	380,486	.006081	3,040,500	70,781	.186027	565,615	2,474,885

Footnotes at end of table.

STATE AND LOCAL SHARES UNDER ADMINISTRATION REVENUE SHARING PROPOSAL[1]—Continued

State	Population July 1, 1968 (thousands)	Personal income 1967 (millions)	State and local (thousands)[2]	State area percentage	State area share[3]	Local revenues (thousands)[4]	Local pass through	Local share	State residual
Vermont	422	$1,178	$158,410	0.002339	$1,169,500	$29,370	0.185404	$216,830	952,670
Virginia	4,597	12,719	1,326,686	.019759	9,879,500	536,567	.404441	3,995,675	5,883,825
Washington	3,276	10,871	1,444,803	.017943	8,971,500	250,891	.173650	1,557,901	7,413,599
West Virginia	1,805	4,197	502,148	.008897	4,448,500	78,109	.155549	691,960	3,756,540
Wisconsin	4,213	13,220	1,824,438	.023960	11,980,000	519,687	.284847	3,412,467	8,567,533
Wyoming	315	946	157,236	.002158	1,079,000	37,589	.239061	257,947	821,053
U.S. total	199,861	625,068	75,969,970	1.000003	500,001,500			150,045,810	349,955,690

[1] State and local general revenues from own sources for fiscal years ending between July 1, 1966, and June 30, 1967.
[2] Includes school and special districts.
[3] State share formula constant denominator 24,265,172.
[4] Excludes school and special districts.
[5] Revenue figure includes Federal payment.

Statistical source: Census Bureau, Governments Division.

Mr. DOLE. Mr. President, will the Senator from Tennessee yield?

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Kansas?

Mr. BAKER. I am happy to yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I join my colleague, the junior Senator from Tennessee, in sponsoring President Nixon's plan for revenue sharing. Senator BAKER has been in the forefront of the proponents of this significant legislation. Earlier in this session of Congress, I joined him and 19 other Senators in cosponsorship of S. 1634, the Tax Sharing Act of 1969. Today, we take another step toward creation of a new relationship between the various levels of government.

Let me say generally and briefly that for half a century, we have seen the Federal Government grow larger and larger, and become more centralized and more bureaucratic. We have seen the power drained away from State and local governments to the Federal level. As the Federal Government became larger, in my opinion it became less manageable and less effective. Problems which should have been handled at the local and State level more and more were sent to Washington for solution. Our domestic needs have not responded to the solutions proposed by the Federal Government. As a result, America's ability to achieve social progress has suffered.

President Nixon proposes to turn back the administration of more projects to State and local governments. Revenue sharing will turn back some of the resources necessary to finance these projects.

The legislation introduced today will contribute immeasurably to achieving this goal.

Mr. BAKER. I thank my colleague from Kansas for his comments.

Mr. TOWER. Mr. President, will the Senator from Tennessee yield?

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Texas?

Mr. BAKER. I am happy to yield to the Senator from Texas.

Mr. TOWER. Mr. President, I am most happy to join with Senator BAKER today as a cosponsor of the revenue-sharing legislation recommended by President Nixon in his August 13 message to Congress.

A call for revenue sharing with the States was included in the Republican Party platform of 1968, and many members of both parties have called for the adoption of such a measure. I believe that President Nixon has exhibited very fine leadership in taking the initiative on this important matter.

There is a real and vital need for the enactment of such legislation. I believe the present system of categorical grants has been inadequate to meet the demands of our times. The present system has, in many cases, been inflexible, overlapping, slow, and inefficient. As the President said in his message:

> We have hampered the effectiveness of local government by constructing a Federal grant-in-aid system of staggering complexity and diversity.

In too many cases, the vital decisions have been made in Washington, and the State governments have suffered accordingly. This is not as it should be. Time and time again it has been shown that concentration of power and decisionmaking in Washington is neither the most effective nor the most efficient way to govern.

Enactment of the President's revenue-sharing proposal would be a significant step toward reversing this trend. The measure would return to the States a percentage of personal taxable income for use as the States themselves determine. The availability of such unmarked funds would enable the States to respond more effectively and more efficiently to the demands made for services which can be better administered by State and local governments.

There are other revenue-sharing proposals presently pending before both Houses of Congress. Some would set aside a larger amount for distribution; and some would put certain restrictions on States' use of funds. Whatever the various provisions, all these bills will make a real contribution to the dialog and discussion of the revenue-sharing concept. I look forward anxiously to the hearings on this legislation. More important than the merits of the specific provisions of the various bills is the fact that we are now finally getting down to serious consideration of this concept which has received so much attention in recent years. I heartily support the concept of revenue sharing in general and the President's proposal in particular. I commend the President as well as Members of Congress who have introduced such legislation, and I am hopeful that hearings may be scheduled just as soon as possible for consideration of these proposals.

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

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from California?

Mr. BAKER. I am happy to yield to the Senator from California.

Mr. MURPHY. I join my distinguished colleague from Texas in congratulating the Senator from Tennessee for this piece of legislation.

I am pleased to cosponsor the administration's revenue-sharing proposal. I have had a great interest in this subject for some time since I had the pleasure of serving on the Republican coordinating committee's task force on revenue sharing which strongly urged revenue sharing. I regard this bill as one of the most important pieces of legislation which will be before this Congress.

Under this measure Federal revenues will be returned to the States and local governments without Federal strings or conditions. State and local governments will be able to determine their own needs, set their own priorities and spend the revenue accordingly. Budget problems demand that we embark upon this program slowly, but both logic and the merits of the revenue-sharing proposal demand that we move in this new direction as fast as we possibly can. Beginning in the second half of fiscal year 1971, one-third of 1 percent of personal taxable income or $500 million will be returned to the States. In succeeding years, this sum will increase until by 1976 and subsequent years, 1 percent, or $5.1 billion, will be available to State and local governments.

The formula for distributing the money to the States will be based on population and the State's revenue effort. States in turn will be required to share a percentage of this revenue with governmental units within the State.

This proposal, at long last, begins to restore balance in our federal system. The bill signals an end to an era, the last third of a century in which we have witnessed the flow of tax money, powers, and responsibilities from States and local governments to Washington. The steady and relentless erosion of the roles of the States and the resulting centralizing of power in Washington has resulted from many events and forces. The depression, World War II, the cold war, and growing demands by our citizens for services and solutions to the many problems of the country all were involved in bringing us to this important juncture.

The most important factor, however, is the imbalance of revenue available to the various units of government. For

Federal, State, and local governments—taxes are their chief source of revenue. The trouble is that the Federal Government taxes about three-fifths of the total revenue collected in the Nation with State and local governments dividing the remaining two-fifths about equally. The Federal Government is able to do this because it has preempted the most lucrative source of revenue, the graduated income tax. With the Federal Government taking practically all of the income tax, State and local governments must rely primarily on other sources. For the States, their main sources are the sales and gross receipt taxes, and income taxes which are generally of a flat or mildly progressive rate. For local governments, as taxpayers well know, it is the overworked property tax.

The Federal graduated income tax is a powerful source of revenue in a growing economy. And it produces revenues that increase at a more rapid rate than the growth in our Nation's economy. As a result, a growing economy produces increased revenue for the Federal Government each year. This "built in" increase in Federal funds was estimated by the Republican task force on revenue sharing to be $6 billion yearly.

In contrast, revenue from State and local governments, whose primary source is the sales and property tax, tends only to be equal to or less than the Nation's economic growth. Hence, local revenues do not keep pace with economic growth and resources available to State and local governments are not commensurate with inflation and mushrooming demands by citizens. This situation of potential national surpluses and local deficits has been aptly described as a "fiscal mismatch."

State and local governments have tried to keep up as statistics cited by President Nixon in his September 1 speech to the Governors' conference clearly proves this. The President said:

> In the space of only ten years, state and local expenditures grew by two and a half times—from $44 billion in 1958 to $108 billion in 1968. States alone have had to seek more than 200 tax rate increases in the past eight years. Nearly four-fifths of the state legislatures that convened in 1969 have found themselves considering requests for even higher taxes.

Despite these great efforts, local and State governments have not had adequate sources of revenue and as a result must turn to Washington for help. The principal method used by the Federal Government for sharing its resources with the State and local governments has been the grant-in-aid system. The federal system has grown over the years, but the growth in the sixties of the grant-in-aid program has been truly phenomenal. Twenty years ago there were only a few Federal grant-in-aid programs. Today I doubt if anyone in Washington knows how many programs are available. Representative ROTH has just completed a study of the Federal programs providing assistance to the American public. He found that more than $20 billion a year is being spent on such programs and his study, listing the programs, runs almost 400 pages of very small print.

The growth in Federal grant-in-aid programs was traced by the Republican task force on revenue sharing as follows:

> In 1934, 18 grant-in-aid programs existed to disburse national government funds for *specific purposes* to state and local governments. Thirty years later, that number had risen to 68 programs to state and local governments, plus an additional 60 programs for disbursement of funds to individuals and institutions. Adding additional programs which have been authorized since 1964, there are today some 140 grant-in-aid programs of the national government. The growth and amount of money involved is staggering. Grants in 1934 totaled $126 million. By 1964 this had risen to $10,060 million—eighty times the 1934 total. Expenditures per program increased from $7 million in 1934 to $148 million in 1964.

President Nixon has described this program growth in the 1960's as "explosive." A study by the Tax Foundation, entitled "Growth and Trends of New Federal Program: Fiscal Year 1955–68" shows how "explosive" this growth has been. For the 13 years surveyed, the study found that over one-half, or 68 of the new Federal programs, came into being over the 4-year period beginning with fiscal year 1965.

Even more alarming are the projections of the continued growth of the grant-in-aid program. The Republican coordinating task force on revenue sharing indicated they found that the most conservative of projections to 1984, based on the increases in the 1934–64 period, would be $52 billion, or an increase of 556 percent over 1964.

Yet, during the period of the sixties, the problems of the Nation seem to multiply as much as the Federal programs proliferated. The Nation's problems obviously have not yielded to Washington's solutions. Even with the best of intentions, Washington simply cannot plan or prepackage programs that will fit and work in the 50 States and the many counties and countless communities across this great Nation. Our Nation is too big, too diverse to allow this centralized approach to work effectively.

In addition to not working in an effective and efficient manner, there is another important reason why we must reverse the present trend of looking to Washington to solve all our ills. Traditionally as a nation, we have had great faith in the individual. We have confidence in the ability of our people to make the right decision. Thus, we have tried to keep political decisionmaking as close to the people and local and State governments as possible. Our people have responded to this faith and confidence by building the greatest Nation on the face of the globe.

I am disturbed that our people are disenchanted with government in general. They feel they are taxed too much for programs that have proliferated so much, and have so often accomplished so little. They realize that they have less and less of a voice in their local planning as more and more of the decisions and the decisions affecting their communities and their States are taken from them and made by bureaucrats at the national level.

President Nixon has pledged a "New Federalism" to cure this illness. The Nation is looking forward to its 200th birthday in just 7 years. Let us resolve by then that there will be a rebirth of State and local rights and responsibilities. Not the oft-mentioned "States rights" that sometimes has been used to shirk from responsibility, or as an excuse for inaction, but the kind of State and local rights that welcome responsibilities and will call forth the best in our people, restore their voice and confidence in government, and enable us to solve many of our problems in an efficient and practical way.

I am therefore pleased to coauthor this measure. I certainly congratulate the President for sending this proposal to the Congress.

I ask unanimous consent that various statements be printed in the RECORD.

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

PRESIDENT NIXON'S REVENUE SHARING PROPOSAL FACT SHEET

THE REVENUE SHARING PLAN

These are the major characteristics of the Administration's revenue sharing proposal:

1. *It is simple.* It is set up to work without the need for any new Federal agency or bureau. The operation is spelled out clearly and specifically in the law (the bill will be sent up shortly); the money is distributed on the basis of census data and other readily available objective statistics.

2. *It has no strings.* The state and local governments are free to exercise their own discretion over the use of the funds. There are no Federal "strings" tied to the money.

3. *It is automatic.* The states and localities can count on the revenue sharing in their own fiscal planning. The money for revenue sharing is automatically available each year. The annual amount is geared to the growing personal income tax base of the nation.

4. *It is fair.* The funds go to every State, every city, and every county in the Nation. All areas are included—urban and rural, large and small, rich and poor, industrialized and agricultural.

5. *It is neutral.* The state-by-state distribution is based primarily on where people reside. The allocation among the governments within a state is based on the existing distribution of financial responsibilities among the various units of government, as decided in each area.

6. *It is basic to the New Federalism.* Decision-making power over the funds as well as the money itself is returned to state and local governments.

SUMMARY OF THE REVENUE SHARING PLAN

The revenue sharing plan has four major features.

1. *The size of the fund* to be shared is a stated percentage of personal taxable income—the base on which Federal individual income taxes are levied. To ease the budget impact, the fiscal year 1971 percentage is only 1/6 of one percent ($500 million); in subsequent fiscal years there are phased increases to a permanent one percent in the fiscal year 1976 ($5 billion estimated yield).

2. *The distribution among states* is made on the basis of each state's share of national population, adjusted for the state's revenue effort. Thus, a state which taxes its citizens more than the national average will receive a proportional bonus.

3. *The distribution within states* to the general units of local governments is established by prescribed formula. The portion a state must share with its political subdivisions corresponds to the ratio of total local general revenues to the sum of state and total local general revenues in the state. The amount which an individual unit of gen-

eral local government receives corresponds to its share of all local general revenues raised in the state.

4. *The only requirements* imposed on the states (in addition to the local sharing) are (a) quarterly reporting and accounting and (b) maintenance of existing state aid to localities.

QUESTIONS AND ANSWERS ON THE ADMINISTRATION'S REVENUE SHARING PROPOSAL

1. Q. What is the purpose of this proposed legislation?

A. The ultimate purposes are many:

To restore to the states their proper rights and roles in the Federal system with a new emphasis on local discretion;

To provide both the encouragement and the necessary resources for local and state officials to exercise leadership in solving their own problems;

To narrow the distance between people and the government agencies dealing with their problems;

To restore strength and vigor to local and state governments;

To achieve a better allocation of total public resources.

In short, our purpose is to build a streamlined Federal system with a return to the states, cities, and communities of the decision-making power rightfully theirs.

2. Q. How much money is to be shared?

A. The size of the total fund to be shared will be a stated percentage of personal taxable income—the base on which Federal individual income taxes are levied. To provide for an orderly phase-in of this program, the FY 1971 percentage will be 1/6 of one percent, or about $500 million; with subsequent fiscal year percentages being increased annually up to a permanent one percent for fiscal year 1976 and thereafter. On this basis, we estimate an appropriation for fiscal 1976 of about $5 billion.

6. Q. Why are these particular distribution formulas used?

A. Distributions based on revenues raised have several important advantages:

They make allowance for state-by-state variations;

They tend to be neutral with respect to the current relative fiscal importance of state and local governments in each state;

They provide a method for allocating among government units with overlapping jurisdictions.

7. Q. Does a state have any opportunity to use some other distribution procedures than those just outlined?

A. Yes. In order to provide local flexibility, each state—working with its local governments—is authorized to develop an alternative distribution plan.

8. Q. What restrictions or qualifications will be imposed on the use of these funds?

A. There will be no program or project restrictions on the use of these funds. One purpose of revenue sharing is to permit local authorities the programming flexibility to make their own budget allocation decisions. Each state will be required to meet minimum reporting and accounting requirements.

9. Q. How do the various state, county, city and other local officials view this revenue-sharing proposal?

A. We have had numerous discussions with governors, mayors, and county officials about the essentials of this proposal. There has developed a remarkable degree of approval on its key measures. At our July 8 White House conference on revenue sharing, for example, the various representatives of state and local governments reached broad agreement on all the program's major features.

ESTIMATED FUNDING FOR REVENUE SHARING, 1971–76

[Dollars in billions]

Fiscal year	Taxable [1] income base	Percentage for revenue sharing	Funds for revenue sharing
1971	$315	2/12 of 1 percent [2]	$0.5
1972	346	5/12 of 1 percent	1.5
1973	381	7/12 of 1 percent	2.2
1974	419	9/12 of 1 percent	3.2
1975	461	11/12 of 1 percent	4.2
1976	507	1 percent	5.1

[1] The 1971 base is taken as calendar year 1967 taxable individual income.
The base is assumed to grow at the rate of 10 percent a year.
[2] The full-year amount will be paid out over the last 2 quarters for fiscal year 1971.

STATE AND LOCAL SHARES UNDER ADMINISTRATION REVENUE SHARING PROPOSAL [1]

State	Population July 1, 1968 (thousands)	Personal income 1967 (millions)	State and local (thousands) [2]	State area percentage	State area share [3]	Local revenues (thousands) [4]	Local pass through	Local share	State residual
Alabama	3,566	$7,656	$937,084	0.017988	$8,994,000	$235,282	0.251078	$2,258,196	6,735,804
Alaska	277	1,017	139,942	.001571	785,500	44,002	.314430	246,985	538,515
Arizona	1,670	4,444	664,054	.010282	5,141,000	140,906	.212190	1,090,869	4,050,131
Arkansas	2,012	4,130	499,306	.010025	5,012,500	80,211	.160644	805,228	4,207,272
California	19,221	70,204	9,507,432	.107253	53,626,500	2,939,286	.309156	16,578,954	37,047,546
Colorado	2,048	6,191	869,293	.011850	5,925,000	214,309	.246532	1,460,702	4,464,298
Connecticut	2,959	11,609	1,151,699	.012097	6,048,500	570,101	.495008	2,994,056	3,054,444
Delaware	534	1,905	245,701	.002839	1,419,500	36,221	.147419	209,261	1,210,239
District of Columbia [5]	809	3,336	450,613	.004504	2,252,000	450,613	1.000000	2,252,000	
Florida	6,160	17,101	2,132,736	.031657	15,828,500	622,737	.291989	4,621,748	11,206,752
Georgia	4,588	11,458	1,348,435	.022254	11,127,000	298,603	.221444	2,464,007	8,662,993
Hawaii	778	2,415	365,072	.004848	2,424,000	102,552	.280908	680,921	1,743,079
Idaho	705	1,800	264,376	.004268	2,134,000	56,104	.212212	452,860	1,681,140
Illinois	10,974	40,850	3,866,247	.042783	21,391,500	965,062	.249612	5,339,575	16,051,925
Indiana	5,067	15,980	1,856,861	.024265	12,132,500	406,122	.218714	2,653,548	9,478,952
Iowa	2,748	8,558	1,148,892	.015198	7,599,000	288,642	.251235	1,909,135	5,689,865
Kansas	2,303	6,961	905,542	.012348	6,174,000	275,105	.303801	1,875,674	4,298,326
Kentucky	3,229	7,737	892,691	.015356	7,678,000	188,334	.210973	1,619,851	6,058,149
Louisiana	3,732	8,995	1,298,898	.022209	11,104,500	225,771	.173817	1,930,151	9,174,349
Maine	979	2,585	301,717	.004708	2,354,000	129,205	.428232	1,008,058	1,345,942
Maryland	3,757	12,595	1,415,075	.017403	8,701,500	639,488	.451911	3,932,304	4,769,196
Massachusetts	5,437	19,197	2,301,759	.026866	13,433,000	1,187,565	.515938	6,930,595	6,502,405
Michigan	8,740	29,151	3,458,890	.042754	21,377,000	851,579	.246200	5,263,017	16,113,983
Minnesota	3,646	11,162	1,599,758	.021532	10,766,000	444,196	.277664	2,989,331	7,776,669
Mississippi	2,342	4,453	619,015	.013416	6,708,000	149,272	.241144	1,617,594	5,090,406
Missouri	4,627	13,775	1,478,684	.020460	10,230,000	358,930	.242736	2,483,189	7,746,811
Montana	693	1,939	272,206	.004010	2,005,000	103,144	.378918	759,731	1,245,269
Nebraska	1,437	4,422	518,536	.006947	3,473,500	156,369	.301558	1,050,935	2,422,565
Nevada	453	1,591	223,324	.002621	1,310,500	80,326	.359683	471,365	839,135
New Hampshire	702	2,094	216,083	.002986	1,493,000	73,136	.338462	505,324	987,676
New Jersey	7,078	25,686	2,654,924	.030161	15,080,500	1,051,267	.395968	5,971,395	9,109,105
New Mexico	1,015	2,484	394,562	.006643	3,321,500	66,898	.169550	563,160	2,758,340
New York	18,113	68,916	10,020,084	.108535	54,267,500	4,208,520	.420008	22,792,784	31,474,716
North Carolina	5,135	12,267	1,405,187	.024252	12,126,000	437,874	.311612	3,778,607	8,347,393
North Dakota	625	1,589	282,501	.004580	2,290,000	72,697	.257333	589,293	1,700,707
Ohio	10,591	33,605	3,351,507	.043516	21,758,000	922,402	.275220	5,988,237	15,769,763
Oklahoma	2,518	6,594	856,946	.013490	6,745,000	176,959	.206499	1,392,836	5,352,164
Oregon	2,008	6,122	835,715	.011296	5,648,000	160,746	.192345	1,086,365	4,561,635
Pennsylvania	11,712	37,065	3,864,363	.050342	25,171,000	934,110	.241724	6,084,435	19,086,565
Rhode Island	913	2,995	311,399	.003913	1,956,500	135,108	.433874	848,874	1,107,626
South Carolina	2,692	5,752	655,445	.012647	6,323,500	98,487	.150259	950,163	5,373,337
South Dakota	657	1,745	262,870	.004078	2,039,000	76,614	.291452	594,271	1,444,729
Tennessee	3,976	9,316	1,050,148	.018467	9,233,500	456,724	.434913	4,015,769	5,217,731
Texas	10,972	29,822	3,273,793	.049648	24,824,000	822,416	.251211	6,236,062	18,587,938
Utah	1,034	2,667	380,486	.006081	3,040,500	70,781	.186027	565,615	2,474,885
Vermont	422	1,178	158,410	.002339	1,169,500	29,370	.185404	216,830	952,670
Virginia	4,597	12,719	1,326,686	.019759	9,879,500	536,567	.404441	3,995,675	5,883,825
Washington	3,276	10,871	1,444,803	.017943	8,971,500	250,891	.173650	1,557,901	7,413,599
West Virginia	1,805	4,197	502,148	.008897	4,448,500	78,109	.155549	691,960	3,756,540
Wisconsin	4,213	13,220	1,824,438	.023960	11,980,000	519,687	.284847	3,412,467	8,567,533
Wyoming	315	946	157,236	.002158	1,079,000	37,589	.239061	257,947	821,053
U.S. total	199,861	625,068	75,969,970	1.000003	500,001,500			150,045,810	349,955,690

[1] State and local general revenues from own sources for fiscal years ending between July 1, 1966, and June 30, 1967.
[2] Includes school and special districts.
[3] State share formula constant denominator, 24,265,172.
[4] Excludes school and special districts.
[5] Revenue figure includes Federal payment.

Statistical source: Census Bureau, Governments Division.

SPEECH BY SENATOR GEORGE MURPHY BEFORE THE COMSTOCK CLUB, SACRAMENTO, CALIF., JULY 21, 1969

Mr. Chairman, Distinguished Guests, Gentlemen: I know that every speaker who addresses this distinguished body begins with telling all of you how pleased he was to get the invitation. I would like to go beyond that and congratulate you on your excellent timing. This meeting today will serve as a sort of belated birthday celebration for me. And, of course, as always, it is a great pleasure to have the opportunity to come back to Sacramento to the seat of government of the Great State which I represent in Washington.

I might say that I am happy to be here at the end of July rather than at the early part of the month. My good and longtime friend, Governor Reagan, observed the Fourth of July in Sacramento with the Legislature and the celebration went off just a few days ahead of time. That fireworks display, you will be glad to know, was bright enough to be seen in the press in Washington, D.C. as well as clear across the country. And I would like to congratulate him on making possible a safe and sane Fourth for the rest of us, particularly those who were wondering whether they were going to get paid or not.

You know, it occurred to me that day that I must be getting much stronger because on my birthday a year ago my dear wife sent me to the market and a box boy had to help me carry ten dollars worth of groceries to the car. And this year he put the whole thing in one small brown sack and I could have carried it in my mouth.

On the way home I picked up the afternoon paper. In addition to the report of the Governor's budget problems, there were a number of other disturbing items. There was the continuing story of the general complexities and problems of our civilization all over the world, and particular focus on the tale of the agony of the Los Angeles School District. You are all aware, of course, that the Los Angeles Board of Education, for the first time in its history, has been forced to adopt a deficit budget. There is just not enough money to pay the bills. Superintendent Jack Crowther has been forced to recommend drastic cuts in various essential educational services. His problems are repeated not only throughout the State of California but also in most of the 35 large cities in our nation. In June, for example, voters in Oakland, San Jose, Marin County, and Livermore all turned down tax increases for education for one reason or another. The net result was the same.

There was also a report in the financial section of this same paper telling of the effect on business of spiraling interest rates, a serious concern of the manufacturers and industrialists, the building industry over the cost of money, labor and materials. You all must have read, as I did, of the demands of the plumbers union in Southern California for a four-day work week with a raise from $5.79 to $9.30 in pay and dramatic increases in wages and fringe benefits; the strikes of the nurses in the hospitals in Los Angeles; the problems of the teachers; the longshoremen; grape boycotts; and all the other disconcerning and disturbing problems of our great complex society.

In yet another article, welfare recipients were complaining that increases in the cost of living and in the general cost of food were destroying the value of the checks they were receiving, making it impossible for them to get along on the small subsistence provided for them.

There are accounts of similar problems all across the country. In Chicago, Governor Ogilvie has warned that his state is teetering "on the brink of bankruptcy." Wisconsin had to deal with a $416 million revenue gap. And in North Carolina, Governor Scott did an unheard of thing in that famous old tobacco growing state, where tobacco was considered sacrosanct. He was so desperate he even proposed a tax on cigarettes. And at the same time, in Washington, D.C., the Department of Labor announced yet another increase in the cost of living—six percent for the first six months for the year 1969.

I am pleased to say, however, that all the news is not bad, and there are some very hopeful signs appearing on the horizon. Under the new Administration of Richard Nixon, our Federal Government is, for the first time in a decade, facing up to the realities of our national fiscal crisis and advocating policies which will return our economy to a safe and sound basis. Politics has been, at long last, replaced by practicality. Obviously, this return to fiscal sanity and health cannot be accomplished immediately or without some major irritations. You cannot effect a cure resulting from twelve years of injective fiscal malignancy with one trip to the doctor's office. And may I say the medicine will not always be pleasant to take. But I think we all agree that we must do whatever is necessary to cure the disease of inflation which eats away at all the permanent values of our system, destroys the increases in wages and salaries, stock values, and which, worst of all, punishes the old and the thrifty by devouring their hard-earned savings. And this problem must be cured now. We can put it off no longer.

I am happy to report to you that the one concern of all economists with regard to inflation is the necessity for a balanced budget, and I can report that after six months of the Nixon Administration, it would seem that we most certainly will have a balanced budget. And better than that, you can imagine how we in Congress, who have long pleaded for fiscal responsibility, welcome the sight of a surplus in the first budget presented by the new Administration. And, may I say, this is the first surplus that has been achieved in the Federal Government. In nine years, since President Eisenhower ended his administration with a $1.2 billion surplus. And, just as important, we welcome the return of an attitude of painstaking care in the spending and use of taxpayers' hard earned dollars, of an attitude that free spending does not necessarily cure all of our problems. That, in fact, free spending may be responsible for many of our problems, that practical planning is necessary, that we should know what we are going to do before we rush into operation and waste time, effort and money. Unfortunately, one theory that I have found rampant in Washington is that if you have a program that is not working right, just pour some more taxpayers' dollars into it and it will pick up speed and just work fine. Now, you and I know that isn't exactly always the truth. Sometimes these programs are wrong; and often they overlap; sometimes the thinking that went into them was improper, and sometimes a lot of these programs never should have been started in the first place.

With a sound economic basis, our government, without question, can help the individual citizens in private enterprise in this country to grow as it has in the past and to continue to provide for all of our people the highest standard of living that man has ever achieved.

As stated briefly, may I say that I believe that there are more efficient ways of using the tax dollars collected from our already overburdened citizens than are presently in effect. And the plans that I have proposed, and will be proposing, will be designed to make the same amount of tax dollars return more benefits to our people. I think this is a good place in which to start.

The problems this country faces at home and abroad are at a crisis level. They range from the war in Vietnam, where our President is leading the way, hopefully, toward an honorable, peaceful solution to the difficulties in our cities and suburbs and our slums at home. These problems are real, and they have been with us for a long time. Those who chose to ignore them or do nothing about them have not only neglected their obligation to fund the cures which in the beginning might have been simple, but they have provided more time for the complications to multiply, and thereby have increased the necessity for drastic measures.

Two of the issues presently before us in Washington, about which I know you are reading and hearing a lot, are the ABM and the extension of the surtax. I think that before going on to my principal subject for today I should report to you briefly on where these two matters stand.

With respect to the President's proposal to construct the Safeguard ABM System, I believe the opponents have spread much unfortunate confusion. The first question raised is whether or not we need such a defensive system. As a member of the Senate Armed Services Committee, I have listened to much expert testimony by members of the military and I have heard the request of the President who is, in the final analysis, responsible for this nation's security. And I might add that in the current fiscal crisis he is as anxious to cut corners and save money as is anyone—if not more so. Based upon the evidence, I am sure that we need this system to help keep the peace by depriving any other nation of the temptation of feeling it has the power to knock us out.

Next it is argued by some members of the scientific community that the system will not work. Others, of course, have established that the components of the system do work and that the only real way we will know about the effectiveness of the system is to construct one—and they feel it is worth doing. I have noticed that those scientists who argue against the system have a long record of opposing the establishment of effective military systems over the past years.

And then there is the argument that we dare not construct a military system which might offend the Russians—even though they of course have done the same thing already. I would point out that the Russians have not stated this would offend them and that certainly President Nixon is anxious to go as far as safety will permit in working with them toward a lasting peace. In the final analysis, of course, the decision must be based upon the needs of our national security, and I believe that this criterion leaves us no choice in this decision. That is why every poll shows that the American people overwhelmingly endorse the President's proposal and it is why I believe the Senate will support the President when the vote finally comes.

With respect to the tax bill, the Senate Finance Committee presently has before it the Administration-sponsored bill to extend the surtax which was passed by the House of Representatives. Unfortunately some members of the Democratic leadership are attempting to withhold action on the surtax, asserting that such action should not be taken without comprehensive tax reform. I would point out that the Democratic Party, now crying so for tax reform, has controlled Congress since 1954 without passing such proposals and that their leaders were in the White House since 1961 without fabricating such measures. You can understand why I am suspicious of the argument now being advanced.

I am not only suspicious, I am upset because I believe that everyone who has studied the matter recognizes that fast action on the surtax extension is necessary to provide the cornerstone to the admirable program of the Administration to combat inflation. This should not wait for the deliberation required in putting together a comprehensive tax reform bill. Nor is it necessary to use the surtax as a sweetener to force tax reform, be-

cause President Nixon, the leadership of both political parties, and members of both Houses of Congress, most certainly including myself, and certainly the American public, are strongly for tax reform. Furthermore, the House Ways and Means Committee is presently considering such a tax reform bill, and it would seem sensible that the Senate wait for that bill, which Chairman Mills has promised to report before our August recess, so that we can benefit from all the study and resources which will have gone into constructing it. This is the logical way to do it.

It is all too obvious that politics has crept into both the opposition to the ABM and the immediate extension of the surtax, but I believe the people know what is right in these matters and that their will in the end will prevail.

In the months ahead, from time to time, I hope I will have a chance to be discussing with you many of these problems, the steps which have already been taken toward their solution and proposals which will be made in the future. In the limited time available today, however, I want to share with you my thinking in one of these areas.

We all know that two-thirds of all taxes collected in the United States today find their way to the Federal Government in Washington. State and local governments are left with only one-third, and today, my friends, this is just not enough to meet the needs at the local level. The portions that dribble back from Washington to the state and local governments in the form of grants or matching funds, and all the rest of the ways in which it is handled, is subject to a handling charge by a series of bureaucratic middlemen each step of the way, very often supervised by inexperienced enthusiasts who are uncertain in their design and sometimes faulty in their desires. I have tried to get reliable figures on what this handling charge amounts to and I have arrived at all sorts of figures from 20 percent to 45 percent. That's just for brokerage. Remember this, my friends. Our citizens don't live in Washington. That's where the Federal Government lives. Citizens of the United States live in the fifty states, and they live in the counties and the cities and on the farms. And I think all the expertise in finding the solutions to these problems may not be concentrated in the Federal Government, or in the federal bureaucracy. I know there are many people at the local level with a great deal of talent, knowledge and experience and determination to find answers to some of these problems.

Most of the states, I find, and I think this includes California, have exhausted all proper potential sources of revenue. As a result, local and state governments are becoming less able to meet public demands for better schools, law enforcement, highways, mass transit facilities, health care, parks, recreation facilities, and for the basic protection of the subsistence level of those who are otherwise unable to help themselves. We find endless numbers of people spending endless hours looking for new ways to take more and more tax dollars away from the defenseless, and I believe already overtaxed, citizens.

But the Federal Government—that great colossus on the polluted Potomac—already seems to have drained off all the available resources, and it has expanded its size and scope and its endless need for more funds, as the years have gone by. Centralize the control has been the watchword. Well, I hope those days have come to the end. Federal assistance to states and municipalities has risen from one billion dollars in 1946 to 15 billion dollars last year, and its expected to reach an overwhelming figure of 60 billion dollars by 1975. We find there are about 200 separate federal aid programs now on the books, financed by more than 400 separate appropriations and administered by 21 federal departments and agencies. There are more than 100 federal aid programs just for education. This massive bureaucracy has developed a substructure of 150 Washington bureaus and 400 regional offices. The Department of Health, Education, and Welfare has 386 separate advisory committees made up of 5,308 employees at a cost of $7 million yearly. Of every tax dollar paid in by Californians, as near as one can calculate, at least 65 cents goes to the Federal Government. And this leaves just 35 cents to finance those services closer to home, closest to you. And I think that this is way out of balance. And I believe that we should now start to make this division more equitable.

Add to that the fact that our state enjoys such great national blessings that we have about 30,000 people a month unable to withstand the temptation to come here and live permanently, is it any wonder that the State of California and the local school districts have crucial budget problems today?

That is why the concept called tax sharing was advocated some time ago by colleagues of my political persuasion—the lead taken by the Republican Governors in the early 1960's. I am happy to say that last year, as a member of the leadership in the Republican Policy Committee, I helped in writing the tax sharing proposal which was adopted at that time. And the plan was relatively simple. It will allow the Federal Government to remit to each state a portion of the taxes collected in that state. This would have an obvious advantage for us in California. It would return actually more money to California than any other state for the simple reason that our taxpayers pour more money into the federal coffers than any other state.

Not long ago, those of us in the California delegation in Congress received a request from Governor Reagon in which he suggested a form of federal tax sharing to meet California's acute educational crisis. I have given it long and careful consideration because I believe as does the Governor, that the focus on education is probably the right place to begin. We hear and read a lot about the one percent of our youth who are troublemakers and, because he has defended the 99 percent who want to get an education, sometimes our Governor has been subjected to abusive attack. But I am glad, at long last, that not only in the State of California but clear across the nation he is beginning to command the complete high regard and respect of so many thoughtful citizens for the courageous and determined stand which he has taken in the defense of our free system of education. I have been trying, as your Senator, to help the children of this nation stay in school. I authored a Dropout Prevention Program which was incorporated in the Elementary and Secondary Education Act of 1967. Every year one million students drop out of school. One million of our youngsters drop by the wayside to face a life that could possibly put them on the welfare role, in prison, or, at best, on a hard, uphill treadmill that will not allow them to achieve their full potential.

I know from my experience that education and job training are needed today as never before, and so I have worked successfully for the model vocational school and the skill center program, and I have pushed hard for the Cooperative Vocational Education Program which has proved to be so successful over the years and to stimulate the development of work-study program at the secondary school level. I co-authored the Bilingual Education Act which would give our Spanish-speaking children a chance to get an even start in the primary schools. Last week I introduced a bill, the Urban and Rural Education Act of 1969, which I believe will aid the cities and impoverished rural districts and rescue them from growing fiscal crises and enable them to compensate for the educational deficiencies of disadvantaged students.

I have been told by several of my colleagues, from both sides of the aisle, that they believe this to be the most significant education legislation before Congress this year.

We have an intolerable situation today in the United States where large numbers of students with significant education handicaps are found in school districts with resources unequal to the challenge of educating them. This challenge, I feel, is more difficult and as exciting as the moon race. Earlier in our history, the city's wealth was tapped to equalize educational opportunities in less affluent areas. Now that situation is reversed and our major cities are in desperate need of financial help in this critical field. Time is running out.

I have similarly been involved in support of the Teacher Corps, funding for school aid to disadvantaged youngsters, handicapped children's early education assistance, Vocational Education Act and the Higher Education Act of 1968. These experiences I guess help to account for my receptiveness to the Governor's suggestion for taxsharing as a direct aid to education. And I believe that the time has come not just for Congress to begin sharing its taxing ability with the states but to actually share the taxes. In my judgment I consider the field of education one of our most critical and so I have directed my original proposal to that area for a start. I think it's a good place to begin.

And so I announce to you today that I will introduce in the Senate shortly a resolution in support of a complete in-depth study for the concept of tax-sharing with specific emphasis on the availability of such share funds to be used to meet local educational needs. I know there are some questions that will be raised and that must be settled about the proposal, but I am quite confident they can be resolved. Such Senate resolutions are not, of course, legislation in the formal sense. But they are a means of summoning the support of members of the Senate to the concept itself and to create an atmosphere of dedication and determination, to get at the job of finding the proper programs to take care of these particular needs.

As you may know I introduced in April, as a co-author with Senator Baker of Tennessee, a broad base tax-sharing proposal which is presently before the Senate Finance Committee. This bill would result initially in a rebate to the State of California of approximately $95 million, about $5.00 for every man, woman, and child in the state, and the best available estimates for protected increase in that rebate over the next three years to about $400 million.

As we have discovered, however, there is a danger in waiting for funds to come back from Washington. And a critical time lag place. Then there's the handling charge and the bureaucrats to toss in some special conditions to make certain that the states will hew to the line made by the bureaucrats and that all at the state level would be at least partially dependent upon Washington for the use of the money, which, strangely enough, came from the citizens within the states.

These self-evident facts emerge for any realistic discussion of this general issue.

(1) Some form of federal tax, state tax sharing is necessary to meet the present urgent needs.

(2) The greatest of these needs, and the one which legislative bodies must be most sensitive of, is in the field of education, and

(3) The maximum amount of dollars may be made available for local use if they are paid directly to the local government rather than being paid first to Washington and then sent back.

For these reasons, I will soon introduce legislation which will allow a direct credit of up to one percent of the taxpayers' federal income for money that he pays to the state to be used for education.

This is direct sharing of tax revenues, I believe, in the most efficient manner. It is also, I think, the most readily attainable type of tax sharing and will help to meet the most pressing need, in the shortest period of time.

This type of tax credit—not a return from Washington but a natural direct credit before it ever gets to Washington—will enable local government to meet its obligations without imposing further unneeded, unbearable burdens on its taxpayers. By eliminating the federal middleman, it will increase the available potential use of the tax dollars by possibly thirty perce..t or maybe even more. And, in the long run, it may have the effect of making a tax reduction possible. I firmly believe this to be a practical, partial answer to our immediate problem of legislation and its cost. There is no doubt that Californians consider education their most important single investment.

In the last fiscal year, the state spent more than $2 billion for education—over thirty-six percent of the total budget. Our citizens are determined that their children must get the benefit of the best schools possible, and they must be given this right whatever their race, black, brown, yellow or white. And I believe that this proposal will help bring this to reality and by the next fourth of July, make it possible for Governor Reagan, the school districts of the State of California, and all of the families of children up and down the state to have a new and extremely important reason for a very, very gala celebration.

I also believe it will help to set a pattern which may form a basis for a complete tax reform which certainly we have needed in this country so very desperately for many, many years.

I hope that it will not be too long before I will be able to announce to you that my plan has been accepted and is under way.

And in the meantime, may I give you my sincere thanks for the pleasure of your company and your patience today.

Mr. MURPHY. Mr. President, again my congratulations to the Senator from Tennessee.

Mr. BAKER. I thank my colleague from California very much and acknowledge his great contribution to the efforts we have been making for the past several years.

Mr. President, I yield the floor.

MISSISSIPPI RESEARCH AND DEVELOPMENT CENTER IN JACKSON, MISS.

Mr. STENNIS. Mr. President, the Mississippi Research and Development Center located in Jackson, Miss., continues to make a valuable contribution to the economic development of Mississippi. The economic research in the forward-looking plans that have been developed in this center has been of great benefit to the people of Mississippi. In addition, it is an asset to the Nation, in that services are available both to government and nongovernment organizations that wish to explore the business, industrial, educational, or other aspects of the Southeastern United States.

The comprehensive approach which the directors of the center are taking in industrial development has touched virtually every phase of business, industrial, and government communities.

The chairman of the research and development center is Mr. Tom Hederman, Jr., a business and civic leader of outstanding reputation.

The Jackson Clarion-Ledger recently published an editorial which cites examples of how the Mississippi Research and Development Center has been so effective.

I ask unanimous consent to have the editorial printed in the RECORD.

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

MISSISSIPPI IS RUNNING AHEAD IN ACHIEVING PARITY IN INCOME

Several recent announcements indicate strongly that Mississippi is running significantly ahead of her schedule to achieve parity with the rest of the nation by 1992. Attaining this goal set by Dr. Ken Wagner and his Research and Development staff some several years ago would require the tripling of our per capita income over the next 23 years.

Governor Williams' announcement this week that Greenville will become a deep-sea port and Litton official's announcement only a few days earlier that the vast shipbuilding complex would add 40 percent to the economy than originally estimated, add authority to this prediction.

Most of us know of the key role the Research and Development Center's top-flight staff played in bringing the Litton shipyard to Pacagoula and the Trailco Truck manufacturing plant to Greenville.

And, of course, we have just learned of the part they and the A & I Board's staff played in making Greenville the U.S. official port of entry for Abington's mini-line fleet operating in the Caribbean.

Results are what count. Measured in terms of what it has produced, the work of the Research and Development Center must be considered an eminent success—perhaps the best investment the State of Mississippi has ever made.

The Research and Development Center is currently working on over 220 active projects, all designed to stimulate Mississippi's economic growth and development.

These assignments embody wide-ranging studies from innovative food processing techniques which will make present methods obsolete, to helping a small firm locate a market or improve its manufacturing procedure.

Already they have engaged in more than 900 studies involving every county of the state, and these studies cover many diversified fields.

Because of the information gained from a study made by the Center, CIBA constructed a 16 million dollar insecticide plant in a Mississippi county bordering the Tennessee line rather than Texas or Puerto Rico.

A northwestern county will add a large bag manufacturing plant as well as a mobile home manufacturing plant as a direct result of the market, labor and other technical data furnished by the staff.

In a central Mississippi county a local entrepreneur is completing plans to build a steel foundry, based upon the Center's analysis of the profit potential which that industry offers.

Businessmen across the state are receiving help in securing capital they need for expansion; manufacturers are receiving assistance in improving plant layouts; and improved marketing and recruiting personnel techniques are being introduced, by the Research and Development Center.

Mississippi is truly on the move.

DEATH OF FORMER PRESIDENT OF MEXICO, ADOLFO LOPEZ MATEOS

Mr. MANSFIELD. Mr. President, on yesterday, I had a few remarks to make about the passing of a great and good man, the former President of Mexico, Adolfo Lopez Mateos.

I recall at the time of the Cuban incident, the first Chief of State to pledge his support to this country was the then President of Mexico, Adolfo Lopez Mateos, who happened to be in Manila just prior to his return home.

Mr. President, there is very little I can add to what I have said about this man, who contributed so much to the welfare of his country and so much to the continuing and bettering of the friendship between Mexico and the United States. I ask unanimous consent that two obituaries which appeared in newspapers and my remarks of yesterday may be incorporated at this point in the RECORD.

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

[From the Washington (D.C.) Post, Sept. 23, 1969]

ADOLFO LOPEZ MATEOS DIES; FORMER PRESIDENT OF MEXICO

MEXICO CITY, September 22.—Former President Adolfo Lopez Mateos, one of Mexico's most popular leaders, died today after an illness that left him almost completely paralyzed for more than two years. He was 59.

Lopez Mateos served as president from 1958 to 1964. Only a constitutional ban kept him from a second term in the office.

He first became ill in November, 1965, and underwent an operation for a cranial aneurysm. He suffered a stroke on May 30, 1967, and for a time was in a coma.

His chief physician was Dr. James Poppen of Boston.

By last May, Lopez Mateos, although able to move only a few parts of his body, was able to sit in a wheelchair to watch sporting events on television. He was a former amateur boxer and soccer player.

Lopez Mateos is survived by his widow and a daughter, Avecita.

He was one of the youngest as well as one of the most popular presidents in Mexican history. He was 48 when he took office as a left-of-center but anti-Communist leader.

He accomplished many things during his six years in office but many felt his most important achievement was the way he moved Mexico several rungs up the international ladder.

There was a steady parade of heads of state and foreign ministers coming into Mexico during those six years. He met several times with U.S. presidents.

He was mentioned for the 1963 Nobel Peace Prize that went to the International Red Cross.

Lopez Mateos was born May 26, 1910, an Atizapan de Zaragoza in the nearby state of Mexico. He was one of five children born to a dentist in the village. His father died before Lopez Mateos was a year old.

The family lived in what was described as genteel poverty and the ambitious youngster worked his way through school until he obtained scholarships for study at the French School in Mexico City and the Secondary School in Toluca, the capital of his home state.

He entered national politics in 1946 as a senator from the state of Toluca. He had been a Socialist in school but switched to the Institutional Revolutionary Party (PRI), Mexico's ruling political party.

He worked in the campaigns of former Presidents Miguel Aleman and Adolfo Ruiz Cortines. Ruiz Cortines made him secretary of labor and he was picked as his successor in the presidential palace.

During his six-year term he nationalized the electric industry, tried to mediate the U.S.-Cuba dispute, became a recognized leader in Latin America, helped solve the Chamizal border dispute with the United States, worked to have Latin America declared a nuclear free zone and brought Mexico's burgeoning economy more foreign investment.

He was the first Mexican president to visit South America while in office and met with three U.S. presidents on five occasions.

President Dwight D. Eisenhower came to Acapulco to meet Lopez Mateos in 1959 and later Lopez Mateos went to Washington.

In 1962 President John F. Kennedy came to Mexico City to meet with the Mexican president. Twice in 1964 Lopez Mateos met President Lyndon B. Johnson, once in Los Angeles and again in El Paso when the United States formally surrendered the Chamizal.

ADOLFO LOPEZ MATEOS, PRESIDENT OF MEXICO FROM 1958 TO 1964, DIES—FORMER LABOR MINISTER, 59, NEGOTIATED THE RETURN OF EL CHAMIZAL STRIP

MEXICO CITY, September 22.—Former President Adolfo Lopez Mateos died today at his home, after an illness that had left him almost completely paralyzed for more than two years. He was 59 years old.

INDUSTRIOUS LEADER

In his six years as President of Mexico from 1958 to 1964, Adolfo Lopez Mateos, an uncommonly industrious man who had risen from one party post to another, presided over an enviable economic boom.

Stimulated by large infusions of foreign capital, especially from the United States, toward which Mr. Lopez Mateos inclined, the economy of his country of 37 million persons attained an annual growth rate of about 6 per cent. By calming labor unrest and by creating a hospitable atmosphere for industry, the President made possible investment profits of 15 to 20 percent. These trickled down to nurture the growth of a middle class, but the benefits to the urban poor and peasantry were minimal.

The firmness with which Mr. Lopez Mateos guided Mexico reflected his position as leader of what was virtually a one-party state. His party, the Institutional Revolutionary party, and its predecessors have controlled the Presidency for more than five decades. He himself received 85 percent of the vote in 1958 after a traditional campaign that mixed oratory and fireworks.

"Liberty is fruitful only when it is accompanied by order," he declared in his inaugural address. That concept set the theme of his administration.

In his relations with the United States, Mr. Lopez Mateos negotiated the return to Mexico of the El Chamizal strip at El Paso, Tex., in a pact that was initiated with President Kennedy and completed by President Johnson. Both United States Presidents had been the guests of President Lopez Mateos in Mexico City.

SIDED WITH U.S. ON CUBA

Mr. Lopez Mateos sided with the United States in the Cuban missile crisis of 1962, although Mexico maintained diplomatic relations with the Cuba of Fidel Castro. Mr. Lopez Mateos described his foreign policy as "independent." He was not a neutralist, he said.

A wavy-haired, slender and handsome man, Mr. Lopez Mateos had an engaging personality. He also possessed an abundance of patience. As Labor Minister, before he became President, he handled more than 13,000 disputes, and only 13 of them developed into strikes. In long hours of negotiations he drank vast quantities of black coffee, smoked countless cigarettes and consumed hundreds of digestion pills.

Before he moved into Los Pinos, the Presidential residence, Mr. Lopez Mateos lived unostentatiously with his wife and daughter in a modern house in Mexico City's Pedregal section. He drove himself to work in a Fiat, and stuck close to his office. Indeed, he was not much of a public figure before he was elected by the party hierarchy as the successor to President Adolfo Ruiz Cortines.

Adolfo Lopez Mateos was born near Mexico City on May 26, 1910, the youngest of five children of an impecunious orthodontist. His father, Dr. Mariano Lopez, died before the son was a year old, and the boy was reared by his mother, Elena Lopez de Mateos, a descendant of the foreign minister of the legendary Benito Pablo Juarez.

AVID SPORTS FAN

He went to school in Mexico City and transferred for his secondary education to the Instituto Cientifico y Literario in Toluca, capital of the state of Mexico. To earn his way, he worked as a librarian and he also taught courses in history and literature. At the same time, he developed a lifelong passionate interest in sports—in hiking, boxing and auto-racing. On one college hike, he walked 850 miles to Guatemala in 46 days.

Mr. Lopez Mateos continued his education at the Universidad Nacional Autonoma de Mexico in Mexico City. There he acquired a local reputation as an orator and received a graduate degree in 1929.

Although not yet a lawyer, he was appointed a district attorney in the state of Mexico in 1930. A year later, as a result of fervent public speeches, he attracted the attention of Carlos Riva Palacio, head of the National Revolutionary party, the predecessor of the Institutional Revolutionary party. He became Mr. Riva Palacio's private secretary. In a short time, he was given his first job in the party machine, as secretary of the federal district (Mexico City) committee of the party. His political rise thereafter was steady.

After receiving a law degree in 1934, he became controller of a Government bank, the Banco Nacional Obrero de Fomento Industrial. He was also chairman of the editorial commission of the Ministry of Education and afterward assistant director of the Department of Fine Arts. In that post, he fostered ballet and orchestral productions at the capital's Palace of Fine Arts.

In the elections of 1946, Mr. López Mateos campaigned for Miguel Alemán, his party's Presidential candidate, and was himself elected to a six-year term as a Senator from the state of Mexico. Shortly thereafter, he was named secretary general of the party and chairman of the Foreign Relations Committee in the Senate. As a Senator, he had a hand in writing the Mexican-United States treaty on migrant labor in 1951. This permitted entry into the United States of braceros, or agricultural laborers.

A year later, Mr. López Mateos managed the Presidential campaign of Mr. Ruis Cortines and then became Minister of Labor as part of his preparation for the 1958 Presidential election. His nomination in 1957 was by acclamation.

As President, he cracked down on dissident labor groups. In a nationwide railroad strike that broke out 15 months after his term began, he ordered the arrest of the strike's advocates and leaders, including Demetrio Vallejo and Filomeno Mata Alatorre, a 70-year-old newspaperman, who was jailed for five years. Also rounded up and imprisoned was David Alfaro Siqueiros, the internationally known muralist, who was also a Communist leader. After spending five years in jail, he was pardoned by Mr. López Mateos in 1965.

HOST TO MIKOYAN

Although he expelled two Soviet diplomats for alleged interference in Mexican Internal affairs, Mr. López Mateos later was host to Anastas I. Mikoyan, the Soviet Premier, who visited the country on a trade-expansion tour.

As a counterpart to quelling labor disaffection, President López Mateos paid close attention to industrial growth. He fostered diversification into everything from petrochemicals to textiles and electronics, and Mexico became self-sufficient in steel and oil. He encouraged private enterprise, especially foreign investment, by allowing foreign nationals to own as much as 49 per cent of Mexican companies.

After Mr. López Mateos's retirement from the Presidency in 1964 (Mexican law limits Presidents to one term), he became head of the Olympics Organizing Committee, which arranged for the 1968 games held in Mexico City.

In 1965, Mr. López Mateos underwent surgery for a cranial aneurysm. He suffered a stroke on May 30, 1967, and for several weeks was in a coma. By last May, although able to move only a few parts of his body, Mr. López Mateos was able to sit in a wheelchair to watch sporting events on television.

He leaves his wife, the former Eva Samano, a teacher who had been a childhood friend, and their daughter, Evita.

EULOGY FOR SR. ADOLFO LOPEZ MATEOS

Mr. MANSFIELD. Mr. President, it is with profound personal sadness that I note the passing today of Adolfo Lopez Mateos, former President of the Republic of Mexico. His loss will be deeply felt, not only by the people of Mexico but by those in the neighborhood United States and in the world beyond.

Few public officials have been privileged to enjoy the degree of stature and popularity accorded Sr. Lopez Mateos in his lifetime. And few deserved it as much as he did. President of his country at only 48 years of age, he soon demonstrated that blend of statesmanship and charm which was to bring him worldwide stature, make him the confidant and adviser to three American presidents and countless foreign heads of state, and put him in the running for the Nobel Peace Prize.

Beloved by his people, respected by the world, he made his mark as one of the great leaders of our time. That his death was not unexpected, coming as it did after a lingering illness, does not diminish the loss which all of us feel.

Mr. President, I know I speak for all of us in the Senate and the Congress, the people of my country and certainly I speak for all North Americans when I extend to the family of Sr. Lopez Mateos and to the people of Mexico our heartfelt condolences in this hour of their grief.

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

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Arizona?

Mr. MANSFIELD. Yes; I yield.

Mr. GOLDWATER. Mr. President, I would like to join with the distinguished majority leader in his expressions regarding former President Lopez Mateos. I knew him personally. I attended his inauguration and had the good fortune on several occasions to visit with him in the Capital of Mexico relative to problems that then existed along the border. He was one of the best friends the United States ever had in Mexico, and we in turn, I think, showed our willingness to be friendly.

I may say to the distinguished majority leader, the Senator from Montana, that at this time in the relationships between our two great countries we need to bring closer together the two peoples and closer together the leaderships of our two great countries. Having spent my life on the border, I have all my life recognized Mexico as one of the greatest friends we have in the world, a group of the finest, warmest people we will ever know, a natural ally. In my judgment, we have not extended enough "simpatico" during the past. I hope, with the passing of President Lopez Mateos, we will bring to the attention of the American people and the leaders of both countries the great contribution he made throughout his lifetime to the healing of feelings between our countries, to the end that we may make further progress in creating better understanding between the peoples of these two great countries.

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

Mr. MANSFIELD. I yield.

Mr. TOWER. I would like to associate myself with the remarks made by the distinguished majority leader and by the distinguished Senator from Arizona. My State, of course, has the longest international boundary with Mexico of any State in this Union. We have enjoyed splendid relations with that great country for many years, and I know we will continue to do so in the future.

No one contributed more to the amicable relations between the United States and Mexico than Lopez Mateos. He was a good friend of the State of Texas. We shall miss him very much.

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

Mr. MANSFIELD. I yield.

Mr. MURPHY. Mr. President, I, too, would like to associate myself with the remarks that have been made with regard to the passing of former President Lopez Mateos. I had the good fortune of watching his career and knowing him quite well before he became President of Mexico, and I had many opportunities to see him during the time that he was President. I had the great privilege of being invited to join in the meeting between President Eisenhower and President Mateos.

I would like to join my distinguished colleague from Arizona in pointing out his contributions, and the need of preserving and maintaining the friendship between our two nations, which is so important.

Practically every day, thousands and thousands of people from Mexico cross the border into California. They are great people, wonderful people, people of great pride. Some of the finest citizens in my State are people who came north and migrated there from our sister nation of Mexico.

I would like to see the close relationships between our two countries, which developed during the time that Lopez Mateos was President of that great country, be further developed. I would like to join the distinguished majority leader today in stressing the importance of the contribution made by President Lopez Mateos.

I would like to express my sorrow at his passing.

Mr. MANSFIELD. I thank the Senator.

I would like to yield now to the distinguished Senator from Alabama (Mr. SPARKMAN), who served for many years as chairman of the Senate section of the Mexican-American Interparliamentary Group.

Mr. SPARKMAN. I thank the Senator.

Mr. President, I surely want to join with Senators who have spoken regarding former President Lopez Mateos. I had the privilege, during the several years that I served as Chairman of the U.S. delegation, to participate in the exchange of parliamentary visits between Mexico and the United States, a program that has been in effect now for many years. I had the privilege of visiting with the President of Mexico at that time. He was always most cooperative. He endorsed fully the work of the parliamentary exchange. I have felt that a great many of the accomplishments during the time that he was President, and even after he left the Presidency, came from the work of the parliamentary group representing the two countries, with the full cooperation of that distinguished President.

We made tremendous progress over the last 10 years in better relations between the two countries. As the distinguished majority leader knows, because I believe he has been to every one of those parliamentary discussions and is now Chairman of the group, if I understand correctly, in those discussions we recognized our problems and discussed them frankly. Out of those discussions came great improvements and many of the accomplishments that have taken place.

I add that not only was President Lopez Mateos instrumental in establishing better relations between the United States and Mexico, our great neighbor to the south, but he did something in the international field which I think greatly raised the prestige of his country, if I may use that word, or the consideration that other countries of the world gave to Mexico. I think he placed Mexico on a new level in international affairs. Certainly his great record as President of that great country will stand for a long, long time, to the lasting benefit of the people both of Mexico and the United States.

Mr. MANSFIELD. Mr. President, I wish to associate myself with all of the remarks made by my colleagues today on both sides of the aisle. Every word spoken has been the truth.

I am happy to say also that former President Lopez Mateos' successor, President Gustavo Diaz Ordaz, has carried on in the same tradition and has helped to bring about a better understanding in the relationships between our two peoples.

During the course of the interparliamentary meetings, solutions to many vexing problems took place, such as the Chamizal, the salting of the Colorado River, and the creation of a joint atomic venture on the Gulf of California, which will be beneficial to the people of northwestern Mexico and the southwestern part of the United States. There has been a better understanding on the basis of mutual difficulties which confront our countries. It is my belief that, because of the initiative shown by President Lopez Mateos in taking the lead in getting the Mexican-United States interparliamentarian set of meetings underway, what he has done will be remembered with gratitude and appreciation by the peoples and the Congresses of both countries.

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

The PRESIDING OFFICER (Mr. ALLEN in the chair). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF FINAL ORDER, FINDINGS OF FACT AND OPINION IN BANDS OF MISSION INDIANS OF CALIFORNIA V. THE UNITED STATES

A letter from the Chairman, Indian Claims Commission, reporting, pursuant to law, final order, findings of fact, and opinion of the Commission in Docket No. 80–C, Bands of Mission Indians of California, plaintiffs, versus the United States, defendant, dismissing the claim entered against the plaintiff and in favor of the defendant on the 18th day of June, 1969 (with accompanying papers); to the Committee on Appropriations.

PROPOSED REVENUE SHARING ACT OF 1969

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation, to restore balance in the Federal form of government in the United States; to provide both the encouragement and resources for State and local government officials to exercise leadership in solving their own problems; to achieve a better allocation of total public resources; and to provide for the sharing with State and local governments of a portion of the tax revenue received by the United States (with accompanying papers); to the Committee on Finance.

REPORTS OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the administration of sugar marketing quotas established by the Sugar Act of 1948, as amended, Agricultural Stabilization and Conservation Service, Department of Agriculture, September 23, 1969 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report of the review of the Government's program to supply current and future helium requirements, Bureau of Mines, Department of the Interior, September 10, 1969 (with an accompanying report); to the Committee on Interior and Insular Affairs.

PROPOSED CONTRACT WITH STANFORD RESEARCH INSTITUTE

A letter from the Director, Bureau of Mines, Department of the Interior, transmitting, pursuant to law, a copy of a proposed contract with Stanford Research Institute, Menlo Park, Calif., for research and development to develop a portable instrument to be used routinely by mine inspec-

tors for rapidly ascertaining total float dust and respirable duct concentrations in mine atmospheres (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF CLAIMS PAID UNDER THE MILITARY PERSONNEL AND CIVILIAN EMPLOYEES' CLAIMS ACT OF 1964

A letter from the Assistant Secretary for Administration, Department of Agriculture, reporting, pursuant to law, all claims settled under the Military Personnel and Civilian Employees' Claims Act of 1964, as amended, for the period July 1, 1968, to the end of the fiscal year, June 30, 1969 (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Congress of Micronesia; ordered to lie on the table:

"SENATE JOINT RESOLUTION 52

"A Senate joint resolution appointing Professor Harrop A. Freemen of New York to represent, defend and enforce the rights and interests of the people of Micronesia

"Whereas, the people of Micronesia have often needed legal assistance in the United States to take positive action to present certain grievances, enforce certain claims and follow up resolutions with the United Nations and the United States Government; and

"Whereas, Mr. Harrop A. Freemen, Professor of Law and member of the bars of New York State and of the United States Supreme Court, has had a distinguished career as counsel to the peoples of other lands in situations closely analogous to those in which the people of Micronesia have found themselves, and do now find themselves; and

"Whereas, it is the sense of the Congress of Micronesia that Professor Freemen's services, as a capable and resolute advocate for the Micronesian people, would be of positive value to Micronesia; now, therefore,

"Be it resolved by the Senate of the Third Congress of Micronesia, Second Regular Session, 1969, the House of Representatives concurring, that this Congress by means of this Joint Resolution and on behalf of the people of Micronesia does hereby appoint and retain Professor Harrop A. Freemen of New York to represent, defend, and enforce the rights and interests of the people of Micronesia; and

"Be it further resolved that the Senate President and the Speaker of the House of Representatives be authorized to execute if necessary any documents, agreements, or arrangements to make the services of the said Professor Harrop A. Freemen legally binding and enforceable, and to draw upon the representation fund of the Congress to pay any expenditures to or by the said Professor Freemen which may be incurred under the terms of this Joint Resolution; and

"Be it further resolved that certified copies of this Joint Resolution be transmitted to Professor Harrop A. Freemen, the President of the Security Council of the United Nations, the President of the United States, the President of the Senate of the United States Congress, the Speaker of the House of Representatives of the United States Congress, the United States Secretaries of Defense, State, and the Interior, and the High Commissioner of the Trust Territory.

"Adopted: August 23, 1969.

"AMATA KABUA,
"President of the Senate.
"BETHWEL HENRY,
"Speaker, House of Representatives.
"CARL HEINE,
"Clerk, House of Representatives."

A resolution adopted by the Mentor City Council, Mentor, Ohio, remonstrating against proposed legislation to limit the exemption status of interest paid on bonds issued by the State of Ohio or the city of Mentor or other local government bodies; to the Committee on Finance.

A resolution adopted by the Executive Committee of the Council of Governments of Cook County, Chicago, Ill., remonstrating against any amendment to the Internal Revenue Code which would result in the abolition of the existing tax exemption for interest on municipal bonds and other securities and obligations of municipalities; to the Committee on Finance.

A letter from the Assistant Secretary for Congressional Relations, transmitting a resolution of the Embassy of the Republic of Kenya, offering condolences on the death of the Honorable Everett Dirksen; ordered to lie on the table.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. RIBICOFF, from the Committee on Government Operations, with amendments:

S. 740. A bill to establish the Interagency Committee on Mexican-American Affairs, and for other purposes (Rept. No. 91–422).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session, the following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Graham A. Martin, of North Carolina, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Italy;

John P. Humes, of New York, to be Ambassador Extraordinary and Plenipotentiary to Austria;

Idar Rimestad, of North Dakota, a Foreign Service officer of class 1, to be the representative of the United States of America to the European office of the United Nations, with the rank of Ambassador;

William B. Macomber, Jr., of New York, to be a Deputy Under Secretary of State; and

Francis G. Meyer, of Virginia, to be an Assistant Secretary of State.

BILLS INTRODUCED

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

By Mr. BAKER (for himself, Mr. ALLEN, Mr. ALLOTT, Mr. BELLMON, Mr. BENNETT, Mr. BROOKE, Mr. COOK, Mr. COOPER, Mr. COTTON, Mr. DOLE, Mr. DOMINICK, Mr. ERVIN, Mr. FANNIN, Mr. GOLDWATER, Mr. GRIFFIN, Mr. GURNEY, Mr. HANSEN, Mr. HRUSKA, Mr. JAVITS, Mr. JORDAN of Idaho, Mr. MATHIAS, Mr. MUNDT, Mr. MURPHY, Mr. PACKWOOD, Mr. PEARSON, Mr. PERCY, Mr. PROUTY, Mr. SCOTT, Mr. SMITH of Illinois, Mr. STEVENS, Mr. THURMOND, Mr. TOWER, and Mr. YOUNG of North Dakota):

S. 2948. A bill to restore balance in the Federal form of government in the United States; to provide both the encouragement and resources for State and local government officials to exercise leadership in solving their own problems; to achieve a better allocation of total public resources; and to provide for the sharing with State and local governments of a portion of the tax revenue received by the United States; to the Committee on Finance.

(The remarks of Mr. BAKER when he introduced the bill appear earlier in the RECORD under the appropriate heading.)

By Mr. MUSKIE:

S. 2949. A bill to authorize the Secretary of the Air Force to adjust the legislative jurisdiction exercised by the United States over certain lands within the area formerly known as Dow Air Force Base, Maine; to the Committee on Armed Services.

By Mr. YARBOROUGH (for himself, Mr. FULBRIGHT, Mr. NELSON, Mr. RANDOLPH, and Mr. WILLIAMS of New Jersey):

S. 2950. A bill to establish a national program of assistance to the States with the goal of achieving equalized excellence in schools throughout the Nation over a 10-year period; to the Committee on Labor and Public Welfare.

(The remarks of Mr. YARBOROUGH when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. HARTKE (for himself and Mr. MAGNUSON) (by request):

S. 2951. A bill to amend part I of the Interstate Commerce Act by the addition of a new section 13b so as to set forth the duty of railroads operating intercity passenger trains to provide and furnish reasonably adequate service and to authorize the Commission to establish and enforce standards of reasonably adequate service, and for other purposes; to the Committee on Commerce.

(The remarks of Mr. HARTKE when he introduced the bill appear later in the RECORD under the appropriate heading.)

S. 2950—INTRODUCTION OF THE NATIONWIDE EDUCATIONAL EXCELLENCE ACT

Mr. YARBOROUGH. Mr. President, news columns have been filled recently with statements, opinions, and analyses of the Federal budget after Vietnam. Will there be a peace dividend? If so, how will it be distributed? The President's assistant for Urban Affairs, Mr. Moynihan, has expressed the view that any peace dividend for domestic purposes will be negligible; Mr. Burns, the President's personal economic counselor, thinks it will be substantial.

The public is being exposed to news about complicated new weapons systems, about the expense of defense against potential first strikes, and similar information designed to prepare the way for new outlays for military defense that will absorb the saving from an end to the Vietnam war.

It is time that there was put before the public the magnitude of the nonmilitary needs of the American people here at home. These needs are also mounting fast, and the expense of coping with them is rising every bit as fast as the expense of military equipment.

Today, I call attention to the expense of education. In the decade of the 1970's, we need to establish a goal in American education that will train every boy and girl leaving high school either to hold a useful job or to continue on to further education. We cannot afford a nonparticipation rate—which means a dropout rate, whereby 4 to 5 percent of our children of school age do not go to school at all. We cannot afford to send young men and women to high school and have them quit there, lacking an employable skill or training.

Our economy and industrial technology are becoming more complex, too, and require new methods and means of education. They require better trained teach-

ers, and new teaching technologies. That is all going to cost a lot of money.

The great increase in this national education budget in the next decade will have to come from the Federal Government. I do not think there is any question that State and local governments have saturated the property tax for school support. Their other revenue sources are limited.

An authoritative estimate of how much it will cost in the next decade to achieve excellence in our national education system, has been made by a noted economist, Mr. Leon Keyserling. In estimating the financial cost for improved education, Mr. Keyserling set forth first the basic changes that would have to take place in the public school system.

First. It would have to educate the 4.6 percent of school-age children not now attending school, plus the increment from the population increase. Attendance in public elementary and secondary schools would rise by millions in 1977 over 1967.

Second. An improved ratio of teachers to pupils is needed to raise education levels. Educating the school-age population and reducing the ratio from one teacher to 24 pupils, which pervailed in 1967, to one teacher to every 20 pupils in 1977, would require half a million more teachers than we have at present.

Third. To attract enough additional people into the profession will require increases in teachers' salaries to an average of $10,711 by 1977, compared to the average salary of $6,830 in 1967.

Fourth. Nonteacher instructional staff should rise several times over, from 188,000 to 1,500,000 by 1977. These people are sometimes referred to as paraprofessionals. They are not accredited teachers, but can take over many of the nonteaching duties that now burden our teachers.

Fifth. The number of classrooms should rise from 1,653,455 in 1967 to 2,285,000 in 1977, at a cost rising from $4 billion to $6.8 billion.

Sixth. Outlays for current operating expenses, school lunches, adult education, and salaries of noninstructional staff should rise from $9.4 billion to $22.2 billion.

These changes, and miscellaneous other costs, would require an expenditure of $1,534 per child and a total of $70.1 billion on public education at the elementary and secondary levels by 1977. That figure compares with the $28.3 billion spent in 1967, the year on which Dr. Keyserling's analysis is based.

Much of this increase will have to come from the Federal Government. In 1967, the States and localities bore 91.9 percent of the cost of elementary and secondary education, and the Federal Government 8.1 percent. To achieve the goal of educating every boy and girl for gainful employment or higher education, and to pay for the changes itemized by Mr. Keyserling, will require the Federal Government to provide nearly 40 percent of the total within a decade. Measured in 1967 dollars, that would be $27.3 billion.

This analysis does not go into Federal policy toward continued support of nonpublic education, nor does it cover higher education. It is a measure only of our growing Federal financial responsibility for public elementary and secondary education.

This analysis contemplated a decade of progress toward educational excellence that would extend from 1967 to 1977. We are now 2 years into that decade. One-fifth of it is gone. Instead of increasing by 9½ percent a year, as it would have to in order to attain these goals, the Federal expenditure has been cut back by this administration.

This is why I am introducing today the legislation that would put the United States firmly on the road toward educational excellence.

The bill fixes a desirable level of achievement, which would cost $1,600 per pupil per year. The bill proposes that the Federal Government should make up the difference between that figure and what the State and locality have available to support schools.

It is not necessary to subscribe to every specific figure used in the bill, nor to the precise formula for distribution of funds, nor to the other details of the bill to recognize that this measure provides the outline of the challenge before us in the field of education. That is why it is an important bill, and why it deserves to be placed before the Senate and the American people.

The program outlined by this bill calls for expenditures reaching $28 billion by the 10th year. The Commissioner of Education, Mr. Allen, has used figures in the same magnitude to describe the education demand that will fall upon the shoulders of the Federal budget makers. Other experts in the field of education have provided somewhat different estimates. But all are in the range of $25 to $40 billion within a span of 10 to 15 years, which the Federal Government will have to provide.

Mr. President, before we award the so-called peace dividend to military expenditures, we had better know what some of our other costs are going to be in the next decade. The cost of education is one we cannot escape or evade except at a peril to the future of our country every bit as dangerous as a failure to maintain military readiness. We need an education system second to none.

This bill and the program it prescribes to achieve excellence in education must be put into the balance sheet of our national budget for future years.

I am pleased to introduce it, and ask unanimous consent to have the bill printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2950), to establish a national program of assistance to the States with the goal of achieving equalized excellence in schools throughout the Nation over a 10-year period, introduced by Mr. YARBOROUGH (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 2950

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nationwide Educational Excellence Act".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to set forth goals of educational excellence and a realistic program for achieving these goals over a ten-year period in cooperation with the States and local communities. This program is intended to meet such major goals as a level of expenditures for education of $1,600 per pupil throughout the Nation within a ten-year period, measured in 1967 dollars; full participation of all children aged five to seventeen in high-quality schooling; substantially increased numbers of teachers to achieve a lower student-teacher ratio; improved teachers' salaries; increased numbers of educational personnel other than teachers, including school aides; summer programs, adult education, and school meals and medical and health services for all who need them; and safe, modern school facilities for all schoolchildren.

AUTHORIZATION

SEC. 3(a) The Commissioner of Education shall make payments in accordance with this Act to State education agencies for grants to local educational agencies to be used in meeting educational needs in the areas served by such agencies.

(b) There are hereby authorized to be appropriated such sums as may be necessary for the fiscal year ending June 30, 1970, and each succeeding fiscal year prior to July 1, 1979, to enable the Commissioner to make the allotments to which States are entitled under section 4.

ALLOTMENTS TO STATES

SEC. 4. (a) Out of the sums appropriated for each fiscal year, the Commissioner shall allot to each State an amount equal to the product obtained when the number of children aged five to seventeen, inclusive, within each such State is multiplied by the Federal share per pupil for the State.

(b) The Federal share per pupil for each State for each fiscal year shall be equal to the difference between the total projected increase in average per pupil expenditure and the State's anticipated increase.

(c) No State shall receive an allotment under this Act for any fiscal year with respect to which that State does not maintain the State's anticipated increase (as defined in paragraph (2) of subsection (d) in the State's basic average per pupil expenditure).

(1) The "total projected increase in average per pupil expenditure" for each fiscal year means an amount equal to the difference between $1,600 and the State's basic average per pupil expenditure for the base year, divided by 10 and multiplied by the number of years between the base year and the year for which the determination is being made.

(2) The "State's anticipated increase" for each fiscal year means an amount equal to the product of—

(A) the State's basic average per pupil expenditure for the base year, multiplied by—

(B) the percentage rate equivalent to—

(1) the average annual percentage rate of increase in that State's basic average per pupil expenditure during the period of years from 1961 through 1967, multiplied by—

(2) the number of years between the base year and the year for which the determination is being made;

(3) the "base year" means the year immediately preceding the first fiscal year for which appropriations are made to carry out this Act; and

(4) the dollar allotments as set forth in this section shall, for each fiscal year, be adjusted to allow for decreases in the purchasing power of the dollar, as measured by the Consumer Price Index, since 1967.

ASSURANCES FROM STATES

SEC. 5. (a) Any State desiring to receive funds under this Act shall submit through its State educational agency to the Commissioner an application, in such detail as

the Commissioner deems necessary, which provides satisfactory assurance—

(1) that payments under this Act will be used only for programs and projects which have been approved by the State educational agency and which meet the applicable requirements of this Act and that such agency will in all other respects comply with the provisions of this Act, including the enforcement of any obligations imposed upon a local educational agency under this Act;

(2) that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to local educational agencies) under this Act; and

(3) that the State educational agency will make to the Commissioner such reports as may be reasonably necessary to enable the Commissioner to perform his duties under this Act, and that such agency will keep such records and afford such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) The Commissioner shall approve an application which meets the requirements of this Act, and he shall not finally disapprove an application except after reasonable notice and opportunity for a hearing to the State educational agency.

WITHIN-STATE EQUALIZATION

SEC. 6. The Commissioner shall not approve an application by a State for funds under this Act unless there is satisfactory assurance that such funds will be allocated among the local educational agencies within that State in such a manner that, when added to the State's basic average per pupil expenditure, there will be, to the extent feasible, approximately equal levels in the total average per pupil expenditure throughout all areas of the State, except where socially compensatory levels in the average per pupil expenditures are desirable.

APPLICATIONS FROM LOCAL EDUCATIONAL AGENCIES

SEC. 7. (a) A local educational agency may receive a grant under this Act for any fiscal year only upon application therefor approved by the appropriate State educational agency, upon its determination (consistent with such basic criteria as the Commissioner may establish)—

(1) that payments under this part will be used for programs and projects which are designed to meet educational needs in school attendance areas served by each local educational agency;

(2) that, to the extent consistent with the number of children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency has made provision for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) in which such children can participate;

(3) that the local educational agency has provided satisfactory assurance that the control of funds provided under this Act, and title to property derived therefrom, shall be in a public agency, and that a public agency will administer such funds and property;

(4) in the case of any project for construction of school facilities, that the project is not inconsistent with overall State plans for the construction of school facilites and that the requirements of section 8 will be complied with on all such construction projects;

(5) in the case of a project for the construction of school facilities, that, in developing plans for such facilities, due consideration has been given to compliance with such standards as the Secretary of Health, Education, and Welfare may prescribe or approve in order to insure that facilities constructed with the use of Federal funds under this Act shall be, to the extent appropriate in view of the uses to be made of the facilities, accessible to and usable by handicapped persons;

(6) in the case of a project for the construction of school facilities, that, in developing plans for such facilities, due consideration has been given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 percentum of the cost of the project); and

(7) that the local educational agency will make an annual report and such other reports to the State educational agency, in such form and containing such information, as may be reasonably necessary to enable the State educational agency to perform its duties under this Act, and will keep such records and afford such access thereto as the State educational agency may find necessary to assure the correctness and verification of such reports.

(b) The State educational agency shall not finally disapprove in whole or in part any application for funds under this Act without first affording the local educational agency submitting the application reasonable notice and opportunity for a hearing.

(c) Prior to the disbursement of Federal funds to any State, the chief school officer shall file with the United States Commissioner of Education a plan acceptable to the Commissioner for the distribution of such Federal funds. The plan for distribution of Federal funds within the State shall be based upon consideration for the fiscal ability of a local school district or other nonpublic school to support educational services and upon the extent of educational need within the district as determined by the reading achievement of pupils within the districts.

LABOR STANDARDS

SEC. 8. All laborers and mechanics employed by contractors or subcontractors on all construction projects assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276–5). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

WITHHOLDINGS

SEC. 9. Whenever the Commissioner, after reasonable notice and opportunity for hearing to any State educational agency, finds that there has been a failure to comply substantially with any assurance set forth in the application of that State approved under this Act, the Commissioner shall notify the agency that further payments will not be made to the State under this Act (or, in his discretion, that the State educational agency shall not make further payments under this Act to specified local educational agencies affected by the failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made to the State under this Act, or payments by the State educational agency under this Act shall be limited to local educational agencies not affected by the failure, as the case may be.

JUDICIAL REVIEW

SEC. 10. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its application submitted under section 5, or with his final action under section 9, such State 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 Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(b) The findings of fact by the Commissioner, if supported by substantial evidence shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action and shall file in 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) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner 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.

FEDERAL CONTROL OF EDUCATION PROHIBITED

SEC. 11. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

DEFINITIONS

SEC. 12. As used in this Act—

(a) The term "Commissioner" means the Commissioner of Education.

(b) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(c) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer of agency, an officer or agency designated by the Governor or by State law.

(d) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combinations of school districts or counties as are recognized in a State as an administrative agency for its public elementary and secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(e) The "average per pupil expenditure" in a State for any fiscal year shall be the aggregate current expenditures of all local educational agencies in the State, plus any direct current expenditures by the State for operation of such agencies, divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such year.

(f) The "State's basic average per pupil expenditure" means the average per pupil expenditure in a State exclusive of funds derived from Federal sources and, if the State so determines, exclusive of State funds for special educational purposes.

S. 2951—INTRODUCTION OF A BILL TO AMEND THE INTERSTATE COMMERCE ACT RELATING TO OPERATION OF INTERCITY PASSENGER TRAINS

Mr. HARTKE. Mr. President, I introduce, for appropriate reference, on behalf of Senator MAGNUSON and myself and by request of the Interstate Commerce Commission, a bill to amend part I of the Interstate Commerce Act by the addition of a new section 13b so as to set forth the duty of railroads operating intercity passenger trains to provide and furnish reasonably adequate service and to authorize the Commission to establish and enforce standards of reasonably adequate service and for other purposes. I ask unanimous consent that the letter of transmittal and the text of the bill be printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 2951) to amend part I of the Interstate Commerce Act by the addition of a new section 13b so as to set forth the duty of railroads operating intercity passenger trains to provide and furnish reasonably adequate service and to authorize the Commission to establish and enforce standards of reasonably adequate service, and for other purposes, introduced by Mr. HARTKE (for himself and Mr. MAGNUSON), by request, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 2951

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That part I of the Interstate Commerce Act be amended by adding a new section 13b which reads as follows:

ADEQUACY OF CERTAIN PASSENGER OPERATIONS

13b(1). It shall be the duty of every common carrier by railroad operating a passenger train from a point in one State to a point in any other State or in the District of Columbia, or from a point in the District of Columbia to a point in any State, to provide and furnish reasonably adequate passenger service on any such train in operation.

(2). In considering and determining whether reasonably adequate passenger service is being provided and furnished on any such train in operation, the Commission shall give due consideration, among other things, to the operating condition of the passenger equipment; the inclusion in the consist, where appropriate, of Pullman and dining cars; the maintenance of adequate comfort in cold and hot weather; the availability of sufficient equipment to accommodate the normal demands of all ticket holders; and the maintenance of adequate and sufficient facilities for obtaining accurate information regarding train schedules and available reservations.

(3). The Commission shall have the power, upon complaint, or on its own initiative without complaint, to enter upon an investigation of the standards of service on a passenger train operating from a point in one State to a point in any other State or in the District of Columbia, or from a point in the District of Columbia to a point in any State, and, whenever it is deemed to be in the public interest after hearings, to establish standards of reasonably adequate service to be provided and furnished by any such railroad on any such train. The Commission shall have the authority to issue orders necessary to enforce the standards of reasonably adequate service so established and to prescribe rules, regulations and procedures necessary for administration of this section, except that in the case of interstate trains whose primary purpose is the performance of local commuter service the Commission shall not establish or enforce standards of reasonably adequate service. Nothing in this section shall impair or affect the power of a State, or of States acting in concert, and in the exercise of its or their residual powers, to establish reasonable standards of such local railroad commuter service, or to operate or to participate in the operation of such commuter service.

The letter, presented by Mr. HARTKE, is as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., September 22, 1969.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: I am submitting with this letter a draft bill for your consideration. The bill would add a new section (13b) to the Interstate Commerce Act to give the Commission jurisdiction over the quality of railroad passenger service.

The Commission indicated it would recommend such legislation to the Congress when it issued its decision in Docket No. 34733, the so-called *Adequacies* case, September 10, 1969. In that report, copy attached, the Commission found that the act did not presently provide the Commission with authority to pass on the quality of a carrier's service, but that there was a need for such Federal regulation because the several States are not able to deal with the problem effectively.

The Commission set forth the following statement of policy in its report; "[E]very passenger-carrying railroad operating in interstate commerce should be required to provide reasonable, efficient, and economically-sound passenger service." The bill we recommend reflects this policy and will enable the Commission to consider for the first time such things as the operation of passenger equipment, the necessity for Pullman and dining cars, the maintenance of comfort control equipment, and the availability of sufficient equipment to satisfy normal seating demands.

We would very much appreciate your assistance in having this bill introduced and hearings scheduled thereon.

Sincerely,

VIRGINIA MAE BROWN,
Chairman.

ADDITIONAL COSPONSORS OF BILLS

S. 1506 AND S. 1516

Mr. KENNEDY. Mr. President, on behalf of the Senator from Maryland (Mr. TYDINGS), I ask unanimous consent that, at their next printing, the name of the Senator from Oklahoma (Mr. BELLMON) be added as a cosponsor of S. 1506, a bill to provide for improvements in the administration of the courts of the United States, and for other purposes; and as a cosponsor of S. 1516, a bill to improve judicial machinery by creating a Commission on Judicial Disabilities and Tenure, and for other purposes.

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

S. 2543

Mr. KENNEDY. Mr. President, on behalf of the Senator from Maryland (Mr. TYDINGS), I ask unanimous consent that, at the next printing, the name of the senior Senator from Pennsylvania (Mr. SCOTT), be added as a cosponsor of S. 2543, to protect interstate and foreign commerce by prohibiting the movement in such commerce of horses which are "sored," and for other purposes.

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

S. 2676

Mr. KENNEDY. Mr. President, on behalf of the Senator from Maryland (Mr. TYDINGS), I ask unanimous consent that, at the next printing, the names of the Senator from Indiana (Mr. BAYH), the Senator from Missouri (Mr. EAGLETON), the Senator from Oregon (Mr. PACKWOOD), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. YARBOROUGH) be added as cosponsors of S. 2676, a bill to prohibit the sale to minors of certain obscene materials transported in interstate commerce or by the U.S. mails, and for other purposes.

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

S. 2701

Mr. MUNDT. Mr. President, I ask unanimous consent that, at the next printing, the names of the Senator from Illinois (Mr. PERCY), the Senator from Oklahoma (Mr. HARRIS), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Alaska (Mr. STEVENS), and the Senator from Washington (Mr. JACKSON) be added as cosponsors of S. 2701, a bill to establish a Commission on Population Growth and the American Future.

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

S. 2900

Mr. SCOTT. Mr. President, at the request of the Senator from Florida (Mr. GURNEY), I ask unanimous consent that, at the next printing, the name of the Senator from Oregon (Mr. PACKWOOD) be added as a cosponsor of S. 2900, a bill to amend the Public Buildings Act of 1959 to provide for the construction of buildings and improvements by a lessor on land owned by the United States, to authorize the acquisition of options to purchase property leased to the Federal Government, and other purposes.

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

SENATE RESOLUTION 263—RESOLUTION REPORTED AUTHORIZING ADDITIONAL APPROPRIATIONS FOR THE EXECUTIVE REORGANIZATION SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS

Mr. RIBICOFF, from the Committee on Government Operations, reported the following original resolution (S. Res. 263); which was referred to the Committee on Rules and Administration:

S. RES. 263

Resolved, That the Committee on Government Operations be provided an additional $12,000 for the study of the effects of laws pertaining to proposed reorganizations in the executive branch of the Government.

SENATE RESOLUTION 264—RESOLUTION REPORTED AUTHORIZING A STUDY OF INTERGOVERNMENTAL RELATIONSHIPS BETWEEN THE UNITED STATES AND THE STATES AND MUNICIPALITIES.

Mr. MUSKIE, from the Committee on Government Operations, reported the following original resolution (S. Res. 264); which was referred to the Committee on Rules and Administration:

S. RES. 264

Resolved, That the Committee on Government Operations is authorized to spend an additional $10,000 for the study of intergovernmental relations between the United States and the States and municipalities.

SENATE RESOLUTION 265—RESOLUTION REPORTED TO AUTHORIZE ADDITIONAL FUNDS FOR THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. TYDINGS, from the Committee on the District of Columbia, reported the following original resolution (S. Res. 265); which was referred to the Committee on Rules and Administration:

S. RES. 265

Resolved, That the Committee on the District of Columbia is hereby provided an additional $2,400 for the examination, investigation, and complete study of any and all matters pertaining to the District of Columbia, as provided for by S. Res. 84.

ADDITIONAL COSPONSORS OF A RESOLUTION

SENATE RESOLUTION 257

Mr. TOWER. Mr. President, I ask unanimous consent that, at the next printing, the names of the Senators from Nevada (Mr. BIBLE and Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Nebraska (Mr. HRUSKA), the Senator from South Dakota (Mr. MUNDT), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Ohio (Mr. SAXBE) be added as cosponsors of Senate Resolution 257, to secure humane treatment for prisoners of war held by the North Vietnamese Government.

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

AMENDMENT OF FOOD STAMP ACT OF 1964—AMENDMENTS

AMENDMENT NO. 200

Mr. SCOTT submitted amendments, intended to be proposed by him, to the bill (S. 2547) to amend the Food Stamp Act of 1964, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 201

Mr. STEVENS submitted an amendment, intended to be proposed by him, to Senate bill 2547, supra, which was ordered to lie on the table and to be printed.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

James H. Brickley, of Michigan, to be U.S. attorney for the eastern district of Michigan for the term of 4 years, vice Lawrence Gubow, resigned.

Rex K. Bumgardner, of West Virginia, to be U.S. marshal for the northern district of West Virginia for the term of 4 years, vice John G. Chernenko.

William A. Quick, Jr., of Virginia, to be U.S. marshal for the western district of Virginia for the term of 4 years, vice Charles N. Bordwine.

George R. Tallent, of Tennessee, to be U.S. marshal for the western district of Tennessee for the term 4 years, vice Cato Ellis.

Gaylord L. Campbell, of California, to be U.S. marshal for the central district of California for the term of 4 years, vice George E. O'Brien, retired.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Tuesday, September 30, 1969, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF SMALL BUSINESS SUBCOMMITTEE HEARINGS ON PROBLEMS OF SHOE MANUFACTURERS

Mr. McINTYRE. Mr. President, I wish to announce that the Small Business Subcommittee of the Senate Committee on Banking and Currency will continue its hearings on the problems facing our small domestic shoe manufacturers.

The hearings will be held in Manchester, N.H., on October 2, 1969, at Union Hall, 522 Pine Street, beginning at 10 a.m. The following day, October 3, 1969, hearings will be held in Boston, Mass., in the executive dining room of the John F. Kennedy Federal Building, beginning at 10 a.m.

Anyone desiring information on these hearings, please call Mr. Reginald W. Barnes, assistant counsel, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, Washington, D.C. 20510, telephone 225-7391.

FINANCIAL CRUNCH STRIKES OLDER CITIZENS

Mr. McINTYRE. Mr. President, this week I received a letter from a 78-year-old constituent that eloquently spells out the financial crunch so many of our elder citizens find themselves in these days.

He speaks movingly of the particular dilemma of the middle-class elderly, those people who have worked hard, paid their taxes, contributed their sons to the defense of the Nation, and have earned full or partial retirement, only to be caught in an inflationary cycle that prices even the bare necessities beyond their modest budgets.

He asks:

Senator, how can we possibly survive and keep our small properties that are our home and shelter?

But specifically, Mr. President, he asks what is wrong with the millionaire paying his fair share of taxes to ease the endless tax burden on people such as he.

And he points out that he, and millions like him, can neither find nor afford to use the tax loopholes available only to the very rich.

Mr. President, here is an intelligent senior citizen who understands the inequities in our tax system and is suffering from them.

He realizes the irony of the fact that on balance millionaires pay a smaller share of their income in taxes than those of lesser wealth.

He knows that the actual 77 percent tax rate for those with incomes of $1 million or more a year is actually well under 30 percent when the loopholes are used to advantage.

He may not know the exact number, but he is fully aware that there are millionaires who avoid paying a single penny of income taxes through their adroit use of capital gains, municipal bond interests, mineral depletion allowances and other tax dodging measures.

The former Secretary of the Treasury, Joseph W. Barr, pointed out that in 1967 there were at least 155 Americans with adjusted gross incomes of more than $200,000—including 25 with incomes over $1 million—filed returns for that year on which they paid not a cent of income tax. And these people, mind you, were able to do this without even relying on such common exclusions as municipal bond interest and the untaxed portion of capital gains.

Whatever the social or economic reasons for the institution of all of these so-called tax incentives, the use of them all too often has perverted the goal.

The most notorious of all loopholes, the oil depletion allowance, was not designed as a tax shelter that would, as the Washington Post recently pointed out, make it possible for an obstetrician to cut the tax on his $100,000 practice in half by investing in a wildcat oil well. Yet the depletion allowance provision in our tax structure made it possible for the doctor to do just that.

My elderly correspondent understands this, Mr. President. He has been a good citizen. As pinched as he is by inflation he is still willing to pay his just share of taxes. But he wants everyone else to do the same.

Is this an unreasonable request? I do not think so.

Mr. President, I believe the U.S. Senate must heed such requests and do its very best to prepare a tax reform bill that will put equity and justice back into taxation.

Mr. President, because my elderly correspondent so movingly expressed his honest anguish and resentment over this situation, I ask unanimous consent that his letter be printed in the RECORD.

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

MANCHESTER, N.H.,
September 16, 1969.

DEAR SENATOR: I, as a citizen of 78 years of age, am addressing you for thousands of people who are finding themselves in the same dilemma I am.

With the high cost of living, and by this I mean the bare necessities—food, clothing

and medicine—the ridiculous spiraling of property taxes, which have doubled this year, I ask you, Senator, how can we—the struggling middle-class who have worked all our lives and raised families to defend our country and uphold it—how can we possibly survive and keep our small properties that are our home and shelter?

When will some considerations be given the old folks who can no longer work to keep struggling for survival? Not every person of my age is ready for the old folks home. With good health, we still want to till our land and pay our taxes—but only our fair share—plus we want to keep what is ours at least until we can no longer manage for ourselves.

What's wrong, I ask, with the millionaire paying his fair share of taxes? No, he has all the loopholes possible to keep what belongs to Uncle Sam. In return, dear old Uncle Sam turns around and bleeds the little man to his very last dime.

When will our government wake up and bring justice not only to the millionaire but to all men who live side by side in this great Nation?

Sincerely,

LEANDER MURPHY.

TRIBUTE TO SENATOR EVERETT McKINLEY DIRKSEN BY STATION WRAD, RADFORD, VA.

Mr. BYRD of Virginia. Mr. President, following the death of our beloved colleague, Senator Everett McKinley Dirksen, Ray Hatley, manager of WRAD, Radford, Va., broadcast a splendid tribute to him. I ask unanimous consent that it be printed in the RECORD.

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

[From WRAD news broadcast, Sept. 8, 1969]

SENATOR DIRKSEN

Senator Dirksen—the DJ's friend—has passed away.

Illinois Senator Everett McKinley Dirksen—the most colorful person in Congress—died at 4:52 yesterday afternoon in the Walter Reed Army Hospital in Washington, D.C. He had undergone surgery on Tuesday for lung cancer. He died of a heart attack.

His death has brought expressions of genuine grief and shock from the Presidential level on down, on both sides of Congress.

After all, everybody liked the wavy haired Senator with the deep voice and rich oratorical style whether they agreed with him or not.

The Disc Jockies of Station WRAD are among those mourning his loss. Senator Dirksen, 73, made two long playing albums for Capital Records, including "Gallant Men," and "Man Is Not Alone."

And he was the object of a good natured satire on a 45 rpm. that was played regularly by WRAD in the past year entitled, "Senator Everett McKinley. . . ."

WRAD disc jockies Bob Smith, Tom Sawyers, Larry Childress and Al Wayne played the LP's of Senator Dirksen regularly on their shows. He will be missed.

APPOINTMENTS TO ADVISORY COUNCIL FOR OFFICE OF MINORITY BUSINESS ENTERPRISE

Mr. TOWER. Mr. President, President Nixon has recently announced the appointment of 63 distinguished community, business and professional leaders from throughout the country to form the new Advisory Council for the Office of Minority Business Enterprise.

The role of the Council as stated in the Executive order of March 5, 1969, is to serve as a "source of knowledge on economic and social developments in public or private business enterprise, advise the Secretary—of Commerce—on measures to better achieve his objectives, and consider problems and matters referred to it.

I applaud this move by the President, and see it as a meaningful step toward bringing the full resources of the Nation to bear upon the problem of minority economic development.

I am particularly pleased to note that my State of Texas will be ably represented on the Council.

The President named Mr. Sam Wyly, board chairman of University Computing Co. in Dallas, Tex., as chairman of the Council, and Mr. Joe Kirven, also of Dallas, and president of Abco Office Supply Co., as a member of the Council.

The future of this program, as is always the case, rests largely upon the competence and energy of those charged with its execution.

Of the many distinguished members of the Council, I am most immediately aware of the qualities of the two members from Texas, whom I am sure are indicative of the other members as well. Sam Wyly and Joe Kirven epitomize two human qualities most in demand in this 20th century age of technology, and yet most always least in supply—compassion for ones fellow man and efficient executive management ability.

The Chairman of the new Advisory Council is 34 years of age and the father of three children.

Prior to founding University Computing Co. he was an area sales manager for the Honeywell Corp., and a sales representative for the Service Bureau Corp., a division of IBM. He holds a master's degree from the University of Michigan and a bachelor's degree from Louisiana Polytechnic Institute.

Sam founded University Computing Co. in 1963 on a $1,000 investment and built it into a $400 million corporation. Last month, the company was listed on the New York Stock Exchange.

In 1968, Sam was named one of the Five Outstanding Young Texans by the Texas Jaycees and that same year was named one of the 10 outstanding Young Americans.

His entire career as an enterpreneur well serves as testimony to his ability to build and manage a vast network of business interests consistent with his compassion for his fellow man.

For example, University Computing Corp., this past July 31, announced the opening of the El Paso, Tex., Data Preparation Center to be operated by the company's data link division as one of the Nation's largest and most modern data conversion centers. This project was initiated and consummated in conjunction with Project Bravo, the El Paso arm of the Office of Economic Opportunity, the Texas Employment Commission, and the U.S. Department of Labor. The El Paso center is staffed largely by girls of Mexican-American descent and other minority backgrounds who had no prior marketable job skills.

Also, The Datel Corp., located in Riverton, Wyo., a wholly owned subsidiary of University Computing Co., which manufactures computer peripheral equipment, provides jobs for a significant number of Arapahoe and Shoshoni Indians who have been employed in cooperation with the U.S. Department of Labor and of the Bureau of Indian Affairs.

Another example is that Bonanza International, a fast food franchiser of steak houses, not related to University Computing Co. in any way, but a company of which Sam Wyly is chairman of the board and majority stockholder, has been the prime mover in the revitalization of Boley, Okla., a town with an all Negro population which was slowly succumbing to poverty and decay.

In late 1968, Bonanza was approached by Maurice Lee, of Boley, with a new cooking device called "Smokaroma." The device had been devised by Mr. Lee for sale to individual restaurants to be used in preparation of meats which according to Lee, "eliminates the air pollution of pit methods, reduces cooking time, and imports tastiness with less meat shrinkage."

Bonanza later bought the Lee Manufacturing Co. to be operated as a subsidiary. Thus, these two companies teamed up. Lee needed Bonanza's name, reputation ,and accessibility to cash; and Bonanza needed Lee's cooking device. The plant remains in Boley, with all-Negro management and employees. More recently Lee's have opened a factory which will make the furniture for Bonanza restaurants. The employees are averaging $5,000 per year income in a town where the median income is $1,300 per year.

A personal project of Mr. Wyly's is the Sam Wyly Foundation which is a fully staffed philanthropic organization created last November to work toward the creation of social and economic opportunities for the poor and disadvantaged. Its primary thrust is in economic development programs of minority business enterprise such as low cost, self-help housing and job training. It has initiated a program of minority business development in Dallas which thus far, this year, has loaned or guaranteed approximately $250,000 together with providing the necessary backup management and technical assistance to Negro and Mexican American businessmen. The philosophy of the foundation and the personal philosophy of Sam Wyly is that the proper role of the larger society is a supportive one and that risk capital together with backup management and technical assistance in coalition with the efforts of the minority entrepreneur provides a viable minority economic development thrust.

In addition to the aforementioned risk capital program for minority businesses, among the projects of the foundation which evidence its relevance to the pursuit of this economic development are:

Sponsorship of a White House summer intern whose responsibility was to research the areas of community development and minority entrepreneurship. This research, just concluded, will be used as input for the Administration's minority business enterprise plan.

Sponsorship of a study which is near completion, involving the social adjustment problems of 150 migrant farm-

working Mexican-American families moved to Maine and New Hampshire from Texas to work in the textile industry. This study will be furnished to the Labor Department as a model for future matchings of labor supply to labor shortage around the country.

A grant to the Dallas Opportunities Industrialization Center earmarked to fund a course in self-appreciation for the job trainees. This is to provide training in the social graces, and so forth which is a necessary compliment to the acquired-job skill preparing the trainee for an interoffice or intrafactory employment setting.

A grant to Venture Advisers, Inc., an organization with an all-Negro staff which does feasibility studies and provides the backup management and technical assistance funded by the foundation to the businesses.

A grant to the National Information Exchange on Community Economic Development to be held in Boston in October. This conference will explore the possibilities for community ownership as a compliment to individual entrepreneurship.

President Nixon said on March 6:

I have often made the point that to foster the economic status and pride of members of our minority groups we must seek to involve them more fully in our private enterprise system. Blacks, Mexican-Americans, Puerto Ricans, Indians and others must increasingly be encouraged to enter the field of business, both in areas where they now live and in the larger commercial community—and not only as workers, but also as managers and owners.

This is the mandate given the advisory council by the President. I am confident this mandate will be served with the same sort of energy and dedication that Sam Wyly has devoted to his other endeavors.

POINT REYES NATIONAL SEASHORE

Mr. CRANSTON. Mr. President, no complex issues need to be decided in order to complete Federal acquisition of Point Reyes National Seashore. The issue is simple. Either the Nation spends the money to set aside in its natural state this unique treasure on our Pacific shores for the American people, or we don't spend the money, and our people and their posterity lose another of God's gifts of nature.

The Sacramento Bee editorialized with candor on this question last week, pointing to the one man whose forthright leadership could make Point Reyes a reality, President Richard Nixon.

Lest there be any confusion about the editorial, Congress must authorize, through the passage of my bill, S. 1530, or similar House measures, the additional funds necessary to buy the remaining lands. But with President Nixon's strong support, there is no doubt that the bills would gladly be passed by the 91st Congress.

Mr. President, I ask unanimous consent that the Sacramento Bee editorial be printed in the RECORD.

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

FIGHT TO SAVE POINT REYES NARROWS TO FOCUS ON ONE MAN—THE PRESIDENT

The fight to save the Point Reyes National Seashore has narrowed down to a sharp focus on one man—President Richard Nixon.

The President need but give the word and the additional $40 million necessary to complete acquisition of the remainder of the site will be released, thus preserving this scenic jewel of California's coastline for now and generations to come.

All the other elements in the struggle to save Point Reyes from land speculators and subdividers have fallen into place. The state's congressional delegation has given it solid bipartisan support. It is viewed favorably by Congress. Owners of the remaining land are willing to sell but warn they will not hold out indefinitely. The state's two United States Senators, Alan Cranston, Democrat, and George Murphy, Republican, wholeheartedly endorse the plan.

And Cranston and Murphy have spelled it out plainly to the White House: Further dallying may mean the death of the Point Reyes Project.

Nixon, a native son, should be first among those determined to preserve this heritage of natural beauty whose rarity is enhanced by the rapidly dwindling number of such sites still preservable for the future.

Cranston scorned the excuse of economizing, said to be argued by some of Nixon's advisers. Investment in a park such as Point Reyes, he said, is not in the same order as expenditures for other aspects of government.

Said Cranston: "When the United States buys a park, it acquires a capital asset which not only does not depreciate over the years but actually and inevitably appreciates. In no other area of government expenditure do we invest the taxpayers' money in something which continually increases in value. Thus to decrease our federal investment in park and recreation lands in obeisance to budgetary demands is a false economy which simply makes no economic sense."

The fate of Point Reyes rests squarely on the doorstep of the White House. Nixon is the one man who can—and should—give Point Reyes the victory it deserves.

EARTHQUAKES AND NUCLEAR TESTS

Mr. INOUYE. Mr. President, I wish to share with the Senate an article published recently in the highly respected Science magazine. The article is entitled "Earthquakes and Nuclear Tests: Playing the Odds on Amchitka." I believe it clearly sets forth the dangers which could result from underground nuclear testing on Amchitka. Like many other Senators, I am extremely concerned with the possible dangers and have contacted President Nixon to urge that these tests be canceled or, at the very least, postponed until a group of independent experts have an opportunity to evaluate all the risks involved in conducting such tests on Amchitka.

I ask unanimous consent that the article be printed in the RECORD.

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

EARTHQUAKES AND NUCLEAR TESTS: PLAYING THE ODDS ON AMCHITKA

(By Luther J. Carter)

The nuclear test ban treaty of 1963 still stands out as the principal accomplishment in the field of arms control, but, while the treaty eased the universal concern about radioactive fallout, it by no means stopped the testing of nuclear weapons—it simply moved such testing underground. That this would be the case was, of course, clearly understood when the treaty was signed, though the negotiators agreed that they should look to the ultimate goal of extending the ban to underground testing. What most people probably did not understand was that underground tests would eventually be carried on at such high "yields" as to raise fears that they might trigger large, destructive earthquakes and tsunamis, the sea waves that major earthquakes sometimes generate.

Underground testing also raises the possibility of other environmental hazards, such as the release of radioactivity into the atmosphere by accidental "venting," the contamination of groundwater, and the damaging of property by ground shock attributed directly to the nuclear explosion. On the whole, however, the Atomic Energy Commission can claim an excellent safety record for its test program, which it conducts for the Department of Defense. Yet, as the AEC goes to testing in the multimegaton range, a number of scientists are expressing concern that the agency's assurances that the tests will be carried out safely may prove to be unjustified. And, of the possible dangers, the one involving the most unknowns and uncertainties seems to be the earthquake and tsunami hazard.

In October the AEC will detonate a "device" of about 1 megaton on Amchitka Island, in the Aleutians. Amchitka is in an earthquake-prone area and, though the island itself has been well mapped geologically, relatively little detailed geologic information is available for the area offshore.

The test this fall, to be known as Milrow, will be a "calibration" shot, designed not to test a new nuclear warhead but to allow the AEC to determine whether Amchitka is a safe place for two weapons tests at yields which apparently will go up to several megatons. These latter tests are understood to be related to the development of warheads for the antiballistic missile. The 1-megaton Milrow test itself represents a leap forward at the Amchitka site, for the only previous test conducted on the island was the 80-kiloton Long Shot explosion of 1965.

The probability of the Amchitka test series causing a major earthquake and tsunami is considered low by the experts who have been concerned with this question, but, as one put it, "not vanishingly small." This much is conceded by the AEC, but the agency view is that the chance of a destructive and far-reaching disturbance is so slight as to be no cause for public concern.

TSUNAMI HAZARD

Not all the experts see it that way. One of those who does not is Frank Press of M.I.T., a leading seismologist who served on a panel of the President's Science Advisory Committee which last year studied safety aspects of underground testing. Press agrees that the probability of a nuclear test triggering a large earthquake is "very small," and, further, that, if such an earthquake occurred, its effects probably would be confined to the thinly inhabited Aleutians. But, he adds, should an earthquake so induced turn out to be one that causes a destructive tsunami, the consequences could be disastrous. Tsunamis originating in the Aleutians have caused loss of life and heavy property damage in far-distant places, such as Hawaii and Japan.

Concern about the possible triggering of earthquakes by nuclear testing is based partly on observations made after recent tests in Nevada. The largest tests ever carried out at the AEC's Nevada Test Site have been Boxcar, a 1.2-megaton shot in April 1968, and Benham, a 1.1-megaton shot in December. Some intriguing seismic effects having been observed after earlier shots, the Boxcar and Benham events especially the latter, were

instrumented for seismic measurements more heavily than past tests had been.

According to the AEC, each of these shots caused linear fracturing and faulting for a distance of nearly 5 miles on Pahute Mesa, where the tests occurred, thus producing displacements similar to those observed in some earthquakes. Although most, if not all, the displacement is believed to have occurred within seconds of the explosion, the seismic activity continued long after the shots, some 10,000 aftershocks having been recorded during the 4-week period following Benham.

All the aftershocks that have followed Benham and other tests in Nevada have been much smaller than the shocks caused by the shots themselves, which the AEC takes as an encouraging indication that its tests are going to father nothing monstrous. However, seismologists see an evident need for further study of the seismic effects of nuclear events to determine how the effects vary with explosions of different yields and under different geologic conditions—and, above all, to try to learn more about the mechanism by which earthquakes and their aftershocks occur. "Right now, we have very little basis for extrapolation," an earthquake specialist with the U.S. Geological Survey told *Science*. In fact, a principal purpose of the Milrow calibration test is to determine whether the findings from events such as Benham and Boxcar can be applied to Amchitka.

Amchitka is not easily compared with the Nevada Test Site. The Nevada site is deemed by the AEC to be unsuitable for tests of much above 1 megaton. Principally, this is because of the effect of direct ground shock from high-yield explosions on tall buildings in Las Vegas—and on industrialist Howard Hughes, a Las Vegas resident, who, lately has been harrying the AEC about possible environmental hazards.

The Nevada Test Site and the area immediately surrounding it do not constitute a region of high seismicity, although several important active fault systems, such as the San Andreas and Death Valley faults in California, can be found some distance away. North of its original test site, the AEC has developed a Central Nevada site primarily for the testing of weapons larger than Boxcar and Benham and smaller than those to be tested on Amchitka. It, too, is fairly remote from areas of high seismicity and is farther than the original site from Howard Hughes and Las Vegas.

Although no large earthquake is known to have originated on Amchitka Island proper, the Aleutians are part of the circum-Pacific seismic belt and make up one of the most earthquake-prone areas on earth. The Rat Island Earthquake of 1965, which originated 20 miles from Amchitka, was the largest one to occur that year anywhere in the world but caused no seismic or tsunami damage to populated areas.

Contributing to the concern that a high-yield underground explosion might trigger a large earthquake in the Aleutians is the explanation some leading seismologists are now offering about the origin of major earthquakes. In a paper prepared for the April meeting of the American Geophysical Union, James N. Brune of California Institute of Technology said that a study of such events "suggests that in many cases large earthquakes may be considered successions of triggered events rather than smoothly propagating ruptures." Brune noted, for example, that the first event of the Great Alaskan Earthquake of 1964 had a Richter-scale magnitude of only 6.5, whereas the largest event in the sequence had a magnitude of 7.8—an enormous leap on the scale. The deep South American shock of 15 August 1963 also was a succession of several distinct events, he said.

A NUCLEAR TRIGGER?

In an interview with *Science*, Brune said, "There is no logical reason why a nuclear explosion couldn't be the initiating event in such a series of events. The larger the explosion, the greater the possibility of its triggering such a series." The same is true, he said, for a naturally occurring earthquake; the bigger it is, the greater the chance of its initiating a series of earthquakes.

According to Melvin L. Merritt of the Sandia Laboratories at Albuquerque, New Mexico, which has taken part in the AEC's seismological studies, the Amchitka tests will be fired at a distance of from 30 to 100 kilometers from the seismic zone associated with the Aleutian thrust fault. Unlike some fault systems, such as the San Andreas fault, which are visible on the earth's surface, the great Aleutian thrust fault is buried deep in the earth. Brune had no comment on the Amchitka tests, as he was unfamiliar with the situation there, but he observed: "I would think that scientists would be very hesitant to fire off a large nuclear explosion 30 kilometers from the San Andreas Fault. One hundred kilometers would be better, but I'd still be a little worried about it."

People in Alaska, having the great 1964 earthquake still in mind, are more than a little worried, despite the AEC's assurances that, even if a test shot should cause an earthquake, the state's populated areas would be unharmed. To protest the Amchitka test series, a "Save Our State" (SOS) group was formed recently in Anchorage, with some of the state's most prominent citizens taking part.

In May, Senator Mike Gravel of Alaska proposed that the President appoint, from outside government ranks, a body of experts to look into the question of nuclear tests and their seismic effects. His proposal was cosponsored by several senators, including Alan Cranston of California and Edmund S. Muskie of Maine. It has been referred to the Joint Committee on Atomic Energy, which, confident from inquiries by its staff that the Amchitka tests will be safely conducted, seems unlikely to take any action that might delay the tests. Senator Gravel is reluctant to challenge the AEC's plans and has not asked for a postponement of Milrow.

The President's Science Advisory Committee (PSAC) panel on safety aspects of the test program delivered its report late last fall to Donald Hornig, President Johnson's Science Adviser. The report never has been made public, though the chairman of the panel, Kenneth S. Pitzer, president of Stanford and member of PSAC until this past January, says that to edit it and remove classified information would not have been difficult.

While the report did not declare that the Amchitka tests would involve unacceptable risks, the panel members appear to have looked at this test series dubiously. It had no mandate to consider alternative sites for the tests, but some of its members have told Science that the consensus within the group that the north slope of Alaska's Brooks range would be a safer place than Amchitka for high-yield tests. This area is not earthquake-prone and is mostly uninhabited. Further, the oil industry is currently demonstrating that large-scale drilling projects are feasible in this artic region, despite its deep permafrost and harsh climate.

The AEC has felt that the north slope is acceptable only as an "insurance" site in case Amchitka cannot be used. It decided against the slope chiefly on the grounds that the costs there would be extremely high and the logistical problems very difficult. Had the agency decided otherwise, it would now probably be fending off criticism from conservationists fearful of the impact that the test program would have on the fragile tundra ecology. Conservation groups also are concerned, however, about the ecological impact of the test program on Amchitka. The island is part of the Aleutian Islands National Wildlife Refuge and is a stronghold of the sea otter, a species once near extinction.

Gordon J. F. MacDonald of the University of California at Santa Barbara, a geophysicist who served on PSAC and the Pitzer committee, says that, if nuclear test must be conducted on Amchitka for compelling reasons of national security, the precautions observed should include (1) increasing the shot yields gradually and (ii) closely monitoring the shots for seismic effects. Again, the consensus within the committee was that these precautions would be wise, although the risk of triggering a large earthquake would not be eliminated altogether by increasing shot yields gradually. According to Frank Press, even a low-yield shot might be sufficient to release the energy which has naturally accumulated along faults where strains exist. Under its present plans, the AEC obviously will not be increasing shot yield by modest increments. Only three test holes have been drilled on Amchitka, one for this fall's 1-megaton calibration test, the remaining two for the testing of weapons too powerful to be detonated safely in Nevada.

F. R. Tesche, deputy director of the AEC's division of military applications, says that the agency's ad hoc panel on seismology, chaired by James T. Wilson of the University of Michigan, believes that the Amchitka test program does not involve an unreasonable risk. However, in response to inquiries by Senator Gravel, two members of that panel, Clarence R. Allen of Caltech's Seismological Laboratory, and Jack Oliver of Lamont-Doherty Geological Observatory, have endorsed the senator's proposal to establish an independent body of experts on nuclear testing and seismic safety. Furthermore, Allen said, "my confidence in [the safety of the Amchitka tests] would be much increased if our geological and geophysical knowledge of the area were greater, and if we were to progress to the large events by a series of increasing steps."

The AEC is responding to the recommendations for seismic monitoring. According to Tesche, five seismic stations are being established on Amchitka, two others are being set up on neighboring islands, and an as yet undetermined number will be installed on the seabed. The ad hoc panel, he says, is generally satisfied with the seismic network being established. Everything depends, Tesche adds, on the results of Milrow. "If anything coming out of this test is a substantial deviation on the worrisome side, AEC will not be able to continue," he says.

The possibility of large earthquakes and tsunamis being induced by nuclear tests is being cited by advocates of arms control. In an open letter to President Nixon, the Educational Committee to Halt Atomic Weapons Spread in early July urged that the United States seek a treaty banning all underground tests large enough to register above the "threshold" of 4.5, the seismic magnitude produced by a 10-kiloton shot fired in granite. The 1.1-megaton Benham shot, fired in a porous volcanic tuff, produced a seismic magnitude of 6.3. Seismic magnitudes vary widely, however, depending on whether a shot is fired in hard rock, in tuff, or in other material.

A number of prominent scientists, including Jerome Wiesner of M.I.T., George Kistiakowsky of Harvard, and Nobel laureate Polykarp Kusch of Columbia, were among the signers of the letter to Nixon. Among the reasons the letter cited for restricting underground testing were the possibility of accidental venting of radioactivity and the earthquake hazard.

On 31 July, a proposal to restrict testing was submitted by Japan to the Eighteen Nation Disarmament Conference in Geneva. The Japanese would fix the threshold at seismic magnitude 4.75. The concept of a threshold treaty is long familiar, but there has been renewed interest in it since June 1968 when the International Institute for Peace and Conflict Research in Stockholm

(SIPRI) released the report of its seismic study group. According to the report, British, Canadian, American, and Soviet research indicates that the world's seismic networks will be able to identify positively nuclear explosions at yields down to 10 kilotons (fired in hard rock), thus distinguishing them from natural earthquakes. The SIPRI finding allows hope of avoiding the troublesome "on-site inspection" issue, on which proposals for banning all underground testing have foundered; the Soviet Union rejects the idea of allowing foreign inspectors to come on its territory to investigate suspicious seismic events.

It appears that the prevailing view among Nixon Administration officials who have considered the matter is that a threshold treaty would be difficult to negotiate—and, if somehow negotiated, hard to monitor without frequent quarrels over disputed interpretations of seismic data. And, further, that it would in any event have far less value as an arms-control measure than a treaty banning all nuclear tests. To stimulate progress in test detection and verification, the United States has proposed that seismic stations throughout the world closely monitor a 40-kiloton shot next month in Colorado demonstrating use of a nuclear explosion to increase recovery of natural gas.

All proposals for banning underground tests now appear to have a low priority on the U.S. arms-control agenda, for the proposed U.S.-Soviet talks on the limitation of strategic arms are still pending and several key nations—Japan, India, Israel, and West Germany—still have not signed the Nuclear Nonproliferation Treaty. Recently, the question of environmental hazards has stimulated increased public interest in the underground testing of nuclear weapons. But unless one of the forthcoming Amchitka shots happens to produce a disaster, the kind of public outcry that contributed to the success of efforts to ban tests in the atmosphere seems unlikely to occur.

ASSISTANCE TO FOOTWEAR WORKERS OF AMERICA

Mrs. SMITH of Maine. Mr. President, inadvertently yesterday, in a listing of the names of the signers of the petition to the President of the United States, the name of the Senator from Colorado (Mr. ALLOTT) was not in the listing. I wish at this time to make this correction and to express my thanks to him for joining in the petition, even though footwear imports are not of primary interest to his State.

SECRETARY LAIRD AND THE DRAFT

Mr. SYMINGTON. Mr. President, on September 22, on the NBC "Today Show," Secretary of Defense Laird made certain observations with respect to the draft which, in turn, made plenty of sense to me.

In the belief that Senators who did not hear these observations would find them of interest, I ask unanimous consent that Secretary Laird's remarks at that time with respect to the draft be printed in the RECORD.

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

SECRETARY LAIRD AND THE DRAFT

FRANK MCGEE. Last Friday, President Nixon and Secretary of Defense Melvin Laird announced substantial cutbacks in draft calls for the next three months. And they said they hoped to go to a lottery system of drafting in the near future.

Well, we've asked Secretary Laird to discuss in detail the upcoming changes in the draft. And with him in our Washington studio are Today's Washington Editor, Bill Monroe and NBC's news Pentagon Correspondent, Robert Goralski.

Gentlemen?

MONROE. Good morning, Frank.

Mr. Secretary, what is the action you've asked Congress for on the draft, and if you get that action, what kind of draft system will you have?

Secretary LAIRD. Well, on May 13th, the President sent a request up to Congress to remove certain inequities that are contained in the present draft law.

We have had meetings with the Congressional leadership of the Senate and the House Armed Services Committee, and we've now limited the request in hopes of getting action to one sentence. That one sentence makes it necessary now to take the oldest first. And we'd like to have that removed so that—not so that we can have a lottery of all names, but so that we can randomly select the dates of call within a 365-day year between 19 and 20 years. And limit the call to 19 and 20-year olds.

MONROE. A man would be vulnerable to the draft only in the year from 19 to 20?

LAIRD. Instead of—instead of being vulnerable for seven years with all of the uncertainties its caused for young people, a man would be vulnerable for the draft for only 12 months; between his 19th and 20th birthdays.

GORALSKI. Mr. Secretary, is part of this reasoning, too, because a young man 19 or 20 makes a better soldier than a 25 or 26 year old?

LAIRD. Well, I think there's—certainly a case can be made that these young men do make fine soldiers. I do feel, however, that the real case is based upon the tremendous uncertainties that have hung over the heads of these young people for a long period of time. And we'd like to remove these inequities. President Nixon brought this up and made it one of the pledges during the campaign. And I think it's necessary for us to move in this direction.

GORALSKI. It has been suggested, too, Mr. Secretary, that part of this move is to cool the campuses. Would you go along with that reasoning?

LAIRD. Well, the reason that we've moved in this direction is to remove the inequities that do exist in the present draft regulation. And we're just as concerned about those young people that don't go to college as we are about those on the college campuses. So I wouldn't want to limit this to any such reason.

The reason that we're moving in this direction has been that we are able at this point to cut down on the draft calls because of the progress that we've made toward Vietnamizing the war from a military standpoint. And the reasoning is strictly a reason of cutting down on the—this vulnerability that hangs over these young people for so long. And whether they're in college or not in college, I think this is something that we want to clear up.

MONROE. Mr. Secretary, if you don't get the Congressional action you're looking for, Mr. Nixon has said that he will be able to go part way toward what you're trying to do by Executive Order. Now, what kind of draft system will you have under Executive Order, if you don't get this Congressional action?

LAIRD. If we do not get their permission to go on a random selection basis for the dates between 19 and 20, for that one year period, then we will move by Executive Order; the President has announced that probably it will be a moving age system in which the year will change every 30 days. And a new start for the year will be announced each time a new draft call. And when a young man moves out of that 12 months moving age period, he will no longer be susceptible to the draft.

MONROE. In other words, he would still be vulnerable only for one year, but it wouldn't be the year from 19 to 20, not necessarily, it would be a shifting . . .

LAIRD. No. No, it would be from 19 to 20.

And the problem that faces young people however, is that as they get near their 20th birthday, because we have to take the oldest first, the degree of vulnerability that they experience is quite great during those last two weeks of the year, because we must take oldest first now, and can't select the dates on random—on a random basis. And we'd like to have that authority.

But still, even under the action that the President will take, if Congress fails to give us this simple repealer of this one sentence that does exist in the 1967 Draft Law, the President has announced that he will move forward to limit the area of vulnerability to 12 months instead of the 7 years that young people currently are subject to the draft.

GORALSKI. The Administration proposal has been referred to as the lottery. That's not quite accurate though, is it, Mr. Secretary?

LAIRD. It is not quite accurate because a lottery in the minds of most people is putting in all of the numbers and drawing out the numbers—the Selective Service numbers for each individual.

We are not going to have that kind of a lottery. Under all of the proposals under consideration, what we will do is draw merely the dates—the 365 dates in the year, each year, and then that will set up the priority of taking people into the service. The dates will be selected on a random basis. And this will eliminate the possibility that we would have under Executive Order that the oldest first within the year would have to be taken.

If you had a fixed stage group, under Executive Order, which you could have, and limit the eligibility between 19 and 20 on a fixed age basis, in a fixed year then the people with birthdays in December and November would not be taken at all. All of those would be taken in January and February. And that isn't fair.

And that's why we don't like this provision in the law that makes us take the oldest first within an age group, at the present time. We want to remove that because we believe that an Executive Order system would still continue this serious inequity.

POSTAL REFORM IS NOT SPELLED "C-O-R-P-O-R-A-T-I-O-N"

Mr. YARBOROUGH. Mr. President, the Postal Corporation bill, which would destroy the oldest Cabinet office in the United States and substitute a money corporation for this governmental agency, is no reform.

It destroys the concept of service to the people, and substitutes a money concept of limiting service to the people.

The brunt of the Post Office change would be borne by the first-class postal patrons, those who use first-class mail, and by the rural areas.

The postal revenues from the rural areas, the small towns, and cities and rural routes pay only 30 percent of the cost of postal service in those areas. Seventy percent of rural mail service is a public service of the Government, just as all Government departments are service departments, which is the essence of government.

To agree to the Blount corporation proposal would result in the liquidation and closing of all the fourth-class post offices in the Nation, most if not all the third-class post offices, and some of the second-class post offices, and would reduce rural mail deliveries from a daily basis to a biweekly or triweekly delivery.

American government is built on a concept of service. It is not true that private utilities are more efficient than the postal service, as I pointed out in my speech to the National League of Postmasters in New Orleans yesterday. Private utilities are efficient in making money, which is what they were created to do. The postal service is more efficient in service, which is what it was created to render. We are dealing with two diametrically opposing concepts. There is no more reason to destroy the service concept of the Post Office Department than there is to destroy the service concept of the Department of Commerce, the Department of Transportation, the Department of Labor, the Department of Agriculture, the Department of Housing and Urban Development, the Department of Health, Education, and Welfare, the Department of Justice, the Department of Defense, or any other department of Government.

The Postmaster General should spend his time trying to improve the efficiency of his department, not trying to destroy it. Postmaster General Blount has cut special delivery and city business mail delivery service in defiance of the congressional mandate to keep both at their last year's levels of efficiency. If the Postmaster General continues his policy of weakening and worsening the postal service in his efforts to destroy its governmental capacity, the President should call him to account.

Postmaster General Blount should go back to his private corporation that he can dominate, and not be permitted to downgrade the postal workers from Federal employees to a serfdom status. They would be corporation employees without the right to strike, a virtual serf status.

Postmaster General Blount, in his advocacy of the destruction of the department he heads and the substitution of a corporation in his place, does violence to his oath of office as Postmaster General. He cannot serve two masters at one time: the public service for service, and the profit corporation for profit. He has an irrevocable conflict of interest.

Mr. President, I ask unanimous consent that my speech to the 66th National Convention of the National League of the Postmasters of the United States, delivered yesterday, September 22, 1969, in New Orleans, La., be printed in the RECORD.

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

POSTAL CORPORATION IS NOT POSTAL REFORM

(Remarks of Senator RALPH W. YARBOROUGH at the National League of Postmasters of the United States 66th Annual Convention—New Orleans, Louisiana, at 10:30 a.m., September 22, 1969)

First, let's clear up a little matter of spelling. Reform is not spelled c-o-r-p-o-r-a-t-i-o-n.

Some people, most notably Postmaster General Blount, seem determined to convince people that reform and corporation are synonymous when it comes to Postal Service.

Well, I've checked the dictionary and I've checked the Administration's proposals on Postal Service. I can assure you that in neither is reform the same as corporation.

Now one thing should be made clear from the outset. I am for improvement of our Postal Service. It's because I am for improvement of our Postal Service and for improved service to the users of the mail, and the American people that I am against a Postal Corporation.

In the massive propaganda job being carried on in favor of a Postal Corporation, we hear glowing words about utility services. Future mail service, under the proposed Postal Corporation, is being compared with the service of utility companies and telephone companies.

Now let's look at the record.

There have been several monumental breakdowns in electrical power in this country, blackouts over a widespread area. I'm sure each of you can remember breakdowns in service in your home cities. There have been no comparable number of complete mail service breakdowns in the nation and only one—one Christmas in Chicago.

In many areas, during a heat wave, people are asked to turn off air conditioners because the utility company cannot meet peak demands for service. With a postal corporation will we be asked to stop mailing Christmas cards and packages during November and December?

In New York, the phone service is failing to meet the growing demands of that city. One company ran a full page ad in a New York newspaper to its customers that it did, indeed, still exist although no phone calls were getting through. The mail service has never been as inefficient as the utility companies. People complain at any delay in the mails simply because they have been accustomed to such wonderful mail service all their lives. Mail service is still the most efficient of any type of service in America.

Now there have been problems at times with mail service. No one denies this. But the record of these privately-owned corporations is far from perfect.

The supporters of the corporation plan are trying to emphasize any and every small delay in mail delivery. They are trying to create dissatisfaction among the public so they will call for a postal corporation in the mistaken belief that it will mean an automatic improvement in mail service. They never tell you that those mail delays are often caused by late planes, or snow or ice or fog that keeps planes from flying, or all the other delays that private business, like airplanes, cause; no, they don't tell you that; they charge any delay up to the overworked, underpaid postal employee who didn't cause it.

About the only automatic thing about a postal corporation would be an increase in postal rates on first class mail and poorer service. It has been reported that Postmaster General Blount has said that first class mail could well double in cost.

Many of those calling loudest for a postal corporation now receive a postal subsidy. These are the major, mass circulation slick magazines. Under this proposed Postal Corporation, which is being trumpeted so loudly because it is supposed to be self-sustaining, these same people would continue to receive a subsidy. In other words, under the Postal Corporation plan, the burden of increases in postal rates would fall on first class mail users. As you all know, first class mail more than pays its own way now.

Now no one is demanding that the Department of Commerce break even. The Defense Department had a deficit of $77 billion last year, and there is no demand that it break even. Recent reviews of defense spending have certainly shown the Pentagon operates a great deal less efficiently than the Post Office Department.

A government provides certain services for its people. A service that has been provided the people of the nation since before the nation itself was created has been the Postal Service. I see no need now to change this service concept in our postal service as established by the founding fathers of these United States, and charge right into a profit-gouging business corporation where service is downgraded and profit becomes the motive.

Service—particularly service to those in the small towns and in the rural areas—will be reduced if not entirely eliminated under the Postal Corporation plan.

This year in Texas the present postal officials in Washington wanted to close a small Post Office because of a few hundred dollars deficit. The sole item for deciding on keeping the Post Office open was not a question of service to the people, but whether it paid its own way. We managed to stop the closing of that Post Office, but the pattern is definitely established.

If this pay-as-you-go Postal Corporation is established, all fourth class and thousands of third class Post Offices will be closed. This will curtail mail service to millions of Americans, and with the closing of a Post Office, end many small towns in America.

And if the stress is going to be on money, not service in a Postal Corporation, just guess what the charge would be for delivery far out on a rural route. A letter could well cost $1 or more.

As I said earlier, I am for postal reform. The Post Office Department needs more money. It needs money for research, for new buildings and new equipment. It needs a fair wage scale to reduce the costly turnover in personnel. These are among some of the Post Office reforms I have supported and will continue to support.

These reforms are possible under the present structure.

The fault for slow improvements lies not in the Post Office Department as it is now constituted nor in Congress. The Post Office Department has troubles because the Bureau of the Budget, a virtual law unto itself, places a low priority on Post Office Department expenditures.

The Budget Bureau has for years chopped away at postal appropriations. If the Nixon Administration wants to make some reforms in the postal service, it could do so by changing its list of priorities. It has elevated the spending on the war in Vietnam above all other spending. The health, the education, the general welfare of the people; the needs of the cities and of the streets all are secondary to the pursuit of a reckless military venture in Southeast Asia.

The attempt to establish a Postal Corporation and say it must pay its own way is an attempt to cover up the fact that the Administration will not commit itself to financially supporting the services, such as postal service, this nation has traditionally provided its people.

Winston Churchill once said he did not become Prime Minister to preside over the dissolution of the British Empire. To those who would establish a Postal Corporation largely beyond the control of the American people or their elected officials, I say I did not become a United States Senator and have not served for 12 years on the Senate Post Office and Civil Service Committee to preside over the dissolution of the government of the United States. To destroy the Post Office Department is to destroy the greatest service branch of the government of the United States.

MASSACHUSETTS SUPPORTS URBAN AND RURAL EDUCATION ACT OF 1969

Mr. MURPHY. Mr. President, from all over the country I continue to receive letters endorsing S. 2625, the Urban and Rural Education Act of 1969.

From the great Commonwealth of Massachusetts I have received letters from the State commissioner of education, Neil V. Sullivan, and from the superintendent of public schools for the city of Boston, William H. Ohrenberger, urging the enactment of the measure.

I ask unanimous consent that the letters be printed in the RECORD.

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

THE COMMONWEALTH OF MASSACHUSETTS, DEPARTMENT OF EDUCATION,
Boston, August 8, 1969.

Hon. GEORGE MURPHY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MURPHY: First of all, let me commend you for past expressions of concern for the disadvantaged youth of this nation. The measure proposed by you to amend Title I of the Elementary and Secondary Act of 1965 is a proper reflection of that concern.

As for my comments on the proposed legislation, let me say that I, along with many of my cohorts, have been pressing for additional funds in this area for years in an attempt to salvage the minds and spirits of many of our youths. We have pointed out, as you have, that if we cannot guarantee true equality of educational opportunity, then our accomplishments, however many or varied they may be, mean little.

And the battle to save the minds and spirits of a good portion of tomorrow's citizens will be fought in the cities and rural areas, areas recognized by you as crucial to success if the American dream of true equality is ever to be achieved.

Again, I salute you and join with you and others seeking to remedy deficiencies in our educational and social structure. Your measure, a refinement and improvement of present legislation, will be welcomed by legislators, I am sure, and hosts of children, the eventual beneficiaries of your concern.

Sincerely,

NEIL V. SULLIVAN,
Commissioner of Education.

BOSTON PUBLIC SCHOOLS, OFFICE OF THE SUPERINTENDENT,
Boston, Mass., August 18, 1969.

Hon. GEORGE MURPHY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MURPHY: I thank you for your recent letter enclosing a copy of your statement and the text of your introduction of the Urban and Rural Education Act of 1969.

The enactment of this legislation would provide much needed additional funds to the large urban centers of this nation. In my testimony before the House Education and Labor Committee concerning the extension of the Elementary and Secondary Education Act, I made a plea not only for the extension of this act, but also for a dramatic increase in the funding thereof, so that we in the urban areas might have the financial ability to meet all of our pressing needs.

The thirty and forty percent add-on features of your bill would provide a significant increase in funding and thereby aid immeasurably in the education of the disadvantaged.

Very truly yours,

WILLIAM H. OHRENBERGER,
Superintendent of Public Schools.

A GOOD FIGHTER FIGHTS ON

Mr. HART. Mr. President, the real challenge of America is "to make it survive, to make it live, to make it the land it promised to be 193 years ago."

These words are not mine.

They are the words of Roy Wilkins, executive director of the National Association for the Advancement of Colored People, a man who has long been involved in the fight to make America live up to its promise.

It was with those words that Mr. Wilkins concluded his speech at this year's Fight for Freedom Dinner in Detroit. Proceeds from the dinner go to the NAACP's legal defense fund.

As always, Mr. Wilkins' remarks are worth repeating. In discussing the history of the civil rights movement, he presented not a defense of the past but a course for the future.

So that others may have access to that chart, I ask unanimous consent that the text of Mr. Wilkins' speech be printed in the RECORD.

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

STATEMENT OF ROY WILKINS

Mr. Bell, Governor Milliken, Mayor Cavanagh, Senators Hart and Griffin, and all the other dignitaries, some of whom I had to reach by carrier pigeon at this end of the table, and Miss Kim Weston to whom I have sent a special soul telegram because she is a young woman after my own heart: On behalf of all these here, and of those who wanted to be here but could not be here—I bring greetings to the chairman of your committee on this most successful occasion.

You know, at this dinner tonight, you not only surpassed last year but you now have undisputed claim to being the greatest fund raising event in the entire United States under the banner of the NAACP. There are other fine people throughout the country—the South, the East, the West, the North—and they work hard and devotedly and their efforts are deeply appreciated. But Detroit is head and shoulders above all of them on account of this dinner and on account of the effective program carried forward as a result of it. I am happy also to be here in the city of some of our National board members and to greet all of the people, co-chairmen and chairmen who are responsible for this dinner.

This branch was first chartered by the NAACP in 1912. It has a long history and has been a leader in membership over many years. I can remember the days of the one dollar members. Sounds funny now; you know you can't buy anything with a dollar. We had one dollar members in those days and Detroit had 22,000 members; 19,000 of them were one dollar members. Since we went to the $2 membership Detroit has been in a scramble with Chicago and we have to wait until midnight on December 31 to find out whether Chicago or Detroit is ahead in memberships. You know, Chicago has a way, maybe a derivative of the kind of politics they play over there, they have a way of mailing memberships at 11 p.m. on December 31. And they say, "Look at the post mark, look at the post mark! Tell Detroit to beat that." Well, don't you try to start mailing at 11 p.m.—you'll give us all heart failure in New York.

But it's in life memberships, of course, that the Detroit branch has distinguished itself. And because there is a lapse between your records and our records and the famous United States mail which gets there the day after day after tomorrow, I will only say that you have more than 4,000 persons who are buying or have paid-up their life memberships as of the end of 1968, with some 3,350 of these subscribing members, and as of December 31, last year, 845 who have paid in the full $500.

Now this means that you are indeed giving substantial assistance, as Dr. McClendon noted, to the work of the NAACP. Life membership money last year, in 1968, accounted for $358,000 out of the $1,235,943 that our membership sent to the New York office. We got this money from our members and that means that if push comes to shove, as my grandmother used to say, and all the other "friends" (in quotation marks) drop away, we have $1,200,000 from the membership to run our organization. And so when anybody says to me the civil rights movement is dead, I say, "Well, I don't know about the rest of it but the NAACP ain't dead. Cause dead men don't give $1,200,000 to a cause." You know, that's respectable money anywhere; even in the United States Government, which has a budget of 190 billion, $1,235,000 is not exactly peanuts.

The history of the Detroit branch recalls the history of the NAACP and that old canard that will not die, that this organization is supported financially by white people, and that it speaks only what white people tell it to speak. It hasn't been true that white people furnish the majority of the money since 1917. But since 1917 all of the balance of power, if you will, of the income of the NAACP has been money from memberships.

And just to pick a year at random: in 1931, the year I came to the NAACP from out in Missouri and Kansas, the total national office income, now you heard me, the total was $59,081.91. You have raised almost four times that tonight at this dinner, but that was the total income of the NAACP in 1931. But of that $59,000 *the membership sent in $38,000.* So that it was ahead then and its been ahead ever since in running its own show and paying its own way.

We've also, in the history of the Detroit branch, experience that should put to rest this so-called new theory of weapons for self-defense. You know we never have cleared up that non-violent business. We don't believe in going out and starting fights but if anybody jumps on us he better be ready. And that's the way it was with Dr. Ossian Sweet in 1926. He moved into a new home here in Detroit; it was surrounded by a mob and somebody shot out of that house into the mob and a man was killed. The Detroit police of that day (they must be better today, they must be), the Detroit police of that day arrested 11 persons out of that house, including a babe-in-arms, and charged all of them with first degree murder. The NAACP came in and brought Clarence Darrow in and Henry Sweet agreed to stand trial and Henry Sweet was acquitted. But it was the NAACP that stood behind the Sweets and their right to kill if necessary, in self-defense.

Even before Sweet, in Detroit, there has been the case of the Negro sharecroppers in Elaine, Arkansas, back in 1919, who met in a church to get a better price for their cotton. And somebody drove by in an automobile and shot into the church and the people in the church shot back. And again a man was killed. 67 black men were sentenced to life imprisonment and 12 were sentenced to death on charges of insurrection because they defended themselves. They were all freed by the NAACP in 1923. Scipio Jones of Arkansas was the lawyer, and the case went to Supreme Court twice and all 79 men went free. This shows that the matter of defense is not news, is not fresh, is not different, it's not a new technique, nobody's bringing us anything in 1969 because in Detroit we had it in 1926. And in Arkansas they had it in 1919.

In 1932 they were shooting down Negro firemen on the Yazoo and Mississippi Valley Railroad when they climbed out on the pile of coal to bring down the chute for the water (some of you don't remember that either—you're so accustomed to Diesels); every time a Negro fireman would climb out on the coal tender and reach up for the water spout a rifle would crack out. And he would go down. And at first they didn't know what to do about it. Then one day, when a white fireman climbed out there and reached for the spout, the rifle cracked out and he went down. And then all of the shooting stopped.

This thing about defensive weapons is not new, it's old hat to the NAACP. We've

defended many a man who's defended his home and his hearth. That brings us to the housing fight.

The NAACP started on housing in 1917. We won a case for a white man in Louisville, Kentucky, who wanted to sell his home, and the law said to him, "You can't sell your home because you want to sell it to a Negro." And the law said, Louisville law, "You can't sell that because Negroes can only buy property in this block and down to this alley and over to that block and up there ten blocks away and so forth and so on." This is what was growing in the United States, racial segregation imbedded in municipal ordinances. We won the case for that white man, and the colored man bought the house. The United States Supreme Court had said that a city could not pass an ordinance which fixed by law where people should live according to the color of their skins.

Now we had all kinds of other things to fight too. They had restricted covenants—and that recalls Willis Graves and Francis Denton and the work they did here in Detroit on the Shelley Y. Kraemer Case, on which the U.S. Supreme Court outlawed racial restrictive covenants in 1948. So that they had to think up something new. Ghettoes were spreading but at least you couldn't keep them cooped up. So the fight has gone on.

And now I want to say just a word about some of the problems that are affecting us, vexing us, vexing governors, vexing mayors, vexing college presidents, vexing presidents and heads of governments, and vexing plain John Q. Public.

I don't know about you but I'm getting tired of turning on my television every morning, opening up my newspaper, listening to my radio and hearing nothing but news of strife and conflict. The world is terrible. If it isn't somewhere in Michigan or in New York or in Alabama or in Georgia or in California, then it's in the Middle East and it's in Africa, South Africa, North Africa or it's in NATO or it's in Moscow or Peking. But there is no peace and these problems endlessly plague us. This problem of race has been with us, I don't have to remind you in this room, since we brought the first slaves here in 1619. It's run all down through our history. And I won't recount it here.

I'll just tell you one thing which you will remember, of course, but you never pay any attention to it unless you address yourself to it. In the Constitution of the United States of America there is a phrase there about ⅗ of a man. Now it doesn't say a black man, it says "other persons." But that means that in the Convention of 1787 when the Constitution was being framed, that this business of race, of blackness and whiteness, was in every delegate's mind.

And in that Constitution's provisions for congressional representation, the Southern states saw to it that the slaves would be counted as ⅗ of a man. Their purpose was to guarantee a built-in political advantage over states such as Michigan, and Massachusetts, and Pennsylvania, and New Jersey, which had more white people than they had slaves, whereas Alabama had *fewer* white people than they had slaves. If they had 100,000 slaves, it was the same as 60,000 white people, and they could have congressmen based on that; and that language still is in the Constitution of the United States.

In the face of all that proof that the races are locked in together, there are young people going around now, saying, "We got to get to ourselves; we don't want to have anything to do with white people." This is a fantasy. This is a fantasy. Worse, it's a wicked and evil fantasy. It runs in the face of all that has taken place in the world, the shrinking of the world, all the instant communication, all the new independence in Africa, and the groping of the African nations toward their equality in the world. Most of all it runs away from the big, hard, tough, continuing, discouraging, and thrilling job of winning equality in the arena that knows no quarter. I don't think most of our young people want to run away from that kind of fight. I don't think they want to be secure of all costs, to return, as it were, to their mother's womb for the comfort and for the familiarity of their own surroundings. They need to get out in the world. They need to compete. They need to show that they really do know as much as, if not more than, the other fellow. And you can't get anything out of separatism, except a new set of blinders.

Of course, there is bitter discouragement and blind disregard of the rational position which the NAACP espouses. We had a report that said if the City Council of that city had followed the 16 recommendations of the Plainfield Branch of the NAACP they might not have had a riot in Plainfield. But the City Council didn't pay any attention to the NAACP's suggestions, to the 16 points that they brought up. And just as Plainfield didn't pay any attention, so a good many of our other white people didn't pay any attention. And some of the mess they're in today, they created for themselves. They were so slow. They mistook inching along for progress. They said, "Haven't you come a long way." Well we've come a *hard* way. I don't know how long a way we've come. And we had so much farther to go and still have. And they continue to ladle it out with a teaspoon and say, "Don't you feel better?" Well, I don't feel better. I want a tablespoon full, I want a shovel full, I want a (never mind). I want as much as I can absorb and am entitled to, and I want it now. Of course, that's what our young people want now, also. And, when they don't see evidence that it's coming fast, some decide it won't ever come—under this system and with the methods we've used heretofore: A few are not even polite about it; they won't listen to what they call "endless speeches," and they won't allow anyone else to listen.

But the NAACP is not making speeches (except me, and they've sent me around to make speeches here and there.) But the NAACP is minding the civil rights store. You know while these people are talking about, "We demand; we submit non-negotiable demands and they must be answered by 11:00 tomorrow morning," and this and that and the other, while they're doing all that, who's looking after the families that have a job problem, and a mobility problem, and a promotion problem, and who's looking after the housing and getting rid of the rats and opening up new vistas for housing? Who's campaigning for low income housing and sponsoring the building of them, and who's fighting for the right to register and vote, and who's looking after the election of 370 black men and women in the Southern states? It ought to be 3700 but there are 370. And only three states in the South are without black legislators in their state assemblies—Arkansas, Alabama, and South Carolina. Even Mississippi has a black face sitting up there in the state capitol.

Who's looking after these problems? Who's looking after decentralization? Not only the Detroit branch here in Detroit but our Pasadena branch in California, and our branches in New York, and our branches scattered through Pennsylvania are dealing with school boards and with teachers and with tutoring and bringing our people up; in awarding scholarships and seeing that the fight goes on. Somebody has to mind the store, while the orators orate, and the rhetorians deliver their rhetoric and their threats and deliver their deadlines, because life has to go on, people have to live, people are born every day and they grow up, and they have to go to school; father has to find a job, and he has to get a better job, and he has to get a promotion, and he has to meet the mortgage payments, and he has to look after the life insurance, and he has to try to buy a car, and he has to dress his wife (you better believe he has to dress his wife), and he has to acquire the skill to be helpful to his fellow-citizens. All of these things have to be looked after, and you can't do it parading and demonstrating every day. You can do that some other time; and there are times for it.

This is what the NAACP is doing. Our branches are now in the housing business; they are sponsoring the building on a nonprofit basis. This is real, honest, black economic development.

The young people I meet over the country—last week I was in California and I met with two black student groups, one in northern California and one in southern California. They were kind of rough sessions, I can assure you, 'cause Old Wilkins, he's known as the con man, but I came out without any scars and without any lumps on my head and I think we have a new respect for each other.

I have always respected the young people; they have crazy ideas like all young people who ever grew up. If they didn't have crazy ideas there would be something wrong with them. Also they figure I've been around too long, I ought to retire, but these young people open your eyes and help your understanding. On campuses, the student problems are right here in our laps. And I want to close with that.

First I want to point out that the people who believe in hating whites and going it alone are in the minority. The black extremists are in a minority. Don't let any newspaper man tell you differently. They ask me how I think the contest is coming on between the militants and the conservatives? I Say, "What contest?" There is no contest. There is a small minority campaigning on an extreme platform and if you pin them down and hold them tight for twenty minutes, they can't tell you where they're going. They can't tell you. They don't tell you that we're going to lead you off into a separate state. Oh, you have a few in Detroit here. They want Louisiana, Mississippi—oh, five states and I asked a black farmer in Mississippi about how he felt about people in Detroit coming down and taking over his farm and his state. He said, "I work hard for my farm and I've educated my children on this farm. I bought and paid for those tractors you see out there. And ain't no dude from Detroit gonna come down here and take it over." Well this is not definitive proof, of course, but it does suggest that there might be some difficulties in the way of taking over a state, a separate state.

So, aside from the ones you have here in Detroit and a few scattered all around, they can't tell you where they're going. They don't say "we're going to go to Africa," although they're wearing dashikis. Now dashikis were built for tropical climates. They weren't built for Detroit. They sure weren't built for Duluth and they weren't built for Miles City, Montana. People up there wear sheep-skin coats. The people in the Congo wear dashikis because dashikis are cheaply made from cheap Phillipine textiles and sell at a low price. Also, they are cool in a hot climate. But they're not built for Detroit. It might be nice if they were; perhaps it would be better if you wore a pink shirt, or a yellow shirt. They have some beautiful colors out now. I don't have nerve enough to wear them, they've got some wonderful colors out. And I salute those men who have them, or their wives who make 'em wear them, of course.

I salute them for wearing these coats, and these suits, and these shirts. But with dashikis and the rest of them, these people are in the minority, that's the first thing to stress.

The second thing is that a lot of things they are asking for are real, they have real grievances, they have real points. When they talk about revising the admissions system of colleges, they're talking on sound ground, because Negroes have been kept out of col-

leges, arbitrarily, by those tight admission committees who've drawn the line on them. Now if you were in the top three percent of your class, you might have a chance of getting in. But if you were in the top ten, you were sunk. And if you were in the top quarter, no chance at all. And so when the young students ask for overhauling of the admission systems they're on sound ground.

When they ask for more Negro history, for more black students and more black instructors, they're also on sound ground. So we shouldn't dismiss this. When they ask for black study centers, that is also a sound demand. Somebody asked me today why was I opposed to black study centers. I'm not opposed to them. I am opposed to black study centers that are wholly and completely and exclusively, and that are, in effect, little Jim Crow black colleges within the college. I don't see that we're going to educate the majority or disseminate the information if we're going to talk only to ourselves. Aside from the question of segregation, there's nothing wrong with this idea of meeting together and "beating up your chops," as the boys say, over the things that we've heard since we were in the cradle just to make us feel good and make us go out and cuss out the other fellow; there's nothing wrong if we don't take it seriously as a means of getting us toward our goal. So I'm not opposed to black study centers, *per se*.

But anybody that asks for a separate black dormitory is crazy. This is what we've been trying to get away from. Not only trying to get away from, but this is the reason we have the student movement today. It's because we have had segregation, and now to say that what ails us can be cured by the same things that made us sick doesn't make sense.

For a third point, guns don't belong on a college campus. Guns are for gang warfare, or for hunting rabbits, or for defending your home or something like that. But nobody ever learned anything on a campus carrying a gun to class. I'm not worried about all the excuses they give for it, they're just excuses. All of the subjective feelings they have, and fears, guns still don't belong on college campuses. That's all.

Finally, remember that we need these young people. We have to have them. We have to have their imagination, their energy, their inventiveness, and all the things they have to offer. After all, we're getting old you know. Some of us up here have been here a long time. We're getting kinda tired—somebody reminded me gently that I came here to this dinner 10 years ago. He said, "Well, we have you about every 10 years." And I said to him, "Well, maybe that's all they can stand of me is once every 10 years."

But we need these young people, fresh faces and new ideas, new energy, and new approaches. We need what they have to say. The only thing we don't need is their contemptuous dismissal of everything that happened before they came on the scene. No other racial group does that. Every other racial group builds upon what has gone on before. All you have to do is ask an Irishman and he can tell you the history of what the Irish have done in this country. And you ask an Italian and he can tell you what the Italians have done. And you talk to some of the Polish people here in Detroit and they can tell you what the Poles have done. And you talk to our Jewish friends and from 10 years on up they can tell you the history of the Jewish struggles. And you ask our young people and they say, "Well, nothing started until 1960." How do they think they got here? Somebody was wrestling with this white man before they got here, somebody was making it easier for them to go to school, and get up. Mrs. Hughes was just telling me about some progress in the Detroit municipal system. And she was just giving a rough estimate of salaries above what she was talking about. How do you think people ever got to a place where they hold such jobs. They got there because some people worked for $60 a week and fought and worked and fought until they exploded the ceiling and got it up there. And our young people, if they just would understand that something happened before 1960, then I think we could get along very well.

Well, all this, of course, is on the assumption which I make automatically—if we're going to live here in this country, this is our country and we're going to keep on fighting until we get what we are entitled to have. We aren't going anywhere. I'm not thinking about going to Nigeria. The only reason I go to the Caribbean is for vacation. I haven't lost anything in Jamaica or Trinidad—fine people down there, wonderful people, friendly people but this is my country and my people have invested too much in it and the white people have invested too much in our cause. If you doubt it, just think back to the Underground Railroad, and how they brought the slaves by night and where did they sleep by day? They slept in the homes of friendly white people, who hid them and brought some of them right across the river here in Chatham and Windsor. And do you know what kind of people came from North Carolina and from Alabama and walked 1500 miles to freedom in Canada? Those are your people and my people that did that. I'm not about to run away to some other country and start building all over again. I'm going to stay right here and if I have anything to say about it, even if I walk on two canes, the NAACP is going to do the same thing, stay right here and fight this fight with $175,000, $200,000, $250,000 whatever you raise here; we're going to use that as part of the ammunition and we're going to keep our young people, too. They'll get over this, don't worry, they'll get over it. And then we'll all be free because you know the larger task is not merely the freeing of the black people in this country but the larger task is rising to the real challenge of America. To make it survive, to make it live, to make it the land it promised to be 193 years ago.

THE NEED FOR THE SST

Mr. FANNIN. Mr. President, the President's decision to go ahead with the development of the supersonic transport program—the SST—is the only logical way he could have gone.

With the current balance-of-payments situation, the President had no other real choice. Failure of the United States to build an SST would have seen huge amounts of American money going abroad to purchase highly expensive foreign aircraft.

Mr. President, make no mistake about it, if any nation develops a satisfactory SST, American airlines will buy it, in large numbers. They have no other choice if they are to compete in world markets.

And if our air transport industry is forced to buy from foreign sources—whether it be Russia or the British-French combine—then our aircraft industry will have suffered a major blow, one that could well end American preeminence in the world air transport industry.

Mr. President, there will be complaints about spending money on the SST program instead of on other people's pet projects, but in my opinion we must strike a balance between our social needs and our technological progress.

Without technical progress we will not develop the tools to meet those other needs.

America is surely great enough to meet the challenges of world competition as well as the challenges we face at home.

If we cannot meet the challenges in both areas, it is highly unlikely we can meet them in either.

RUMSFELD CUTS POVERTY AID—FURNISHES PLUSH QUARTERS FOR SELF WITH POVERTY MONEY

Mr. YARBOROUGH. Mr. President, an illuminating column on anti-poverty czar Donald Rumsfeld's cut of the poverty program while furnishing plush quarters for himself, written by columnist Jack Anderson, was published in the New Orleans States—Item of Monday, September 22, 1969. The article is self-explanatory, but it certainly calls for an explanation from Mr. Rumsfeld.

I ask unanimous consent that the article be printed in the RECORD.

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

RUMSFELD CUTS AID—GETS LUXURIES

WASHINGTON.—Antipoverty czar Donald Rumsfeld has fearlessly wielded an economy ax on programs for the poor, shutting down the program in Minneapolis and lopping $1 million off the poverty budget for Washington, telling aides: "You worry too much about what Congress might say."

He has used some of the savings to give his own executive suite a more luxurious look, thus reducing the poverty in his immediate surroundings.

Under Sargent Shriver, the antipoverty director's office was unique in government. There were no carpets and the furnishings were prim. Rumsfeld has now added improvements.

To be prepared should his budget-cutting efforts prove tiresome, he has added a bedroom to his executive suite. Expensive lamps now give a soft, restful glow to the walls that were once lit by fluorescent tubes.

The stark photographs of poverty are gone from the walls, replaced by pastoral scenes. And as evidence of his new Cabinet rank, Rumsfeld has added the ultimate in executive status symbols: A private bathroom.

Despite these expenses for his own comfort, he can show a neat savings on his operations. This has been accomplished with "selective cuts" in local programs.

In a confidential memorandum to his regional directors, Rumsfeld has outlined his plans. The document is heavy with rhetoric about "new directions" and states in the ponderous language of government:

"This will require, among other actions, selective cuts in some local initiative programs in order to free up funds now allocated to less effective programs into an 'opportunity reserve' for these new initiatives."

Although disdaining congressional opinion, Rumsfeld has carefully chosen Washington, the city with the highest proportion of blacks and the only city in America without a voice in Congress, to demonstrate his heavy hand on the budget.

One vulnerable program for Washington's poor is a credit union, which has been unusually successful. The credit union has helped poverty mothers pool $1 million in nickels and dimes and has showed them how to avoid the loan sharks.

"What we want to do," a Rumsfeld aide explained candidly to this column, "is turn away from poverty programs that are identified with the Democrats and put the money into new ones that have a Nixon image."

It should be added that the President's antipoverty program, though still on paper, looks promising.

Note: Rumsfeld plans one sop for blacks. He is easing out Patrick Kennedy, a Democrat who has headed the domestic peace corps, and is looking for a black Republican to take his place. The field, however, has already been picked over by other government departments, with the result that there is a sad shortage of qualified black Republicans.

JUSTICE BLACK AFFIRMS NEED FOR DESEGREGATION NOW

Mr. MONDALE. Mr. President, Mr. Justice Black handed down a very significant opinion and order a week ago in the case of the Mississippi school districts for which postponements had been granted for implementation of effective school desegregation plans. Although he went along with the postponement which had been granted by the fifth circuit court of appeals upon the motion of the Department of Justice and the recommendation of the Department of Health, Education, and Welfare, he did so most reluctantly.

In his opinion, Mr. Justice Black expressed his belief that "all deliberate speed has turned out to be only a soft euphemism for delay." Mr. Justice Black went on to say:

> There is no longer the slighest excuse, reason or justification for further postponement of the time when every public school system in the United States will be a unitary one, receiving and teaching students without discrimination on the basis of their race or color . . . the phrase 'with all deliberate speed' should no longer have any relevancy whatsoever in enforcing the constitutional rights of Negro students.

Mr. President, it is abundantly clear that Mr. Justice Black believes very strongly that school systems which have been organized on the basis of race have an affirmative, constitutional obligation to eliminate the vestiges of racial segregation, and to do it now. He stated:

> In my view, they (the Negro students) are entitled to have their constitutional rights vindicated now without postponement for any reason.

Many Senators will recall that the Secretary of Health, Education, and Welfare intervened in these cases to recommend that the 33 districts be given until December 1, 1969, rather than the start of the current school year, to submit acceptable desegregation plans. I hope the Secretary has found time to read the opinion issued by Mr. Justice Black.

I ask unanimous consent that the opinion issued by Mr. Justice Black be printed in the RECORD.

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

BEATRICE ALEXANDER, ET AL., APPLICANTS, V. HOLMES COUNTY BOARD OF EDUCATION, ET AL., APPLICATION TO VACATE SUSPENSION OF ORDER.

[September 5, 1969.]

Mr. Justice Black, Circuit Justice.

For a great many years Mississippi has had in effect what is called a dual system of public schools, one system for white students only and one system for Negro students only. On July 3, 1969, the Fifth Circuit Court of Appeals entered an order requiring the submission of new plans to be put into effect this fall to accelerate desegregation in 33 Mississippi school districts. On August 28, upon the motion of the Department of Justice and the recommendation of the Secretary of Health, Education & Welfare, the Court of Appeals suspended the July 3 order and postponed the date for submission of the new plans until December 1, 1969. I have been asked by Negro plaintiffs in 14 of these school districts to vacate the suspension of the July order. Largely for the reasons set forth below, I feel constrained to deny that relief.

In *Brown* v. *Board of Education*, 347 U.S. 483 (1954), and *Brown* v. *Board of Education*, 349 U.S. 294 (1955), we held that state-imposed segregation of students according to race denied Negro students the equal protection of the law guaranteed by the Fourteenth Amendment. *Brown I* was decided 15 years ago, but in Mississippi as well as in some other States the decision has not been completely enforced, and there are many schools in those States which are still either "white" or "Negro" schools and many that are still *all*-white or *all*-Negro. This has resulted in large part from the fact that in *Brown II* the Court declared this unconstitutional denial of equal protection should be remedied not immediately, but only "with all deliberate speed." Federal courts have ever since struggled with the phrase "all deliberate speed." Unfortunately this struggle has not eliminated dual school systems, and I am of the opinion that so long as that phrase is a relevant factor they will never be eliminated. "All deliberate speed" has turned out to be only a soft euphemism for delay.

In 1964 we had before us the case of *Griffin* v. *School Board*, 377 U.S. 218, and we said the following:

> "The time for mere 'deliberate speed' has run out and that phrase can no longer justify denying these Prince Edward County School children their constitutional right to an education equal to that afforded by the public schools in the other parts of Virginia." *Id.*, at 234.

That sentence means to me that there is no longer any excuse for permitting the "all deliberate speed" phrase to delay the time when Negro children and white children will sit together and learn together in the same public schools. Four years later—14 years after *Brown I*—this Court decided the case of *Green* v. *County School Board of New Kent County*, 391 U.S. 430 (1968). In that case MR. JUSTICE BRENNAN, speaking for a unanimous Court said:

> "'The time for mere "deliberate speed" has run out. . . .' The burden on a school today is to come forward with a plan that promises realistically to work, and promises realistically to work *now*." *Id.*, at 438–439.
>
> "The Board must be required to formulate a new plan . . . which promise[s] realistically to convert promptly to a system without a 'white' school and a 'Negro' school, but just schools." *Id.*, at 442.

These cases, along with others, are the foundation of my belief that there is no longer the slightest excuse, reason, or justification for further postponement of the time when every public school system in the United States will be a unitary one, receiving and teaching students without discrimination on the basis of their race or color. In my opinion the phrase "with all deliberate speed" should no longer have any relevancy whatsoever in enforcing the constitutional rights of Negro students. The Fifth Circuit found that the Negro students in these school districts are being denied equal protection of the law, and in my view they are entitled to have their constitutional rights vindicated now without postponement for any reason.

Although the foregoing indicates my belief as to what should ultimately be done in this case, when an individual Justice is asked to grant special relief, such as a stay, he must consider in light of past decisions and other factors what action the entire Court might possibly take. I recognize that, in certain respects, my views as stated above go beyond anything this Court has expressly held to date. Although *Green* reiterated that the time for all deliberate speed had passed, there is language in that opinion which might be interpreted as approving a "transition period" during which federal courts would continue to supervise the passage of the Southern schools from dual to unitary systems.* Although I feel there is a strong possibility that the full Court would agree with my views, I cannot say definitely that they would, and therefore I am compelled to consider the factors relied upon in the courts below for postponing the effective date of the original desegregation order.

On August 21 the Department of Justice requested the Court of Appeals to delay its original desegregation timeable, and the case was sent to the district court for hearings on the Government's motion. At those hearings both the Department of Justice and the Department of Health, Education & Welfare took the position that time was too short and the administrative problems too difficult to accomplish a complete and orderly implementation of the desegregation plans before the beginning of the 1969–1970 school year. The district court found as a matter of fact that the time was too short, and the Court of Appeals found that these findings were supported by the evidence. I am unable to say that these findings are not supported. Therefore, deplorable as it is to me, I must uphold the court's order which both sides indicate could have the effect of delaying total desegregation of these schools for as long as a year.

This conclusion does not comport with my ideas of what ought to be done in this case when it comes before the entire Court. I hope these applicants will present the issue to the full Court at the earliest possible opportunity. I would then hold that there are no longer any justiciable issues in the question of making effective not only promptly but at once—*now*—orders sufficient to vindicate the rights of any pupil in the United States who is effectively excluded from a public school on account of his race or color.

It has been 15 years since we declared in the two *Brown* cases that a law which prevents a child from going to a public school because of his color violates the Equal Protection Clause. As this record conclusively shows, there are many places still in this country where the schools are either "white" or "Negro" and not just schools for all children as the Constitution requires. In my opinion there is no reason why such a wholesale deprivation of constitutional rights should be tolerated another minute. I fear that this long denial of constitutional rights is due in large part to the phrase "with all deliberate speed." I would do away with that phrase completely.

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*"The obligation of the district courts, as it always has been, is to assess the effectiveness of a proposed plan in achieving desegregation. There is no universal answer to complex problems of desegregation; there is obviously no one plan that will do the job in every case. The matter must be assessed in light of the circumstances present and the options available in each instance. It is incumbent upon the school board to establish that its proposed plan promises meaningful and immediate progress toward disestablishing state-imposed segregation. *Green* v. *County School Board, supra*, at 439.

"Where [freedom-of-choice] offers real promise of aiding a desegregation program to effectuate conversion of a state-imposed dual system to a unitary, non-racial system there might be no objection to allowing such a device to prove itself in operation. . . .

"The New Kent School Board's 'freedom-of-choice' plan cannot be accepted as a sufficient step to 'effectuate the transition' to a unitary system. . . ." *Id.*, at 440–441.

Application to vacate suspension of order denied.

NATIONAL SPENDING PRIORITIES

Mr. HATFIELD. Mr. President, Oregonians support President Nixon in his desire to curb inflation because we know of the cruel effects the erosion of the purchasing power of the dollar can have on all facets of our economy.

We are concerned, however, about the tools that are being used to curb inflation. Oregonians see the wisdom of reducing Federal spending; they understand the motivation behind the curbing of credit through high interest rates even though they may not agree with its effectiveness.

Oregonians do not, however, understand the rationale of determining priorities which place special emphasis on the procurement of expensive, nonproductive military items while at the same time curbs are imposed on public works and homebuilding.

Oregonians do not appreciate the emphasis on spending for unproven missile programs while at the same time reducing the budget for water pollution control.

Oregonians bore the brunt of cutbacks and high interest rates in 1966, and they are willing to take their share of the burden in 1969. But they do not want their mills closed, their shipyards silent, their income reduced while the rest of the Nation goes merrily along its way building the machinery of war.

One of Oregon's outstanding editors has recently commented on our Nation's spending priorities. I ask unanimous consent to have his comments printed in the RECORD.

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

"PUBLIC SECTOR" NEEDS IN OUR BACK YARD

Southern Oregon is not, really a microcosm of the nation. We simply don't have some of the problems that other parts of the nation must contend with.

But . . .

We do have enough problems that can be fully (or even partially) solved only with federal help, that we are typical of many other areas of the United States.

For one thing, we all pay taxes—heavy taxes. And we have just as much right as every other section to expect something in return for those taxes.

Phrases such as "investments in the public sector of the economy" don't mean too much in the abstract. But when one gets down to particulars, they mean a great deal.

The Rogue Basin Project has been authorized for some years now, and there has been a dribble of construction funds. But these funds are a fraction of the amount that could be invested productively. With more recent cut-backs, we must postpone for even longer expectation of the benefits (irrigation, recreation, fish and wildlife, water quality, power) the project would ultimately bring. The accompanying injustice to those who must await government purchase of their lands is outrageous.

Mentioned in this space yesterday was the fact that the voters of the area have approved bonds for construction of sewage treatment facilities. But lack of funds for the federal government's share threaten more delay—and meanwhile, costs go up and up.

Some preliminary, but basically sound, plans for downtown renewal (urban redevelopment) have been made. But putting them into effect must await federal matching money. With new slowdowns, when that will be available is unknown.

Anti-poverty programs are not receiving the financing they need to become more fully effective.

Increases in Social Security payments have been delayed and scaled down.

The Forest Service and the Bureau of Land Management have long known they could do a better job, and could increase allowable cuts, if they had more money to invest in forest management.

The federal government owns or manages well over half of the land in the state of Oregon and in Jackson County. It has not done its share (compared to the state and the counties) in providing recreational facilities—particularly in view of the great number of users in interstate travel.

New National Parks in the area (Redwoods and Pt. Reyes), though authorized, are going begging for funds needed to purchase land.

The nation's airways are increasingly unsafe because of inadequate manpower and equipment for the Federal Aviation Administration.

Education at all levels is crying for more money to do the job that needs to be done, but the federal share is still far from what it should be. This is particularly pointed here, where a community college is in the talking stage and is needed.

These are only samples—and only those that have some local application—of the huge backlog of things in "the public sector" that need doing, and that can come only when the federal purse is able to help pay for them.

To those who may say, "But federal money comes out of our pockets too; it isn't free," we reply, of course it is our money. And as long as we're paying in to the federal treasury, are we not entitled to get our share back again in things that benefit us?

The two biggest barriers to the adequate funding of these many needs and projects are the Vietnam war, which is taking some $30 billion annually, and military spending generally, which absorbs well over half of the federal budget.

Only when these two huge drains on our natural resources and our tax dollars are brought under manageable control can we have any real expectation of progress in meeting the many unmet needs of the people of Southern Oregon.

GENOCIDE CONVENTION—ON PAPER ONLY

Mr. PROXMIRE. Mr. President, during the first few years after 1945, considerable energy was devoted to bringing into being something akin to an international bill of rights, such as had been envisioned at San Francisco in drafting the United Nations Charter. A Universal Declaration of Human Rights emerged from the General Assembly in December 1948. A Genocide Convention was approved at the same time and has since been adopted by the requisite number of nations to be effective as to the signatory nations. But even this treaty, designed to prevent the systematic destruction of people on racial, religious or cultural grounds, exists on paper only so far as the United States is concerned.

The Convention on Genocide, unanimously adopted by the General Assembly of the U.N. on December 1948, signed in behalf of the United States on December 11, 1948, submitted to the Senate of the United States by the President for ratification on June 16, 1949, referred to the Senate's Committee on Foreign Relations on the same date, and considered by the subcommittee on January 23, 1950, has yet to see the light of day in the U.S. Senate.

Rules in some form must be adopted, recognized and observed. The adoption of the Genocide Convention would not, for example, wholly protect nations of a dictatorship against offical political killings. But then thousands of years have passed since the Ten Commandments were handed down and they are not yet universally observed. Nevertheless, their very existence has helped attain their objectives. Our own Bill of Rights does not guarantee that our civil rights are not at times violated. But their inclusion in our Constitution gives them legal status and our courts provide the means of attainment. So would it be with a treaty on genocide.

The United States is in the unique historical position of having demonstrated in a practical manner the effectiveness of a Bill of Rights. We are under a moral obligation to lead the fight for the recognition of human rights everywhere. The least we can do now is to ratify the Genocide Convention.

REVENUE SHARING: THE IMPACT WITHIN ONE STATE

Mr. MATHIAS. Mr. President, President Nixon's proposed revenue-sharing plan is among the most important governmental initiatives of this generation. It holds enormous promise as a means of reducing the tremendous fiscal pressures on State and local governments and helping each jurisdiction meet its own most urgent needs.

I am very pleased that the President's plan contains mandatory pass-through provisions to guarantee that a substantial share of each State's allocation would be funneled directly to its cities and counties without Federal strings or State controls. This principle is an essential element in an equitable and effective revenue-sharing plan.

Early discussion suggests, however, that implementing the pass-through principle equitably may be one of the most difficult legislative problems we face as we consider the President's plan and alternatives. First, we must determine how much of each State's allocation should be passed through, and therefore must strike a sensible balance between State and local needs, responsibilities and resources. Second, we must devise equitable formulas for distributing the local share among jurisdictions within each State, formulas which provide some assistance for all regions and at the same time concentrate funds in the cities which need the most help.

Among the many local-distribution formulas being discussed are those based on tax effort and on taxable income. In a thoughtful article published in the Baltimore Sun on Sunday, September 21, Michael Parks evaluated the impact of each approach in Maryland. He found, among other things, that a formula based on taxable wealth would distribute a larger share of funds to Maryland's suburban counties, while a tax-effort formula would direct proportionately more to the city of Baltimore.

As Mr. Parks pointed out, such disparities would be relatively small at first, but "the geometric growth planned for the program makes the formula worth arguing about." His analysis indeed raises important questions which apply to every State, and which deserve consideration by all of us.

I ask unanimous consent that Mr. Parks' article be printed in the RECORD.

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

REVENUE SHARING: THE FEDERAL STRINGS ARE STILL THERE

(By Michael Parks)

President Nixon billed his plan to share federal tax revenue with the nation's states, cities and counties last month as a federal aid program without strings.

There would be no 5-page, 10-copy reports to be filed, the President promised; no labyrinth of federal guidelines, no snooping bureaucrats from Washington to enforce them. It was to be a simple from-us-to-you allocation of a little bit of the billions the federal government takes in each year in personal income taxes.

The allocation formula for the revenue sharing would be pre-set, the President said. He proposed to distribute $500 million next year, the first year of the plan, with the total rising to $5.1 billion six years later.

Analysis of the plan's welter of formulas and calculations shows, however, that it is not as simple as this, that there are indeed strings, mostly by implication, in the way the President has proposed to divide this money.

Boiled down, the plan as outlined favors suburban America and slights the cities. It encourages use of regressive and inequitable local tax structures. It shows an uncommon confidence in the ability of state governments to modernize themselves and trudge forward. In partisan terms, it favors the Republican strongholds of the statehouses, county seats and village halls over the Democratic-controlled city halls. And, in terms of just plain money below the state level, those that have, get.

Nationally, the federal government would redistribute some of the country's wealth, as it has been doing for years in almost all national programs. Money would be collected more or less on the basis of wealth through the personal income tax, but distributed on the basis of need as determined by population and the amount of its citizens' income that a state collects in taxes.

The presumption here is that, if a state is not only poor but also has scores of problems that take money to solve, it is going to have high tax rates. While this is not universally true and there are other ways to determine need, such as using the states' average per-person income, most economists regard the so-called tax-effort measure as a fair index.

But President Nixon scraps this formula in dividing the money within a state. About half of a state's money—depending on the proportion of state-vs.-local taxes—would go directly to its subdivision, divided not on the basis of need but, in effect, on the basis of wealth.

In Maryland, for example, of about $8.25 million to which the state appears entitled in the next fiscal year, about 42 per cent would be passed directly to the counties and cities. Baltimore city, under the President's plan, would get about $1 million, by far the largest amount of any subdivision but $300,000 less than it would receive if the formula were based on the proportion of its residents' wealth taken in taxes rather than just the total amount of taxes.

In other words, Baltimore would receive 29 per cent of the subdivisions' share in Maryland under the proposed local formula compared to 37 per cent if the national formula were used. While $300,000—just a cent on the city's $4.94 property tax rate—can get lost in petty cash at City Hall, the geometric growth planned for the program makes the formula worth arguing about.

Montgomery county, the state's richest subdivision with twice the taxable wealth per person as Baltimore city, would get $570,500 in the next fiscal year under President Nixon's formula, compared with $318,500 if the effort it makes to pay for local government were taken into account. Similar benefits accrue to Baltimore and Prince Georges counties.

The anticipated amount for St. Marys county, the state's poorest subdivision with less than a third the per capita taxable wealth of Montgomery, illustrates what happens to most of the rural Eastern Shore and Western Maryland counties under the Nixon formula. Under the proposed plan, St. Marys would get $14,000, compared with $35,000 if the national formula were used to measure local tax effort.

The reason for the differences is that the rich suburban counties, despite their mushrooming school systems and heavy construction costs, are not burdened by public needs to the same extent as Baltimore city and the rural counties. Montgomery, for example, requires only half the effective tax rate as Baltimore city to support the program of government in its budget, and Montgomery probably comes far closer than Baltimore to meeting its total needs.

The disparities worked by the Nixon formula are magnified by a compromise to placate suburban officials. The original plan called for distribution of the local money only to cities and counties with a population of 50,000 or more (10 of Maryland's counties have less). Another modification gave heavier weight to cities of over 100,000 population. The elimination of these two provisions dilutes the program's impact on urban budgets to guarantee that each of the nation's 40,000 counties, cities and incorporated towns—some in Maryland have populations of less than 100—will get something, even if it is only $50 or $100.

To get a larger share, a city or county has to raise taxes faster than its neighbors, but the taxes it depends upon are, in large measure, property taxes, regarded by both liberal and conservative economists as regressive past the point of equity and useful only to the extent they can be easily adjusted to match relatively small budget increases.

In addition, much more of state and local spending is in wages and salaries, rather than procurement, and is directly affected in a time of sharply rising wages. Baltimore's money needs, for example, grow about $22 million to $26 million a year; its revenue, only $10 million. New York city's budget has tripled in the last 10 years to $6.6 billion; it is now growing about 15 per cent a year while the city's revenues are increasing only 5 per cent.

A 1967 analysis of municipal needs across the country for the next decade showed that the state and local governments would fall $262 billion short of meeting them. While this is cut by new and increased taxes and by the realization that government can only approach the ideal, a substantial gap remains. It will take more than $5 billion a year as proposed by President Nixon to fill it.

In this situation, critical questioning of federal revenue sharing puts state and local officials in the position of inspecting a gift-horse for bad teeth and lame legs. Governor Mandel summed it up last month when he said he would be grateful to get any tax-sharing measure enacted without regard to the amount of money, formulas for dividing it or its implications.

A CALL TO ACTION

Mr. HATFIELD. Mr. President, an editorial published in the Parade Sunday supplement of Sunday's Washington Post—September 21, 1969—captured what I believe to be the spirit of much of America.

The target date set in the editorial is 1976—our country's 200th anniversary. How better could we honor that date than with real success in the fields mentioned in the editorial: hunger, pollution, housing, and a cancer cure? To what more worthy goal could we commit ourselves than to conquering problems of poverty, pollution, and spirit?

I commend the editors of Parade for focusing the attention of its readers on this pressing problem. Because I know Senators share my interest in this, I ask unanimous consent that the editorial be printed in the RECORD.

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

A CALL TO ACTION

In less than seven years, the United States will celebrate its 200th anniversary as a nation.

On July 4, 1976, our President and assorted orators will congratulate us as a people on our many and monumental achievements.

Not the least of course, will be our landing of Americans on the moon.

Having harnessed our special strengths—money, men, materials and the organizational genius to control them—we conquered space before 1970.

Why can we not conquer some of our social problems on earth by 1976?

Parade today suggests that if we can put men on the moon, then surely we can eradicate hunger in our nation by that target-date.

Surely by then we can cleanse the air we've poisoned and the water we've polluted.

Surely—by concentrating our scientists and resources in a crash program such as the Manhattan Project in World War II that created the A-bomb in five years—we can produce a cure for cancer.

Surely we can build adequate housing for the poor and end some of our educational and economic injustices.

But first we must make one or some or all of these achievements a national goal and July 4, 1976, a national deadline.

Can we do this? A nation that has conquered the secrets of space and nature in record time can with strong leadership conquer problems of poverty, pollution, and spirit.

In part it will be a matter of money. More important, it will be a matter of attitude—of discipline and compassion.

If each of us can change his mind and heart, only a little, America will have entered the Age of the Possible. And we will proudly record on the 200th anniversary of the Republic that we reached the moon and put our glory to work at home.

THE PESTICIDE PERIL—LIV

Mr. NELSON. Mr. President, the controversy over the threat to wildlife and human health from the use of persistent, toxic pesticides has received its most significant public exposure to date during the recent hearings before the Wisconsin State Department of Natural Resources to ban the use of DDT in Wisconsin.

During the hearings S. Goran Lofroth, chairman of a six-member committee which studies DDT for the Swedish Na-

tional Research Council, testified that breast-fed babies ingest more than double the recommended maximum daily dose of DDT. Lofroth's statement was based on research that had shown that a woman secretes in her milk 125 percent of her daily intake of DDT and its chemical relatives, contrasted with the 2 to 10 percent which cows secrete in milk, giving a baby 0.02 milligrams of DDT daily for each kilogram of body weight.

A recent article in the Washington Evening Star by Arthur E. Rowse reported on another study done by two Atlanta researchers, August Curley and Renate Kimbrough, for the National Communicable Disease Center regarding pesticide levels in nursing mothers. Although this study found smaller levels of DDT than the study done by Lofroth, Mr. Rowse concluded that "contamination of nature's purest food shows that the only real solution is banning the use of such powerful pesticides."

I ask unanimous consent that Mr. Rowse's article be printed in the RECORD.

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

MOTHER'S MILK HAS DDT

(By Arthur E. Rowse)

Nature's most perfect food, mother's milk, now comes with pesticide residues.

A study done earlier this year by two Atlanta researchers on nursing mothers showed the existence of a number of potent insecticides, including DDT, in the milk passing from mother to baby.

Amounts of DDT were small. They ranged only from .05 to .26 parts per million, a relatively small level. But studies elsewhere in this country and in England, Hungary and Italy have revealed amounts as high as 4.88 parts per million.

That is near the 5 parts-per-million limit set recently by the Food and Drug Administration for fish in interstate commerce. And it led one wag to remark that if mother's milk came in a different container, it might be seized by FDA officials.

Even FDA officials are not as brazen as that. But they are getting concerned about the steady rise in pesticide residues finding their way into the human body. DDT is not only the most used but is particularly persistent.

It is passed on from insects to fish to birds and animal, and it tends to become more concentrated at each step.

DDT is known to accumulate in the fatty tissues of animals and humans. The level of tolerance apparently varies from one individual to another probably depending on what other chemicals are in the body. Tests show that some humans have as much as 12 parts per million of DDT in their fatty tissues.

But until the studies of nursing mothers, there was no scientific evidence that mother's milk contained DDT.

The researchers who did the Atlanta study, August Curley and Renate Kimbrough, also tested for the chemical in the blood of pregnant women to see if they had more than other normal adults. They found no significant difference.

But the fact that they found any at all indicates that babies may be getting the powerful pesticide through the blood stream as well as mother's milk. No studies have proved this yet, however.

The Atlanta research was done for the National Communicable Disease Center in that city. It was first reported in the February issue of the Archives of Environmental Health.

A more recent report of pesticides in mother's milk was presented earlier this month to the Senate Subcommittee on Migratory Labor by Jerome Cohen, general counsel for the striking grape workers in California. He said significant amounts of DDT had been found in the milk of 15 nursing mothers in San Francisco.

There still are ways to reduce the amount of pesticides you take in, such as by washing fresh produce carefully and cooking meat and fish well before eating them.

But contamination of nature's purest foods shows that the only real solution is banning the use of such powerful pesticides.

S. 1993, A BILL TO REQUIRE FULL PUBLIC DISCLOSURE OF FINANCIAL INTERESTS BY TOP GOVERNMENT OFFICIALS

Mr. CASE. Mr. President, on behalf of the Senator from Michigan (Mr. HART) and myself, I am happy to report that the chairman of the Subcommittee on Privileges and Elections of the Committee on Rules and Administration, the Senator from Nevada (Mr. CANNON), has written us indicating that hearings will be scheduled on, among other bills, S. 1993. This is our bill to require full public disclosure of financial interests by top officials in all three branches of Government—legislative, executive, and judicial.

Each month that passes seems to bring further demonstration of the need for and the wisdom of the disclosure approach to the problem of maintaining public confidence in government. The latest case again involves the judiciary, stirring a controversy which obviously only complete disclosure of the facts can resolve.

How much better for the individuals involved, whether legislators, administrators, or judges, and for their respective institutions as well as for the general public would be regular public financial disclosure from the outset—that is, whenever the individual assumed executive or judicial office or became a candidate for membership in the Congress.

It is more than a decade since I first introduced, alone, a public disclosure bill. Over the years, the number of sponsors has grown steadily and now numbers 20 Senators including the majority leader (Mr. MANSFIELD) and the Senator from Idaho (Mr. CHURCH), who a few days ago made full voluntary disclosure of his personal financial situation, as a number of other sponsors have also done. Earlier this year, in the light of the controversy concerning another nomination to the Supreme Court, we extended the provisions of the bill to include members of the Federal Bench and top judicial staff.

Although the substance of our bill in one form or another has been discussed many times on the Senate floor, no hearings have been held on the general proposition for more than a decade. We welcome, therefore, Senator CANNON'S assurance that letters requesting comments on the bill are being sent to the Department of Justice, the American Bar Association, and others looking toward the possibility of hearings probably in the latter part of October.

We share his anticipation of "meaningful hearings" and we hope that they will mark the first step toward passage of our bill in this Congress.

CLEAN AIR

Mr. NELSON. Mr. President, contrary to confident assertions by some that we have successfully won the battle against smog, there is mounting evidence that existing exhaust control systems are nothing more than stopgap measures. Last month the President's Council on Environmental Quality stated that because of the sheer increased number of automobiles, trucks, and buses on our roads, by 1980 our present emission control devices will not be sufficient to control effectively air pollution from motor vehicle exhaust. The problem is urgent; we need to be actively exploring every alternative to insure clean air in our environment.

An editorial published in the Los Angeles Times of August 24, 1969, makes this point cogently. I ask unanimous consent that it be printed in the RECORD.

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

THE PRICE OF CLEAN AIR

"The main battle against smog has been won."—Charles M. Heinen, chief engineer, emission control and chemical development, Chrysler Corp., April 9.

"The peak output of automobile-produced smog in Southern California definitely has passed—and will never be as high again."—Dr. Fred Bowditch, director of emission control, General Motors, Aug. 5.

"The third consecutive smog alert was called Friday in the Los Angeles Basin as a blazing sun continued to cook pollutants in the air."—The Times, Aug. 23.

There is a kind of grim irony in the recent public concern over the potential threat from transportation and storage of military poison gases.

City dwellers throughout the nation already are slowly poisoning themselves by inhaling the air polluted by automobiles. The threat is actual and still unabated.

Nowhere is the peril of auto-caused air pollution more serious than in the Los Angeles Basin.

At least 10,000 persons leave each year on the advice of their physicians. The millions that remain simply suffer and complain that "something must be done."

Something has been done. But not enough and not quickly enough.

Although emission control regulations have brought about a reduction in the total amount of hydrocarbons and carbon monoxide, experts say the skies over Los Angeles will not be substantially cleared of pollutants until 1980.

That timetable, however, could be accelerated—if smog sufferers would pay the price.

Air pollution control can be as strict as the people want it to be. California demonstrated that public pressure is stronger than all the auto industry lobbyists when it forced Detroit to install smog control devices.

Congress also was responsive to the collective outrage of Southern Californians who demanded that this state be allowed to set tougher emission standards than the federal requirements.

Although Detroit complains, it will comply with the increasingly stringent regulations set by the Legislature for new cars in the 1970 model year and subsequently. No industry wants to give up its biggest market.

But even with improved devices, the fight against smog moves slowly because a majority of the cars in the Los Angeles Basin still have no exhaust control system at all. The total of motor vehicles in the basin, moreover, increases by nearly 10% every year.

To achieve a substantial improvement in air quality, therefore, every one of the more than 4 million cars and trucks in Los Angeles

County must be equipped with an emission control device in proper working order.

This would mean that every owner of a pre-1966 vehicle would have to assume not only the initial cost of such a device but also the expense of maintenance and at least annual inspection. In Los Angeles County alone, the total price would amount to hundreds of millions of dollars.

The Legislature mandated installation of control equipment on used cars but only if two acceptable devices were available and if their cost did not exceed $85. Neither condition has been met.

Much more must be done to develop feasible inspection of the control systems installed at the factory. Unlike the crankcase blowby, these devices cannot be properly inspected with a quick look under the hood.

So long as the public insists on buying big cars with excessive horsepower, the fumes they produce can be reduced only by better control equipment subject to periodic maintenance and inspection—until there is a major breakthrough in engines or fuel.

Detroit says that turbine or steam engines or one powered with natural gas are not yet practical and may never be. Oil companies similarly offer little encouragement that pollution can be reduced by modifying present fuels.

Perhaps. But if the public outcry were loud enough, more action would be motivated in industry—and in government. Why is not the federal government doing more independent research in these two areas?

The ultimate cure was proposed by State Sen. Nicholas Petris (D-Alameda) when he proposed that the internal combustion engine be outlawed in California in 1975.

Not long ago, his bill would have drawn nothing but laughter from his colleagues. This year it passed the Senate and had support in the Assembly before being defeated.

Life without one—or two or three—cars seems unthinkable to most Southern Californians. But life may be unbearable if auto-caused air pollutants are not drastically curtailed, and before 1980.

The air can be made cleaner, just as other kinds of environmental pollution can be controlled. But smog will not diminish until the public demands—and supports—corrective action.

ADDRESS DELIVERED BY SENATOR JOHN O. PASTORE AT A DINNER MEETING OF THE NEW ENGLAND ASSOCIATED PRESS NEWS EXECUTIVES ASSOCIATION

Mr. PELL. Mr. President, my senior colleague from Rhode Island, Senator PASTORE, recently addressed a meeting of the New England Associated Press News Executives in Newport, R.I.

In this address, with the eloquence for which he is so well known, Senator PASTORE presented a most perceptive analysis of the world position of the United States. He offered what I believe are very sound suggestions for national policy to end the war in Vietnam, and positive, constructive proposals for a reorientation of our foreign policy, and our global military strategy.

I ask unanimous consent, Mr. President, that the text of the address by Senator JOHN O. PASTORE before the New England Associated Press News Executives be printed at this point in the RECORD.

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

ADDRESS BY SENATOR PASTORE

It is a pleasure, on this mid-September evening, to come from our Nation's Capital to this delightful New England coast.

It is a double pleasure to share the companionship of you executives of the New England press—your families and your friends.

As a Senator deeply involved in the world of communications, I have the highest respect for your sense of responsibility in an area where you wield such influence.

You are joined in a profession which is a highly privileged vocation. The vocation is privileged because, more than most enterprises, journalism is involved in the hurts and hopes of humanity—its sufferings and its successes.

The world of the newspaper is closer than most to the daily shock of such suffering and the daily happiness of the hope that lies beyond each fear.

And, again, more than most, you are on the firing line of the daily challenges of our changing society.

For times do change and change makes challenge.

We of Rhode Island are honored by your choice of Newport for this meeting.

We of Rhode Island are extremely proud and possessive of Newport.

Newport is early American, it is 330 years old.

Newport is history. For three Revolutionary years it was held captive by the British Army. A few miles from here, in the famed Battle of Rhode Island, the sturdy colonials defeated the world's best army of that time—the British.

Touro Synagogue stands as a symbol of the spirit of Roger Williams of tolerance and equal opportunity. Rhode Island set the style for American freedoms. Such is the continuity of history.

Here are the famed homes of wealth. They testify to the affluence of America.

Here is the sea, at once the source of personal pleasure, and the majestic setting of international power.

An old soldier came here to Newport to vacation—and he loved it.

A young sailor came here to marry and he loved it.

And both were Presidents of the United States.

Another President sailed off Newport in a September like this to view the international yacht races. It was September 1934—and the President was Franklin Delano Roosevelt.

I remember it because in that month and year I was a young politician campaigning for my first office and I wondered how any politician had time for any other races.

Many men in uniform come to Newport—and call it their home port. For this has long been a base of our proud Atlantic fleet.

Newport is a sailor's haven so Navy news is home town news in Newport.

There are times when Navy news hits the headlines of all America and, indeed, the press of the world.

Such was the Navy news a few weeks ago.

The Secretary of the Navy announced that 76 ships of the line had come to the end of the line.

The Navy would retire them.

Some of the ships were venerable with age by Navy standards.

Some of them reached back to that January day of 1938 when President Roosevelt asked the Congress for a billion dollars to build a bigger Navy—battleships, cruisers, airplane carriers.

It was to defend these American shores against the enemies of democracy, he said, although no one had declared war against us.

Now I have said that times change and I would like to go back to the mood of America in the mid-30's.

In a world tottering on the abyss of war those were days of determined neutrality.

The Congress wanted nothing of the League of Nations—nothing of the World Court.

Congress just had a fierce determination to stop all traffic in war materials.

1935 saw the Senate pass a Neutrality Resolution. There would be no arms or ammunition for belligerents abroad. There would be no security for American citizens who chose to travel on merchant ships of belligerents.

A year later, in 1936, the Neutrality Resolution was further strengthened and continued and then again in 1937 it was made firmer.

No wonder then when President Roosevelt came to the Congress with his call for ships he had to declare that his move was purely defensive.

He had doubly to assure the Senate that there was no secret deal with Great Britain that we were not going to help the British Empire in its job of policing the earth.

"Policing the earth," that was the very phrase of the commentator of those days.

Britannia ruled the waves—and England's military power fashioned her foreign policy—and fastened her control on people as different from her as they were distant.

Now times have changed.

Now we police the earth.

England's adventure bled her white and she retreated to her tight little island. And as she retreated it seemed natural that a rich and powerful America should fill the vacuum.

In that post war time of utter helplessness there were things that America could do, and we did them.

Out of America's wealth and resources we could help a tortured world, friend and foe alike, back to sanity and security, and this we did.

Out of our exclusive atomic power we could restrain the international vandal, and we did.

Out of our power and plenty we could urge world unity for peace, and we did.

We did more than that. We did more of everything.

We committed ourselves to too many programs, in too many places, at too great a price.

We seemed to work ourselves into a concept of foreign policy which said America must dominate everywhere or the Free World would crumble and be doomed.

All the while the rest of the Free World did precious little towards its own security.

We dedicated ourselves abroad while we defaulted here at home.

At home we sank deeper and deeper into the pitfalls and perils of ghettos—hunger, welfare, inflation, racism, and Vietnam.

Maybe history will justify our involvement and our sacrifice in lives and money—I don't know.

But I do know, for the moment, Vietnam is the symbol and the cause of much of the unrest—the discontent—and the division among our own people.

In the past few months I have had several private conversations with President Nixon. I am convinced that he intends to extricate us from that quagmire.

I believe this to be a step in the right direction.

However, I am told that no matter who does the fighting, as long as the shooting goes on, we will be forced to commit American forces in very substantial numbers for logistic and supply purposes.

The real and only answer, to my way of thinking, is a cease fire to be followed as soon as possible with general elections under international control and in accordance with the terms of the Geneva accord of 1954.

How to accomplish this feat is the problem.

For sixteen months we have been engaged in negotiations in Paris and it seems that we are no better off today than when we started.

Both sides are polarized—at least in speech.

Hanoi wants a complete and unilateral withdrawal of American troops which they know we cannot and will not do.

Saigon, on the other hand, in all of its proposals, rejects any form of an interim government which includes the Viet Cong and even dissident South Vietnamese.

Bold and imaginative action is required if we are to break this unbearable deadlock.

Recently Xuan Thuy dropped a casual hint that progress towards peace could be made if the United States increased withdrawal of its troops.

Moreover, with the death of Ho Chi Minh and the proclaimed three-day cease fire by the Viet Cong in mourning for Minh—I believe the time is appropriate to exploit this turn of events.

I would appeal to the Secretary General of the United Nations, himself an oriental and internationally respected, to intervene and use his good offices to see if a way cannot be found not only to continue the period of the cease fire but also to make it permanent and bring this carnage to an end.

It may not work but at least it is worth a try. We have nothing to lose and so much to gain.

Today our people are very much worried over our choice of priorities.

Stories persist of corruption, waste and outright thievery in Vietnam while here at home we struggle and haggle over nickels and dimes on essential domestic programs which concern the health, the well-being, and the future of our own society.

American mothers cannot be expected for too long to accept a policy of slow death of their sons waiting for a miracle to happen in Paris.

The taxpayer has become weary and resentful of an $80 billion defense budget with all the attendant evils of inflation and high taxes.

After twenty long years we are still heavily committed in Korea.

We struggle in Vietnam pretty much alone without the actual or even moral support and sympathy of most of the allies whom we lifted from defeat and despair.

In Europe we are heavily committed in men and money, only to find that those whom we are defending are doing business as usual with those against whom we are defending them, while we piously deny ourselves the same East-West trade.

No wonder then that the Foreign Relations Committee of the Senate reported out with only one dissenting vote Senate Resolution 85 which passed the Senate by a whopping vote of 70–16.

What we need in America is a breath of fresh air both as to our foreign policy and our military global strategy.

America has an important role to play in the world. It is the leading nation in the community of free people.

But let our example and our effort be directed not in the depositing of our soldiers in every small country of the world because of internal or border conflicts. Rather, let us exert our energies in the way of technical assistance and food for the hungry.

How ironic it is that we pay our farmers a premium not to plant their fertile soil while a world goes hungry.

Let us encourage our farmers. to produce more.

Let us pay them a fair price for their product and let us help to feed the hungry abroad and here at home.

This is the role of the Good Samaritan that America has always played and maybe in the days that lie ahead we can play it better and a little more generously.

In this great land of ours we have developed the finest society that civilized man has ever known.

We were the first to split the atom.

We were the first to put a man on the moon.

We have done so much in this century to conquer nature—there remains so much to be done to improve human nature.

That should be the goal of American foreign policy.

But I am sure that we can never reach America's true destiny in leading the world towards peace and tranquility unless somehow we begin to do the things that are required here at home in order to solidify and unify our people in these crucial times.

I am sure that the press of America, and that of New England, can do a great deal in leading the way.

And, for that reason, I thank you for your invitation and the opportunity to express these few ideas.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

HOUSING AND URBAN DEVELOPMENT ACT OF 1969

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 386, S. 2864, the unfinished business.

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

The BILL CLERK. A bill (S. 2864) to amend and extend laws relating to housing and urban development, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill? Without objection, the Senate will proceed to its consideration.

The Chair recognizes the Senator from Alabama.

PRIVILEGE OF THE FLOOR

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the staff members of the Committee on Banking and Currency may have the privilege of the floor during consideration of the pending bill.

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

Mr. SPARKMAN. Mr. President, the committee bill, S. 2864, is essentially a bill to extend and continue existing Federal housing programs authorized by previous acts of Congress.

In general, the Banking and Currency Committee agreed to a 2-year extension of programs which would otherwise terminate this year. The most important of these are the Federal Housing Administration programs, urban renewal, model cities, rent supplement, and public housing.

In addition to extending the programs, a number of amendments are being recommended in order to make the programs more workable and more effective in carrying out the intent of Congress and in meeting current housing needs.

S. 2864 is an omnibus bill containing provisions requested by the administration, and many other bills and amendments submitted to the committee for consideration.

The recommendations do not include any new far-reaching programs. The committee did not feel that new programs were needed in view of the great comprehensive Housing and Urban Development Act of 1968. The new 1968 programs covered a wide range of activities involving practically every facet of housing and urban development needs which, when fully operational, should provide the resources needed for our Nation to meet the national housing goal of a decent home and suitable living environment for every American family.

The most significant part of the bill involves the dollar authorizations to fund the programs through fiscal year 1972. In general, the amounts recommended would continue the programs at existing levels, but additions were made to take into account new program authority, increased costs, and increased interest charges. Higher levels of funding were authorized for the interest subsidy programs for fiscal year 1972 to be consistent with the goals requirements of the 1968 Housing and Urban Development Act.

The committee believed that, with the new level of funds plus the new improvements in operational authority authorized by the bill, the Federal Government, in cooperation with the communities and cities of this Nation, would be ready to move full speed ahead to cope with one of our most difficult domestic problems—the slums of America and the shortage of decent housing for our American people.

Mr. President, title I of the bill has reference to mortgage credit programs under the Federal Housing Administration and the Government National Mortgage Association. Of most significance in this title are provisions which would increase permissive mortgage limits for most FHA programs. The committee is recommending a new flexible formula which would be used to adjust the mortgage ceilings for all title II FHA programs by using the "Price Index for New One-Family Houses Sold" published annually by the Bureau of the Census. Ceiling adjustments are also recommended for FHA mortgage loans in high cost areas, for public housing cost limits, for housing in Alaska, and for mortgage loans purchased by the Government National Mortgage Association. The committee is recommending these changes regretfully, but felt there was no alternative in view of the recent sharp increase in construction costs. According to the Engineering News Record, construction costs for housing have gone up 17 percent since 1967.

Title II of the bill involves urban renewal, public housing and other housing assistance programs. These programs have been remarkably active in recent months with widespread interest shown by mayors and local officials from both small and large cities all across the Nation.

Urban renewal, through its new

neighborhood development program—NDP—hit a tremendous peak last year. The cities practically swamped HUD with applications. Similarly, public housing, through its new turnkey and leasing programs, reached recordbreaking levels. This activity reflects the concern of city officials and their intentions to carry out the message of the 1968 Housing Act to move as rapidly as possible to eliminate slums and blighted neighborhoods in the Nation's cities. It was the consensus of the committee that the Federal Government should respond to this concern and cooperate to the fullest extent possible by authorizing adequate Federal funds to meet these requests.

Title III of the bill involves new authorizations for model cities and metropolitan development programs. The model cities program is by far the most significant of these, involving new authorizations for fiscal years 1971 and 1972 of $287.5 million and $1.5 billion respectively. This program, authorized in 1966, is now past the planning stage and beginning to move into the execution stage where large sums of Federal supplementary funds will be needed to help the cities with their efforts of upgrading and renewing large model neighborhoods. The committee had special hearings on this program and is satisfied that it is moving in the right direction, even though no tangible evidence of successful upgrading is yet present.

Urban mass transit extension is also provided for in this title. Recommendation is being made for an additional $300 million to carry the program through fiscal year 1971. Since making the recommendation, the President sent to the Congress an urban mass transit message, which would involve a major change in the financing of federally-assisted transit programs. Hearings have been scheduled by the Committee on Banking and Currency on this new proposal starting October 14. If, as a result of these hearings, agreement can be reached on a new formula to fund mass transit, the 1-year extension under this bill would, of course, be superseded.

Title IV contains many miscellaneous provisions. One of these is the highly controversial FHA-VA interest rate ceiling issue. The committee postponed any action on this issue until it has had time to study the report recently issued by the Commission on Mortgage Interest Rates. Hearings will be held on this report by the Committee on Banking and Currency beginning September 25. The bill before us would extend existing law on ceilings for 6 months, until April 1, 1970.

Amendments to extend and improve the rural housing program are also contained in this title. The Farmers Home Administration does an excellent job with extremely limited resources to help families get decent housing in rural areas. I do not know how many of my colleagues know this, but one-half of all substandard housing in the United States is in rural areas. Greater efforts must be made to correct this situation and I believe the provisions in the bill will help significantly.

Mr. President, I ask unanimous consent that a section-by-section summary of S. 2864 be printed in the RECORD.

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

TITLE I—MORTGAGE CREDIT

SECTION 101—EXTENSION OF PROGRAMS

This section would extend, until October 1, 1971, the Federal Housing Administration's authority under the National Housing Act to insure housing and other types of mortgage loans and to insure title I property improvement loans. Under existing law the FHA's basic insuring authorities will (with minor exception) expire on October 1, 1969.

Subsection (a) would extend the authority of FHA to insure property improvement loans under its title I program. Subsection (b) would extend authority to insure housing loans and mortgages under all FHA programs except those with independent termination dates. Subsection (c) would extend the section 221 program of mortgage insurance for housing for low- and moderate-income families and subsections (d) and (e) would extend the authority to insure mortgages under the section 809 and 810 programs providing housing for the military, NASA and the AEC. Subsections (f) and (g) would extend the programs of mortgage insurance for land development and for group medical facilities.

SECTION 102—LOWER DOWN PAYMENT FOR FHA FINANCED SALES HOUSING

This section would amend section 203(b) (basic home mortgage insurance), section 220(d)(3)(A) (sales housing in urban renewal areas), section 222(b) (mortgage insurance for servicemen) and section 234(c) (mortgage insurance for condominiums) of the National Housing Act to lower the minimum downpayment required under these sections for FHA financed medium priced homes. The amount of downpayment necessary with respect to that portion of the value of a home which exceeds $20,000 but does not exceed $25,000 would be decreased from 20 (15 in the case of veterans and servicemen) to 10 percent.

SECTION 103—MORTGAGE LIMITS FOR MOBILE HOME COURTS

This section would amend section 207 of the National Housing Act to increase the maximum amount of a mortgage which may be insured per space in a mobile home court from $1,800 to $2,500 and increase the maximum mortgage amount per mobile home court project from $500,000 to $1,000,000. The section would also redesignate, for greater accuracy, the mortgage insurance program for "trailer courts or parks" as a program for "mobile home courts or parks."

SECTION 104—HIGH COST AREA MORTGAGE LIMITS FOR LOW- AND MODERATE-INCOME HOUSING

This section would amend section 221(d)(2) (sales housing for low- and moderate-income families), section 235 (homeownership assistance) of the National Housing Act to authorize the Secretary to increase the mortgage limits applicable under those sections by up to 45 percent in areas where he finds cost levels so require. Under existing law these limits may only be increased up to specific dollar amounts.

SECTION 105—MORTGAGE INSURANCE ON CONDOMINIUM UNITS FOR SERVICEMEN

This section would amend section 222 of the National Housing Act to extend the benefits of that section to new mortgages covering a 1-family unit in a condominium. Under existing provisions servicemen who purchase condominium units can obtain the benefits of section 222—payment of mortgage insurance on their behalf by the Secretary of Defense or Secretary of Transportation—only when they assume an existing FHA insured mortgage covering the unit.

SECTION 106—ASSISTANCE PAYMENTS UNDER SECTION 235 FOR PURCHASER ASSUMING MORTGAGE

This section would amend section 235(c) of the National Housing Act to authorize homeownership assistance payments to be made on behalf of an eligible homeowner who assumes a mortgage insured under section 235(i) (one and two family dwellings and condominium units for lower income families) where assistance payments had been made to the previous owner.

SECTION 107—AUTHORIZATION FOR ASSISTANCE PAYMENTS UNDER SECTION 235 AND 236

Subsection (a) of this section would amend section 235(h)(1) of the National Housing Act to increase, by $170 million on July 1, 1971, the aggregate amount of contracts to make periodic homeownership assistance payments that the Secretary may enter into.

Subsection (b) of this section would amend section 236(i)(1) of the National Housing Act to increase, by $170 million on July 1, 1971, the aggregate amount of contracts that the Secretary may enter into to make periodic interest reduction payments on behalf of the owner of a rental housing project designed for occupancy by lower income families.

SECTION 108—ASSISTANCE PAYMENTS WITH RESPECT TO EXISTING DWELLINGS UNDER SECTION 235

This section would amend section 235(h)(3) of the National Housing Act to allow up to 30 percent of the total amount of contracts for homeownership assistance payments which are authorized to be made by appropriation acts after June 30, 1969, and prior to July 1, 1971, to be made with respect to existing dwellings or dwelling units in existing projects. At present, only 15 percent of the total amount of contracts authorized by appropriation acts for fiscal year 1970 and only 10 percent of the total amount of contracts authorized by appropriation acts for fiscal year 1971 may be made with respect to existing housing.

SECTION 109—CONVERSION OF SECTION 236 PROJECTS TO CONDOMINIUM OWNERSHIP

Subsection (a) of this section would add to section 236 of the National Housing Act a new subsection (n) which would authorize the Secretary, with respect to any project involving a mortgage insured under section 236(j), to permit a conversion of the ownership of the project to a plan of condominium ownership. The Secretary could insure mortgages financing the purchase of individual family units under the plan in amounts not exceeding the appraised value of the property. During such time as the mortgagor continues to occupy the property periodic interest reduction payments may be made on behalf of the mortgagor in the same manner as is prescribed for mortgagors whose mortgages are insured under section 235(i). These interest reduction payments may continue to be made on behalf of an eligible lower income homeowner who subsequently assumes the mortgage.

Subsection (b) would amend section 236(i)(2) of the National Housing Act to make the tenant income requirements for eligibility for interest reduction payments set forth in that section also applicable to families purchasing individual condominium units under the new section 236(n).

Subsection (c) would amend section 238 of the National Housing Act to make any claims arising from mortgages insured under the new section 236(n) payable out of the Special Risk Insurance Fund.

Subsection (d) would amend Public Law 90-301 to include mortgages insured under the new section 236(n) among the FHA insured mortgages there specified with respect to which the Secretary of HUD has temporary authority to set maximum interest rates in

an amount necessary to meet the mortgage market.

SECTION 110—PREFERENCES IN SECTION 237 MORTGAGE INSURANCE PROGRAM

This section would amend section 237(d) of the National Housing Act to include families who are applying for section 235 homeownership assistance among the applicants under section 237 who are to be given a preference for mortgage insurance and counseling services. Under existing law, preference for section 237 mortgage insurance, which is available to applicants who do not meet normal FHA credit standards, is limited to families living in public housing units (especially over-income families required to leave public housing) and families eligible for public housing who have been displaced from federally assisted urban renewal areas.

SECTION 111—MORTGAGE INSURANCE FOR SHELTERED CARE FACILITIES

Subsection (a) of this section would amend title II of the National Housing Act by adding a new section 243 which would authorize the Secretary of Housing and Urban Development to provide mortgage insurance for sheltered care facilities.

Subsection (a) of the new section 243 states that it is the purpose of the section to assist the provision of sheltered care facilities for the care of persons who, while not in need of nursing home care and treatment nevertheless are unable to live fully independently and who are in need of minimum but continuous care provided by semiprofessional personnel.

Subsection (b) of the new section 243 defines "sheltered care facility" as a proprietary facility, or facility of a private nonprofit corporation or association licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the accommodation of persons, who because of incapacitating infirmities, require minimum but continuous care but who are not in need of continuous medical or nursing services; and "mortgage" as a first mortgage on real estate which instrument may also include security interests in the initial equipment of the facility.

Subsection (c) of the new section 243 authorizes the Secretary to insure such mortgages on such terms and conditions as he may prescribe.

Subsection (d) of the new section 243 provides that the Secretary may, in order to carry out this section, insure any mortgage on a new or rehabilitated sheltered care facility, including equipment, subject to these conditions:

1. That the mortgage shall be executed by a mortgagor approved by the Secretary;

2. That the mortgage shall involve a principal obligation not in excess of $12,500,000 or 90 per centum of the estimated value of the property including equipment;

3. That the mortgage shall provide for complete amortization by periodic payments and bear interest at a rate not in excess of the rate the Secretary finds necessary to meet the mortgage market;

4. That the Secretary will require a certification by the State agency designated pursuant to the Public Health Service Act as to the need of such facilities and that there are appropriate standards for their operation.

Subsection (e) of the new section 243 provides that the Secretary may, upon such terms and conditions as he may prescribe, consent to the release of a part or parts of the mortgaged property from the lien of the insured mortgage.

Subsection (f) of the new section 243 provides that the insured mortgage will be subject to subsections (d), (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act (relating to premium charges and payment of insurance claims).

Subsection (g) of the new section 243 provides that the Secretary shall consult with the Secretary of Health, Education, and Welfare with respect to any health or medical aspects of any regulations under this program prior to the issuance of such regulations.

Subsection (h) of the new section 243 provides that the Secretary shall consult with the Secretary of Health, Education, and Welfare as to the need for and the availability of sheltered care facilities in the area in which any such facility is proposed to be located under this program.

Subsection (b) would amend Public Law 90-301 to include mortgages insured under the new section 243 among the FHA insured mortgages there specified with respect to which the Secretary of HUD has temporary authority to set maximum interest rates in an amount necessary to meet the mortgage market.

Subsection (c) would amend section 212 (a) of the National Housing Act to bring this new program under the Davis-Bacon Act labor provisions.

SECTION 112—FLEXIBLE MORTGAGE AMOUNTS FOR SINGLE-FAMILY AND MULTIFAMILY HOUSING

This section would amend the National Housing Act by adding a new section 244 which would provide for the per dwelling unit or per family unit dollar limitations on maximum principal mortgage amounts prescribed in the various sections of title II of that act to be adjusted in accordance with the changes in the "Price Index for New One-family Houses Sold" published annually by the Bureau of the Census.

SECTION 113—INCREASE IN GNMA PURCHASE AUTHORITY

This section would increase to $20,000 the present $17,500 per dwelling unit limitation generally applicable to mortgages purchased by the Government National Mortgage Association under its special assistance functions. The section would also make clear that the $2,500 increase in the per unit limitations authorized with respect to units having four or more bedrooms is applicable to four bedroom units which receive the benefit of tax abatement.

SECTION 114—GNMA SPECIAL ASSISTANCE PURCHASES

This section would amend section 305 of the Federal National Mortgage Association Charter Act by adding a new subsection (j) which would, notwithstanding any other provision of the act, authorize the Government National Mortgage Association to purchase mortgages at a price equal to the unpaid principal amount at the time of purchase, with adjustments for interest and any comparable items, and to subsequently sell such mortgages at any time at a price which the Association determines is within the range of market prices at the time of sale for the particular class of mortgage involved.

SECTION 115—AUTHORIZATION FOR RENT SUPPLEMENTS

This section would amend section 101(a) of the Housing and Urban Development Act of 1965 to increase the contract authority available for the rent supplement program by an additional $82 million beginning with fiscal year 1972.

SECTION 116—RENT SUPPLEMENT UNITS IN SECTION 236 PROJECTS

This section would amend section 101(j)(1)(D) of the Housing and Urban Development Act of 1965 to authorize the Secretary, if he determines such increase is necessary and desirable in order to provide additional housing for individuals and families that meet the requirements of qualified tenants under the rent supplements program, to increase, from 20 to 40 percent, the maximum percentage of units in any project receiving the benefits of section 236 rental assistance payments which may be occupied by tenants receiving rent supplement benefits.

TITLE II—URBAN RENEWAL AND HOUSING ASSISTANCE PROGRAMS

SECTION 201—URBAN RENEWAL GRANT AUTHORITY

This section would amend the first sentence of section 103(b) of the Housing Act of 1949 to increase the aggregate amount of capital grants which may be made under the urban renewal program by $1,300 million on July 1, 1970, and by $1,700 million on July 1, 1971.

SECTION 202—EXTENSION OF URBAN RENEWAL ASSISTANCE TO THE TRUST TERRITORY OF THE PACIFIC ISLANDS AND TO INDIAN TRIBES

Subsection (a) would amend section 110(h) of the Housing Act of 1949 to make the Trust Territory of the Pacific Islands and the Indian tribes, bands, groups, and nations (including Alaska Indians, Aleuts, and Eskimos) of the United States eligible for urban renewal loans and grants and for rehabilitation grants.

Subsection (b) would amend section 116 of the Housing Act of 1949 to make Indian tribes, bands, groups, and nations (including Alaska Indians, Aleuts, and Eskimos) of the United States eligible for the demolition grants authorized by that section.

Subsection (c) would amend section 117 of the Housing Act of 1949 to make Indian tribes, bands, groups, and nations (including Alaska Indians, Aleuts, and Eskimos) of the United States eligible for the code enforcement grants authorized by that section.

Subsection (d) would amend section 118 of the Housing Act of 1949 to make Indian tribes, bands, groups, and nations (including Alaska Indians, Aleuts, and Eskimos) of the United States eligible for the interim assistance grants authorized by that section.

SECTION 203—EXTENSION OF PERIOD OF ELIGIBILITY OF LOCAL GRANTS-IN-AID FOR CERTAIN NEIGHBORHOOD DEVELOPMENT PROJECTS

This section would amend section 133(a) of the Housing Act of 1949 to permit, in the case of neighborhood development programs for which applications have been filed but not approved on or before August 11, 1969, credit for local grants-in-aid if construction of the improvement or facility was commenced not more than 4 years prior to (1) authorization by the Secretary of the first contract for financial assistance under the community's neighborhood development program which includes the urban renewal area which is benefited by the public improvement or facility for which credit is claimed or (2) authorization of a contract for a loan or capital grant for an urban renewal project in any area which was included in such an application filed but not approved on or before August 11, 1969, and which is benefited by the public improvement or facility for which credit is claimed.

SECTION 204—REMOVAL OF INCOME LIMITATION FOR LOANS UNDER REHABILITATION LOAN PROGRAM

This section would amend section 312(a) of the Housing Act of 1964 to remove the requirement which limits eligibility for residential rehabilitation loans to persons whose annual income is within locally applicable income limits for the section 221(d)(3) below market interest rate program.

SECTION 205—LOANS FOR PUBLIC HOUSING PROJECTS

This section would amend section 9 of the U.S. Housing Act of 1937 to increase from 90 to 100 percent the maximum amount of Federal loans or loan commitments there authorized for financing the acquisition or development of a low rent housing project with respect to which annual contributions are to be made. Section 9 is used primarily to enable local housing authorities to obtain temporary financing for the acquisition or

construction of a property by the sale of short-term notes backed by a Federal loan commitment. With a loan commitment for 100 percent of a project's acquisition or development cost a local housing authority would be able to schedule the issuance of long-term bonds for permanent financing when most advantageous to itself and the Federal Government rather than just prior to acquisition or when development costs reach the 90-percent level.

SECTION 206—PUBLIC HOUSING ANNUAL CONTRIBUTIONS

Subsection (a) of this section would amend section 10(b) of the U.S. Housing Act of 1937 to clarify existing authority to fix the amount of the annual contributions to public housing projects at an amount in excess of the debt service requirements of the project so long as the fixed contribution does not exceed the maximum annual contribution authorized in that section.

Subsection (b) would amend section 10(e) of such act to increase the authorization for annual contribution contracts under the low-rent public housing program by $20 million on July 1, 1970, and by an additional $175 million on July 1, 1971.

SECTION 207—NOTIFICATIONS TO APPLICANTS FOR ADMISSION TO PUBLIC HOUSING PROJECTS

This section would amend section 10(g) of the U.S. Housing Act of 1937 by adding to that section a new paragraph which would require every contract for annual contributions for a low-rent housing project to provide that the public housing agency shall notify promptly any applicant determined to be ineligible for admission to a project of the reason for such determination and provide the applicant, within a reasonable time after the determination is made, with an opportunity for a hearing on the determination. Applicants who are determined to be eligible for admission to a project shall also be notified promptly of the approximate date of occupancy insofar as this can be reasonably determined.

SECTION 208—ROOM COST LIMITATIONS FOR PUBLIC HOUSING PROJECTS

Subsection (a) of this section would amend section 15(5) of the U.S. Housing Act of 1937 to permit statutory room cost limits (which presently may be increased by $750 a room in high-cost areas) to be increased by 45 percent of the statutory room cost limits in such areas.

Subsection (b) would amend section 15(5) of such act by adding to that section a new paragraph which would require the Secretary of HUD, as soon as possible after January 1 of each year, to determine the change in the building cost index and, when indicated, to make appropriate changes in the dollar limitations on room costs in low rent housing projects consistent with the cost index changes.

SECTION 209—MANAGEMENT AND SERVICES IN PUBLIC HOUSING PROJECTS

This section would amend section 15(10) of the U.S. Housing Act of 1937 to authorize appropriations for upgrading management and tenant services in public housing projects to be made through fiscal year 1972. At present such appropriations are authorized only through fiscal year 1970.

SECTION 210—WAIVER OF WORKABLE PROGRAM REQUIREMENT WITH RESPECT TO CERTAIN LOW-RENT HOUSING IN PRIVATE ACCOMMODATIONS

This section would amend section 23(f) of the U.S. Housing Act of 1937 and section 101(c) of the Housing Act of 1949 to make it clear that the provision in section 101(c) of the Housing Act of 1949 requiring an approved workable program for community improvement in the locality as a condition to the insurance of mortgages under section 221(d)(3) of the National Housing Act does not apply if the housing is assisted or to be assisted under the section 23 public housing leasing program.

SECTION 211—ADDITIONAL RENTAL ASSISTANCE IN BEHALF OF VERY LOW INCOME TENANTS OF PUBLIC HOUSING PROJECTS

This section would amend the U.S. Housing Act of 1937 by adding to that act as new section numbered 24.

Subsection (a) of the proposed new section authorizes the Secretary to make annual rental assistance payments to public housing agencies with respect to low rent housing projects in order to enable such agencies to provide housing within the means of families of very low income and to provide improved operating and maintenance services.

Subsection (b) limits the amount of payment with respect to any dwelling unit in a low-rent housing project to the amount by which the "rental for such unit" exceeds one-fourth of the tenant's income, as determined by the Secretary.

Subsection (c) authorizes appropriations for such sums as may be necessary to carry out the provision of the section including such sums as may be necessary to make rental assistance payments under contracts entered into under the section. The aggregate amount of such contracts shall not exceed amounts approved in appropriation acts and payments pursuant to such contracts shall not exceed $75 million per annum.

Subsection (d) defines the phrase "rental for such unit" to mean the proportionate share attributable to a unit of the total shelter costs to be borne by the tenants in a low-rent housing project, including any separate charges to a tenant for reasonable utility use and for public services and facilities.

SECTION 212—AUTHORIZATION FOR HOUSING FOR THE ELDERLY OR HANDICAPPED

This section would amend section 202(a) of the Housing Act of 1959 to increase the total amount authorized to be appropriated for direct loans for housing for the elderly or handicapped by $80 million on July 1 of each of the years 1969, 1970, and 1971.

SECTION 213—AUTHORIZATION FOR COLLEGE HOUSING DEBT SERVICE GRANTS

This section would amend section 401(f)(2) of the Housing Act of 1950 to increase, by $1,500,000 on July 1, 1970, and by $9,000,000 on July 1, 1971, the aggregate amount of contracts which may be entered into to make annual debt service grants to help finance college housing facilities.

SECTION 214—ASSISTANCE FOR HOUSING IN ALASKA

This section would amend section 1004(a) of the Demonstration Cities and Metropolitan Development Act of 1966 to permit the Secretary to increase the $7500 per dwelling unit dollar limitation in the program of assistance for housing in Alaska by up to 45 percent in areas where the Secretary authorizes the increase on the basis of a finding that cost levels so require.

TITLE III—MODEL CITIES AND METROPOLITAN DEVELOPMENT PROGRAMS

SECTION 301—AUTHORIZATION FOR MODEL CITIES PROGRAM

This section would amend section 111 of the Demonstration Cities and Metropolitan Development Act of 1966 to authorize appropriations of $287,500,000 for fiscal year 1971 and $1,500 million for fiscal year 1972 for the model cities program. Amounts authorized but not appropriated for any fiscal year may be appropriated for any succeeding fiscal year commencing prior to July 1, 1972.

SECTION 302—AUTHORIZATION FOR COMPREHENSIVE PLANNING GRANTS

This section would amend section 701(b) of the Housing Act of 1954 to increase the total amount authorized to be appropriated for comprehensive planning assistance by $40 million on July 1, 1971.

SECTION 303—UTILIZATION OF PRIVATE ENTERPRISE IN COMPREHENSIVE PLANNING AND PUBLIC WORKS PLANNING

Subsection (a) would amend section 701 of the Housing Act of 1954 by adding a new subsection which would prohibit the economic development districts or State, metropolitan, regional, or any other areawide planning agency from using comprehensive planning grants to provide planning assistance to any local government in a manner which is determined, under regulations prescribed by the Secretary, to be inconsistent with the Government's policy of relying on the private enterprise system to provide those services which are reasonably and expeditiously available through ordinary business channels. To the extent required by regulations such planning agencies must submit to the Secretary a report describing planning assistance provided local governments and containing such additional information as may be necessary to determine whether or not the provision of such assistance is in violation of the Government's policy.

Subsection (b) would amend section 702 of the Housing Act of 1954 by adding a new subsection which would prohibit the use by public agencies of public works planning advances to provide planning assistance to any local government in a manner which is determined, under regulations prescribed by the Secretary, to be inconsistent with the Government's policy of relying on the private enterprise system to provide those services which are reasonably and expeditiously available through ordinary business channels. To the extent required by regulations such public agencies must submit to the Secretary a report describing planning assistance provided local governments and containing such additional information as may be necessary to determine whether or not the provision of such assistance is in violation of the Government's policy.

SECTION 304—AUTHORIZATION FOR OPEN SPACE, URBAN BEAUTIFICATION AND HISTORIC PRESERVATION GRANTS

This section would amend section 702(b) of the Housing Act of 1961 to increase the total amount authorized to be appropriated for open space, urban beautification, and historic preservation programs by $88 million on July 1, 1971.

SECTION 305—AUTHORIZATION FOR NEW COMMUNITY SUPPLEMENTARY ASSISTANCE GRANTS

This section would amend section 412(d) of the Housing and Urban Development Act of 1968 to authorize appropriations for new community assistance grants through fiscal year 1972.

SECTION 306—COMMUNITY FACILITIES GRANTS

Subsection (a) of this section would amend section 708(a) of the Housing and Urban Development Act of 1965 to authorize appropriation of an additional $34 million for neighborhood facilities grants for fiscal year 1972.

Subsection (b) would authorize appropriations for grants for basic water and sewer facilities, neighborhood facilities, and advance acquisition of land through fiscal year 1972. At present appropriations are authorized to be made only through fiscal year 1970.

SECTION 307—URBAN MASS TRANSPORTATION

Subsection (a) of this section would amend section 4(b) of the Urban Mass Transportation Act of 1964 to authorize appropriation of $300 million for fiscal year 1971 for grants under that act.

Subsection (b) would amend section 5 of the Urban Mass Transportation Act of 1964 to extend, from July 1, 1970 to July 1, 1971, the interim program there authorized of 50-percent grants for mass transportation facilities and equipment in urban areas not yet able to meet full areawide comprehensive planning and programing requirements. These emergency grants are in place of the

two-thirds Federal grants available when all comprehensive planning requirements are met.

SECTION 308—EXTENSION OF URBAN INFORMATION AND TECHNICAL ASSISTANCE SERVICES AUTHORIZATION

This section would amend section 906 of the Demonstration Cities and Metropolitan Development Act of 1966 to authorize appropriations for grants to help finance programs of urban information and technical assistance services through fiscal year 1972. At present appropriations are authorized to be made only through fiscal year 1970.

SECTION 309—TRAINING AND FELLOWSHIP PROGRAMS

This section would rewrite title VIII of the Housing Act of 1964 to consolidate, under one authorization, that title's program of fellowships for city planning and urban studies and the community development training program. Specifically, the title would:

1. Consolidate the title by striking the headings which divide it into two separate parts;

2. Amend section 801(b) by including, as a purpose of the consolidated title, the provision of "fellowships for the graduate training of professional city planning and urban and housing technicians and specialists";

3. Amend section 810 by striking the first sentence (which authorizes appropriations for urban fellowships) and substituting a general authority for the Secretary to provide such fellowships;

4. Substitute for section 802(d), which authorizes without fiscal year limitations $30 million in appropriations for community development training programs, a new section numbered 806 authorizing appropriations, without fiscal year limitation, of up to $30 million for the consolidated title VIII program; and

5. Amend appropriate sections of the title to strike inapplicable references to its several "parts" and substitute appropriate references to the "title" or to the various "sections" thereof.

TITLE IV—MISCELLANEOUS

SECTION 401—FLEXIBLE INTEREST RATE AUTHORITY

This section would amend section 3(a) of Public Law 90-301 to extend from October 1, 1969 to April 1, 1970, the authority of the Secretary of Housing and Urban Development to set maximum interest rates for FHA mortgage insurance programs at an amount he finds necessary to meet the mortgage market.

SECTION 402—AUTHORIZATION FOR PROPERTY ACQUISITIONS IN APPLYING ADVANCES IN TECHNOLOGY TO HOUSING AND URBAN DEVELOPMENT

This section would amend section 1010(c) of the Demonstration Cities and Metropolitan Development Act of 1966 to authorize the Secretary, in carrying out the research and studies there authorized for testing and demonstrating new and improved techniques and methods of applying advances in technology to housing and urban development, to acquire, use, and dispose of land and other property.

SECTION 403—EXTENSION OF CERTAIN PROVISIONS OF LAW RELATING TO HOUSING AND URBAN DEVELOPMENT TO THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Section (a) would amend section 2(12) of the U.S. Housing Act of 1937 to make the Trust Territory of the Pacific Island eligible for assistance under the low-rent public housing program.

Subsection (b) would amend section 206 of the Housing Amendments of 1955 to make the Trust Territory of the Pacific Islands eligible for assistance under the public facility loan program.

Subsection (c)(1) would amend section 201(d) of the National Housing Act to make available FHA home mortgage insurance under section 203 and other related sections of that act to the Trust Territory of the Pacific Islands.

Subsection (c)(2) would amend section 207(a)(7) of the National Housing Act to make available FHA multifamily mortgage insurance under section 207 and other related sections of that act to the Trust Territory of the Pacific Islands.

Subsection (c)(3) would amend section 9 of the National Housing Act to make available in the Trust Territory of the Pacific Islands FHA insurance under title I property improvement loan program.

SECTION 404—EMPLOYMENT OPPORTUNITIES FOR LOWER INCOME PERSONS IN CONNECTION WITH HUD-ASSISTED PROJECTS

This section would amend section 3 of the Housing and Urban Development Act of 1968 to require the Secretary of Housing and Urban Development, in the administration of programs providing financial assistance in aid of housing, urban planning, development, redevelopment, public or community facilities, and new community development to require (1) that to the greatest extent feasible opportunities for training and employment arising in connection with the planning and carrying out of projects assisted under such programs be given to lower income persons residing in the project area and (2) that, to the greatest extent feasible, contracts for work to be performed in connection with any such projects be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project. Under existing law these employment and work opportunity requirements are only applicable to administration of the section 235 homeownership, the section 236 rental assistance, the section 221(d)(3) below market interest rate, public housing, and the rent supplements programs.

SECTION 405—URBAN PROPERTY PROTECTION AND REINSURANCE—ENTRY INTO REINSURANCE CONTRACTS

This section would amend section 1222 (d) of the National Housing Act to permit reinsurance contracts to be entered into during the course of the entire reinsurance contract year. At present, only companies which are newly authorized to write insurance may enter into reinsurance contracts after the insurance contract year begins.

SECTION 406—URBAN PROPERTY PROTECTION AND REINSURANCE—STATE SHARE OF REINSURED LOSSES

This section would amend section 1223(a)(1) of the National Housing Act to extend, to the close of the second full regular session of the State legislature following August 1, 1968, the time within which State legislation providing for reimbursement to the Secretary of a share of the reinsured property losses he has paid must be enacted. Without such legislation reinsurance of losses from riot or civil disorder will be unavailable for policies subsequently written in the State. At present, State legislation is required by August 1, 1969, or, if the State legislature has not met in regular session before that date, by close of its next regular session. The section would also amend relevant provisions in section 1223(a)(1) to provide for computation of the amount of State reimbursement required using the "reinsurance contract year" rather than the calendar year as a basis.

SECTION 407—STUDY OF REINSURANCE AND OTHER PROGRAMS

This section would amend section 1235(b) of the National Housing Act to extend, from August 1, 1969 to December 31, 1969, the date on which the Secretary must report on reinsurance and other means to help assure the availability, in urban areas, of (a) burglary and theft insurance, and (b) surety bonds for construction contractors.

SECTION 408—NATIONAL FLOOD INSURANCE PROGRAM—ADOPTION OF LOCAL FLOOD CONTROL MEASURES

Subsection 408(a) would amend section 1305(c)(2) of the National Flood Insurance Act of 1968 to make flood insurance available in those States or areas, which give satisfactory assurance to the Secretary that by December 31, 1971, "adequate" land use and control measures will be adopted. Under existing law assurance must be given that "permanent" land use and control measures will be adopted by June 30, 1970.

Subsection (b) would amend section 1315 of such act to provide that after December 31, 1971, no flood insurance will be issued unless an appropriate public body shall have adopted "adequate" land use and control measures. Under existing law a State or local area must have adopted "permanent" land use and control measures by June 30, 1970.

Subsection (c) would amend section 1361 (c) of such act to provide that the Secretary on the basis of studies and investigations shall develop comprehensive land management and land use criteria designed to encourage the adoption of "adequate" land use and control measures by States and local areas. Under existing law the Secretary is required to develop criteria designed to encourage adoption of "permanent" land use and control measures.

SECTION 409—INTERSTATE LAND SALES

This section would amend section 1403(a)(10) of the Interstate Land Sales Full Disclosure Act to make it clear that the exemption there provided from the provisions of that act in cases where real estate free and clear of all liens, encumbrances, and adverse claims is sold or leased to persons who have personally inspected the lots which they purchase is to apply to transactions in which (1) the real estate is subject to taxes and assessments imposed by a State or any other governing body having authority to assess and tax property, or by a property owners association which under applicable State or local law constitute liens on the property before they are due and payable or (2) the real estate is subject to covenants, conditions, and restrictions imposed to control future use of property and the types and locations of structures to be placed thereon. In all such cases however, the developer, prior to the time the contract of sale or lease is entered into, must furnish the purchaser with a statement setting forth in clear and understandable terms the types and amounts of all such reservations, taxes, assessments, and restrictions and obtain an acknowledgment in writing from the purchaser of receipt of such statement.

SECTION 410—ANNUAL HOUSING REPORT

This section would amend section 1603 of the Housing and Urban Development Act of 1968 to extend the date on which the President shall submit annual reports on national housing goals to the Congress from January 15 to February 1.

This section would also amend sections 235 and 236 of the National Housing Act to require that the Secretary report semiannually, rather than annually, on the income levels of families on behalf of whom homeownership or rental assistance payments are made.

SECTION 411—RURAL HOUSING

Subsection (a).—Would extend for a 4-year period ending October 1, 1973, the various rural housing authorizations which are scheduled to expire on October 1, 1969.

Subsection (b).—Would amend section 517(c) of the Housing Act of 1949 to increase from $100 million to $350 million the amount of new loan paper which may be held in the housing fund at any one time.

Subsection (c).—Would amend section 517 of the Housing Act of 1949 to authorize the Secretary to sell insured housing loans out of the rural housing insurance fund in blocks

and to treat such transactions as a sale or assets for budgetary purposes.

Subsection (d).—Would add a new section 524 to the Housing Act of 1949 to authorize financial assistance to nonprofit organizations to provide sites for rural housing for low- and moderate-income families.

SECTION 412—SALE OF LAND FOR HOUSING

Subsection (a) would permit land which is excess real property within the meaning of the Federal Property and Administrative Services Act to be transferred to the Secretary of Housing and Urban Development at his request for sale or lease by him at its fair value for use in the provision of rental or cooperative housing to be occupied by the families or individuals of low or moderate income. Land declared excess real property could be sold on such terms by the Secretary of Housing and Urban Development if the land is sold to (1) a public body which will use the land in connection with the development of a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Secretary to have the same general purposes as the Federal program under such act, or (2) a purchaser who will use the land in connection with the development of (i) rent supplement units, (ii) below market interest rate moderate-income housing or (iii) rental housing on behalf of which interest reduction payments are made under section 236 of the National Housing Act. Prior to any sale or lease to a purchaser other than a public body the Secretary must notify the governing body of the locality where the land is located and no sale or lease may be made if, within 90 days, the local governing body formally notifies the Secretary that it objects to the proposed sale or lease.

Subsection (b) would require, as a condition to any sale or lease of excess land, that the Secretary obtain such undertakings as he may consider appropriate to assure that the property will be used in the provision of rental or cooperative housing to be occupied by families or individuals of low or moderate income for a period of not less than 20 years. The Secretary must notify the Senate and House Committees on Banking and Currency whenever any excess land is sold or leased pursuant to this section.

SECTION 413—SAVINGS AND LOAN ASSOCIATIONS

Subsection (a).—Would amend section 5 of the Federal Home Loan Bank Act to authorize the Federal Home Loan Bank Board to establish the maximum rate of interest chargeable by members of the Federal Home Loan Bank System on home mortgage loans on single family dwellings in any State which does not have a statutory contract rate of interest applicable to mortgage loan transactions.

Subsection (b).—Would amend section 5(c) of the Home Owners' Loan Act of 1933 to authorize Federal savings and loan associations to invest in the stock of a corporation authorized to be created by title IX of the Housing and Urban Development Act of 1968 and in any partnerships formed by that corporation.

Subsection (c).—Would amend section 404(d)(2)(B) of the National Housing Act and section 6(b) of the act of September 21, 1968 (Public Law 90–505), to provide for the prepayment of insurance premiums to the Federal Savings and Loan Insurance Corporation only for net increases in savings in calendar years after 1965.

SECTION 414—TECHNICAL AMENDMENTS

Subsection (a) and (b) would amend sections 235 and 236 of the National Housing Act to clarify the authority of the Secretary to continue to make assistance payments in behalf of mortgagors following an assignment of the mortgage to the Secretary.

Subsection (c) would amend section 223(d) of the National Housing Act to clarify the authority for insuring loans to cover a 2-year operating loss under the same insurance fund as the original project mortgage.

Subsection (d) would amend section 223(e) of the National Housing Act to provide for insurance under the special risk insurance fund of mortgages covering group practice facilities in older, declining urban areas.

Subsection (e) would extend to mobile home courts or parks the special high-cost provisions of section 214 of the National Housing Act applicable to properties located in Alaska, Guam, or Hawaii.

Mr. TOWER. Mr. President, recently much has been said in this Congress and much has been published by the press concerning one of the most formidable crisis ever to face our Nation; that of the critical housing shortage which we presently are enduring, and the unprecedented demand for new housing which must be forthcoming in the immediate future. In order to adequately house Americans, we must construct 2.7 million new units each year for the next 10 years, yet 1969 will bring forth but 1.4 million new units. In order to meet the housing demands of our country from now until the year 2000, we must construct a city the size of Tulsa, Okla, every week during that period of time; we are presently falling pathetically short of this goal.

There are many speculations as to why this goal has not been met heretofore; these are of academic interest only. I think it is time that this Congress came to grips with our responsibilities to take the initiative in moving this country forward toward the achievement of our national goals in housing.

After the theorizing, speculating, and politicking are over, I have found a singular thread woven throughout the vast commentary in this area. It is obvious, yet to many overwhelming and, therefore, easily abandoned. Our most likely panacea, gentlemen, is mass produced housing. As was stated in our hearings by the AFL–CIO:

> It is the AFL–CIO's belief that if any sizable amount of housing is to be realized, it must come about through volume production.

I remember that Walter Reuther testified before our committee and made a statement that I agree with. It is the only statement he has ever made that I agree with. And I will probably never agree with him again. However, he did say that the American people are getting Chevrolet houses at Cadillac prices.

This is certainly the belief of Secretary Romney, and I feel that it is the consensus, if not the unanimous opinion, of the Housing subcommittee. This leads me to the logical question of what can we do to further aid in this attempt to obtain mass produced housing.

This amendment is an extension of section 1010 of the Demonstration Cities and Metropolitan Development Act of 1966. The initial thrust of that section, which is entitled, "Applying Advances in Technology to Housing and Urban Development," is to encourage and assist the housing industry to carry out two basic programs, the first to reduce the cost of housing, the second to, at the same time, improve quality. It is my feeling that both of the objectives can be simultaneously obtained by the development of new technologies through Operation Breakthrough. In order to initiate the breakthrough program, HUD is spending approximately $15 million this year to develop the specific design systems. To test the responsiveness of business and municipalities to the concept, they contacted leaders of industry as well as various cities and housing authorities throughout the Nation. The reply was overwhelming.

The basic breakthrough concept perceives a concentration of the market and volume purchasing power which will permit economies of scale and volume discounts to be passed on to the various communities and their respective authorities for low-cost housing. I would venture to say that the majority members of the Housing Subcommittee think that breakthrough is a desirable program and absolutely necessary if we are to achieve the 2.7 million housing starts called for by HUD.

This amendment is a basic statement of congressional policy that those advancements in technology, which include the utilization of prefabricated and factory assembled products, are to be encouraged through the housing industry by the Secretary of Housing and Urban Development. The objective is absolutely consistent with section 1010, that its use of technology is to obtain quality control and price reduction in housing.

It is my opinion that we should give our ultimate support to the Secretary of Housing and Urban Development by the passing of my amendment No. 199.

Today I received the following letter from Secretary Romney, concerning this problem, and I should like to read it at this time:

> THE SECRETARY OF HOUSING
> AND URBAN DEVELOPMENT,
> *Washington, D.C.*
>
> HON. JOHN TOWER,
> *U.S. Senate, Washington, D.C.*
>
> DEAR SENATOR TOWER: As you know, Operation Breakthrough is a new HUD program which aims at encouraging and establishing a new process for providing housing, for producing it in volume and delivering it to an aggregated volume market to all of those who need it.
>
> In the carrying out of such a program there should be the fullest practicable utilization of the resources and capabilities of private enterprise and of individual self-help techniques.
>
> This nation will not meet the housing goals set in the Housing Act of 1968 for the next decade (calling for 1 million household units per year more than the present rate of production), nor will we meet our needs for the decades beyond that unless we change our ways of producing and providing housing.
>
> HUD, through the Office of Research and Technology, under the direction of Assistant Secretary Harold B. Finger and his Breakthrough team, has invited U.S. industry to participate in the program and submit housing systems concepts to us for evaluation and selection for use on eight sites throughout the country to be chosen also through an evaluation and selection process. Both evaluations are presently in process within the Office of Research and Technology. The evaluation process will require approximately two to three months. It is hoped that the exposure of the prototype housing systems on the selected sites to appropriate individuals and groups will result in large scale orders leading to mass production and a lessening of the acute shortage of homes now so clearly in evidence in all parts of the country. We are also proceeding

with our market aggregation program to determine the areas of demand for housing so that a concentration of effort can be made toward satisfying that demand.

The Breakthrough program requires a commitment on the part of labor to encourage the training of the labor supply that will be needed for the construction of all of the housing necessary and encourage arrangements for volume production of housing that will also provide greater job opportunities for our people. With our present methods of construction there will not be enough of the skilled craftsmen and the semi-skilled labor force to build the housing we need. Therefore, labor must recognize that changes in the building system are inevitable if we are to provide the housing we need. Labor must be prepared to make and encourage such changes and to adjust its operating procedures to the new systems that are established. If we cannot provide the housing we need, there will not be housing for the laboring people whose income even now frequently does not permit them to obtain the housing they desire.

Any limitations placed on our ability to utilize advances in technology to produce more housing—whether imposed by zoning, building codes, or labor practices keep us from producing the housing this country urgently needs.

Sincerely,

GEORGE ROMNEY.

Since receiving this letter, I have spoken with the Secretary and he has given to me, as well as to some other Members of the Senate, his unequivocal support of this amendment.

I consider that this is something we cannot fail to adopt, so I do urge the adoption of my amendment. I do not intend to call it up at this moment, but I do intend to call it up later.

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

The PRESIDING OFFICER (Mr. MCINTYRE in the chair). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT

Mr. SPARKMAN. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 52, line 8, insert the following: "SEC. 415. Section 702(c) of the Housing and Urban Development Act of 1965 is amended by striking out 'October 1, 1969' and inserting in lieu thereof 'May 1, 1970' ".

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. Yes. But may I first say this:

Mr. President, this amendment is really offered for the Senator from Minnesota (Mr. MONDALE), who cannot be present at this time, and I offer it on his behalf.

Mr. TOWER. Will the Senator explain the substance of the amendment?

Mr. SPARKMAN. It extends the deadline for the time within which a community may qualify for basic water and sewer facilities grants under section 702 of the 1965 Housing Act from October 1, 1969, to May 1, 1970. The existing law requires, as a prerequisite for 702 grant assistance, that the community's proposed project is consistent with the comprehensive planned development of the area. A special provision of the law has waived this requirement up to October 1, 1969. This amendment would extend that deadline until May 1, 1970.

Mr. TOWER. I thank the distinguished Senator from Alabama.

For the minority, I am prepared to agree to the amendment.

Mr. PROXMIRE. Mr. President, what is this amendment about?

Mr. SPARKMAN. It extends the deadline on approval of a comprehensive plan as a prerequisite for grants for water and sewer facilities under section 702 of the Housing Act of 1965.

Mr. PROXMIRE. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT

Mr. SPARKMAN. Mr. President, I send to the desk an amendment which is offered on behalf of the Senator from New Mexico (Mr. MONTOYA). He intended to offer it but cannot be present at this time, and I offer it for him.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 11, beginning with line 12, strike out all through line 13, on page 16, and insert the following:

"EXPANSION OF THE FHA NURSING HOME PROGRAM TO INCLUDE INTERMEDIATE CARE FACILITIES

"SEC. 111. Section 232 of the National Housing Act is amended—

"(1) by striking out subsection (a) and inserting in lieu thereof the following:

"'(a) The purpose of this section is to assist in the provision of facilities for either of the following purposes or for a combination of such purposes:

"'(1) The development of nursing homes for the care and treatment of convalescents and other persons who are not acutely ill and do not need hospital care but who require skilled nursing care and related medical services.

"'(2) The development of intermediate care facilities for the care of persons who, while not in need of nursing home care and treatment, nevertheless are unable to live fully independently and who are in need of minimum but continuous care provided by licensed or trained personnel.';

"(2) by striking out "and" at the end of subsection (b)(1);

"(3) by redesignating subsection (b) (2) as (b) (3) and inserting a new subsection (b) (2) to read as follows:

"'(2) the term 'intermediate care facility' means a proprietary facility or facility of a private nonprofit corporation or association licensed or regulated by the State (or, if there is no State law porviding for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located) for the accommodation of persons who, because of incapacitating infirmities, requires minimum but continuous care but are not in need of continuous medical or nursing services; and';

"(4) by striking out in the introductory text of subsection (d) 'a new or rehabilitated nursing home' and inserting in lieu thereof 'a new or rehabilitated nursing home or intermediate care facility or combined nursing home and intermediate care facility';

"(5) by striking out in subsection (d) (2) 'operation of the nursing home' and inserting in lieu thereof 'operation of the facility';

"(6) by striking out subsection (d) (4) and inserting in lieu thereof the following:

"'(4) The Secretary shall not insure any mortgage under this section unless he has received, from the State agency designated in accordance with section 604 (a) (1) of the Public Health Service Act for the State in which is located the nursing home or intermediate care facility or combined nursing home and intermediate care facility covered by the mortgage, a certification that (A) there is a need for such facility or home, and (B) there are in force in such State or other political subdivision of the State in which the proposed facility or home would be located reasonable minimum standards of licensure and methods of operation governing the facility or home. No such mortgage shall be insured under this section unless the Secretary has received such assurance as he may deem satisfactory from the State agency that such standards will be applied and enforced with respect to any facility or home located in the State for which mortgage insurance is provided under this section.'; and

"(7) by adding new subsections (g) and (h) at the end thereof to read as follows:

"'(g) The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section relating to intermediate care facilities, after consulting with the Secretary of Health, Education, and Welfare with respect to any health or medical aspects of the program which may be involved in such regulations.

"'(h) The Secretary shall also consult with the Secretary of Health, Education, and Welfare as to the need for and the availability of intermediate care facilities in any area for which an intermediate care facility is proposed under this section.' "

On page 16, lines 17 and 18, strike out "after section 243 (added by section 113 of this Act)" and insert in lieu thereof the following: "at the end thereof".

On page 16, line 20, strike out "244" and insert "243".

Mr. SPARKMAN. Mr. President, this is an amendment to the plan that the committee agreed to in connection with FHA insurance of intermediate nursing care facilities. It may be remembered that in the testimony our attention was called to the great need for facilities that can supply intermediate care; and that a great many people who might otherwise go to a hospital or a nursing home need only intermediate care. This amendment would make that care possible by helping to finance the construction of such facilities. That service can be rendered for much less than intensive care or the kind of care the ordinarily-approved nursing home would give. The pending amendment is for the purpose of expanding the present section 232 to cover intermediate nursing facilities as well as a nursing home. We believe an amendment to the existing 232 section is a much better way to take care of this than by creating a new section as originally proposed by the committee.

The intermediate care facilities, authorized by the proposed amendment, would make accommodations available for persons who, because of incapacitating infirmities, require minimum and continuous care of the type provided by licensed or trained personnel but who do not need nursing home care or medical treatment. These facilities could be developed as a separate project or they could be combined and operated in con-

junction with a nursing home. A combined project would be very useful in providing continuing services for patients who at first require full nursing care and subsequently require continuous but less professional care.

An intermediate care facilities project or a combined nursing home and intermediate care facilities project could be financed under the same terms and conditions as provided for a nursing home under the present authority.

Mr. TOWER. Mr. President, this amendment has been discussed by the minority. We have no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

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

The PRESIDING OFFICER. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. SPARKMAN. Mr. President, I send to the desk an amendment and ask that it be stated. This is really done on behalf of the Senator from Maine (Mr. MUSKIE). If he could have been present, he would have presented it. I offer it for him.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Strike all of the present section 303 beginning on line 12 of page 29 and substitute the following:

"SEC. 303. Section 701 of the Housing Act of 1954 is amended by redesignating subsection (i) as subsection (j), and by inserting after subsection (h) the following new subsection:

"'(i) Any grants made under this section to a State, metropolitan, or regional planning agency, an economic development district, or any other areawide planning agency for use by such agency or district to provide planning assistance to any local government or any agency or instrumentality of a local government should be used in a manner consistent with the Federal Government's policy of relying on the private enterprise system to provide those services which are reasonably and expeditiously available through ordinary business channels.'"

Mr. TOWER. Mr. President, would the Senator from Alabama explain the substance of the amendment?

Mr. SPARKMAN. Yes. It is, really, an amendment to the language that the committee wrote in under the 701 planning grant program.

The Senator will remember that we tried last year to make certain that private planning consultants might be used in some of the planning areas where the local people wanted them.

We wrote that into the law last year, but it appeared that it was not clear that we intended it be optional. The purpose of the amendment is merely to make it clear that our intention is that the use of planning consultants or the use of State regional or locally hired planners is clearly at the option of the local body.

Mr. TOWER. This is, then, a clarifying amendment?

Mr. SPARKMAN. That is right.

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

The PRESIDING OFFICER. Is there objection to the amendment?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. HOLLINGS. Mr. President, I call up my amendment No. 179——

The PRESIDING OFFICER. An amendment is pending.

Mr. TOWER. Mr. President, I ask unanimous consent that the amendment of the distinguished Senator from Alabama (Mr. SPARKMAN) be withdrawn.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is withdrawn.

Mr. TOWER. Reserving the right to re-offer it.

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

AMENDMENT NO. 179

Mr. HOLLINGS. Mr. President, I call up my amendment No. 179 on mobile homes.

The PRESIDING OFFICER. The amendment will be read.

The assistant legislative clerk read the amendment (No. 179) as follows:

AMENDMENT NO. 179

At the end of the bill add the following new section:

"SEC. 415. Section 2 of the National Housing Act is amended by—

"(1) inserting '(i)' after the words 'for the purpose of' in the first sentence of subsection (a);

"(2) inserting '; and for the purpose of (ii) financing the purchase of a mobile home to be used by the owner as his principal residence' before the period at the end of the first sentence of subsection (a);

"(3) inserting '(other than mobile homes)' after 'new residential structures' in clause (1) of subparagraph (iii) of the second paragraph of subsection (a);

"(4) inserting the following new sentence at the end of subsection (a): 'The Secretary is hereby authorized and directed, with respect to mobile homes to be financed under this section, to (i) prescribe minimum standards of construction and design to assure the livability and durability of the mobile home; and (ii) obtain assurances from the borrower that the mobile home will be placed on a site which complies with local zoning and other applicable local requirements.';

"(5) inserting ', except that an obligation financing the purchase of a mobile home may be in an amount not exceeding $10,000' before the semicolon at the end of clause (1) in the first sentence of subsection (b);

"(6) inserting ': *Provided*, That an obligation financing the purchase of a mobile home may have a maturity not in excess of twelve years and thirty-two days' before the semicolon at the end of clause (2) in the first sentence of subsection (b); and

"(7) striking 'real property' each place it appears in subsection (c)(2) and inserting in lieu thereof 'real or personal property.'"

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the amendment may reflect the cosponsorship of the Senator from Idaho (Mr. CHURCH) and the Senator from Massachusetts (Mr. KENNEDY).

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

Mr. HOLLINGS. This amendment would amend title I of the National Housing Act to authorize the establishment of a new FHA program financing the purchase of a mobile home to be used by the owner as his principal residence.

Under the proposed new program, a purchaser of a mobile home would be able to obtain an FHA-insured loan in an amount not exceeding $10,000, which could be repaid over a maximum term of 12 years.

The financing charge to the mobile home purchaser would vary depending on the amount and term of loan obtained. For example, a loan of $5,000 for 12 years would require a monthly payment of $55.12 and the loan would bear an annual interest rate of 8.25 percent. A loan of $6,000 for 12 years would require a monthly payment of $65.71 and would bear an annual interest rate of 8.25 percent. A loan of $10,000 for 12 years would require a monthly payment of $108.09 and bear an annual interest rate of 8 percent. These interest rates are substantially lower than those applicable to non-FHA insured loans currently used for financing the purchase of mobile homes. The noninsured loans generally bear interest at an annual rate of around 12 or more percent.

The mobile home loans would be made by the same lenders—commercial banks, savings and loan companies, finance companies and credit unions—as are already engaged in the FHA title I home improvement program. Many of these same lenders are presently making noninsured loans financing the purchase of mobile homes.

Under the proposal, the lenders currently holding FHA title I contracts, of which there are over 8,000, will be able to use the existing title I procedures—with which they are familiar—for handling loans to mobile home purchasers. The lender will be able to receive FHA reimbursement for loss sustained by reason of a default by the mobile home owner in payments on the loan. Reimbursement will be on a coinsurance basis with the insurance payment computed as either 90 percent of the lender's loss or 10 percent of the total outstanding amount of title I loan reported by the lender for FHA insurance, whichever amount is the lesser. Both the loans reported for property improvement and for financing the purchase of a mobile home will be included in computing the 10 percent reserve amount. This will give the lender the advantage of increasing its 10 percent reserve each time it reports either type of title I loan for insurance.

In order to assure that the mobile homes financed with a loan insured by the FHA will be suitably constructed and placed on a desirable site, the proposal authorizes and directs the FHA to prescribe minimum standards of construction and design for the mobile home unit.

I emphasize this, Mr. President, because in our 2 days of hearings there was only one real caveat, and that was that we not construct slums, that we not contribute to the urban problem, but

that we try to assist in its solution. It was felt that as long as the FHA is authorized and directed to provide minimum standards, to make certain that the mobile home will comply with minimum standards of construction and minimum sanitary and public improvement needs and regulations, we will have a good program. My amendment would also require the FHA to obtain assurances from the borrower that the mobile home will be placed on a site which complies with local zoning and other applicable local requirements.

Mr. President, lower income families are today facing a mortgage money market that makes homeownership an impossibility. As a result, more Americans are turning to mobile homes for an alternative form of housing that they can afford.

With FHA participation, more families will be able to acquire adequate housing—a need prevalent in every section of our Nation.

I should like to emphasize that this proposal in no way is intended to conflict or to be in competition with existing housing programs sponsored by the private sector of our economy or by the Federal Government, or by both.

In the entire 2 days of our hearings, no oral witness testified in opposition. The committee received only a statement from the National Home Builders Association, an organization of conventional house builders, to the effect that it possibly could take away financially from other conventional housing programs, or, alternatively, that it would not solve the housing problem.

We do not think it will solve the housing problem. It merely furnishes another approach to low income housing that the public has already been taking, and we believe it is time the Government recognized the need for its financing.

The current demands of our Nation clearly underscore the need for more housing of all types and it is my feeling that this legislation would be a major step forward in meeting these housing needs.

This proposal has been the subject of hearings before the Housing Subcommittee of the Banking and Currency Committee.

At those hearings, testimony was heard from:

Mr. William B. Ross, Acting Assistant Secretary for Mortgage Credit and Acting Federal Housing Commissioner, Department of Housing and Urban Development;

Mr. Nathaniel Keith, president, National Housing Conference;

Mr. John M. Martin, managing director, Mobile Homes Manufacturers Assn., also representing Trailer Coach Association;

Mr. Burr Gray, president, Mobile Housing Association of America, Inc.;

Hon. JOHN BRADEMAS, Congressman from Indiana;

Mr. James R. Price, president and chairman of the board, National Homes Corp., Lafayette, Ind.;

Mr. Clarence R. Mitchell, director of Washington bureau, National Association for the Advancement of Colored People;

Mr. Peter W. Hughes, legislative representative, American Association of Retired Persons; and

Mr. John E. Jacobs, acting director, Washington Urban League.

Statements were received from the United States Savings and Loan League and the American Bankers Association. All of these groups favored enactment of this proposal.

I hope other Members of the Senate will join me in providing this additional avenue to individual homeownership.

Mr. SPARKMAN. Mr. President, I should like to add just a word or two.

This proposal really came in too late to be incorporated in the omnibus bill that we reported out, but we did have hearings—quite satisfactory hearings—with reference to mobile homes, and I believe it was recognized by the committee as a whole that this was a field in which we should move, and a field in which we should have promise of a greater number of low-cost housing units to take care of the people.

A great many people may be surprised to learn that 6 million Americans live the year around in mobile homes. This problem has been before us in one way or another for a good many years. I remember that the first thing we did—it must have been about 10 or 12 years ago—was to provide FHA insurance for the establishment of trailer parks, as we called them. We never have gone into the insurance of mobile homes, as they call them now instead of trailers, because of the fact that they were movable; but the way they are built now, they are really moved from one place to another. They are customarily set on a foundation, and become very much a permanent place of residence. They are not movable in the same sense that the old trailer was movable. I agree with the distinguished Senator from South Carolina that minimum property standards must be insisted upon by the FHA in insuring the financing of these units. This will include both the structure itself and the site on which it is located.

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

Mr. SPARKMAN. I yield.

Mr. HOLLINGS. The distinguished Senator is quite correct in his statistics. Actually, 80 percent of these so-called mobile homes remain in place for periods of 5 years or more.

The requirement is that in financing, the owner certifies that the mobile home is to be used as a principal residence. Ninety-five percent of the homes costing $12,500 or less in America today are mobile homes.

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

Mr. SPARKMAN. I yield.

Mr. TOWER. I think the mobile home technology is very good. It affords housing at a much lower price than ordinary construction, and I think there is much we can learn from the mobile home industry in seeking a breakthrough in the cost of home construction.

I believe the amendment of the Senator from North Carolina is most constructive, and certainly I am prepared to accept it.

Mr. SPARKMAN. Mr. President, speaking for the majority side, it was manifest, at the conclusion of the hearings, that the committee was favorable to some such action as this. I am agreeable to accepting the amendment of the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I send to the desk an amendment virtually the same as the one I offered awhile ago on section 701 planning.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT LEGISLATIVE CLERK. The Senator from Alabama (Mr. SPARKMAN) proposes an amendment:

Strike all of the present Section 303 beginning on line 12 of page 29 and substitute the following:

"SEC. 303. Section 701 of the Housing Act of 1954 is amended by redesignating subsection (i) as subsection (j), and by inserting after subsection (h) the following new subsection:

"'(i) Any grants made under this section to a State, metropolitan, or regional planning agency, an economic development district, or any other areawide planning agency for use by such agency or district to provide planning assistance to any local government or any agency or instrumentality of a local government shall be used in a manner consistent with the Federal Government's policy of relying on the private enterprise system to provide those services which are reasonably and expeditiously available through ordinary business channels'".

Mr. TOWER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Secretary Romney addressed to Senator BENNETT. The letter is pertinent to the amendment offered by the Senator from Alabama.

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

SEPTEMBER 22, 1969.

Hon. WALLACE F. BENNETT,
U.S. Senate, Washington, D.C.

DEAR SENATOR BENNETT: I am pleased to write you, following a meeting held between Assistant Secretary Jackson and John Evans, Minority Staff Director, Senate Banking and Currency Committee, concerning certain proposed amendments to the Housing Act on the use of private consultants in providing planning assistance to local governments.

The effect of this proposed amendment, as drafted, would be to significantly weaken State efforts to assist their communities. This is contrary to our firm commitment to meaningful State urban involvement and participation.

On the other hand, I am determined to encourage participation of the private sector to achieve the goals of this Department. This is especially true with respect to administration of our Planning Assistance Program under Section 701 and 702 of the Housing Act.

To assure that we are taking every possible responsible action for full utilization of private enterprise in HUD's comprehensive planning and public works planning programs, I am taking the following three steps:

1. Expedite completion of a recent survey of all planning agencies receiving 701 Comprehensive Planning Assistance grants to determine the extent to which private consultants are utilized. Preliminary findings indicate that upwards to 45 percent of all appropriations made available to the States under Section 701 are expended for use of private consultant services. The results of this survey will be forwarded to you.

2. Review thoroughly the existing regulations and guidelines for the Comprehensive Planning Assistance Program. A preliminary review of this document, which contains a

large number of references to use of consultants, indicates that it could be strengthened.

3. Invite the major organizations concerned with this subject, including the American Society of Consulting Planners and the National Society of Professional Engineers, to thoroughly explore these matters of common interest. I have asked Assistant Secretary Jackson to promptly call such a meeting.

I hope these views are helpful to you and to the Banking and Currency Committee in its deliberations.

Sincerely,

GEORGE ROMNEY.

Mr. SPARKMAN. Mr. President, the amendment was offered by the Senator from Maine (Mr. MUSKIE) who had fully intended to be present and introduce the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. TOWER. Mr. President, apparently the administration has no objection to the amendment. It is a constructive amendment and on behalf of the minority I am prepared to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. SPARKMAN. Mr. President, the Senator from Rhode Island (Mr. PELL) wishes to address questions to me relating to a provision already agreed to. The discussion will be fully relevant to that matter. I yield to the Senator for that purpose.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, I thank the Senator from Alabama.

Would the bill prohibit the State government in my State of Rhode Island, from using Federal funds for planning activities under contract with local governments in the State if the local governments enter into the contracts voluntarily and if they are not prohibited by the State from using private planning consultants?

Mr. SPARKMAN. Mr. President, awhile ago I commented on the language that was in the bill as reported. In reading the report and the language of the bill, I came to the conclusion that the bill did not do just what the report said it did. I refer to the voluntary use of private consulants. Therefore, we worked out amendatory language that makes it voluntary.

It is entirely optional with a municipality, county, region, metropolitan area, or any other branch of the government. They can use planning consultants if they wish or contract with the State to supply consultants or make whatever arrangement they want. It is purely voluntary.

Mr. PELL. Mr. President, I thank the Senator from Alabama very much indeed for that assurance.

Mr. SPARKMAN. I thank the Senator from Rhode Island for calling up the matter.

Mr. GOODELL. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The BILL CLERK. The Senator from New York (Mr. GOODELL) proposes an amendment:

On page 17, lines 4 and 17 strike out "967" and insert "1965".

On page 24, line 10, strike out "1967" and insert "1965".

Mr. GOODELL. Mr. President, as a member of the Banking and Currency Committee, I am pleased to support our committee bill, S. 2864, the Housing and Urban Development Amendments of 1969.

The housing shortage in this country has become critical. In urban and rural areas, the poor are forced to live in substandard housing—housing that lacks adequate heat, electricity, and plumbing. In New York City alone, 40,000 families are on waiting lists for public housing units. Because of the rapid rise in building costs and interest rates, many families of low and middle income find it impossible to buy a home.

Last year, the Congress committed the Nation to the construction of 26 million new and rehabilitated homes within 10 years. Innovative and ambitious programs, such as homeownership, rental assistance, the neighborhood development program, were conceived to meet that goal and I believe that the programs created in that landmark housing bill of 1968 have the potential for this purpose.

The legisltaion now before us does not propose other action programs. Rather, the committee took a long, hard look at the 1968 programs. In our investigations, hearing and questioning witnesses, we probed to learn more about the programs—were they successful? Were they filling a need? Could they be managed more efficiently? As a member of the committee I asked myself the quesiton I know my colleagues must have asked: "How can we make these programs more workable and more efficient?"

One central factor which pervaded the study of the question was the severe inflation—rising interest rates and building costs—which threatens our economic well-being. The housing market is more often than not the first casualty to inflation. In a period of tight money, the mortgage market becomes more unattractive and investors are more eager for short term commitments. Building costs—the price for labor, material, and land—have skyrocketed, and these new costs far exceed the construction costs permissible for Government housing programs.

The result of inflation, with its credit squeeze and high prices, is that housing construction is seriously impeded. And we fall further and further behind in meeting our Nation's housing goals.

The effects of inflation on housing and urban development were a major concern to the committee. To ease the credit crunch, the powers of GNMA were expanded. The purchasing authority has been increased from $17,500 to $20,000 per dwelling, the special assistance functions have been extended to certain classes of mortgages, and the guarantee programs have been broadened to include the guarantee of full principal and interest on bonds. This revitalized GNMA should attract more investments into the mortgage market.

To combat rising prices and to make Government cost limits consistent with actual construction experience, the committee has applied a nationally recognized construction cost increase, on an annual basis, to construction limits in such programs as section 235, section 236, and the public housing program. In addition, section 235 and public housing projects in high cost areas will benefit from a 45-percent increase in the limits.

I believe the committee wisely chose a farsighted course in applying a construction cost increase to these housing programs. This increase will be applicable for the future and will reflect the periodic changes in costs of construction. I wholeheartedly support this approach.

I am concerned, however, about the particulars of the construction increase formula for public housing, section 235 and section 236. The formula, as proposed by the committee, for cost limits, will produce a sum too low to meet the costs in such cities as New York, Newark, Boston, San Francisco, and many more. The language applies 1967 as the base year for application of the construction cost index.

During our committee sessions, I offered the original amendment which revised room cost limits for public housing to a more realistic and flexible amount. Under my amendment, the existing statutory cost limits of $2,400 per room could be increased by the Secretary of HUD by a nationwide construction cost index using 1965 as the base year. Both my amendment and the committee provision include a further increase in high cost areas by the amount of 45 percent.

Although my amendment was accepted by the committee, the committee later approved a request that the base year be changed from 1965 to 1967 to make the formula consistent with the construction cost increase formula of other FHA home construction programs including section 235 and section 236.

The 1967 base year yields a room cost limit for public housing of approximately $4,000; the 1965 base year produces a limit of over $4,300. In New York City alone, five public housing project starts have been delayed for over 6 months due to the room cost limits which have not kept pace with and do not reflect the increased cost of construction. The language of the committee bill will permit beginning construction on two of these projects. Three cannot be authorized by this new formula, at a time when over 40,000 families are on the waiting lists for public housing.

I am also informed by such respected housing sponsors as the Catholic Archdiocese of New York and the Phipps Foundation that the use of the base year 1967 for the sale price index for section 235 and section 236 will be inadequate to

meet the building costs for projects so desperately needed.

Room cost limits for public housing were last revised by Congress in 1965. Mortgage limits for the section 235 and section 236 programs were based on 1965 figures although the programs were created in 1968. Since 1965, there has been a construction cost increase of almost 26 percent. The provision in S. 2864 which allows adjustment from 1967 would allow a 15-percent construction cost increase. If the new formula is to reflect the changes and actual experience in construction since the last revision by Congress and are to be effective in increasing the stock of housing units, the additional 11 percent must be included in this legislation.

The language of my amendment inserts the year "1965" in lieu of "1967" in the appropriate places.

I urge my colleagues to support this amendment. It will make the proposed legislation more responsive to the needs of the people, by providing housing programs upon which homes can be built without fear of delay due to unrealistic Government cost requirements. Furthermore, I urge support of the bill, S. 2864, as amended this afternoon.

Mr. TOWER. Mr. President, I think this is a constructive proposal by the Senator from New York. For my part, I am willing to take it to conference, to see what we can do with it.

Mr. GOODELL. I thank the Senator.

Mr. SPARKMAN. Let me say to the Senator from New York, who is a very valuable member of the Committee on Banking and Currency, and who has taken an active part in this housing measure, that I am willing to do as the distinguished Senator from Texas has said he is willing to do—that is, to take it to conference.

I do wish to say this, however: I want to know more about just what the revised formula would do and what effect it would have on the rising cost of housing. The Senator knows that that is a problem we have to face. It is going up, up, and up, year after year. The time will inevitably come, if the cost of housing continues to climb, when it simply will not be possible for people of lower income levels to have decent housing.

So I do believe we shall need to do some study and research. I realize the problem with which the Senator is concerned, and it relates particularly to his State, and that is a high cost area. It is a real problem, and that is what he is trying to strike at.

I certainly will be glad to study this matter carefully between now and conference, and I hope we can work out something to his satisfaction.

Mr. TOWER. Mr. President, I concur in and associate myself with the remarks of the Senator from Alabama. Our experience often has been that ceilings become floors on construction costs, and this is what we want to avoid. I certainly think the amendment of the Senator from New York should be considered.

Mr. GOODELL. Mr. President, I say to the Senator from Texas and the Senator from Alabama that I share their concern about the rising costs of construction, and the price that this exacts from our public housing programs and our section 235 and section 236 programs in trying to make housing available at a moderate cost for lower income people.

I do not believe this amendment will contribute to increased costs. I think it recognizes the increased costs that have occurred in the past; and if we are going to get results from the proposed legislation, we have to recognize those costs and see that our programs are implemented.

I appreciate the cooperation of my colleagues, and I trust that they will agree prior to conference that this is a meritorious amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

AMENDMENT NO. 198

Mr. CRANSTON. Mr. President, I call up my amendment to this measure relating to extending the protection of the National Flood Insurance Act of 1968.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 43, strike out lines 3 and 4 and insert in lieu thereof the following:

"NATIONAL FLOOD INSURANCE PROGRAM".

On page 43, between lines 15 and 16, insert the following new subsection:

"(d) (1) Section 1302 of the Housing and Urban Development Act of 1968 is amended by adding at the end thereof the following new subsection:

"'(f) The Congress also finds that (1) the damage and loss which results from mudslides is related in cause and similar in effect to that which results directly from storms, deluges, overflowing waters, and other forms of flooding, and (2) the problems involved in providing protection against this damage and loss, and the possibilities for making such protection available through a Federal or federally sponsored program, are similar to those which exist in connection with efforts to provide protection against damage and loss by such other forms of flooding. It is therefore the further purpose of this title to make available, by means of the methods, procedures, and instrumentalities which are otherwise established or available under this title for purposes of the flood insurance program, protection against damage and loss resulting from mudslides that are caused by accumulations of water on or under the ground.

"'(2) Section 1370 of the Housing and Urban Development Act of 1968 is amended by inserting "(a)" after "SEC. 1370.", and by adding at the end thereof the following new subsection:

"'(b) The term "flood" shall also include inundation from mudslides which are caused by accumulations of water on or under the ground; and all of the provisions of this title shall apply with respect to such mudslides in the same manner and to the same extent as with respect to floods described in paragraph (1), subject to and in accordance with such regulations, modifying the provisions of this title (including the provisions relating to land management and use) to the extent necessary to ensure that they can be effectively so applied, as the Secretary may prescribe to achieve (with respect to such mudslides) the purposes of this title and the objectives of the program.'"

Mr. CRANSTON. Mr. President, I wish to state that this amendment, which the senior Senator from California (Mr. MURPHY) joins me in cosponsoring, would extend to victims of mud slides the coverage provided by the National Flood Insurance Act of 1968 on the grounds that this is an aspect of floods that happen in places where floods normally happen as we begin to build on hillsides, and so forth.

Mr. TOWER. Mr. President, I do not object to the amendment. I think it is an oversight that this matter was not covered. This matter should be considered like everything else.

Mr. SPARKMAN. Mr. President, I agree with the Senator from Texas. I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 199

Mr. TOWER. Mr. President, I call up my amendment No. 199, as modified, and ask that it be read.

The PRESIDING OFFICER. The clerk will read the amendment.

The LEGISLATIVE CLERK. Mr. TOWER, for himself, Mr. DOLE, Mr. FANNIN, Mr. GURNEY, Mr. PACKWOOD, and Mr. PERCY, proposes amendment No. 199, as modified, as follows:

Section 1010(a) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (3) a new paragraph as follows:

"(4) assure, to the extent feasible, in connection with housing construction, any major rehabilitation, and maintenance under programs administered by the Department of Housing and Urban Development, that there is no inhibition by contract or practice against the employment of new or improved technologies, techniques, materials and methods or of preassembled products which may reduce the cost or improve the quality of such construction, rehabilitation, and maintenance, and therefore stimulate expanded production of housing under such programs.

Mr. TOWER. Mr. President, I wish to call to the attention of Senators that the printed version of my amendment No. 199 has been modified to provide that this assurance be made "to the extent feasible." Therefore, there is a discretionary power on the part of the Secretary so it will not disrupt efforts to negotiate where contracts that perhaps would come under the ban expressed here are in existence.

We have to ask ourselves, Are we going to improve housing technology so we can bring down the costs or not? There are certain labor practices that do tend to keep the cost of construction up because prefabricated materials such as doors, windows, cabinets, and things of this sort cannot be used because certain working rules prohibit them and the workers would walk off if they were used.

We have to agree to this amendment in order to keep section 1010 in the 1966 act. I hope the amendment is agreed to.

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

Mr. TOWER. I yield.

Mr. JAVITS. Mr. President, I am the ranking minority member of the Committee on Labor and Public Welfare.

This amendment raises some serious questions. Perhaps the Senator can deal with those questions in a colloquy at this time on the floor of the Senate. I do appreciate the amendment which has been offered, and the modifications which have been made to the original text.

Of course, it still would place the power over collective bargaining in the Secretary, which is disturbing, because the theory we have always had is that the Secretary cannot block normal give and take collective bargaining. However, I am interested in more than that. I am particularly interested in the words "no inhibition." "Inhibition" is a strong word, much stronger than restraint or prevention.

I am concerned for this reason. Mind you, Mr. President, I am with the Senator; I am trying to get new technology and materials in the field, so I speak sympathetically. The union might say, "All right. We are certainly not interested in denying any technology to reduce cost, but we think our members should have some additional compensation for handling new or improved material." Perhaps it is well deserved. I have no idea. It may be heavier, it may be more dangerous, it may take more time or skill. Are not the words "no inhibition by contract or practice" an absolute prohibition against what might be the fair subject for bargaining between employee and employer?

Mr. TOWER. Mr. President, in order to make legislative history on this matter I would not so construe the word as prohibiting some additional costs in handling. I might point out that we have modified this amendment to read "to the extent feasible." I think the Secretary can be relied upon to make a determination if it is feasible.

Mr. JAVITS. Can the Senator tell me if he ascertained whether the antitrust language might be much more appropriate? Could we say, for example, there is no unreasonable restraint by contract or practice against the employment or improved technologies, techniques, materials and methods?

I do not ask the Senator to answer off the top of his head. This is a matter of first impression to the Senator that he might take a few minutes to think about while other Senators speak. I am not against the Senator. I am only concerned with respect to the legitimate relationship between labor and management, lest that relationship be inhibited.

Sometimes by going too far we defeat ourselves because it just will not work. It will just inhibit the production of housing and it might cause a tougher attitude than would otherwise be present.

I suggest the possibility of using the antitrust formula that there is no unreasonable restraint by contract or practice against the employment of new or improved technologies.

Mr. TOWER. Would that remove any objection the Senator has?

Mr. JAVITS. I think so.

Mr. TOWER. I appreciate the suggestion of the Senator and I shall think it over.

Mr. GURNEY. Mr. President, as one of the cosponsors of the amendment with the Senator from Texas I wish to say that my own understanding of the amendment is that there is no intention here to interfere with normal relationships between employee and employer or the contracting union. The entire import of the amendment is to permit the Secretary to use the persuasion of his office in introducing new methods of building so we can cope with the housing crisis in this country.

I agree with the Senator from Texas and I assure the Senator from New York, as one sponsor of the amendment, that it is not my thought that this would do that at all.

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

Mr. TOWER. I yield.

Mr. JAVITS. Mr. President, in suggesting consideration of the antitrust words I do not wish to imply that any effort or intention is being made to apply the antitrust laws to the trade union relationship. I suggest it because they are words well interpreted and words which have history; and the possibility of those words being more nearly the intention of the amendment of the Senator from Texas.

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

Mr. TOWER. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I have carefully considered the language used by the Senator from Texas. I feel it is one of the most important additions that could be made to the legislation before us. I feel strongly that nothing can stand in the way of new technology. For this reason I rise in support of the amendment. The Senator is trying to solve problems involved with new technology and to eliminate roadblocks in order to solve our housing needs. This is not an "anti-anybody amendment." It is a prohousing amendment to meet the housing needs of this country, and I am pleased to support the amendment for that reason.

Mr. President, one of the most exciting possibilities for solving the housing needs of this country is in the era of new technology. Indeed, the use of new technology may be the only way of meeting the congressional goal of 26 million new housing units in the next 10 years.

The Department of Housing and Urban Development has just launched Operation Breakthrough, an effort to develop housing systems which can be produced in volume at lower cost. HUD is now requesting builders to submit their prototype ideas from which 12 to 20 prototypes will be built in eight locations across the country. It is hoped that from the initial prototypes production can take place at a minimum of 350,000 units per year.

In order for this vision to become reality, new ideas and solutions to all the various problems of housing will have to come from building suppliers, labor, and builders. It will take a coordinated effort to achieve the reality of volume, low-cost housing. If successful, this effort will bring good housing within the reach of many who cannot now afford to buy a house.

Operation Breakthrough is aimed at achieving volume production, rather than relying on the fragmented production capacity which currently exists in the housing industry.

The benefits will be many: First, a reduction in the real cost of housing. New technology and new management techniques will bring the cost of housing down over time; second, more and better houses for people of all incomes; third, the cost of subsidizing housing for low- and moderate-income groups would decline. If the unit cost of housing can be reduced, Government subsidies can be reduced also; fourth, more employment will be created year-round. A volume market would assure more jobs in the construction industry; fifth, it will promote continuing innovation for even better ways to provide housing on a volume basis; and sixth, if volume production really gets underway, it will put pressure on local government officials from the demand side to alter zoning codes and building codes so as to promote the use of this type of housing.

It is because I feel so strongly that nothing must stand in the way of new technology that I rise to support the amendment of the distinguished Senator from Texas.

Senator TOWER is trying to encourage the Department of Housing and Urban Development to promote the use of new technology and to eliminate roadblocks that might hinder the use of new technology in solving housing needs.

This is not an anti-anybody amendment. It is a pro-housing amendment to meet the housing needs of this country and I am pleased to support the Senator from Texas in his effort.

Mr. TOWER. Mr. President, I ask unanimous consent that I might modify my amendment to read as follows: On line 4, strike the word "inhibition", and substitute therefor the words "unreasonable restraint".

That will be in conformity with the suggestion made by the distinguished Senator from New York (Mr. JAVITS).

The PRESIDING OFFICER. Without objection, the amendment will be so modified.

Mr. JAVITS. Mr. President, I thank the Senator from Texas very much for that change. I think it is desirable. I am glad that he has accepted it.

If the Senator will allow me, I would like to point out that the President announced this morning the creation of a Construction Industry Collective Bargaining Commission to be made up of very distinguished members, including trade union members, as well as the two principal Secretaries of the Cabinet concerned.

In view of the problems which have arisen in the construction industry the establishment of this Council is most welcome. Let me point out that housing starts are receding, in my judgment, dangerously because of the high interest costs. Everything we can do to buck it up deserves to be done. I think that a matter of this character and intimate knowledge of what will really forward our purpose are essential.

I look forward to the fact that the Commission appointed by the President this morning will be of considerable help in the matter.

Mr. President, I ask unanimous consent to have printed in the RECORD the Executive order creating the Commission and the news reports on it.

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

[From the Office of the White House Press Secretary, Sept. 22, 1969]

EXECUTIVE ORDER ESTABLISHING A CONSTRUCTION INDUSTRY COLLECTIVE BARGAINING COMMISSION

Whereas, the national interest requires a steady level of construction activity; and

Whereas, labor-management relations in the construction industry reflect numerous signs of strife and tensions and the national interest requires an improvement in the procedures and performance of collective bargaining in this vital sector; and

Whereas, the continuation of these problems tends to encourage widespread public demand for governmental regulation and controls; and

Whereas, the achievement of greater stability in the flow of construction volume is essential; and

Whereas, the Federal government and local and State governments, being major industry consumers, have a substantial interest in construction activity; and

Whereas, the labor and management organizations in the construction industry recognize that industrial strife tends to disrupt construction operations and adversely to affect other sectors, including the public; and

Whereas, the Commission hereinafter provided for is designed to develop voluntarily tripartite procedures to be followed in the settlement of disputes over the terms of collective bargaining agreements in the construction industry involving the standard labor and management organizations, and to engage in such related activities as will facilitate industrial peace and stability in the construction industry but the establishment of the Commission is not intended to provide for compulsory arbitration or for any compulsory limitation on the right to strike or lockout;

Now, therefore, by virtue of the authority vested in me as the President of the United States, it is ordered as follows:

Section 1. There is hereby established a Construction Industry Collective Bargaining Commission (hereinafter referred to as the Commission). The Commission shall be composed of twelve members as follows: (1) The Secretary of Labor, who is hereby designated as the Chairman of the Commission, (2) the Director of the Federal Mediation and Conciliation Service, and (3) the following members, all of whom shall be appointed by the President: (i) two members representative of the public, (ii) four representatives of labor organizations in the construction industry, and (iii) four representatives of employers in that industry. Representatives of the labor organizations and the employers shall be appointed after consultation with various national labor organizations and contractor associations in the construction industry. Alternate members also may be designated.

Section 2. The Commission shall have an Executive Director, designated by the Chairman, who shall assist the Chairman and the Commission in the performance of their functions as they may direct. The staff to be made available to the Commission shall include a person drawn from the Federal Mediation and Conciliation Service to assist in coordination of mediation activities of the Service and the work of the Commission, a person from Department of Labor staff engaged in the administration of the Davis-Bacon Act, and such research and other personnel as may be necessary.

Section 3. The general objectives of the Commission shall include, but need not be limited to, the following:

(a) To study relevant private and public policies: (i) to upgrade the skills of, and to increase the labor force engaged in the construction industry and improve training procedures; (ii) to reduce the instability of demand for construction labor, and (iii) to provide a greater number of weeks of work per year to those engaged in the industry.

(b) To strengthen the role of the national labor organizations and the national associations of contractors in the dispute settlement process, and to enhance their responsibility for the results of collective bargaining in the industry.

(c) To establish more effective machinery for the resolution of disputes over the terms of collective bargaining agreements which at the same time recognizes the interests of each branch of the industry and preserves existing procedures that have been effective.

(d) To identify means to improve and adapt the structure of collective bargaining in the industry to meet the challenges of technological innovation and changing demands.

Section 4. The Commission is authorized to conduct studies and to make general recommendations respecting any problems relating to collective bargaining in the construction industry which may be presented to it from labor, management, or the public representatives. Such problems may include, but need not be limited to, the training and development of manpower, instability, the improvement of productivity and technology, the improvement of the mobility of the labor force, the portability of pensions, and job security. The Commission is also authorized to make general recommendations to the parties in the industry respecting collective bargaining practices and procedures.

Section 5. (a) The Commission is authorized to intercede in any labor dispute in the construction industry whenever in its judgment the labor dispute over the terms or application of the collective bargaining agreement is likely to have a significant impact on construction activity in a locality, or in other localities. The Commission is further authorized to develop a procedure whereby, as a matter of national interest, a 30-day period may be observed during which mediation and related activities may take place without the occurrence of a strike or lockout or other change in terms or conditions of employment except by mutual agreement of the parties. The Commission or a panel designated by the Commission may, with the assistance of national labor organizations and national contractor associations where appropriate, seek to mediate such dispute, or make an investigation of the facts of the dispute and make such recommendations to the parties for the resolution thereof as it determines appropriate. In making any such recommendations, the Commission shall give due regard to the area and craft differentials, to the consequences of settlements on employment and on the economy of an area, and to other factors customarily considered by parties in collective bargaining.

(b) The Commission may hold such hearings, take such evidence, and gather such facts as it deems necessary and appropriate hereunder. Such hearings may include oral presentations by the parties and participation by such other persons from the area, or otherwise, as the Commission deems would facilitate the discharge of its responsibilities under this order.

Section 6. The Commission is authorized to issue such rules and regulations, and to adopt such procedures governing its affairs, including the conduct of its disputes settlement functions, as shall be necessary and appropriate to effectuate the objectives of this order. The Commission is authorized to establish panels composed of members of the Commission, alternates, or others, as may be designated by the Commission. Such panels may be authorized to act for the Commission and to exercise the authority of the Commission in such matters as the Commission may delegate or direct.

Section 7. (a) Expenses of the Commission shall be paid from such appropriations to the Department of Labor and the Federal Mediation and Conciliation Service as may be available therefor.

(b) All departments and agencies of the United States are authorized and directed to cooperate with the Commission in the effectuation of the purposes of this order to the extent authorized by law.

(c) Members of the Commission who are officers or employees of the Federal Government shall receive no additional compensation by reason of this order. Other members of the Commission shall be entitled to receive compensation and travel expenses, including per diem in lieu of subsistence, as authorized by law for persons in the government service employed intermittently (5 U.S.C. 3109, 5703).

Section 8. (a) As may be appropriate, the Commission shall consult with the Cabinet Committee on Construction and individually with heads of executive departments or agencies having responsibilities for programs affecting the construction industry. The Commission is authorized to request the heads of the departments and agencies concerned to establish advisory panels from representatives of such executive departments and agencies as may be necessary to carry out the objectives of this order.

(b) The Bureau of the Budget is authorized to provide to the Commission information regarding Federal or Federally assisted construction.

Section 9. The Commission shall make reports to the President from time to time on its activities and its progress in achieving the objectives and purposes of this order. The reports shall include such recommendations relative to the activities of the Commission as it shall deem appropriate.

RICHARD NIXON.

THE WHITE HOUSE, *September 22, 1969.*

PRESIDENT FORMS A PANEL TO SOLVE BUILDING DISPUTES: MANAGEMENT, LABOR AND THE PUBLIC SECTOR REPRESENTED—WORK STOPPAGES CITED

(By Robert B. Semple Jr.)

WASHINGTON, Sept. 22.—President Nixon moved today to ease some of the labor-management and cost problems of the nation's troubled construction industry.

In what amounted to his first significant venture as President into the collective bargaining field, Mr. Nixon announced this morning the creation of the Construction Industry Collective Bargaining Commission, consisting of members from management, labor and the public sector.

The commission will have two major responsibilities. The first will be to develop new and "voluntary" procedures for settling disputes within the industry, which has been plagued with an unusually high number of work stoppages this year.

SEEKING SOLUTIONS

Its second role will be to discuss and seek solutions to a wide range of problems that, in Mr. Nixon's words, "directly affected the industry's ability to grow and adapt to changing needs." Chief among these is the problem of training sufficient skilled manpower to meet the continuing demand for new and rehabilitated housing.

Mr. Nixon created the panel by executive order. He explained his action in a written statement released by the White House this morning.

Later in the day, the President conferred with a group of Governors headed by Gov. John A. Love of Colorado on efforts to persuade the Governors to reduce inflationary pressures on the building industry by curtailing state and local construction projects.

In a directive issued Sept. 4, Mr. Nixon ordered the cancellation of three-quarters of the construction projects funded directly by the Federal Government. In the same statement, he also asked state officials to cut back by an equivalent amount their own plans for projects that are jointly financed by the Federal and state governments.

AN EXPLICIT THREAT

The statement carried an explicit threat that, if the states and localities failed to reduce their spending plans voluntarily, the President would force them to do so by withdrawing the Federal share of jointly financed projects.

The Governors reacted coolly to the suggestion. But at today's meeting, according to participants, the Administration withdrew its threat and the Governors agreed to reduce their spending plans as much as possible.

"We're not quite on the same basis as we were," declared Vice President Agnew, who attended the meeting and briefed newsmen afterward.

"As of now," he said, "there is no enforcer roles" being played by the Federal Government, and no "deadline" that states must meet before the Federal Government decides on further action.

Mr. Agnew's sentiments were supported by Governor Love, who joined the Vice President for the briefing. Mr. Love denied earlier reports that the Governors had opposed Mr. Nixon's program. He said that his colleagues had agreed "without exception" to support the President's struggle against rising prices in the construction field.

The Governor conceded that it would not be easy for any Governor to reduce spending programs, but he said that inflation represented "a much bitterer pill—a much worse alternative."

The 75 per cent reduction in construction contracts funded directly by the Federal Government will mean an approximate saving to the Treasury of $300-million for the rest of the current fiscal year.

A voluntary reduction in state and local construction plans, comparable to the mandatory reduction in Federal plans, would result in an additional saving to the Treasury of about $700-million.

In his statement this morning announcing the creation of the tripartite collective bargaining commission, Mr. Nixon said that he had no intention of imposing compulsory arbitration on the construction industry or limiting the right to strike.

He authorized the commission to intercede in any labor dispute in the industry that would have a "significant impact" on construction activity. He also authorized the panel to recommend a 30-day cooling-off period during which the commission—or a subsidiary panel created by the commission—would seek to mediate the dispute, find facts and recommend solutions.

The commission members are:

PUBLIC

George P. Shultz, Secretary of Labor, chairman.

George Romney, Secretary of Housing and Urban Development.

J. Curtis Counts, director, Federal Mediation and Conciliation Service.

Dr. John T. Dunlop, Harvard University.

UNIONS

C. J. Haggerty, president, Building and Construction Trades Department, A.F.L.–C.I.O.

M. A. Hutcheson, president, United Brotherhood of Carpenters and Joiners of America.

Peter T. Schoemann, president, United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada.

Hunter P. Wharton, president, International Union of Operating Engineers.

EMPLOYERS

E. S. Torrence, executive director, Painting and Decorating Contractors Association.

Robert Higgins, executive vice president, National Electrical Contractors Association.

Carl M. Halvorson, president, Associated General Contractors of America.

John A. Stasteny, vice president and treasurer, National Association of Home Builders.

Alternate commission members will be selected and announced shortly after consultation with the national labor organizations and contractor associations in the industry.

Mr. JAVITS. Mr. President, I do not deny that various collective bargaining agreements in the building and construction industry do contain unfortunate impediments to the use of new technology, and that such impediments should be removed as quickly as possible consistently with adequate consideration for protection of the workers involved. The original amendment offered by the Senator from Texas, however, would not have made any distinction between restrictive clauses which might be unreasonable and those which represented legitimate compromises of the interests of the parties concerned. It would have simply condemned, out of hand, all efforts through collective bargaining to "inhibit" the use of new or improved technologies, and so forth, in building and construction programs under the jurisdiction of HUD.

The amendment as it has now been modified, however, would not have this effect. It would not affect established bargaining relationships or arguments; and it would require the Secretary to evaluate the reasonableness of any work practice or contract sought to be challenged. It would thus continue to permit the fullest latitude to collective bargaining to solve the often difficult problems caused by the use of new technology.

Mr. President, I am unwilling simply to throw collective bargaining on the ash heap insofar as technology in the building and construction trades is concerned. Here, as elsewhere, collective bargaining can serve a legitimate, and often creative, purpose in permitting new technology to be utilized, yet at the same time protecting the legitimate interests and expectations of the workers affected thereby. This was also the position taken in the report of the National Commission on Technology, Automation, and Economic Progress issued in February 1966. That report, which was entitled "Technology and the American Economy," pointed out that collective bargaining had often proven to be an "excellent vehicle" for the management of change. The Automation Commission also called for joint efforts of Government, labor, and management to develop ways of cushioning the effects of technological change.

ding. Before we point the finger of blame

The construction industry collective bargaining commission, consisting of members from management, labor, and the public sector, is clearly consistent with these recommendations. The Commission is charged with two major responsibilities: First, to develop new and voluntary procedures for the settlement of disputes within the industry; and second, to discuss and seek solutions to a wide range of problems that directly affect the industry's ability to grow and adapt to changing needs. Clearly, this second responsibility involves consideration of possible impediments to the use of new technology in the building and construction trades industry.

Mr. President, I would like to congratulate the President and Secretary of Labor Shultz for what I conceive to be a most valuable contribution to solving the problems which have been manifesting themselves of late in the construction industry. Clearly, such a commission as the President has now established has the greatest potential for improving conditions in the industry and solving the problems afflicting it.

Mr. TOWER. Mr. President, I ask unanimous consent that the Senator from South Carolina (Mr. THURMOND), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Oklahoma (Mr. BELLMON) be added as cosponsors of my amendment.

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

Mr. PROXMIRE. Mr. President, will the Senator from Texas yield?

Mr. TOWER. I yield.

Mr. PROXMIRE. Mr. President, I do not wish to delay the Senate on acting on this amendment, but would like to make it clear that, whereas I know the distinguished Senator from Texas is offering his amendment sincerely, I was the author of an amendment to provide for the so-called Operation Breakthrough which, as we know, was designed entirely to provide for improvements in housing technology so that we could get down the cost of housing.

When we provided that last year, we also passed a provision, and I quote:

> The Secretary is directed to require, to the greatest extent feasible, the employment of new and improved technology, techniques, materials, and methods in housing construction, rehabilitation, and maintenance under programs administered by the Department of Housing and Urban Development with a view to reducing the cost of such construction, rehabilitation, and maintenance, and stimulating the increased and sustained production of housing under such programs.

Mr. President, I say this with regret, but I do not see how I can support the amendment of the distinguished Senator from Texas. I repeat, I know he has offered it in complete sincerity, but I feel that this will not materially change the law in a way which would speed up progress in breaking through this new ground to develop new techniques for housing.

Thus, Mr. President, with reluctance, I must announce that I will oppose the amendment.

The Senator from Texas has labeled his proposal an "Operation Breakthrough" amendment. In so doing he has focused attention on an objective with which every Member of the Senate would surely agree. We are all for technological breakthroughs to lower the cost of housing. In fact, I introduced the amendment to the Housing Act last year encouraging large scale experimentation with new technology. The amendment has become an integral part of the current administration's "Operation Breakthrough."

SAFETY FIRST

Although there can be no quarrel over the need for innovation and technological improvement in home construction, we must be concerned with the means by which this goal is accomplished. We certainly would not want to achieve technological progress by giving the Secretary of HUD dictatorial powers to ride roughshod over any and all union work practices, even work practices designed to protect the safety of the men who build our Nation's homes. What may appear to be a restrictive union work prac-

tice to a Federal bureaucrat may to the working man be a legitimate attempt to promote work safety.

Indeed, the entire subject of alleged restrictive work practices in the building trades is an extremely complicated one. It is difficult to separate work rules which further safety and quality construction from those which are merely featherbedding. Before we point the finger of blame at any one participant in the building process, we need to make sure we know all the facts.

THE DOUGLAS COMMISSION REPORT

The Douglas Commission wrestled long and hard with the problem of restrictive building practices. While not denying the problem, the Commission did observe that—

> Assertions that unions typically raise costs unnecessarily are made so often and so forcefully that the public tends to take claims as facts, although numerous claims are not borne out on closer scrutiny.

Following exhaustive hearings and investigations, the Douglas Commission came up with three main conclusions:

First, many restrictive practices do exist which add unnecessarily to housing costs;

Second, in spite of these restrictions, unions have been active partners in a number of breakthroughs involving new products and methods; and

Third, many restrictive practices would disappear if government could assure a consistently high level of home construction, thereby reducing job insecurity.

THE TOWER AMENDMENT

In contrast to the balanced and reasoned approach of the Douglas Commission, the Tower amendment seeks to accomplish by administrative fiat what can only be achieved in a close and cooperative partnership between government, labor, and business.

Let us examine the specific language which was originally suggested under the Tower amendment:

> The Secretary of Housing and Urban Development is directed to . . . assure, in connection with housing construction, rehabilitation and maintenance under programs administered by the Department of Housing and Urban Development, that there is no inhibition by contract or practice against the employment of new or improved technologies, techniques, materials and methods or of preassembled products which may reduce the cost or improve the quality of such construction, rehabilitation, and maintenance, and therefore stimulate expanded production of housing under such programs.

There are a number of difficulties with this language:

EXISTING LAW ADEQUATE

First of all, the additional authority appears to be unnecessary. Under the same section of law which Senator TOWER would amend, the Secretary of Housing and Urban Development "is directed to require, to the greatest extent feasible, the employment of new and improved technology, techniques, materials, and methods in housing construction, rehabilitation, and maintenance under programs administered by the Department of Housing and Urban Development with a view to reducing the cost of such construction, rehabilitation, and maintenance, and stimulating the increased and sustained production of housing under such programs."

This language was authorized under the 1968 Housing Act which we passed only last year. There was no testimony by the administration that the language was inadequate or unworkable. Why not give the 1968 amendment a chance to work before proposing new language?

SAFETY IGNORED

Second, the Tower amendment is inflexible and rigid in its attempt to abolish restrictive practices. The Secretary of Housing and Urban Development is directed to assure that there are no inhibitions by contract or practice against the use of new or improved technology or building practices. The duty to prevent these "inhibitions" is absolute. If the new technology or work practice reduces the cost of housing, the Secretary must assure that its use is not prohibited on federally assisted housing projects.

There is no requirement that the Secretary balance off the reduction in cost against other equally valid social objectives such as maintaining safe and decent working conditions for our workers and maintaining safe and high quality construction. All of these considerations would seem to be covered under the phrase "to the maximum extent feasible" which modifies the duty of the Secretary under existing law to prohibit restrictive building practices on federally assisted projects.

The effect of the original amendment by the Senator from Texas is to delete the words "to the maximum extent feasible." In his commendable zeal to promote the construction of low- and moderate-income housing, I am sure the Senator from Texas does not intend that we achieve this objective by returning to sweat-shop labor conditions on federally assisted housing projects. Nonetheless, that could be the effect of his amendment. As it was originally drafted, the Secretary is required to prohibit all practices which raise cost even if such practices are legitimate to achieve safe or decent working conditions.

BLUNDERBUSS APPROACH

In fact, the language is even more rigid. Not only must the Secretary prohibit any practice or union contract inhibiting the use of new techniques or methods which actually lower building costs. He must also forbid the inhibition of any new techniques or methods which may lower building costs. In other words, the mere possibility of cost reduction, even if unproven, is insufficient to trigger the Secretary's duty to override any and all union work contracts which get in the way.

This is certainly a blunderbuss approach to a most difficult and complex problem. Under proposed amendment, the Secretary of Housing and Urban Development is required to scuttle any union work rules if they interfere with lower cost construction. Its adoption would be a major step backwards in achieving fair labor conditions.

CLEAR IT WITH GEORGE

Third, the language gives the Secretary sweeping and ill-defined powers. For all practical purposes, the Secretary of Housing and Urban Development would become a construction czar with the power to dictate the detailed terms of contracts to thousands of union locals. Agreements freely arrived at through collective bargaining could be overridden by a federally appointed official.

It is indeed ironic that the Senator from Texas, who has been an articulate critic of concentrating power in Washington, would propose such a broad and unlimited grant of authority to a Federal official. There is no requirement that the Secretary conduct a hearing or publish his findings in the Federal Register. None of the procedural safeguards of the Administrative Procedure Act would be available. Nor does it appear that the Secretary's determinations would be subject to review by the courts. As I read the original language, a Secretary might even conclude that labor unions per se increase project cost and therefore require nonunion labor on Federal housing projects.

Some Members of the Senate may recall the famous comment of F. D. R. concerning any proposal in which labor was interested during World War II—"Clear it with Sidney"—referring, of course, to Sidney Hillman, labor's representative on the National Defense Commission. It would be no exaggeration to predict that if the Tower amendment were adopted, a new expression would quickly become current—"Clear it with George."

ONE-SIDED EFFECT

Fourth, the proposed amendment is one-sided by focusing only on restrictive union practices. The language directs the Secretary to prohibit any "contract or practice" which impedes improved technology. Under this terminology, labor union contracts and work practices would be covered; however, restrictive local building codes would apparently get off scot free. Restrictions built into building codes are not "contracts" or "practices"; they are legal requirements.

MYTHS ABOUT LABOR AND HOUSING

As the Douglas Commission so ably pointed out, the problem of restrictive building codes is a greater obstacle to low-cost housing. Moreover, these restrictive codes are often defended by contractors, building equipment manufacturers, and other business groups seeking to preserve their vested interests.

In actual fact, the notion that labor unions add to housing costs is grossly exaggerated. For example, 80 percent of the housing in this country is built by nonunion labor. That is not generally known. Many of the arguments, true or false, about restrictive practices in the construction industry revolve around building skyscrapers, bridges, and highways, but not housing.

The fact is that in the suburban and small town and rural areas of this country, the workmen are nonunion and dependent on the employer. In the large central cities where unions are strong, they are often equal to and sometimes hold the upper hand over the employer in this fragmented industry.

Thus, union restrictions, even where they exist, affect only a small portion of the homebuilding industry. And that fact is generally not known.

It is curious that the amendment by the Senator from Texas is so concerned

with restrictive labor practices but is virtually silent regarding restrictive business practices which have a far greater impact on housing costs. If it is all right for the Secretary of Housing Urban Development to override union work contracts, why is it not all right for him to override restrictive local building codes?

The proposal by the Senator from Texas is analogous to proposing wage controls to combat inflation but not price controls. It is grossly one-sided and discriminatory in its effect.

MANY RESTRICTIONS DUE TO PRODUCERS

Many restrictive practices in the industry have nothing or little to do with the unions. Instead, they are fights between and among producers and contractors. Or they are zoning or subdivision restrictions or are imposed as fire safety provisions. Take the most notorious restriction in recent years; namely, the prohibition of the use of plastic pipe in drain, vent, and plumbing units. Basically this is a fight between the cast iron soil pipe industry and the plastics industry. In most areas it is not a union restriction. But the unions often receive the general criticism.

In some places wood frame exteriors are prohibited for multi-family housing of three stories or less. This is obviously restrictive and ridiculous. The Douglas Commission determined that wood frame exteriors were prohibited by 25 percent of the building codes in the country.

This restriction is generally not just a union restriction. It is done, allegedly, on grounds of fire safety and is a fight between the lumber interests on the one hand, and the brick and mortar and other groups, on the other.

COERCION DOES NOT WORK

Fifth, the Tower amendment is counter-productive. No one likes to reform with a gun at his head. The proposed amendment would give the Secretary of Housing and Urban Development a cannon to blast away at the unions when cooperation and mutual trust are needed. The probable result will be to increase labor union hostility and suspicion toward new technology and intensify its opposition toward improved work practices.

Instead of proposing harsh and punitive legislation, the Federal Government needs to work with the leaders of the labor movement to eliminate restrictive practices and to insure a more stable residential construction industry. We particularly need to develop methods for avoiding the disastrous effect which periodic savings in monetary policy have upon the achievement of our housing goals.

Housing starts have declined seven consecutive months from an annual rate of 1.8 million in January to 1.3 million in July. Moreover, homebuilders project a further decrease to an annual rate of less than 1 million starts by the end of the year. We should be building twice as many units to achieve our 10-year housing goals outlined in the 1968 Housing Act.

If we could stabilize our residential construction industry, most of our problems concerning restrictive work practices could be solved. Representatives of the AFL–CIO have testified before our Committee that they are ready, willing and able to work with HUD to achieve technological breakthroughs. This cooperation has been evidenced in dozens of projects around the country. The Tower amendment could destroy this cooperation by sowing the seeds of suspicion and mistrust.

HEARINGS NOT HELD

Sixth, the proposed amendment is premature. Even if it can be shown that some additional legislation is required, we should not legislate on such a complex and controversial subject without extensive congressional hearings. The Tower amendment was not part of the administration's housing bill; nor was it discussed in the hearings held by the housing subcommittee. The amendment was raised during the committee's executive session, where it was defeated by a vote of 6 to 5.

SUMMARY

In summary, Mr. President, I am opposed to the Tower amendment for the following reasons:

First, existing law, passed in 1968, for dealing with restrictive practices has not been adequately tested;

Second, the amendment is too inflexible and rigid and even requires the abrogation of work practices designed to promote decent and safe working conditions;

Third, the amendment conveys sweeping and ill-defined powers to the Secretary of Housing and Urban Development without adequate legal safeguards.

Fourth, the amendment is unfair and discriminatory by focusing on restrictive union practices and ignoring restrictive building codes;

Fifth, the amendment is counter-productive in that it is likely to increase union hostility toward new technology; and

Sixth, the amendment is premature since hearings have not been held.

I realize that Senator TOWER has modified his amendment to take into account some of these objections. Nonetheless, I do not believe we should legislate on such a complicated subject on the floor of the Senate without careful hearings. I am therefore opposed to the amendment, even with the modifications accepted by the Senator from Texas.

Mr. President, here are a number of reasons why we should not legislate in haste on such a complicated subject.

DOES NOT REACH BUILDING CODES

The amendment before us refers to a "practice" or a "contract" in which there is a restrictive practice. It is obviously aimed, therefore, at alleged union or work practices and contracts and not at restrictive practices contained in building codes. Yet these latter, and especially the lack of uniformity from town to town and political jurisdiction to political jurisdiction are the real culprits. That is what prevents mass production in building. But these are not affected by the proposal and there is very grave doubt if the exercise of State police powers by localities should be outlawed directly by Federal legislation. In fact it is amazing that many of those who shout most loudly about "States rights" and against "Federal encroachment" should be so willing to have "Federal encroachment" in this field.

PLASTIC PIPE

Does this amendment prevent local building codes from prohibiting the use of plastic pipe in drainage systems? Sixty-two percent of all building codes outlaw the use of plastic pipe. But this amendment does not touch it. And since plastic pipe may or may not be less expensive—in some cases it costs more—the provision probably would not cover it even if it were only a practice.

What about the prohibition against the use of 2- by 4-inch studs 24-inch on center on nonload bearing interior partitions? Forty-seven percent of all local building codes contain that prohibition? Where there is no load to bear, there is no reason to have studs every 12 inches or 18 inches. Twenty-four inches is certainly ample. But that is prohibited, not by unions but by local codes. This amendment does not touch that prohibition and restriction.

CODES PROHIBIT ON ELECTRICAL HARNESS

What about the 46 percent of local codes which prohibit preassembled electrical wiring harness at the electrical service entrance? That is not touched by this amendment because it is in the codes and is not a practice or contract.

Forty-two percent of the jurisdictions with building codes prohibit preassembled combination drain, waste, and vent plumbing systems for bathroom installation. That would not be touched by the amendment.

SMALLER STUDS PROHIBITED

The same is true of the prohibition on 2- and 3-inch studs in nonload bearing interior partitions, which is outlawed by 36 percent of building codes, and numerous other features of residential construction.

These are not touched by the amendment and there is very great doubt that they should be touched by a Federal law or Federal code. If we are going to have a Federal building code we had better hold extensive hearings about it and go into it with our eyes open.

AMENDMENT AVOIDS CODE RESTRICTIONS

This amendment does not get at the worst practices in building restrictions. It is aimed only at "alleged" union restrictions in "contracts" or "practices." Building codes, which have the status of local ordinances, are exempted. Yet that is where the worst practices occur.

But let us examine alleged union or work restrictions. How would the amendment apply to them? How does one differentiate between a restrictive practice and a practice necessary to safety? Are jurisdictional disputes to be outlawed and, if so, is the Secretary of Housing and Urban Development to decide which union practice prevails? Are we to make him the arbiter over jurisdictional matters?

SECURITY ON RESTRICTION

What about legitimate union demands or work practices which most employers call "restrictive." They abound by the dozens. What is one man's restriction is another man's security. Shortly I shall cite some of these and ask how the amendment would apply to them.

What about practices which are the result of the bargaining process. Suppose a union gives up 10 cents an hour in order to secure a practice which it deems essential to its security? Is the employer to benefit twice—once from an agreement in which the union members get less per hour in exchange for a particular practice and, then again when that practice is outlawed by the Secretary of Housing and Urban Development on grounds that it "may," be restrictive or increase costs?

These matters cannot be examined in a vacuum. To do a proper job the entire give and take of a contract would have to be looked at and examined. And this amendment gives no indication of any kind that those who are behind it have the slightest understanding of how these matters are arrived at.

WHAT IS A RESTRICTIVE PRACTICE

Let me turn to some specific questions.

Suppose men are hired to run a machine which reduces costs. Suppose also that the employer or contractor has not maintained the machine in good working order. After 2 days of use the machine breaks down. Is it a restrictive practice under the Tower amendment if the contract has a provision that does not allow the employer to lay off the men whose machine is being repaired? Is it a restrictive practice under this amendment for such a man to continue to be paid if that is bargained for and agreed to under the contract?

What is the answer to that question? Is it a restrictive practice or is it a legitimate exercise of the collective bargaining process to insure job security?

FOREMEN'S NUMBER AND WAGES

Time and again employers complain about foremen. They complain both about the number of them and the wages they receive. Is he or is he not to be a member of the union? Shall orders be given to men by the superintendent or is it possible to require under a collective bargaining agreement that the orders to the men shall be given by the foreman?

This is one of the most hotly debated provisions in the construction industry. Is Mr. Romney to decide that issue job by job? Is it a practice which raises costs?

RATIO OF FOREMEN TO MEN

What about the ratio of foremen to men? Some contracts call for a foreman if two full 10-men crews plus a partial crew are at work. Some say that four crews of any size shall require a foreman. Employers complain that these are restrictive practices. Who is to decide?

Under this amendment the Secretary of Housing and Urban Development would decide. To state that is to show how absurd it is. That is properly a matter for collective bargaining.

ARE SHOP STEWARDS NEEDED?

What about shop stewards? Some contracts require that he be present when overtime is worked. Employers complain that is restrictive? But is it? Or is it not? Who decides?

Under this amendment Secretary Romney decides. Why not leave that to collective bargaining?

ON-SITE CONSTRUCTION

There are complaints about on-site construction and the unwillingness to allow prefabricated products.

In many cases this problem is solved by placing a man in the plant. An electrician or plumber can be placed in the plant to inspect the prefabricated items before they are assembled to insure that they are done properly. Often there is then no question at the site. It is worked out by agreement.

But what about this amendment? Suppose there is prefabrication in a factory of a plumbing tree? The item is moved to the site. It has gone uninspected by plumbers in the factory? Does the union have a right to object to that item? Would it be wrong for them to bargain over the issue of whether or not the item is inspected by a plumber before it leaves the plant?

Under this provision it could be a restrictive practice. Under this provision there could be no inspection either on the site or at the factory.

PREFABRICATION IN NONUNION FACTORY?

Suppose the union has a contract that electrical work shall be installed by union members. Employers and union alike agree to that. Suppose also that because of it there has been general labor peace in the city or community.

What happens under this amendment if prefabricated electrical harness or prefabricated plumbing trees produced in a nonunion factory are moved into the city for use? Does the union have a right to refuse to work on these products? Is Mr. Romney or his successor to decide this matter? Is it a restrictive practice for the union which has a contract to install electrical or plumbing items, including prefabricated items, to refuse to work on prefabricated plumbing trees or electrical harnesses if they are built in a nonunion plant or where there is no inspection at the plant to determine if the fabrication is proper?

GRIEVANCE PROCEDURES

What about grievance procedure? Employers often complain that too many people take part, too much time is lost, or the the procedures are violated? Is a charge by the employer that too many men are involved in the procedure a "restrictive practice"? Does it come under this amendment?

HAZARD PAY

What about hazard pay? The building industry has the highest accident rate in the country. Are men on swinging scaffolds, those who work at great heights, or work there for long hours, to receive premium pay for work on new products or not?

If a carpenter lays bricks on the outside ledge of the 15th floor is it a restrictive practice for him to receive higher hourly rates or to work a shorter day than if his work were done at the ground level? Is that a restrictive practice? Is Mr. Romney to decide?

CLEANUP TIME

What about cleanups and coffee breaks? Most employers say they are restrictions. Employees say they are needed.

If a man is working in wet concrete, in dirt and mud on a wet day, or on new material that soils his tools, should he receive cleanup time for which he is paid? Is 10 minutes all right? Is 12 minutes a restrictive practice? Is the Secretary of Housing and Urban Development supposed to decide? Can he decide sitting in Washington what is too long a time for cleanup time for work on a new material in San Francisco during the rainy season? How absurd can one get?

CREW SIZE

What about crew size? How many men should there be on a digging machine crew? Cranes? Pile drivers? Welding crews? Is the Secretary of Housing and Urban Development to decide how many men compose a module housing construction gang in Seattle? Is Mr. Romney to tell us the ratio of cement masons to a foreman in Boston?

CALL IN TIME

What about call in time? That is alleged by many employers to be a restrictive practice. Under some contracts if a man shows up for work he must be paid for at least 2 hours. Is that wrong? Is it wrong on a prefabricated project? Suppose he drives 40 miles to the job only to be told there is no work that day? Is that a restrictive practice? Is the Secretary of Housing and Urban Development the man to decide that?

UNION HIRING HALLS

What about provisions for union hiring halls, standby workers, and seniority rules? Are these restrictive practices or legitimate items for negotiations under a contract? If they are used in connection with new technology are they restrictive under the meaning of this amendment?

CAN SENIORITY RULES BE USED?

Employers claim they have the right—the management right—to determine whom they hire. Is it right or wrong for a contract on a construction job using new technology to stipulate that men shall be laid off according to seniority and hired back according to seniority? Is that a restrictive practice or not? Is Mr. Romney going to decide that one? Yet some employers will state that who they hire are their prerogative. Others will agree to seniority provisions. When is it a restrictive practice?

TRAVEL TIME?

What about travel time and maintenance allowances? Are they necessary or restrictive?

PAINT BRUSHES

What about certain devices. In Baton Rouge there is a contract which states that brushes not over 4½ inches will be used when painting structural steel. Is that restrictive or not? Can the Senator from Texas tell us? The painters claim that a wider brush means a reduction in quality. They also claim that on many construction jobs a wider brush and the larger paint cans needed can be hazardous, especially at tall heights. Is the Secretary of the Housing and Urban Development to tell us that is a restrictive practice? And if he does so will he not cause far more chaos and trouble than he solves?

DIFFICULT NEW MATERIALS

What about onerous tasks and working with difficult new materials? Removing asbestos cement sheets is a dirty job. Is it wrong for carpenters or their apprentices to be paid 25 cents an hour more when working on such a job? Is that a restrictive practice? Is the Secretary of Housing and Urban Development to determine whether that practice under a legitimate contract is to be outlawed in Baton Rouge?

Who is to say whether these matters are legitimate practices, properly bargained for, or whether they are restrictive practices? How do they fit in in the scheme of things? Did the union give up on hourly wages or working hours or vacation time in return? Can they be looked at in isolation? Who is to judge?

HUGE BUREAUCRACY NEEDED?

In my judgment for the Secretary of Housing and Urban Development to determine these matters for all the building industry in the country would require a number of employees and a group of inspectors exceeding the total number of employees now employed by HUD itself? Is there to be a HUD inspector on every job? Is the Secretary to sit as a judge 7 days a week—for that is what it would take?

NOT THE ANSWER

This is not the answer to the problem. The answer is manyfold and involves an understanding and a judgment this amendment shows no signs of meeting.

There is an old saying that a high tide floats all the boats. When there is a building boom, the job gets done. Restrictions vanish. New members are accepted in the unions. Blacks come into the trades. Prefabricated products get used.

But when we have tight money, a decline in building, and rising housing prices, or unemployment in the trades, restrictions begin to rear their heads.

END TIGHT MONEY

The end of tight money will solve many restrictive practices. The aggregation of markets will get houses built. Larger units of government, less restrictive building codes, zoning ordinances which do not keep out the poor, open housing ordinances to make certain that all Americans have an equal chance to live where they wish, are the ways to build housing. Project agreements are another means to secure progress.

NOT THE ANSWER

The amendment we have before us gives not the slightest indication of being workable. It could merely increase our troubles. It could create a national czar over the legitimate collective bargaining process.

NO APPEAL MACHINERY

Members of Congress and the Senate are horrified at the possibility of compulsory arbitration. This amendment would go beyond that. This amendment would put in the hands of one man, without right of appeal, the decisions about wages, hours, working conditions, and practices in the most complex, diverse, and diffused industry in America. It would put the hand of the Federal Government into every day by day and hour by hour practice in the building industry in the country.

Because of all these reasons, I do not believe we should approve a change in existing law without extensive hearings, not only on union practices, but on restrictive building codes, zoning requirements, and other obstacles to lower cost housing. While I certainly agree with the objective of achieving technological breakthroughs, we need to move upon the entire problem and not just one aspect of it. I, therefore, am opposed to the Tower amendment.

Mr. YARBOROUGH. Mr. President, I want to associate myself with the remarks of the Senator from Wisconsin and express my opposition to the Tower amendment. I am in sympathy with the need for technological breakthroughs in the housing area, but I do not believe we should legislate on so complicated a subject as union work practices without thorough public hearings. I join the Senator from Wisconsin in opposing the Tower amendment.

Mr. GURNEY. Mr. President, will the Senator from Texas yield?

Mr. TOWER. I yield.

Mr. GURNEY. Mr. President, I strongly support the amendment offered by the Senator from Texas (Mr. TOWER).

One of the great pressing needs in the United States today is adequate housing. We have as our national goal 26 million new homes or apartments over the next 10 years, 6 million needed immediately for 20 million Americans who live in substandard housing.

Our great cities are rotting. Whole inner city sections need either leveling and rebuilding or massive repairing on a scale never before undertaken. Also needed is the building of entire new communities to relieve the teeming anthill pressures in the big cities.

For a Nation which has split the atom, placed the first men on the moon, manufactured 8,848,321 automobiles in 1 year, this should be an easy task.

And so it would be if American technology were to be applied to building homes as it has been applied in creating rockets and spaceships.

Yet in the homebuilding business we have too often attempted to meet 21st century housing needs with 18th century building methods. I say this in all candor. For a Rip van Winkle type carpenter could actually arise from his 18th century sleep and feel quite at home pounding nails and sawing wood in the homebuilding industry of 1969.

If transportation had followed the same course as the construction industry, this Nation would still be moving about in horses and buggies, open-air trolley cars, and big frontwheel bicycles.

We have an opportunity here today to make clear that it is the intent of Congress to have a progressive economy that makes full use of all new products and innovations. It is essential that we have technological progress in the construction industry and reduce cost beyond today's all-time high.

Housing is one of our greatest national problems. It is a priority problem which demands solution like Vietnam, crime, education, pollution. On these latter problems, all of us see daylight at the end of the tunnel, even though it may be long, uphill, and we have to crawl instead of run.

But as long as we try to solve our housing needs with century-old tools and techniques, we are indeed doomed to stay in the darkness of the tunnel permanently.

There is universal agreement by the housing experts and planners, by architects and engineers, by the contractors, that there is no way for this Nation to meet this urgent need and put our people under adequate roofs, unless we go to new ways of building. These must include prefabrication, systems analysis and programing, new resources, new policies, new concepts and new techniques.

European builders have already paved the way. They are solving their acute housing needs with just this sort of innovation. The hands of their architects, engineers, and builders and workmen have not been tied as in this country. They are applying mass production techniques.

During the last few years we have devoted much thought, time and energy to the development of high quality, lost cost housing in the United States. All of us in the Congress want to help out in solving this housing need. I feel this amendment is important if we really want to break the housing logjam. It is important that Congress support Secretary Romney's "Operation Breakthrough" endeavor by going on record as favoring advancement in technology in meeting our housing needs. I urge adoption of Senator TOWER'S amendment.

Mr. KENNEDY. Mr. President, I agree completely with what the Senator from Texas (Mr. TOWER) said in the committee report on this bill: that "new technologies and mass-produced housing are the answers to many of our housing problems." If we are to meet the Nation's housing needs in the decade ahead, it will be by a coordinated effort stressing new approaches and techniques in the building industry. I also agree with the Senator that Operation Breakthrough and its emphasis on mass-produced housing will encourage their development.

I feel, however, that the Senator's amendment, rather than stimulating production of new housing, would bring chaos to the industry by interfering with currently accepted practices. I understand that work preservation clauses, which are lawful under the National Labor Relations Act and widely used, would be prohibited in programs administered by HUD since they could be construed to fall under the amendment's broad language. Therefore only contractors who do not have such clauses in their contracts with unions would be able to bid on projects such as model cities programs. The amendment would in effect amend the National Labor Relations Act with respect to HUD programs by prohibiting the use of commonly accepted agreements reached in the collective bargaining process.

Since this amendment involves an extremely important area, I feel that it should not be accepted in the absence of full hearings on its implications in the building industry. The implementation of new technologies is critical, but there is no need for it to be at the expense of the collective bargaining system. I would strongly urge rejection of this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Texas.

The amendment was agreed to.

Mr. JAVITS. Mr President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read, as follows:

On page 2, line 21, strike out "Lower downpayments for".

On page 2, line 23, after "(a)" insert "(1)".

On page 2, after line 25, insert a new paragraph as follows:

"(2) Section 203(b)(2) of such Act is amended by striking out '$30,000', '$32,500", and '$37,500' and inserting in lieu thereof '$32,500', '$35,000', and '$40,000', respectively."

Mr. JAVITS. Mr. President, if I may be recognized——

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. The purpose of the amendment is to raise the ceilings on conventional mortgages for, generally speaking, owner-occupied one-, two-, and three-family houses. That is in the interests of family houses. It is the traditional FHA mortgage pattern.

This amendment is necessary in order to deal with the problem of high costs in areas around the great cities, recognizing fully that the committee has endeavored to do so, by its formula, passed in 1967, which has just been modified to some extent by the amendment of my colleague from New York (Mr. GOODELL), for public housing, and so forth.

We are advised by those who do the actual building of houses in and around our major cities that the application of the formula alone will not be adequate; that there is a very strong case for encouragement of this type of construction and that we must deal with the increased costs which are being faced.

I have read the minority views of the Senator from Texas (Mr. TOWER) with the greatest interest. I agree with him that we should not go "hog wild" on this thing and necessarily keep up with costs. It is like the tax collector. We have to cut without cutting the bone and, at the same time, do all we can to deal with the situation.

Mr. TOWER. Mr. President, will the Senator from New York yield at that point?

Mr. JAVITS. I yield.

Mr. TOWER. As I said awhile ago, in discussing the amendment of the distinguished junior Senator from New York (Mr. GOODELL), the experience is that very often the ceilings we put in the bill tend to become floors for the minimum cost of construction. I hope that some time in the future we can be led to slow down this escalating process.

I intend to support the amendment of the Senator from New York.

Mr. JAVITS. I thank my colleague from Texas. I hope very much that the Senator in charge of the bill will take the amendment, as he has other amendments, and submit it to conference.

Mr. PROXMIRE. Mr. President, I hesitate to disagree with the Senator from New York, but I must say that we did go over the proposal in committee and it was rejected, after considerable discussion. I feel strongly, with the present housing shortage, and the impossibility of people with incomes of less than $10,000 a year to be able to get housing, that this will make it worse, when we go up to providing housing in the area of $40,000 a home.

After all, FHA insurance is an element of the Government subsidy and the consequences on the typical homebuyer with a small, modest, or middle income will be adverse. Thus, for that reason, although I certainly will not press my argument against the amendment, I must say that I must oppose the amendment.

Mr. JAVITS. Let me point out to the Senator that we are not going quite so high as he says. We are trying to make a marginal adjustment. We are going from $30,000 to $32,500, not from $30,000 to $40,000, and going from $37,500 to $40,000. But it is a marginal adjustment.

In answer to the Senator's argument, let me point out that we do not help the $10,000 fellow by depriving people who cannot afford to buy a more expensive house. That goes for 80 percent of home buyers. We have to make up for what is a bad situation.

As to mortgage interest rates, one of the ways in which we can do that is by being somewhat more liberal on the guarantee side, so that instead of taking the National Homebuilders' figure which, as the Senator says, is 40, I am trying to do something which is marginal to care for the particularly high costs areas, leaving the generality of the mortgages to the formula itself which the committee devised.

Mr. PROXMIRE. The Senator's amendment provides for striking out $30,000, $32,500 and $37,500, and inserting in lieu thereof $32,500, $35,000 and $40,000 respectively. I would therefore argue that there is a limit placed on the housing. As we know, we have the worst housing shortage in this country for the past 30 years. Under these circumstances, if a fairly affluent family is able to get financing under these circumstances, for a $40,000 home, it will be that much harder for the lower income families to buy a house because of the more limited supply of housing generally.

Mr. JAVITS. But the $40,000 home is a multifamily home. This limit is not to one-family homes. That goes only to the $32,500 home. Secondly, the tradition in this country is that if more houses are made available, more houses for lower income groups are made available; and the pressure against the ceiling, when there is a ceiling, is useful in making available a greater stock of housing.

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

Mr. JAVITS. I yield.

Mr. SPARKMAN. I believe it has already been stated by the Senator from Wisconsin, and I believe by the Senator from Texas, that we considered this matter in the committee, and the committee voted against it. However, just as I said, and just as the Senator from Texas said to the amendment of the junior Senator from New York (Mr. GOODELL) a little while ago, we realize there is a real problem in those areas. There are some questions that we ought to look into to see how this procedure works and to the extent it will give relief.

Just as was said to the junior Senator from New York (Mr. GOODELL), I am perfectly willing to take this amendment, with the understanding that between now and the time we have the conference, we will get the best facts and information on it that we can.

Mr. JAVITS. That is entirely satisfactory with me, and as the Senator from Wisconsin (Mr. PROXMIRE) will undoubtedly be a conferee——

Mr. SPARKMAN. He will be.

Mr. JAVITS. I understand it may very well go out, but at least take a good look at it.

Mr. SPARKMAN. We will.

Mr. TOWER. Mr. President, I concur in the statement of the Senator from Alabama.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York (Mr. JAVITS).

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, may we have third reading?

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered——

Mr. GOODELL. Mr. President——

The PRESIDING OFFICER. The Senator from New York.

Mr. GOODELL. I take this time to engage——

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

Mr. GOODELL. I yield.

Mr. SPARKMAN. Does the Senator propose to offer an amendment?

Mr. GOODELL. No.

Mr. SPARKMAN. I wonder if we might have third reading.

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

Mr. SPARKMAN. I yield.

Mr. MILLER. I would appreciate it if the Senator would withhold his request for third reading for just a few minutes. I may have an amendment.

Mr. SPARKMAN. Certainly.

The PRESIDING OFFICER. The Senator from New York.

Mr. GOODELL. Mr. President, I take this time to engage in a brief colloquy with the Senator from Massachusetts (Mr. BROOKE) with reference to a provision in this bill which he offered. I believe we should make absolutely clear its legislative intent. In order for families of very low income to afford public housing rentals of more than 25 percent of their income, annual rental assistance payments will be made to the public housing agencies. In addition, this provision enables housing authorities to lower rents for tenants to 25 percent of income. Then, the Government pays the difference between 25 percent of income, the actual operating cost for the unit under existing law, housing authorities now receive subsidies of $120 per family for the disabled, handicapped, and very low income family.

I would like to ask the Senator from Massachusetts this question: If an authority does not charge over 25 percent of the tenant's income for rent—which I understand would disqualify it from the Brooke assistance provision—will that authority in that rental situation still

be eligible for the $120 per year per family payment?

Mr. BROOKE. Mr. President, it would, under the amendment, be eligible under those circumstances. It was not the intent to deny that family any Federal assistance.

Mr. GOODELL. I appreciate the Senator's answer, and would like to ask another question.

If an authority charges over 25 percent of the tenant's income for a family which in addition does qualify for the $120 hardship payment, would the housing authority be eligible to receive both the Brooke payment and the $120?

Mr. BROOKE. The answer is "Yes."

Mr. GOODELL. Finally, Mr. President, since the Brooke subsidy is subject to annual appropriation, there is some question as to whether the authorities will be able to rely on funds unless appropriations are made. The $120 statutory payment, therefore, in my opinion, must be maintained.

I would like to ask if the Senator from Massachusetts agrees that the Brooke rental assistance will be in addition to, not in substitution for, any other contributions or payments provided under the act.

Mr. BROOKE. The assistance would be in addition to, rather than in lieu of.

Mr. GOODELL. I appreciate the clarification of the legislative history on this point, because I think it is a very vital factor in the case of many persons, particularly in our urban housing areas. I thank the Senator.

Mr. MILLER. Mr. President, I would appreciate it if I could get the attention of the Senator from Alabama (Mr. SPARKMAN), who is the manager of the bill, so that I could address a few questions to him. I would like to refer specifically to section 303 of the bill on page 29.

Mr. SPARKMAN. I may say to the Senator from Iowa that we amended that section. That provision has to do with providing consultants and planning. Is that not correct?

Mr. MILLER. That is correct.

Mr. SPARKMAN. We amended it to make it completely clear that it is optional with the county, the municipality, the regional establishment, whatever it may be. It is not compulsory. Many persons seem to have gotten the idea that we were saying they had to use these consultants. That was not the intention of the committee at all.

We inserted language to make it perfectly clear that it was purely voluntary.

Mr. MILLER. May I say that concern was expressed to me that they would have to be used and the State planning service could not be made available.

Mr. SPARKMAN. No; that is not true. The language makes it completely optional. Language was adopted which I am sure is completely satisfactory to the Senator.

Mr. MILLER. The reason for my inquiry is that my Governor was quite concerned with the provision of the original bill. Now that it has been changed to make it optional the problem may have been taken care of.

Mr. SPARKMAN. The draft did not comply with what was intended. As a matter of fact, if the Senator will look at the report, he will see that we put in the report what we intended. I caught the difference between the report and the bill and saw it did not fit. So we inserted language which made it perfectly clear.

Mr. TOWER. Mr. President, if the Senator will yield, I am glad to read to him the language which amended that section:

> Any grants made under this section to a State, metropolitan, or regional planning agency, an economic development district, or any other areawide planning agency for use by such agency or district to provide planning assistance to any local government or any agency or instrumentality of a local government shall be used in a manner consistent with the Federal Government's policy or relying on the private enterprise system to provide those services which are reasonably and expeditiously available through ordinary business channels.

Mr. MILLER. That clears the problem up as far as I am concerned, and I thank my colleagues for giving me those answers.

The PRESIDING OFFICER. (Mr. CRANSTON in the chair). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

Mr. PERCY. Mr. President, in the February issue of the Community Renewal Society, John Russell wrote:

> The most ghastly thing of all is to watch a city die, and without benefit of bomb. Her gleaming towers, swift flowing arteries, and new facade give evidence of vitality and strength, while underneath, the cancer eats away.

We can be proud of the tremendous strides taken to assure that such a fate does not await America's cities. The endeavors undertaken to attain our national goal of "a decent home and a suitable living environment for every American family" are tremendous. The task now before us is to be certain that our work is not frustrated and that it can be continued.

S. 2864, a bill favorably reported by the Committee on Banking and Currency, would, first, establish new termination dates for present housing programs, and, second, authorize new funds to continue these vital programs. It would also, in some cases, expand the existing programs. In this way, S. 2864 would help to make present programs more effective and workable as our Nation strives to meet the present housing crisis.

We already have a wide range of housing programs on the books which cover every aspect of our national housing needs. Basically, the pending legislation relies upon these programs which are presently in operation and functioning with some degree of success. To fail to favorably act on S. 2864 would be to fail to extend such vital programs as the Federal Housing Administration program, model cities, public housing, rent supplement, and urban renewal. This would indeed be a tragedy.

When these programs become fully operational, millions of American families will for the first time in their lives have an opportunity to live in a decent environment. The potential of existing legislation to provide that environment must be exploited in the coming years, and this requires the continuation of these programs. I am confident that Senators will recognize the importance of this legislation, and give S. 2864 their full support. We must respond affirmatively today so that our American fellowman does not have to watch his city die tomorrow.

Mr. BROOKE. Mr. President, the Housing and Urban Development Act of 1969 represents a significant step toward achieving this Nation's goal of providing a decent home for every American. I commend my esteemed colleagues on the Senate Banking and Currency Committee and reserve special praise for Chairman SPARKMAN and Senator BENNETT who contributed significantly to the development of this legislation.

This legislation contains a number of important provisions. I will, however, only highlight those provisions which I feel deserve special attention.

Section 114 of the bill would authorize the Government National Mortgage Association to purchase mortgages at par and sell these mortgages either immediately or at any other time at a price lower than par if necessary to meet the range of market prices. Thus, GNMA would have added flexibility in the timing of its sales. Since GNMA has available approximately $1.9 billion in unused authorizations, its authority under this section can now be used to produce a substantial volume of housing which will inure to the benefit of low- and moderate-income families.

In the area of public housing, Senator MCINTYRE and I introduced a bill earlier this year which should have a substantial impact on the quality of public housing. This bill is embodied in section 211 of the present act and would provide additional rental assistance in behalf of very low-income tenants of public housing projects. Thus, rental assistance payments would be available with respect to public housing and leased housing units to enable families of very low income to afford rentals with no more than 25 percent of their incomes.

Information available from HUD indicates that there are approximately 180,000 tenants in public housing projects who pay in excess of 25 percent of their income for such housing. This problem is further accentuated by inflationary pressures which are increasing operating costs considerably. Many public housing authorities, unable to obtain additional funds to cover these increased costs, are looking to public housing tenants for their source of additional funds. But these public housing tenants are unable, in many cases, to meet prior payment schedules without allocating a disproportionate share of their income to housing, and they find it impossible to do so as their rental payments increase still further.

We believe that no public housing tenant should pay more than 25 percent of their income for housing; however, we certainly would encourage public housing authorities to charge considerably less

where it is economically feasible to do so. Where a tenant's payments do not cover his proportionate share of operating costs, section 211 would provide rental assistance payments to cover the difference. The Senate Banking and Currency Committee has authorized $75 million annually to fund these assistance payments. I anticipate that these funds will be adequate to insure that no public housing tenants pay more than 25 percent of their income for housing.

Section 206 of this act permits HUD to cover a portion of the operating costs of public housing projects in addition to debt service—out of annual contributions. This new development should enable local housing authorities in 15 large cities which are now facing serious financial problems because of increased operating costs to rectify their financial affairs.

Once those public housing authorities which are operating at large deficits gain stability, and public housing tenants are no longer charged a disproportionate share of their income for housing, our attention must turn to improving the quality of living in public housing. I should emphasize that I do not view public housing as the ultimate answer to the needs of low-income families. On the contrary, I foresee the day when public housing as we know it today will be replaced by new approaches to low-income housing. In the interim, however, we must not lose sight of the need to provide a decent home for persons who are unable to obtain another form of housing. We must not allow the standard of living in these projects to deteriorate in anticipation of the development of more imaginative housing programs and the final implementation thereof.

Many public housing projects in this country fail to meet standards set forth in local housing codes with respect to maintenance and sanitation. In many locales, these housing codes represent the bare minimum required for common decency, and more rigorous standards are, in fact, required by HUD. In many cities local housing projects fail to comply with either set of standards. The primary factor which mitigates against such compliance is the lack of funds to rehabilitate and modernize existing, older projects. Although HUD has allocated some of its modernization and rehabilitation funds to these units, its authorization has been inadequate because of the need to use most of the available funds to assist new projects. Therefore, I submitted a proposal to the Senate Banking and Currency Committee which has been adopted in section 206 of this act. This measure would provide an additional $20 million authorization for annual contribution contracts for low-rent public housing programs. These funds will be earmarked for modernizing and rehabilitating existing, older projects. In addition, the committee authorized $25 million in new annual contribution authority which will become available July 1, 1971.

One of the most significant steps taken by the committee was the authorization of appropriations through fiscal year 1972 for upgrading management and tenant services in public housing projects. One need only discuss the needs and shortcomings of public housing with persons possessing considerable expertise on the subject, to understand that sound management of these projects and adequate tenant services play a significant role in achieving balanced and successful projects. And sound management is greatly facilitated by provisions which make possible long-term planning.

Section 207 of the act was designed to respond to the need for basic tenant guarantees of due process. In formulating this provision, we took into account the need to insure the maintenance of tenant's rights while avoiding cumbersome requirements which would impede the administration of public housing programs. Thus, section 207 requires that public housing applicants be given an opportunity to be heard informally when their application has been rejected. In the course of such a hearing, it is envisioned that new developments might be brought to the attention of public housing authorities which had not been made a part of the decisionmaking process. The section would also require local public housing authorities to notify applicants determined to be eligible for admittance of the approximate time when a unit would be available, to the extent that this information can be reasonably determined by the local housing authority. This requirement would give the applicant some basis for making an informed judgment on how best to meet his household needs.

It is hoped that the foregoing provisions—designed to improve the quality of living in public housing projects—will produce the desired results. The Banking and Currency Committee has also requested that HUD undertake a comprehensive study of public housing to evaluate subsidy requirements in terms of public housing authority incomes and rent-paying ability of tenants, the programs and services provided, and other activities related to public housing. This study, coupled with the recommendations of the Douglas Commission and task forces established by the Nixon administration, should provide a sound basis for next year's legislative proposals in this vital area.

There are two other provisions which I believe deserve mention. Section 212 of the act would provide for continuation of the section 202 program of housing for the elderly and the handicapped. This program was to have been phased out and replaced by the section 236 program; however, the program has proved extremely effective and efficient and deserves continuation. The committee also rejected the concept that section 221(d)(3) below market interest rate projects be converted into section 236 projects. The committee reasserted its mandate that section 221(d)(3) projects should not be discontinued until the committee is satisfied that the section 236 program is fully operational.

The foregoing provisions, coupled with a substantial number of equally important provisions which have been touched on by my colleagues today, constitute an impressive piece of legislation which should improve the quantity and quality of housing in this country. We must not fail to realize, however, that we are far short of our goal. The goal of producing 26 million housing starts and 6 million federally subsidized units in the next 10 years will not be achieved unless our national commitments to these endeavors are greater in the future than they have been in the past. I am hopeful that my colleagues in the Senate will give careful consideration to these goals and to the legislation which is before us today.

Mr. BAYH. Mr. President, I would like to take this opportunity to commend the chairman and members of the Banking and Currency Committee on their development of a very fine and comprehensive bill. The Housing Act of 1969 has certainly taken into consideration those factors which are so vital to the continuance of our efforts to provide decent and adequate housing for every American citizen.

The provisions of this act that increase the capacity of local financial institutions and housing renewal agencies should greatly facilitate the acquisition of moderate- and low-income housing by citizens who in many instances are presently not able to qualify. The increased mortgage limitations and other reflections of cost increases will enable greater numbers of Americans to obtain a home that fulfills their needs for totally adequate accommodations.

I am especially pleased that the committee included in this bill as an amendment to section 3 of the 1968 Housing Act, the provisions of S. 2610 which I introduced on July 14, 1969, which call for broadening of the employment and business opportunities of low income persons in connection with HUD assisted projects.

Throughout our country individual workers and businessmen who reside and do business in areas affected by programs of urban renewal, housing construction, industrial development, and other programs that result in significant impact on the community are very actively seeking additional opportunity to participate in such change. And I am most gratified to see that the committee felt this extension would greatly broaden the scope of employment and business opportunity for lower income persons and aspiring minority entrepreneurs. It is my hope that the policies developed by the Secretary of Housing and Urban Development with regard to section 3 will reflect the urgency inherent in the broadening of its scope.

DECENT HOUSING FOR ALL AMERICANS

Mr. YARBOROUGH. Mr. President, one of this Nation's most pressing problems is the lack of decent housing for many American families. The slums that exist in our cities and the poverty areas that can be found throughout rural America are a national disgrace. In this the richest Nation in the world, there is no excuse why every family in America does not have suitable housing.

Unfortunately, ever increasing consumer prices and interest rates on mortgages have made it impossible for many lower income families to buy a decent home. This situation has resulted in bringing the homebuilding industry to a virtual standstill. The difficulties that now exist in housing industries only serve to dramatize the importance of our Fed-

eral housing programs. These programs must be continued and improved if our Government is to fulfill its responsibility to the American people.

S. 2864 represents a rededication on the part of Congress to finding a solution to the housing crisis. This bill basically would continue and extend the existing Federal housing programs which are so vital to progress in America. The most important of these programs are urban renewal, model cities, rural housing, rent supplement, and public housing. This bill also authorizes the funds to continue these vital programs through fiscal year 1972.

An investment in housing is an investment in a better future for millions of Americans who are now living on the fringe of our society. With the passage of S. 2864, we will have taken another significant step toward achieving our national goal of a decent home and suitable living environment for every American.

Mr. President, I am proud to lend my support to S. 2864 and urge my colleagues to do likewise.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. SPARKMAN. Mr. President, before the question is put, the Senator from Mississippi (Mr. STENNIS) wanted to make some remarks at this point. I told him if he were off the floor at the time, I would ask for a quorum call. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

RURAL HOUSING

Mr. STENNIS. Mr. President, I wish to invite special attention to the subject of rural housing.

There is in our country today, understandably, a flood of concern regarding the vast urban problems. Their magnitude is tremendous, they are of challenging complexity, and their urgency is undeniable.

I would urge, however, that interest in urban problems not be allowed to reach a stage of preoccupation that would ever permit the Congress to fail to give rural problems the attention they deserve. Farm housing, and housing in small rural communities, are still acute problems, and they will remain so for the foreseeable future. A broad base of economic strength and general well-being of the people of this country will require that rural problems continue to receive careful consideration and timely action.

The Housing Act of 1949 provides a basis for this program, and the bill which is before us today, on an urgent basis, will extend for a 4-year period the various rural housing authorizations which otherwise would expire on October 1, 9 days from now. Certainly we should act expeditiously, and affirmatively, to see that these essential programs continue without a lapse in authorization.

I am pleased that this bill will increase substantially the amount of new loan paper which may be held in the rural housing insurance fund at any one time. This is essential, for the total rural housing program has progressed from about $250 million to $500 million in fiscal year 1968 and 1969, is projected at $1.2 billion in fiscal 1970, and in keeping with our national housing goals will continue to rise throughout the next 10 years.

Rural communities are entitled to and must receive proper attention. I am sure we all realize the importance of this aspect of our national housing program. I think we must be very careful that the needs of the farmers and the residents of small rural communities are not lost in the groundswell of other vast programs.

Mr. President, what I have said here is aside from the Farmers Home Administration loans for farm homes in rural areas, villages, and small towns. That has been one of the outstanding programs of the last 25 or 30 years. It has been of tremendous value to my State, where we have an unusually fine record of repayments of both interest and principal up to date. I commend that program for what it has already accomplished and what I am sure it will continue to accomplish.

I thank the Senator from Alabama.

Mr. SPARKMAN. Mr. President, before the Senator from Mississippi leaves, let me say that I appreciate greatly the remarks he has made. Farm housing has been one of my principal interests. I have enjoyed all my work for the last 22 years in the field of housing, but I have taken particular interest in farm housing.

The Senator referred to the farm housing program that I authored as title V of the Housing Act of 1949. That was the direct loan program that did so much good, certainly, down in our areas.

Since then we have liberalized that program and changed it from time to time; and, finally, because the loan program was so much in demand and required such tremendous appropriations, we added an insurance program to supplement it. Then in last year's housing bill, which is perhaps the most massive housing bill we have ever passed, when we provided this subsidized interest for lower income people, both to rent and to buy, after we had done that, looking toward the ghettos and slum areas, for the poor of the cities, I requested of our committee that we do exactly the same thing for the rural areas, and we provided similar programs for the rural areas. This year again we made a few more improvements in the law to make the program more workable. We have now what I consider a rather adequate rural housing program.

The big job remaining is to get builders who are interested in building in those areas, and to get industries out there which will support the people who move in and hold the people who are there. There is a big job yet to do, but I express my appreciation for what the Senator has said.

Mr. STENNIS. Again I wish to express my special appreciation, shared, I know, by many other Senators, for the splendid work the Senator from Alabama has done in this field. I remember his early sponsorship of what I call the Farmers Home Administration Farm Dwelling Act of 1949. That was the one to which I referred as having been so successful, in that they have repaid the principal and interest on the loans to an amazingly high percentage.

I thank the Senator again for what he has done, and for his remarks. I am glad as the Senator remarked, that the provisions of this bill are better known now than when the bill passed last year.

The PRESIDING OFFICER. The bill having been read the third time, the question, Shall it pass?

The bill (S. 2864) was passed, as follows:

S. 2864

An act to amend and extend laws relating to housing and urban development, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing and Urban Development Act of 1969".

TITLE I—MORTGAGE CREDIT

EXTENSION OF PROGRAMS

SEC. 101. (a) Section 2(a) of the National Housing Act is amended by striking "1969" in the first sentence and inserting in lieu thereof "1971".

(b) Section 217 of such Act is amended by—

(1) striking "or title X" and inserting in lieu thereof "title X, or title XI"; and

(2) striking "1969" and inserting in lieu thereof "1971".

(c) Section 221(f) of such Act is amended by striking "1969" in the fifth sentence and inserting in lieu thereof "1971".

(d) Section 809(f) of such Act is amended by striking "1969" in the second sentence and inserting in lieu thereof "1971".

(e) Section 810(k) of such Act is amended by striking "1969" in the second sentence and inserting in lieu thereof "1971".

(f) Section 1002(a) of such Act is amended by striking "1969" in the second sentence and inserting in lieu thereof "1971".

(g) Section 1101(a) of such Act is amended by striking "1969" in the second sentence and inserting in lieu thereof "1971".

FHA-FINANCED SALES HOUSING

SEC. 102. (a)(1) Section 203(b)(2) of the National Housing Act is amended by striking out "$20,000", each place it appears, and inserting in lieu thereof "$25,000".

(2) Section 203(b)(2) of such Act is amended by striking out "$30,000", "$32,500", and "$37,500" and inserting in lieu thereof "$32,500", "$35,000", and "$40,000", respectively.

(b) Section 220(d)(3)(A)(i) of such Act is amended by striking out "$20,000", each place it appears, and inserting in lieu thereof "$25,000".

(c) Section 222(b)(3) of such Act is amended by striking out "$20,000", each place it appears, and inserting in lieu thereof "$25,000".

(d) Section 234(c) of such Act is amended by striking out "$20,000", each place it appears, and inserting in lieu thereof "$25,000".

MORTGAGE LIMITS FOR MOBILE HOME COURTS

SEC. 103. Section 207 of the National Housing Act is amended—

(1) by striking "trailer coach mobile dwellings" in paragraph (1) of subsection (a) and inserting in lieu thereof "mobile homes";

(2) by striking "trailer court or park" in paragraph (6) of subsection (a) and inserting in lieu thereof "mobile home court or park";

(3) by striking "trailer coach mobile dwellings" in paragraph (6) of subsection (a) and inserting in lieu thereof "mobile homes"; and

(4) by striking "$1,800 per space or $500,000 per mortgage for trailer courts or parks" in the first sentence of subsection (c)(3) and inserting in lieu thereof "$2,500 per space or $1,000,000 per mortgage for mobile home courts or parks".

HIGH-COST AREA MORTGAGE LIMITS FOR LOW AND MODERATE INCOME HOUSING

SEC. 104. (a) Section 221(d)(2)(A) of the National Housing Act is amended by striking out the second proviso and inserting in lieu thereof the following: ": *Provided further*, That the Secretary may, in his discretion, increase the foregoing dollar amount limitations by not to exceed 45 per centum in any geographical area where he finds that cost levels so require;".

(b) Section 235 of such Act is amended—

(1) by striking out the last proviso in subsection (b)(2) and inserting in lieu thereof the following: ": *Provided further*, That the amount of the mortgage attributable to the dwelling unit shall involve a principal obligation not in excess of $15,000 (or $17,500, if the mortgagor's family includes five or more persons), except that the Secretary may, in his discretion, increase the foregoing dollar amount limitations by not to exceed 45 per centum in any geographical area where he finds that cost levels so require"; and

(2) by striking out subparagraph (B) of subsection (i)(3) and inserting in lieu thereof the following:

"(B) where it is to cover a one-family unit in a condominium project, have a principal obligation not exceeding $15,000 (or $17,500, if the mortgagor's family includes five or more persons), except that the Secretary may, in his discretion, increase the foregoing dollar amount limitations by not to exceed 45 per centum in any geographical area where he finds that cost levels so require; and".

MORTGAGE INSURANCE ON CONDOMINIUM UNITS FOR SERVICEMEN

SEC. 105. Section 222(b)(1) of the National Housing Act is amended by inserting "or 234(c)," immediately before the word "except".

ASSISTANCE PAYMENTS UNDER SECTION 235 FOR PURCHASER ASSUMING MORTGAGE

SEC. 106. Section 235(c) of the National Housing Act is amended by striking out "subsection (j)(4)" and inserting in lieu thereof "subsection (i) or (j)(4)".

AUTHORIZATION FOR ASSISTANCE PAYMENTS UNDER SECTIONS 235 AND 236

SEC. 107. (a) The second sentence of section 235(h)(1) of the National Housing Act is amended—

(1) by striking out "and" the second time it appears; and

(2) by inserting before the period a comma and the following: "and by $170,000,000 on July 1, 1971".

(b) The second sentence of section 236(i)(1) of the National Housing Act is amended—

(1) by striking out "and" the second time it appears; and

(2) by inserting before the period a comma and the following: "and by $170,000,000 on July 1, 1971".

ASSISTANCE PAYMENTS WITH RESPECT TO EXISTING DWELLINGS UNDER SECTION 235

SEC. 108. Section 235(h)(3) of the National Housing Act is amended—

(1) by inserting "and" at the end of subparagraph (A); and

(2) by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following:

"(B) 30 per centum of the total additional amount of contracts for assistance payments authorized by appropriation Acts to be made prior to July 1, 1971,".

CONVERSION OF SECTION 236 PROJECTS TO CONDOMINIUM OWNERSHIP

SEC. 109. (a) Section 236 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(n)(1) The Secretary is authorized, with respect to any project involving a mortgage insured under subsection (j), to permit a conversion of the ownership of such project to a plan of family unit ownership. Under such plan, each family unit shall be eligible for individual ownership and provision shall be included for the sale of the family units, together with an undivided interest in the common areas and facilities which serve the project, to lower income purchasers. The Secretary shall obtain such agreements as he determines to be necessary to assure continued maintenance of the common areas and facilities. Upon such sale, the family unit and the undivided interest in the common areas shall be released from the lien of the project mortgage.

"(2) The Secretary is authorized, upon application by the mortgagee, to insure under this subsection mortgages financing the purchase of individual family units under the plan prescribed in paragraph (1). Commitments may be issued by the Secretary for the insurance of such mortgages prior to the date of their execution or disbursement thereon, upon such terms and conditions as the Secretary may prescribe. To be eligible for such insurance, the mortgage shall—

"(A) involve a principal obligation (including such initial service charges, and such appraisal, inspection, and other fees, as the Secretary shall approve) in an amount not to exceed the Secretary's estimate of the appraised value of the family unit, including the mortgagor's interest in the common areas and facilities, as of the date the mortgage is accepted for insurance;

"(B) bear interest (exclusive of premium charges, for insurance and service charges, if any) at not to exceed such per centum per annum (not in excess of 6 per centum) on the amount of the principal obligation outstanding at any time as the Secretary finds necessary to meet the mortgage market;

"(C) provide for complete amortization by periodic payments within such term as the Secretary may prescribe, but not to exceed three-quarters of the Secretary's estimate of the remaining economic life of the building improvements; and

"(D) be executed by a mortgagor who shall have paid (i) in the case of any family whose income is not in excess of 135 per centum of the maximum income limits which can be established in the area, pursuant to the limitations prescribed in sections 2(2) and 15(7)(b)(ii) of the United States Housing Act of 1937, for initial occupancy in public housing dwellings, at least $200, or (ii) in the case of any other family, at least 3 per centum (or such larger amount as the Secretary may require) of the Secretary's estimate of the cost of acquisition, which amount (in cash or its equivalent) in either instance may be applied for the payment of settlement costs and initial payments for taxes, hazard insurance, mortgage insurance premiums, and other prepaid expenses.

"(3) Upon the sale of all of the family units covered by the project mortgage, and the release of all of the family units (including the undivided interest allocable to each unit in the common areas and facilities) from the lien of the project mortgage, the insurance of the project mortgage shall be terminated and no adjusted premium charge shall be collected by the Secretary upon such termination.

"(4) As used in this subsection, the terms 'mortgage' and 'common areas and facilities' shall have the same meaning as in section 234.

"(5) The Secretary is authorized to make periodic interest reduction payments on behalf of a mortgagor whose mortgage is insured under this subsection. These payments shall be made only during such time as the mortgagor shall continue to occupy the property which secures the mortgage and shall be in amounts determined pursuant to the formula prescribed in section 235(c) for the payment of assistance payments on behalf of mortgagors whose mortgages are insured under section 235(i): *Provided*, That interest reduction payments may be made on behalf of a homeowner who assumes a mortgage insured under this subsection with respect to which interest reduction payments have been made on behalf of the previous owner, if the homeowner is approved by the Secretary as eligible for receiving such assistance."

(b) The first sentence of section 236(i)(2) of such Act is amended by adding before the period at the end thereof the following: ": Provided, That the foregoing limitations shall be applicable to families purchasing individual condominium units covered by mortgages insured under subsection (n) who were not occupants of the rental project immediately preceding its conversion to a condominium project".

(c) Section 238(a) of such Act is amended—

(1) by striking out "or 237" each place it appears in paragraph (1) and inserting in lieu thereof "236(n)(2), or 237"; and

(2) by striking out "or 236" each place it appears in paragraph (2) and inserting in lieu thereof "or section 236(j)".

(d) Section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veteran's home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, is amended by striking out "236(j)(4)(B), 240(c)(4)" and inserting in lieu thereof "236(j)(4)(B), 236(n)(2)(B), 240(c)(4)".

PREFERENCES IN SECTION 237 MORTGAGE INSURANCE PROGRAM

SEC. 110. Section 237(d) of the National Housing Act is amended—

(1) by inserting "and in providing counseling services" after "applications"; and

(2) by inserting "(1) to families which are eligible for assistance payments under section 235, and (2)" after "this section".

EXPANSION OF THE FHA NURSING HOME PROGRAM TO INCLUDE INTERMEDIATE CARE FACILITIES

SEC. 111. Section 232 of the National Housing Act is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) The purpose of this section is to assist in the provision of facilities for either of the following purposes or for a combination of such purposes:

"(1) The development of nursing homes for the care and treatment of convalescents and other persons who are not acutely ill and do not need hospital care but who require skilled nursing care and related medical services.

"(2) The development of intermediate care facilities for the care of persons who, while not in need of nursing home care and treatment, nevertheless are unable to live fully independently and who are in need of minimum but continuous care provided by licensed or trained personnel.";

(2) by striking out "and" at the end of subsection (b)(1);

(3) by redesignating subsection (b)(2) as (b)(3) and inserting a new subsection (b)(2) to read as follows:

"(2) the term 'intermediate care facility' means a proprietary facility or facility of a private nonprofit corporation or association licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located) for the accommodation of persons who, because of incapacitating infirmities, require minimum but continuous care but are not in need of

continuous medical or nursing services; and"

(4) by striking out in the introductory text; of subsection (d) "a new or rehabilitated nursing home" and inserting in lieu thereof "a new or rehabilitated nursing home or intermediate care facility or combined nursing home and intermediate care facility";

(5) by striking out in subsection (d)(2) "operation of the nursing home" and inserting in lieu thereof "operation of the facility";

(6) by striking out subsection (d)(4) and inserting in lieu thereof the following:

"(4) The Secretary shall not insure any mortgage under this section unless he has received, from the State agency designated in accordance with section 604 (a) (1) of the Public Health Service Act for the State in which is located the nursing home or intermediate care facility or combined nursing home and intermediate care facility covered by the mortgage, a certification that (A) there is a need for such facility or home, and (B) there are in force in such State or other political subdivision of the State in which the proposed facility or home would be located reasonable minimum standards of licensure and methods of operation governing the facility or home. No such mortgage shall be insured under this section unless the Secretary has received such assurance as he may deem satisfactory from the State agency that such standards will be applied and enforced with respect to any facility or home located in the State for which mortgage insurance is provided under this section."; and

(7) by adding new subsections (g) and (h) at the end thereof to read as follows:

"(g) The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section relating to intermediate care facilities, after consulting with the Secretary of Health, Education, and Welfare with respect to any health or medical aspects of the program which may be involved in such regulations.

"(h) The Secretary shall also consult with the Secretary of Health, Education, and Welfare as to the need for and the availability of intermediate care facilities in any area for which an intermediate care facility is proposed under this section."

FLEXIBLE MORTGAGE AMOUNTS FOR SINGLE-FAMILY AND MULTIFAMILY HOUSING

SEC. 112. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"FLEXIBLE MORTGAGE AMOUNTS

"SEC. 243. (a) Notwithstanding any other provision of this Act, the per dwelling or per family unit dollar limitations on the maximum principal mortgage amounts prescribed in the various sections of this title shall be adjusted as provided in this section.

"(b) As soon as possible after the date of enactment of the Housing and Urban Development Act of 1969, the Secretary shall determine the extent by which the price index in calendar year 1968 was higher or lower than the price index in calendar year 1965. If the Secretary determines that the price index has risen or fallen by at least 3 per centum, the dollar limitations on the maximum principal mortgage amounts referred to in subsection (a) may be increased or decreased, as appropriate, by the percentage so determined (adjusted to the nearest $100), effective upon the date of publication in the Federal Register. As soon as possible after January 1, 1970, and each year thereafter, the Secretary shall determine the extent by which the price index in the preceding calendar year was higher or lower than the price index in the calendar year immediately preceding the last year in which an adjustment in dollar limitations under this section was made, or if no adjustment has been made, the calendar year 1965. If the Secretary determines that the price index has risen or fallen by at least 3 per centum, the dollar limitation on such maximum principal mortgage amounts, as previously adjusted, may be increased or decreased, as appropriate, by the percentage so determined (adjusted to the nearest $100), effective upon the date of publication in the Federal Register.

"(c) For purposes of this section, the term 'price index' means the 'Price Index for New One-Family Houses Sold', published annually by the Bureau of the Census."

INCREASE IN GNMA PURCHASE AUTHORITY

SEC. 113. Section 302(b) of the National Housing Act is amended—

(1) by striking "exceeds or exceeded $17,500" in clause (3) of the proviso to the first sentence and inserting in lieu thereof "exceeds or exceeded $20,000";

(2) by striking "that exceeds $17,750" in the second sentence and inserting in lieu thereof "that exceeds the otherwise applicable maximum amount"; and

(3) by striking "did not exceed $17,500" in the second sentence and inserting in lieu thereof "did not exceed the otherwise applicable maximum amount".

GNMA SPECIAL ASSISTANCE PURCHASES

SEC. 114. Section 305 of the National Housing Act is amended by adding at the end thereof a new subsection as follows:

"(j) Notwithstanding any other provision of this Act, the Association is authorized to purchase pursuant to commitments or otherwise mortgages otherwise eligible for purchase under this section at a price equal to the unpaid principal amount thereof at the time of purchase, with adjustments for interest and any comparable items, and to sell such mortgages at any time at a price within the range of market prices for the particular class of mortgages involved at the time of sale as determined by the Association."

AUTHORIZATION FOR RENT SUPPLEMENTS

SEC. 115. The last sentence in section 101(a) of the Housing and Urban Development Act of 1965 is amended—

(1) by striking out "and" the second time it appears; and

(2) by inserting before the period a comma and the following: "and by $82,000,000 on July 1, 1971".

RENT SUPPLEMENT UNITS IN SECTION 236 PROJECTS

SEC. 116. Section 101(j)(1)(D) of the Housing and Urban Development Act of 1965 is amended by inserting before the period a comma and the following: "except that the foregoing limitation may be increased to 40 per centum of the dwelling units in any such property if the Secretary determines that such increase is necessary and desirable in order to provide additional housing for individuals and families meeting the requirements of subsection (c)".

TITLE II—URBAN RENEWAL AND HOUSING ASSISTANCE PROGRAMS

URBAN RENEWAL GRANT AUTHORITY

SEC. 201. The first sentence of section 103 (b) of the Housing Act of 1949 is amended by striking out all that follows "exceed" and inserting in lieu thereof "$9,000,000,000, which amount shall be increased by $1,300,000,000 on July 1, 1970, and by $1,700,000,000 on July 1, 1971."

EXTENSION OF URBAN RENEWAL ASSISTANCE TO THE TRUST TERRITORY OF THE PACIFIC ISLANDS AND TO INDIAN TRIBES

SEC. 202. (a) Section 110(h) of the Housing Act of 1949 is amended by striking the second sentence and inserting in lieu thereof a new sentence as follows: "The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, the territories and possessions of the United States, and Indian tribes, bands, groups, and nations, including Alaska Indians, Aleuts, and Eskimos, of the United States".

(b) The first sentence of section 116 of such Act is amended by striking "and counties" and inserting in lieu thereof "counties, and Indian tribes, bands, groups, and nations, including Alaska Indians, Aleuts, and Eskimos, of the United States".

(c) The first sentence of section 117 of such Act is amended by striking "and counties" and inserting in lieu thereof "counties, and Indian tribes, bands, groups, and nations including Alaska Indians, Aleuts, and Eskimos, of the United States".

(d) The first sentence of section 118 of such Act is amended by striking "and counties" and inserting in lieu thereof "counties, and Indian tribes, bands, groups, and nations including Alaska Indians, Aleuts, and Eskimos, of the United States".

EXTENSION OF PERIOD OF ELIGIBILITY OF LOCAL GRANTS-IN-AID FOR CERTAIN NEIGHBORHOOD DEVELOPMENT PROJECTS

SEC. 203. Section 133(a) of the Housing Act of 1949 is amended—

(1) by striking out "For" and inserting in lieu thereof "Except as otherwise provided in this subsection for"; and

(2) by adding at the end thereof a new sentence as follows: "In connection with any neighborhood development program for which an application has been filed on or before August 11, 1969 (for which no contract for financial assistance under the program has been authorized by the Secretary), the three-year period referred to above shall be extended to a period of four years prior to authorization of (1) the first contract for financial assistance under the program which includes the urban renewal area benefited by the public improvement or facility for which credit is claimed, or (2) a contract for a loan or capital grant for an urban renewal project authorized after August 11, 1969, in an area which is benefited by the public improvement or facility for which credit is claimed and which was included in the neighborhood development program application."

REMOVAL OF INCOME LIMITATION FOR LOANS UNDER REHABILITATION LOAN PROGRAM

SEC. 204. Section 312(a) of the Housing Act of 1964 is amended by striking out the last sentence thereof.

LOANS FOR PUBLIC HOUSING PROJECTS

SEC. 205. Section 9 of the United States Housing Act of 1937 is amended by striking out the third sentence.

PUBLIC HOUSING ANNUAL CONTRIBUTIONS

SEC. 206. (a) The proviso to section 10(b) of the United States Housing Act of 1937 is amended by inserting after "any contract" the following: ", although not limited to debt service requirements,".

(b) The first sentence of section 10(e) of such Act is amended by striking out "on July 1 in each of the years 1969 and 1970" and inserting in lieu thereof "on July 1, 1969, $170,000,000 on July 1, 1970, and $175,000,000 on July 1, 1971".

NOTIFICATIONS TO APPLICANTS FOR ADMISSION TO PUBLIC HOUSING PROJECTS

SEC. 207. Section 10(g) of the United States Housing Act of 1937 is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (3) a new paragraph as follows:

"(4) the public housing agency shall notify promptly (i) any applicant determined to be ineligible for admission to the project of the basis for such determination and provide the applicant, within a reasonable time after the determination is made, with an opportunity for a hearing on such determination is made, with an opportunity for

a hearing on such determination, and (ii) any applicant determined to be eligible for admission to the project of the approximate date of occupancy insofar as such date can be reasonably determined."

ROOM COST LIMITATIONS FOR PUBLIC HOUSING PROJECTS

SEC. 208. (a) The proviso to the first sentence of section 15(5) of the United States Housing Act of 1937 is amended by striking out "$750 per room" and inserting "45 per centum" in lieu thereof.

(b) Paragraph (5) of section 15 of such Act is amended by inserting "(A)" after "(5)" and by adding at the end thereof a new paragraph as follows:

"(B) As soon as possible after the date of enactment of the Housing and Urban Development Act of 1969, the Secretary shall determine the extent by which the building cost index in calendar year 1968 was higher or lower than such index in calendar year 1965. If the Secretary determines that the building cost index has risen or fallen by at least 3 per centum, the dollar limitations referred to in subparagraph (A) may be increased or decreased, as appropriate, by the percentage so determined (adjusted to the nearest $100), effective upon the date of publication in the Federal Register. As soon as possible after January 1, 1970, and each year thereafter, the Secretary shall determine the extent by which the building cost index in the preceding calendar year was higher or lower than such index in the calendar year immediately preceding the last year in which an adjustment in dollar limitations under this subparagraph was made, or if no adjustment has been made, the calendar year 1965. If the Secretary determines that the building cost index has risen or fallen by at least 3 per centum, the dollar limitations referred to in subparagraph (A), as previously adjusted, may be increased or decreased, as appropriate, by the percentage so determined (adjusted to the nearest $100), effective upon the date of publication in the Federal Register. For the purposes of this subparagraph, the term 'building cost index' means such index as the Secretary determines to be appropriate after giving full consideration to nationally recognized and published building cost indices."

MANAGEMENT AND SERVICES IN PUBLIC HOUSING PROJECTS

SEC. 209. The last sentence of section 15(10) of the United States Housing Act of 1937 is amended by striking "July 1, 1970" and inserting "July 1, 1972" in lieu thereof.

WAIVER OF WORKABLE PROGRAM REQUIREMENT WITH RESPECT TO CERTAIN LOW-RENT HOUSING IN PRIVATE ACCOMMODATIONS

SEC. 210. (a) Section 23(f) of the United States Housing Act of 1937 is amended by striking out all that follows "Housing Act of 1949," and inserting in lieu thereof "shall not apply to low-rent housing assisted or to be assisted under this section."

(b) The first proviso in section 101(c) of the Housing Act of 1949 is amended—

(1) by inserting "or under section 23 of the United States Housing Act of 1937" after "Housing and Urban Development Act of 1965"; and

(2) by inserting "(except a contract for annual contributions under section 23 of such Act)" after "United States Housing Act of 1937".

ADDITIONAL RENTAL ASSISTANCE IN BEHALF OF VERY LOW INCOME TENANTS OF PUBLIC HOUSING PROJECTS

SEC. 211. The United States Housing Act of 1937 is amended by redesignating section 24 as section 25, and by adding after section 23 a new section as follows:

"ADDITIONAL RENTAL ASSISTANCE

"SEC. 24. (a) In order to enable public housing agencies to provide housing within the means of families of very low income and to provide improved operating and maintenance services, the Secretary may make, and contract to make, annual rental assistance payments to public housing agencies with respect to any low-rent housing projects.

"(b) The amount of the annual payment with respect to any dwelling unit in a low-rent housing project shall not exceed the amount by which the rental for such unit exceeds one-fourth of the tenant's income, as determined by the Secretary.

"(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, including such sums as may be necessary to make the rental assistance payments under contracts entered into under this section. The aggregate amount of the contracts to make such payments shall not exceed amounts approved in appropriation Acts, and payments pursuant to such contracts shall not exceed $75,000,000 per annum.

"(d) As used in this section, the term 'rental for such unit' means the proportionate share attributable to a unit of the total shelter costs to be borne by the tenants in a low-rent housing project, including any separate charges to a tenant for reasonable utility use and for public services and facilities."

AUTHORIZATION FOR HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 212. Paragraph (4) of section 202(a) of the Housing Act of 1959 is amended to read as follows:

"(4) There is authorized to be appropriated for the purposes of this section not to exceed $500,000,000, which amount shall be increased by $80,000,000 on July 1 of each of the years 1969, 1970, and 1971. Amounts so appropriated shall constitute a revolving fund to be used by the Secretary in carrying out this section."

AUTHORIZATION FOR COLLEGE HOUSING DEBT SERVICE GRANTS

SEC. 213. Section 401(f)(2) of the Housing Act of 1950 is amended by striking all that follows "exceed" and inserting in lieu thereof "$20,000,000, which amount shall be increased by $1,500,000 on July 1, 1970, and by $9,000,000 on July 1, 1971."

ASSISTANCE FOR HOUSING IN ALASKA

SEC. 214. Section 1004(a) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended by striking out "$7,500" and inserting in lieu thereof "$10,875".

TITLE III—MODEL CITIES AND METROPOLITAN DEVELOPMENT PROGRAMS

AUTHORIZATION FOR MODEL CITIES PROGRAM

SEC. 301. (a) Section 111(b) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended—

(1) by striking out "and" the third time it appears; and

(2) by inserting before the period the following: ", not to exceed $287,500,000 for the fiscal year ending June 30, 1971, and not to exceed $1,500,000,000 for the fiscal year ending June 30, 1972".

(b) Section 111(c) of such Act is amended by striking out "1970" and inserting in lieu thereof "1972".

AUTHORIZATION FOR COMPREHENSIVE PLANNING GRANTS

SEC. 302. The fifth sentence of section 701(b) of the Housing Act of 1954 is amended by striking out "and not to exceed $390,000,000 prior to July 1, 1970" and inserting in lieu thereof "not to exceed $390,000,000 prior to July 1, 1971, and not to exceed $430,000,000 prior to July 1, 1972".

UTILIZATION OF PRIVATE ENTERPRISE IN COMPREHENSIVE PLANNING AND PUBLIC WORKS PLANNING

SEC. 303. Section 701 of the Housing Act of 1954 is amended by redesignating subsection (i) as subsection (j), and by inserting after subsection (h) the following new subsection:

"(i) Any grants made under this section to a State, metropolitan, or regional planning agency, an economic development district, or any other areawide planning agency for use by such agency or district to provide planning assistance to any local government or any agency or instrumentality of a local government shall be used in a manner consistent with the Federal Government's policy of relying on the private enterprise system to provide those services which are reasonably and expeditiously available through ordinary business channels."

AUTHORIZATION FOR OPEN SPACE, URBAN BEAUTIFICATION, AND HISTORIC PRESERVATION GRANTS

SEC. 304. The first sentence of section 702(b) of the Housing Act of 1961 is amended by striking out "and not to exceed $460,000,000 prior to July 1, 1970" and inserting in lieu thereof "not to exceed $460,000,000 prior to July 1, 1971, and not to exceed $548,000,000 prior to July 1, 1972".

AUTHORIZATION FOR NEW COMMUNITY SUPPLEMENTARY ASSISTANCE GRANTS

SEC. 35. Section 412(d) of the Housing and Urban Development Act of 1968 is amended by striking out "July 1, 1970" and inserting in lieu thereof "July 1, 1972".

COMMUNITY FACILITIES GRANTS

SEC. 306. (a) Section 708(a) of the Housing and Urban Development Act of 1965 is amended by adding at the end thereof the following: "In addition there is authorized to be appropriated for grants under section 703 not to exceed $34,000,000 for the fiscal year commencing July 1, 1971."

(b) Section 708(b) of such Act is amended by striking out "1970" and inserting in lieu thereof "1972".

URBAN MASS TRANSPORTATION

SEC. 307. (a) The first sentence of section 4(b) of the Urban Mass Transportation Act of 1964 is amended—

(1) by striking out "and" the second time it appears; and

(2) by striking out the period and inserting in lieu thereof "; and $300,000,000 for fiscal year 1971.".

(b) Section 5 of such Act is amended by striking out "1970" and inserting in lieu thereof "1971".

EXTENSION OF URBAN INFORMATION AND TECHNICAL ASSISTANCE SERVICES AUTHORIZATION

SEC. 308. Section 906 of the Demonstration Cities and Metropolitan Development Act of 1966 is amended by striking out "July 1, 1970" and inserting in lieu thereof "July 1, 1972".

TRAINING AND FELLOWSHIP PROGRAMS

SEC. 309. Title VIII of the Housing Act of 1964 is amended to read as follows:

"TITLE VIII—TRAINING AND FELLOWSHIP PROGRAMS

"FINDINGS AND PURPOSE

"SEC. 801. (a) The Congress finds that the rapid expansion of the Nation's urban areas and urban population has caused severe problems in urban and suburban development and created a national need to (1) provide special training in skills needed for economic and efficient community development, and (2) support research in new or improved methods of dealing with community development problems.

"(b) It is the purpose of this title to provide fellowships for the graduate training of professional city planning and urban and housing technicians and specialists, and to assist and encourage the States, in cooperation with public or private universities and colleges and urban centers and with business firms and associations, labor unions, and other interested associations and organiza-

tions, to (1) organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development to those technical, professional, and other persons with the capacity to master and employ such skills who are, or are training to be, employed by a governmental or public body which has responsibility for community development, or by a private nonprofit organization which is conducting or has responsibility for housing and community development programs; and (2) support State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems.

"FELLOWSHIPS FOR CITY PLANNING AND URBAN STUDIES

"SEC. 802. (a) The Secretary is authorized to provide fellowships for the graduate training of professional city planning and urban and housing technicians and specialists as herein provided. Persons shall be selected for such fellowships solely on the basis of ability and upon the recommendation of the Urban Studies Fellowship Advisory Board established pursuant to subsection (b). Fellowships shall be solely for training in public and private nonprofit institutions of higher education having programs of graduate study in the field of city planning or in related fields (including architecture, civil engineering, economics, municipal finance, public administration, and sociology), which programs are oriented to training for careers in city and regional planning, housing, urban renewal, and community development.

"(b) There is hereby established the Urban Studies Fellowship Advisory Board (hereinafter referred to as the 'Board'), which shall consist of nine members to be appointed by the Secretary of Housing and Urban Development as follows: Three from public institutions of higher learning and three from private nonprofit institutions of higher education, who are the heads of departments which provide academic courses appropriately related to the fields referred to in subsection (a), and three from national organizations which are directly concerned with problems relating to urban, regional, and community development. The Board shall meet upon the request of the Secretary and shall make recommendations to him with respect to persons to be selected for fellowships under this section. Members of the Board shall be entitled to receive transportation expenses and a per diem in lieu of subsistence as authorized for members of advisory committees created pursuant to section 601 of the Housing Act of 1949.

"MATCHING GRANTS TO STATES

"SEC. 803. (a) Subject to the provisions of this title and in accordance with regulations prescribed by him, the Secretary may make matching grants to States to assist in—

"(1) organizing, initiating, developing, or expanding programs to provide special training in skills needed for economic and efficient community development to those technical, professional, and other persons with the capacity to master and employ such skills who are, or are training to be, employed by a governmental or public body which has responsibilities for community development, or by a private nonprofit organization which is conducting or has responsibility for housing and community development programs; and

"(2) supporting State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems, and collecting, collating, and publishing statistics and information relating to such research.

"(b) No grants may be made to a State under this section unless the Secretary has approved a plan for the State which—

"(1) sets forth the proposed use of the funds and the objectives to be accomplished;

"(2) explains the method by which the required amounts from non-Federal sources will be obtained;

"(3) provides such fiscal control and fund accounting procedures as may be reasonably necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this section;

"(4) designates an officer or agency of the State government who has responsibility and authority for the administration of a statewide research and training program as the officer or agency with responsibility and authority for the execution of the State's program under this section; and

"(5) provides that such officer or agency will make such reports to the Secretary, in such form, and containing such information, as may be reasonably necessary to enable the Secretary to perform his duties under this section.

"(c) No grant may be made under this section for any use unless an amount at least equal to such grant is made available from non-Federal sources for the same purpose and for concurrent use.

"STATE LIMIT

"SEC. 804. Not more than 10 per centum of the total amount appropriated for the purposes of this title may be used for making grants to any one State.

"TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF INFORMATION

"SEC. 805. In order to carry out the purpose of this title, the Secretary is authorized to provide technical assistance to State and local governmental or public bodies and to undertake such studies and publish and distribute such information, either directly or by contract, as he shall determine to be desirable. Nothing contained in this title shall limit any authority of the Secretary under any other provision of law.

"APPROPRIATIONS

"SEC. 806. There is authorized to be appropriated for the purpose of making grants and providing fellowships under this title, without fiscal year limitation, not to exceed $30,000,000. Any amounts appropriated under this section shall remain available until expended.

"MISCELLANEOUS

"SEC. 807. (a) As used in this title the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands; and the term 'Secretary' means the Secretary of Housing and Urban Development.

"(b) There are authorized to be appropriated such sums as may be necessary for administrative and other expenses in carrying out this title."

TITLE IV—MISCELLANEOUS

FLEXIBLE INTEREST RATE AUTHORITY

SEC. 401. Section 3(a) of the Act entitled "an Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, is amended by striking out "October 1, 1969" and inserting in lieu thereof "April 1, 1970".

AUTHORIZATION FOR PROPERTY ACQUISITIONS IN APPLYING ADVANCES IN TECHNOLOGY TO HOUSING AND URBAN DEVELOPMENT

SEC. 402. The first sentence of section 1010(c) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended—

(1) by inserting "(1)" after "authorized"; and

(2) by inserting before the period a comma and the following: "and (2) notwithstanding any other provision of law, to acquire, use, and dispose of land and other property as he deems necessary to carry out the purposes of subsection (a)(1) of this section".

EXTENSION OF CERTAIN PROVISIONS OF LAW RELATING TO HOUSING AND URBAN DEVELOPMENT TO THE TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 403. (a) Paragraph (12) of section 2 of the United States Housing Act of 1937 is amended to read as follows:

"(12) The term 'State' includes the States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and the territories and possessions of the United States."

(b) Section 206 of the Housing Amendments of 1955 is amended by striking out "and the Territories and possessions of the United States" and inserting in lieu thereof "the Trust Territory of the Pacific Islands, and the territories and possessions of the United States".

(c) (1) Section 201(d) of the National Housing Act is amended by inserting "the Trust Territory of the Pacific Islands," after "Guam,".

(2) Section 207(a)(7) of such Act is amended by inserting "the Trust Territory of the Pacific Islands," after "Guam,".

(3) Section 9 of such Act is amended by inserting "the Trust Territory of the Pacific Islands," after "Guam,".

EMPLOYMENT OPPORTUNITIES FOR LOWER INCOME PERSONS IN CONNECTION WITH HUD-ASSISTED PROJECTS

SEC. 404. Section 3 of the Housing and Urban Development Act of 1968 is amended to read as follows:

"EMPLOYMENT OPPORTUNITIES FOR LOWER INCOME PERSONS IN CONNECTION WITH ASSISTED PROJECTS

"SEC. 3. In the administration by the Secretary of Housing and Urban Development of programs providing financial assistance in aid of housing; urban planning, development, redevelopment, or removal; public or community facilities; and new community development; the Secretary shall—

"(1) require, in consultation with the Secretary of Labor, that to the greatest extent feasible opportunities for training and employment arising in connection with the planning and carrying out of any project assisted under any such program be given to lower income persons residing in the area of such project; and

"(2) require, in consultation with the Administrator of the Small Business Administration and the Secretary of Labor, that to the greatest extent feasible contracts for work to be performed in connection with any such project be awarded to business concerns, including but not limited to individuals of firms doing business in the field of planning, consulting, design, architecture, building construction, rehabilitation, maintenance, or repair, which are located in or owned in substantial part by persons residing in the area of such project."

URBAN PROPERTY PROTECTION AND REINSURANCE—ENTRY INTO REINSURANCE CONTRACTS

SEC. 405. Section 1222(d) of the National Housing Act is amended by striking all that follows "thereafter" the first time that word appears and inserting in lieu thereof a period.

URBAN PROPERTY PROTECTION AND REINSURANCE—STATE SHARE OF REINSURED LOSSES

SEC. 406. Section 1223(a) of the National Housing Act is amended by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) in any State which has not, after the close of the second full regular session of the appropriate State legislative body following the date of the enactment of this title, adopted appropriate legislation, retroactive to the date of the enactment of this

title, under which the State, its political subdivisions, or a governmental corporation or fund established pursuant to State law, will reimburse the Secretary for any reinsured losses in that State in any reinsurance contract year, in an amount up to 5 per centum of the aggregate property insurance premiums earned in that State during the calendar year immediately preceding the end of the reinsurance contract year on those lines of insurance reinsured by the Secretary in that State during the contract year, to the extent that reinsured losses paid by the Secretary for such year exceed the total of (A) reinsurance premiums earned in that State during that reinsurance contract year plus (B) the excess of (i) the total premiums earned by the Secretary for reinsurance in that State during a preceding period measured from the end of the most recent reinsurance contract year with respect to which the Secretary was reimbursed for losses under this title over (ii) any amounts paid by the Secretary for reinsured losses that were incurred during such period;".

STUDY OF REINSURANCE AND OTHER PROGRAMS

SEC. 407. Section 1235(b) of the National Housing Act is amended by striking "one year following the date of the enactment of this title" and inserting in lieu thereof "December 31, 1969".

NATIONAL FLOOD INSURANCE PROGRAM

SEC. 408. (a) Paragraph (2) of section 1305(c) of the National Flood Insurance Act of 1968 is amended by striking "June 30, 1970, permanent" and inserting in lieu thereof "December 31, 1971, adequate".

(b) Section 1315 of such Act is amended—

(1) by striking "June 30, 1970" and inserting in lieu thereof "December 31, 1971"; and

(2) by striking "permanent" and inserting in lieu thereof "adequate".

(c) Section 1361(c) of such Act is amended by striking "permanent" and inserting in lieu thereof "adequate".

(d)(1) Section 1302 of the Housing and Urban Development Act of 1968 is amended by adding at the end thereof the following new subsection:

"(f) The Congress also finds that (1) the damage and loss which results from mudslides is related in cause and similar in effect to that which results directly from storms, deluges, overflowing waters, and other forms of flooding, and (2) the problems involved in providing protection against this damage and loss, and the possibilities for making such protection available through a Federal or federally sponsored program, are similar to those which exist in connection with efforts to provide protection against damage and loss by such other forms of flooding. It is therefore the further purpose of this title to make available, by means of the methods, procedures, and instrumentalities which are otherwise established or available under this title for purposes of the flood insurance program, protection against damage and loss resulting from mudslides that are caused by accumulations of water on or under the ground."

(2) Section 1370 of the Housing and Urban Developemnt Act of 1968 is amended by inserting "(a)" after "SEC. 1370.", and by adding at the end thereof the following new subsection:

"(b) The term 'flood' shall also include inundation from mudslides which are caused by accumulations of water on or under the ground; and all of the provisions of this title shall apply with respect to such mudslides in the same manner and to the same extent as with respect to floods described in paragraph (1), subject to and in accordance with such regulations, modifying the provisions of this title (including the provisions relating to land management and use) to the extent necessary to ensure that they can be effectively so applied, as the Secretary may prescribe to achieve (with respect to such mudslides) the purposes of this title and the objectives of the program."

INTERSTATE LAND SALES

SEC. 409. The second sentence of section 1403(a) of the Housing and Urban Development Act of 1968 is amended to read as follows: "As used in this subparagraph, the terms 'liens', 'encumbrances' and 'adverse claims' do not refer to property reservations which land developers commonly convey or dedicate to local bodies or public utilities for the purpose of bringing public services to the land being developed nor to taxes and assessments imposed by a State, by any other public body having authority to assess and tax property, or by a property owners' association, which, under applicable State or local law, constitute liens on the property before they are due and payable, nor to covenants, conditions, and restrictions imposed to control future use of the property and the types and locations of structures to be placed thereon; if (a) the developer, prior to the time the contract of sale or lease is entered into, has furnished each purchaser with a statement setting forth in clear and understandable terms the types and amounts of all such reservations, taxes, assessments, covenants, conditions, and restrictions which are applicable to the lot to be purchased, and (B) receipt of such statement has been acknowledged in writing by the purchaser, and a copy of the acknowledged statement is filed with the Secretary."

REPORTS

SEC. 410. (a) Section 1603 of the Housing and Urban Development Act of 1968, is amended by striking out "January 15," and inserting in lieu thereof "February 1,".

(b) The last sentence of section 235(h)(2) of the National Housing Act is amended by striking out "annually" and inserting in lieu thereof "semiannually".

(c) The last sentence of section 236(1)(2) of the National Housing Act is amended by striking out "annually" and inserting in lieu thereof "semiannually".

RURAL HOUSING

SEC. 411. (a) Sections 513, 515(b)(5), and 517(a)(1) of the Housing Act of 1949 are amended respectively by striking out "October 1, 1969", wherever it appears in such sections, and inserting in lieu thereof "October 1, 1973".

(b) Section 517(c) of such Act is amended by striking out "$100,000,000" and inserting in lieu thereof "$350,000,000".

(c) Section 517 of such Act is amended by adding at the end thereof a new subsection as follows:

"(k) Any sale by the Secretary of loans individually or in blocks, pursuant to subsections (c) and (g), shall be treated as a sale of assets for the purposes of the Budget and Accounting Act, 1921, notwithstanding the fact that the Secretary, under an agreement with the purchaser, holds the debt instruments evidencing the loans and holds or reinvests payments thereon as trustee and custodian for the purchaser."

(d)(1) Title V of such Act is amended by adding at the end thereof a new section as follows:

"FINANCIAL ASSISTANCE TO NONPROFIT ORGANIZATIONS TO PROVIDE SITES FOR RURAL HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES

"SEC. 524. (a) The Secretary may make loans, on such terms and conditions and in such amounts as he deems necessary, to public or private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to families, nonprofit organizations, and cooperatives eligible for assistance under section 235 or 236 of the National Housing Act or section 521 of this Act. Such a loan shall bear interest at a rate prescribed by the Secretary taking into consideration a rate determined annually by the Secretary of the Treasury as the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, and shall be repaid within a period not to exceed two years from the making of the loan or within such additional period as may be authorized by the Secretary in any case as being necessary to carry out the purposes of this section.

"(b) In determining whether to extend financial assistance under this section, the Secretary shall take into consideration, among other factors, (1) the suitability of the area to the types of dwellings which can feasibly be provided, and (2) the extent to which the assistance will (i) facilitate providing needed decent, safe, and sanitary housing, (ii) be utilized efficiently and expeditiously, and (iii) fulfill a need in the area which is not otherwise being met through other programs, including those being carried out by other Federal, State, or local agencies."

(2) Section 517(b) of such Act is amended by striking out "and 515" and inserting ", 515", and by adding after "(b)(4))," the following: "and 524,".

SALE OF LAND FOR HOUSING

SEC. 412. (a) Notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949, any excess real property within the meaning of such Act may in the discretion of the Administrator of General Services be transferred to the Secretary of Housing and Urban Development at his request for sale or lease by him at its fair value for use in the provision of rental or cooperative housing to be occupied by families or individuals of low or moderate income. Any such sale or lease of excess land shall be made only to (1) a public body which will use the land in connection with the development of a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Secretary of Housing and Urban Development to have the same general purposes as the Federal program under such Act, or (2) a purchaser or lessee who will use the land in connection with the development of housing (A) with respect to which annual payments will be made to the housing owner pursuant to section 101 of the Housing and Urban Development Act of 1965, (B) financed with a mortgage which receives the benefits of the interest rate provided for in the proviso in section 221(d)(5) of the National Housing Act, or (C) with respect to which interest reduction payments will be made under section 236 of the National Housing Act: *Provided*, That prior to any such sale or lease to a purchaser or lessee other than a public body, the Secretary shall notify the governing body of the locality where the land is located of the proposed sale or lease and no such sale or lease shall be made if the local governing body, within ninety days of such notification, formally advises the Secretary that it objects to the proposed sale or lease. If the United States paid valuable consideration for any such land the Secretary shall not sell it for less than its cost to the United States at the time of acquisition. In addition, if such land contains improvements constructed by the Federal Government which have potential use in the provision of housing for low- or moderate-income families or individuals, the improvements shall be separately appraised for such use and the price for which such land is sold shall include an amount which is not less than the value of such improvements as so appraised.

(b) As a condition to any sale or lease of excess land under this section to a purchaser or lessee other than a public body, the Secretary shall obtain such undertakings as he may consider appropriate to assure that the property will be used in the provision of rental or cooperative housing to be occupied

by families or individuals of low or moderate income for a period of not less than twenty years. The Secretary shall notify the Committees on Banking and Currency of the Senate and House of Representatives whenever any excess land is sold or leased by him pursuant to the authority of this section.

SAVINGS AND LOAN ASSOCIATIONS

SEC. 413. (a) Section 5 of the Federal Home Loan Bank Act (12 U.S.C. 1425) is amended to read as follows:

"SEC. 5. No institution shall be admitted to or retained in membership, or granted the privileges of nonmember borrowers, if the combined total of the amounts paid to it for interest, commission, bonus, discount, premium, and other similar charges, less a proper deduction for all dividends, refunds, and cash credits of all kinds, creates an actual net cost to the home owner in excess of the lawful contract rate of interest applicable to such transactions, or, in case there is no lawful contract rate of interest applicable to such transactions, in excess of such rates as may be prescribed in writing by the board acting in its discretion from time to time. This section applies only to home mortgages on single-family dwellings."

(b) Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by adding at the end thereof a new paragraph as follows:

"Without regard to any other provision of this subsection, any such association is authorized to invest in shares of stock issued by a corporation authorized to be created pursuant to title IX of the Housing and Urban Development Act of 1968, and is authorized to invest in any partnership, limited partnership, or joint venture formed pursuant to section 907(a) or 907(c) of that Act."

(c) (1) Section 404(d)(2)(B) of the National Housing Act (12 U.S.C. 1727(d)(2)(B)) is amended by striking out "1966" and inserting in lieu thereof "1965".

(2) Section 6(b) of the Act of September 21, 1968 (Public Law 90–505) is amended by striking out "1968" and inserting in lieu thereof "1965".

TECHNICAL AMENDMENT

SEC. 414. (a) Section 235(c) of the National Housing Act is amended by inserting immediately before the period at the end of the first sentence the following: "*: Provided further*, That the Secretary is authorized to continue making such assistance payments where the mortgage has been assigned to the Secretary".

(b) Section 236(b) of such Act is amended by striking out "*Provided*, That" and inserting in lieu thereof the following: "*Provided*, That the Secretary is authorized to continue making such interest reduction payments where the mortgage has been assigned to the Secretary: *Provided further*, That".

(c) Section 223(d) of such Act is amended by inserting the following new sentence at the end thereof: "A loan involving a project covered by a mortgage insured under section 213 that is the obligation of the Cooperative Management Housing Insurance Fund shall be the obligation of such fund, and loans involving projects covered by a mortgage insured under section 236 or under any section of this title pursuant to section 223(e) shall be the obligation of the Special Risk Insurance Fund."

(d) Section 223(e) of such Act is amended to read as follows:

"(e) Notwithstanding any of the provisions of this Act except section 212, and without regard to limitations upon eligibility contained in any section or title of this Act, the Secretary is authorized, upon application by the mortgagee, to insure under any section or title of this Act a mortgage executed in connection with the repair, rehabilitation, construction, or purchase of property located in an older, declining urban area in which the conditions are such that one or more of the eligibility requirements applicable to the section or title of this Act under which insurance is sought could not be met, if the Secretary finds that (1) the area is reasonably viable, giving consideration to the need for providing adequate housing or group practice facilities for families of low and moderate income in such area, and (2) the property is an acceptable risk in view of such consideration. The insurance of a mortgage pursuant to this subsection shall be the obligation of the Special Risk Insurance Fund."

(e) Section 214 of such Act is amended by inserting in the first sentence after "construct dwellings" the words "or mobile home courts or parks".

SEC. 415. Section 702(c) of the Housing and Urban Development Act of 1965 is amended by striking out "October 1, 1969" and inserting in lieu thereof "May 1, 1970".

SEC. 416. Section 2 of the National Housing Act is amended by—

(1) inserting "(i)" after the words "for the purpose of" in the first sentence of subsection (a);

(2) inserting "; and for the purpose of (ii) financing the purchase of a mobile home to be used by the owner as his principal residence" before the period at the end of the first sentence of subsection (a);

(3) inserting "(other than mobile homes)" after "new residential structures" in clause (1) of subparagraph (iii) of the second paragraph of subsection (a);

(4) inserting the following new sentence at the end of subsection (a): "The Secretary is hereby authorized and directed, with respect to mobile homes to be financed under this section, to (i) prescribe minimum standards of construction and design to assure the livability and durability of the mobile home; and (ii) obtain assurances from the borrower that the mobile home will be placed on a site which complies with local zoning and other applicable local requirements.";

(5) inserting ", except that an obligation financing the purchase of a mobile home may be in an amount not exceeding $10,000" before the semicolon at the end of clause (1) in the first sentence of subsection (b);

(6) inserting ": *Provided*, That an obligation financing the purchase of a mobile home may have a maturity not in excess of twelve years and thirty-two days" before the semicolon at the end of clause (2) in the first sentence of subsection (b); and

(7) striking out "real property" each place it appears in subsection (c)(2) and inserting in lieu thereof "real or personal property".

SEC. 417. Section 1010(a) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (3) a new paragraph as follows:

"(4) assure, to the extent feasible, in connection with housing construction, any major rehabilitation, and maintenance under programs administered by the Department of Housing and Urban Development, that there is no unreasonable restraint by contract or practice against the employment of new or improved technologies, techniques, materials and methods or of preassembled products which may reduce the cost or improve the quality of such construction, rehabilitation, and maintenance, and therefore stimulate expanded production of housing under such programs."

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized and directed to make any necessary clerical and technical changes in the engrossed bill (S. 2864).

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

Mr. MANSFIELD. Mr. President, the Senator from Alabama (Mr. SPARKMAN) deserves the highest commendation of the entire Senate for his able and competent handling of the housing program extension just adopted overwhelmingly. Senator SPARKMAN yields to no one in his knowledge and understanding of this Nation's housing needs. He has been constantly in the forefront, I might say, in bringing new and imaginative ideas into the field of housing. We are again in his debt.

Joining the distinguished chairman of the Banking and Currency Committee in guiding this measure through to swift adoption by the Senate was the distinguished senior Senator from Utah (Mr. BENNETT), the ranking minority member of the committee. Joined by the Senator from Texas (Mr. TOWER), their thoughtful views on the matters involved contributed a great deal to the high caliber of the entire debate. So to Senator BENNETT and to Senator TOWER both we are extremely grateful.

Likewise, we are indebted to the Senator from Wisconsin (Mr. PROXMIRE) for once again bringing his devoted efforts to bear on this measure. As usual, his contribution was immeasurable. The same may be said for the Senator from New York (Mr. JAVITS).

Finally, the Senate appreciates the contributions of the Senator from Minnesota (Mr. MONDALE), the Senator from Iowa (Mr. MILLER) and the many others who joined the discussion. The Senate may again be proud of a fine achievement obtained with efficient and orderly action.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1888) to change the composition of the Commission for Extension of the U.S. Capitol.

FOOD STAMP PROGRAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 283, S. 2547, and that it be laid before the Senate and made the pending business.

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

The LEGISLATIVE CLERK. A bill (S. 2547) to amend the Food Stamp Act of 1964.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

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

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and

that the Senate proceed to the consideration of Calendar Nos. 411, 413, and 415.

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

LEONARD N. ROGERS, JOHN P. CORCORAN, MRS. CHARLES W. (ETHEL J.) PENSINGER, MARION M. LEE, AND ARTHUR N. LEE

The bill (S. 55) for the relief of Leonard N. Rogers, John P. Corcoran, Mrs. Charles W. (Ethel J.) Pensinger, Marion M. Lee, and Arthur N. Lee was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 55

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to quiet title in certain real property in Apache National Forest, Arizona, held and claimed by the following-named persons under a chain of title dating from December 4, 1903, the Secretary of Agriculture is authorized and directed to convey by quitclaim deed to such persons all right, title, and interest of the United States in and to certain real property situated in section 5, township 6 north, range 30 east, Gila and Salt River base and meridian, as follows:

(1) to Leonard N. Rogers all right, title, and interest of the United States in and to the real property more particularly described as the west half northwest quarter southwest quarter;

(2) to John P. Corcoran all right, title, and interest of the United States in and to the real property more particularly described as the east half northwest quarter southwest quarter;

(3) to Mrs. Charles W. (Ethel J.) Pensinger all right, title, and interest of the United States in and to the real property more particularly described as the southwest quarter southwest quarter; and

(4) to Marion M. Lee and Arthur N. Lee all right, title, and interest of the United States in and to the real property more particularly described as the southwest quarter of the northwest quarter.

SEC. 2. The conveyances authorized by the first section of this Act shall be made by the Secretary of Agriculture without consideration, but the persons to whom the conveyances are made shall bear any expenses incident to the preparation of the legal documents necessary or appropriate to carry out the first section of this Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–415), explaining the purposes of the measure.

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

EXPLANATION OF BILL

This bill directs the Secretary of Agriculture to quitclaim, without consideration, four tracts of land, respectively, to different grantees. The grantees would be required to bear the cost of preparing the necessary legal documents.

BACKGROUND

W. H. Clark deeded the land to the Government, February 18, 1905, and made a selection of other forest lands in exchange on March 6, 1905, under the act of June 4, 1897. However, the 1897 act was repealed March 3, 1905; and the General Land Office rejected Mr. Clark's application and returned his relinquishment deeds to him. Until 1960 the land was treated as private land. It has been carried on local tax rolls, taxes have been paid, and the apparent succession of title from Mr. Clark is clear.

The situation which gives rise to the need for this bill is similar to that under S. 2104, 89th Congress which quieted title in certain lands in Harriet C. Chambers. The Department recommended enactment of S. 2104, and it was enacted as Private Law 89–281.

The Department has informally furnished a rough estimate of the value of the tracts concerned. Based on other sales in the vicinity at about $250 an acre, the 120 acres covered by the bill would be worth about $30,000.

AMENDMENT OF THE AGRICULTURAL ADJUSTMENT ACT OF 1938 WITH RESPECT TO WHEAT

The Senate proceeded to consider the bill (S. 858) to amend the Agricultural Adjustment Act of 1938 with respect to wheat, which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 1, at the beginning of line 8, to strike out "1969" and insert "1970"; on page 2, at the beginning of line 18, to strike out "(class II)"; on page 3, line 3, after the word "section", to insert "(1) shall not be taken into account in computing the farm wheat marketing allocation under section 379b, and (2)"; and in line 6, after the word "wheat", to strike out "(class II)"; so as to make the bill read:

S. 858

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (j) of section 334 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1334), is amended to read as follows:

"(j) Notwithstanding any other provision of this Act, the Secretary shall increase the acreage allotments for the 1970 and subsequent crops of wheat for privately owned farms in the irrigable portion of the area known as the Tulelake division of the Klamath project of California located in Modoc and Siskiyou Counties, California, as defined by the United States Department of the Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding, to the extent applications are made therefor, to the total allotments established for privately owned farms in the area for the particular crop without regard to this subsection (hereinafter referred to as the original allotments) an acreage sufficient to make available for each such crop a total allotment of twelve thousand acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State, and county allotments otherwise established under this section, and the acreage planted to wheat pursuant to such increases in allotments shall not be taken into account in establishing future State, county, and farm acreage allotments except as may be desirable in providing increases in allotments for subsequent years under this subsection for the production of Durum wheat. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall allot such additional acreage to individual farms in the area for which applications for increased acreages are made on the basis of tillable acres, crop rotation practices, type of soil and topography, and the original allotment for the farm, if any. The increase in the wheat acreage allotment for any farm under this subsection (1) shall not be taken into account in computing the farm wheat marketing allocation under section 379b, and (2) shall be conditioned upon the production of Durum wheat on the original allotment and on the increased acreage. The producers on a farm receiving an increased allotment under this subsection shall not be eligible for diversion payments under section 339."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–417), explaining the purposes of the measure.

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

EXPLANATION OF BILL

This bill would increase wheat acreage allotments in the irrigable portion of the Tulelake area of California each year to a total of 12,000 acres. The 1969 allotment for the area is 5,374 acres. As amended by the committee amendments, producers would not receive additional marketing certificates as a result of the increase in their allotments; but they would be able to plant their increased allotments without forfeiting all price support and marketing certificates.

To qualify for an increase the entire farm allotment would have to be planted to Durum wheat. A farm receiving an increase would not be eligible for wheat diversion payments.

The Committee's Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices held hearings at which some questions were raised as to action on this bill serving as a precedent for similar action in other areas. The committee did not feel that enactment of the bill should have this effect. The committee felt that the special and unusual conditions applicable in the Tulelake area warranted the relief provided by the bill. The area is reclaimed lake bottom which was homesteaded by World War I and II veterans. The farms are very small, averaging about 70 acres. The area is in the northeast corner of California, a high mountainous desert area. Frosts can occur any month of the year. Due to climatic conditions and distance from market, only hardy types of crops, such as malting barley, Durum wheat, alfalfa hay, and potatoes can be raised. Durum wheat is ordinarily rotated between potatoes and barley, to reduce the protein content in the barley so that it is acceptable for malt. In addition, there is a good market for Durum wheat on the west coast which cannot be readily and economically supplied from other Durum producing regions. The climatic and other conditions necessary to the production of good Durum are such that it can be produced in very few areas.

COMMITTEE AMENDMENTS

The committee amendments would—

(1) Provide that the Tulelake producers receive no additional wheat marketing certificates as a result of their increased allotments;

(2) Make the bill effective with the 1970 crop (since Tulelake producers were required to cut back their acreage by August 1 to comply with their 1969 allotments), and the bill could consequently benefit only allotment violators in 1969; and

(3) Strike the designation "(class II)" from the bill since that designation is obsolete, being no longer used in the Official Grain Standards of the United States.

Based on the latest available date (1969 crop), full participation in the program, and full application of the bill, the estimated value of additional wheat marketing certificates that Tulelake area farmers would have received annually under the bill as introduced would have been $355,775.40. Farmers outside the Tulelake area would have lost an identical amount. Expressed in terms of cents per bushel of projected production on participating farms the loss to farmers outside the Tulelake area would have been 0.029 cents (one-thirty-fourth of a cent) per bushel. The committee felt that there was no justification for such transfer of wheat marketing certificates, particularly since the Tulelake farmers have the advantage of a good market. The committee has therefore recommended an amendment providing that the additional acreage provided by the bill shall not be taken into account in determining the farm wheat marketing allocation.

The committee's estimate was made as set out in exhibit A.

DEPARTMENTAL VIEWS

The adverse report of the Department of Agriculture is attached as exhibit B. The committee feels that the amendments recommended by it should lessen or remove the Department's objections.

EXHIBIT A—COMPUTATION OF ESTIMATED ADDITIONAL WHEAT MARKETING CERTIFICATES TULELAKE FARMERS WOULD HAVE RECEIVED UNDER THE BILL AS INTRODUCED

The 1969 wheat acreage allotment for the Tulelake area was 5,374 acres. The bill would increase the allotment to 12,000 acres, thus providing for an increase of 6,626 acres. The Department advises that projected yields in the area run about 80 to 84 bushels per acre, and estimates the average projected yield for the area at 82 bushels per acre. The additional projected production provided for by the bill would therefore be 544,332 bushels (82 bushels projected yield × 6,626 acres added by the bill to the allotment). For the 1969 crop marketing certificates are issued for 43 percent of the projected production of the acreage allotment. The additional certificates farmers in the Tulelake area would have received under the bill as introduced would have been 234,062.76 bushels (43 percent of 544,332 bushels). The value of certificates for 1969 is $1.52 per bushel, so the value of the additional certificates provided Tulelake farmers under the bill as introduced would have been $355,775.40 (234,062.76 bushels × $1.52).

Since the total number of certificates authorized to be issued to farmers is fixed at the quantity of wheat used domestically for food, such an increase in certificates for Tulelake farmers would have resulted in a like decrease for farmers outside the Tulelake area, and the latter would have lost a total of $355,775.40 in certificates as a result of enactment of the bill as introduced.

The total number of marketing certificates issued to farmers for 1969 is 520 million bushels. Of this number Tulelake farmers would receive 189,487.24 bushels on the basis of the projected yield figure used above and their current allotments (.43×82×5,374). Farmers outside the Tulelake area would therefore receive the balance of 519,810,512.76 bushels. Since these certificates are issued for 43 percent of the projected yield of their farm acreage allotments, the total projected yield for the acreage allotments of farmers outside the Tulelake area would be 1,208,861,658 bushels (519,810,512.76÷.43). The loss per bushel of projected production by these farmers as a result of enactment of the bill as introduced would be .029 cents (1/34 of a cent) per bushel ($355,775.40÷1,208,861,658 bushels).

The amendments were agreed to.

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

TEMPORARY EXTENSION OF RURAL HOUSING PROGRAMS AND FEDERAL HOUSING ADMINISTRATION INSURANCE AUTHORITY, AND TO EXTEND THE PERIOD DURING WHICH THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT MAY ESTABLISH MAXIMUM INTEREST RATES ON INSURED LOANS

The Senate proceeded to consider the joint resolution (S.J. Res. 152) to provide for the temporary extension of rural housing programs and Federal Housing Administration Insurance Authority and to extend the period during which the Secretary of Housing and Urban Development may establish maximum interest rates on insured loans.

WE MUST NOT NEGLECT OUR NATION'S HOUSING NEEDS; SUPPORT FOR SENATE JOINT RESOLUTION 152

Mr. YARBOROUGH. Mr. President, the Committee on Banking and Currency has reported favorable Senate Joint Resolution 152 which would extend for 3 months three important Federal housing programs: The rural housing program under title V of the Housing Act of 1949; Federal Housing Administration insurance program under the National Housing Act; and the Federal Housing Administration and Veterans' Administration interest rate ceilings. These vital programs will expire on October 1, 1969, unless Congress acts to extend them.

With the attention that is focused on the Vietnam war and on our military budget, it is all too easy to overlook the domestic programs which are so necessary to the majority of our citizens. We must not sacrifice progress in America for a larger and more expensive war in Vietnam.

Therefore, Mr. President, I urge my colleagues to give their full support to this vital measure.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–419), explaining the purposes of the measure.

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

GENERAL STATEMENT

The purpose of the joint resolution is to extend for 3 months, until January 1, 1970, all Federal housing programs which would otherwise expire on October 1, 1969. This temporary extension will keep the programs going until such time as the bill, S. 2864, entitled "The Housing and Urban Development Act of 1969" can pass the Congress and become law. This bill is on the Senate Calendar but, because of the pressure of other business, it will not be finally approved by both Houses of Congress before the October 1, 1969, deadline.

The joint resolution involves three basic programs: (1) Rural housing under title V of the Housing Act of 1949; (2) Federal Housing Administration insurance program under the National Housing Act; and (3) FHA and VA interest rate ceilings. All of these have October 1, 1969, deadlines which must be extended to keep these programs in operation. A 3-month extension is being recommended by the committee to assure that the programs will be kept in operation until such time as S. 2864, the Housing and Urban Development Act of 1969, is enacted into law.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S.J. RES. 152

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 513, 515(b)(5), and 517(a)(1) of the Housing Act of 1949 are amended respectively by striking out "October 1, 1969", wherever it appears in such sections, and inserting in lieu thereof "January 1, 1970".

SEC. 2. (a) Section 2(a) of the National Housing Act is amended by striking out "October 1, 1969" in the first sentence and inserting in lieu thereof "January 1, 1970".

(b) Section 217 of such Act is amended by striking out "October 1, 1969" and inserting in lieu thereof "January 1, 1970".

(c) Section 221(f) of such Act is amended by striking out "October 1, 1969" in the fifth sentence and inserting in lieu thereof "January 1, 1970".

(d) Section 809(f) of such Act is amended by striking out "October 1, 1969" in the second sentence and inserting in lieu thereof "January 1, 1970".

(e) Section 810(k) of such Act is amended by striking out "October 1, 1969" in the second sentence and inserting in lieu thereof "January 1, 1970".

(f) Section 1002(a) of such Act is amended by striking out "October 1, 1969" in the second sentence and inserting in lieu thereof "January 1, 1970".

(g) Section 1101(a) of such Act is amended by striking out "October 1, 1969" in the second sentence and inserting in lieu thereof "January 1, 1970".

SEC. 3. Section 3(a) of the Act of May 7, 1968 (Public Law 90–301), is amended by striking out "October 1, 1969" and inserting in lieu thereof "January 1, 1970".

INCREASED EFFORT IN HELIUM CONSERVATION PROGRAM

Mr. ALLOTT. Mr. President, nearly half of our helium supplies are going up in smoke.

Every year the United States is losing nearly 4 billion cubic feet of the irreplaceable element.

The helium—invisible, tasteless, odorless, and nontoxic—is passed into our atmosphere when we burn natural gas for fuel.

Helium is found only in certain natural gas supplies. Nearly all of the free world's economically recoverable supply is in the United States. Though it is the second most common element in the universe, it is hardly abundant here on earth. The last important natural gas-helium source discovery was made 26 years ago.

Helium use has been in a period of steady growth for the past decade, with no signs of abatement. In fact, scientists tell us that future uses of helium may bring about major changes in technology.

Thanks to a farsighted helium conservation program conceived a decade ago during the term of President Eisenhower, at least we are trying to save some of the helium extracted from natural gas.

Mr. President, I worked for a long time on that bill and was finally able to get it passed. At this time I pay tribute to Representative Walter Rogers, of Texas, who worked very assiduously upon the bill. It was as a result of these two efforts that we were at last able to get a

helium conservation bill in the United States.

Under this program, approximately 22 billion cubic feet of helium has now been placed in underground storage.

Before the program was adopted, as much as 6 billion cubic feet per year were lost when natural gas was burned as fuel.

Still, even though the helium conservation program has managed to save quantities of gas, there is no assurance that this is an adequate supply for the future.

Forty-two percent of today's pure helium use is in space exploration—it helps propel rocket fuel into the engines of our moonships, makes sophisticated electronic gear function in space, and even tests the spaceship systems for reliability and safety.

But space flight is only a part of helium's future. One field in which helium may play a spectacular role is cryogenics, the science of the supercold.

Liquified helium is the coldest known substance on earth. The boiling point of helium is so low that it does not turn into a liquid until it reaches the astonishingly low temperature of −452°.

At that temperature other substances in contact with helium undergo strange changes. Metals lose all resistance to electricity and become superconductive. This phenomenon makes small magnets become powerful out of all proportion to their size. It makes a single cable capable of carrying a vast amount of electrical energy. It makes electronic equipment capable of picking up and amplifying weak signals.

So scientists studying the cryogenic field see a great future for helium—such things as a single superconductive underground cable carrying electrical power for a city as large as New York, instead of a maze of above-the-ground high-tension lines.

One superconductive cable will do the work of 25 ordinary powerlines. But these superconductors will require substantial volumes of helium, between one-half and 10 million cubic feet per mile of cable. Here again is reason for conserving helium supplies.

Scientists also see helium making possible the functioning of MHD generators to produce low-cost electrical power without polluting the air or water. MHD—magnetohydronamics—is a system which uses ironized gases to produce power instead of a rotating turbine. The MHD claims far higher efficiency than turbine methods.

Helium will play a role as nuclear power advances, for it is an important part of the heat transfer process which enables reactors to function. Still another power generating role for helium may be found in a recent German development called a closed cycle reactor.

Helium's role in detecting and treating cancer is one that also has unlimited horizons. Superconducting magnets may allow doctors to perform more accurate detection of cancer in the gastrointestinal tract. More importantly, deep cold experiments on living cells may lead to knowledge about cancer growth not now understood.

Already known as a safe breathing element in space and under the sea, helium-oxygen mixtures will support life as we learn to explore and harvest the seas around us.

The scientific phenomena known as laser and maser beams require supercold helium to function and these will have great impact on society, from medical-industrial applications to improved communications.

A long list can be written, but the fact is that helium's future is as limitless as the universe itself.

It is the second lightest element—making it invaluable in problems involving pressure and weight. As a gas, it can seep through the tiniest of openings—and is therefore without equal as a leak detector.

In its coldest state, liquid helium can actually defy the laws of gravity and flow uphill. It is unaffected by radioactivity.

By itself, or used in combination with other elements, helium is capable of unlocking many secrets.

It was only 50 years ago, in the closing days of World War I that large-scale extraction of helium was authorized by the Government, then in search of a safe, noninflammable lifting gas for observation balloons. Fifty years before that, nobody even knew that helium existed on earth.

It is therefore reasonable to assume that the next half century may reveal still more significant uses for helium in the service of man.

There is only one possible hitch—the exhaustion of our economically recoverable supplies here in the United States. Technically we can recover helium from the air, but the cost is enormous. Or we could create helium as a byproduct of nuclear explosions—but that hardly seems feasible. Thus our best bet is the source we now use—natural gas.

Mr. President, efforts should be made this year to step up our helium conservation program to assure an adequate supply for future needs. Government agencies and private firms now engaged in the conservation project need to work out comprehensive long-range programs which take new technological needs into account.

Failure to do so may negate the wisdom shown during the Eisenhower years. For it would be a tragedy if helium, the invisible giant, became extinct.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, it is my understanding that an order has been entered by means of which when the Senate adjourns tonight, it will stand in adjournment until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. The Senator's understanding is correct.

Mr. MANSFIELD. And that tomorrow the period after the prayer and the reading of the Journal, not to exceed 1 hour, will be at the disposal of the distinguished Senators from Washington (Mr. JACKSON) and Oklahoma (Mr. HARRIS), for the consideration of proposed legislation dealing with the Golden Eagle program.

The PRESIDING OFFICER. The Senator is correct.

FOOD STAMP PROGRAM

The Senate resumed the consideration of the bill (S. 2547) to amend the Food Stamp Act of 1964.

UNANIMOUS-CONSENT REQUEST

Mr. MANSFIELD. Mr. President, I have talked with the distinguished chairman of the Committee on Agriculture; the chief proponent so far as amendments are concerned, the distinguished Senator from South Dakota (Mr. McGOVERN); and the distinguished Senator from Kansas (Mr. DOLE), who has a number of amendments. I should like to propound a unanimous-consent request, so that we could in that way move ahead with legislation and not be accused of doing nothing, and in that way try to accede to the President's desire that this be a do-something Congress, based on the available items on the calendar.

So, Mr. President, I ask unanimous consent that, at the conclusion of the morning hour tomorrow, not to go beyond 12:30 p.m., there be 2½ hours for the consideration of a substitute to be offered by the distinguished Senator from South Dakota, the time to be equally divided between him and the chairman of the committee, the vote on the substitute to occur not later than 3 p.m.

Mr. JAVITS. Mr. President, reserving the right to object, I was not in on these conferences, and that is not the fault of the majority leader. I have been in a conference downstairs.

I should like to know whether this particular unanimous-consent request relates only to the substitute and whether the Senator has in mind a unanimous-consent request on the whole bill. I have no objection, naturally—it is Senator McGOVERN's substitute—to the substitute being voted on whenever the Senator from South Dakota, the majority leader, and the manager of the bill can agree. But—and I would like the majority leader to indulge me in this—I would not wish to have that extend to amendments.

The Senator quite properly said that Senator McGOVERN is carrying the laboring oar. I hope to carry it with him. I am the ranking minority member of the committee of which he is chairman.

I would greatly appreciate it if the Senator would enlighten me as to whether this is but the threshold of another unanimous-consent request.

Mr. MANSFIELD. It is, but only as it applies to the amendments to be offered by the distinguished Senator from Kansas (Mr. DOLE), on which we are agreed.

Mr. JAVITS. Then, do I correctly understand that the bill will be open to amendment without any limitations of time?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. If the substitute is agreed to, the bill is not open to further amendment.

Mr. JAVITS. Mr. President, does the unanimous-consent request include an opportunity to amend the substitute? We have run into that situation before. Two and a half hours is not a very long time, if we are going to deal with an entirely new bill for food stamps.

The majority leader knows that I am

always very cooperative. Have we really thought this through? What we are really doing is taking Senator McGOVERN's substitute as a new bill, and every Senator who has amendments, including Senator DOLE, will have to take the precaution, whether his chances are good or ill, of offering them on this substitute. So we will have the same argument on the substitute that we will have on the bill. Frankly, from what I have heard, I do not think we have thought that through.

Mr. MANSFIELD. We did think it through, I must say to the Senator from New York, in an attempt to expedite action and to comply with the President's request that this Congress do something.

I am sure that every Senator is aware of the position and the proposals of the distinguished Senator from South Dakota, who has been a leader in this particular area of the bill, whose views are well known, and whose views I am quite certain the Senator from New York and the Senator from Kansas are well aware of.

What we are trying to do is to get into a subject which we have discussed many times before and to try to come to a solution so that we can then, after a decision has been made, pass on to other important legislation piling up on the calendar and in committee.

Mr. HOLLAND and Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. MANSFIELD. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. Mr. President, if the substitute bill be agreed to under this unanimous-consent agreement, would it then, thereafter be subject to amendment?

The PRESIDING OFFICER. Not unless the unanimous consent agreed to would allow amendments.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the majority leader, if he will, consider making his unanimous-consent request subject to the additional words that if the substitute bill be adopted it will then be subject to amendment.

Mr. MANSFIELD. That is what I was going to do with the permission of the manager of the bill.

Mr. McGOVERN. It is agreeable to me.

The PRESIDING OFFICER. Will there be time on the amendments beforehand?

Mr. MANSFIELD. Mr. President, that would be included in the 2½ hours in the bill, and amendments could be offered afterward.

Mr. JAVITS. Mr. President, reserving the right to object, I do not understand this situation. First, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Mr. President, is a unanimous-consent request in order which would provide that a substitute, if agreed to, would be open to amendment as if it were original text?

The PRESIDING OFFICER. Any such unanimous-consent request would be in order.

Mr. MANSFIELD. Mr. President, I think I still have the floor.

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a vote occur on the substitute at 3 p.m.; that beginning at 12:30 p.m. the time be equally divided. I further ask unanimous consent that if the substitute prevails, amendments may be offered thereto.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. There will be no time limitation, then, on the amendments to the substitute under this unanimous consent?

The PRESIDING OFFICER. Not under the unanimous-consent request.

Mr. JAVITS. Secondly, will those amendments be required to be germane?

The PRESIDING OFFICER. Not unless that provision is first included in the unanimous-consent agreement.

Mr. JAVITS. Then, the only thing we will have done if we agree to the substitute is that we will have substituted the substitute for the bill reported by the committee.

The PRESIDING OFFICER. The Senator is correct. Under the proposed agreement it would be open to any kind of amendment.

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

Mr. MANSFIELD. I yield before the Chair makes its decision.

Mr. HOLLAND. Mr. President, I certainly think this is a proper decision. We have on our desks 18 separate amendments to the committee bill which was supported by every member of the committee but the Senator from South Dakota. I take it that in his substitute bill he has incorporated these 18 amendments. Is that correct?

Mr. McGOVERN. The Senator is correct.

Mr. HOLLAND. It is obvious that unless we are going to ignore the action of the committee it would not save time in the event the substitute approach is adopted.

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

Mr. HOLLAND. I yield.

Mr. McGOVERN. The purpose of moving to the substitute bill is to save time of the Senate in dealing with each of these provisions separately in 18 separate amendments. In other words, if we can reach an agreement on the package substitute, that would avoid the Senate debating separately each of the 18 amendments. I would want the Senate to have the opportunity to look at those proposals before we came to examine the bill pending, which is the committee bill.

As I understand the unanimous-consent request, if the substitute package, which embraces those 18 amendments, is adopted, the bill is open for further amendment at that point.

Mr. MANSFIELD. Before the Chair makes its decision, I wish to go back to an agreement made with the Senator from Kansas relative to amendments he will have. He indicated at that time that as far as he is concerned, covering his amendments only, he will be agreeable to a time limitation of 30 minutes, 15 minutes to a side. I would like to include that provision in the request insofar as he is concerned.

Mr. HOLLAND. Mr. President, would the Senator repeat his request? I could not hear.

Mr. MANSFIELD. The Senator from Kansas is willing to agree to a time limitation of 30 minutes, 15 minutes for each side. I would like to have that included as to those amendments, as far as he is concerned, in the agreement.

Mr. HOLLAND. Mr. President, reserving the right to object, may I ask whether or not the amendments of the Senator from Kansas are addressed to the committee bill or the McGovern bill?

Mr. MANSFIELD. It makes no difference if an agreement is reached.

Mr. DOLE. It would depend on the situation.

Mr. HOLLAND. I shall not object to any decision made by the distinguished chairman. I do wish to make clear the original request made would not have saved time for the preservation of the committee position on these 18 points. Now, it does. I have no objection.

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

Mr. MANSFIELD. I yield.

Mr. JAVITS. Mr. President, I think it is very clear that if the substitute fails, other than the amendments of the Senator from Kansas, where there is a limitation of time, the original bill will then continue to be open for amendment without limitation.

The PRESIDING OFFICER. That is correct under the agreement, under the proposed agreement.

Mr. ELLENDER. Mr. President, I understand the Senator from South Dakota (Mr. McGOVERN) is offering his bill as a substitute to ours.

The PRESIDING OFFICER. That is correct.

Mr. ELLENDER. If we are to go over all the amendments and let them be appended to the bill now before the Senate, I would object. I am agreeing to this to get through the bill as soon as possible; but if the substitute fails and then it goes through with all 18 amendments, there would be no time saved. Because of that I object.

Mr. McGOVERN. Mr. President, will the Senator yield at that point?

Mr. ELLENDER. I yield.

Mr. McGOVERN. Mr. President, I agree with the Senator's concern about saving time of the Senate, if we can. I would think if we offered the substitute package and that were rejected, that no Senator would want to foreclose the possibility of offering additional amendments to the committee bill.

Mr. ELLENDER. No; but not amendments that are going to be defeated in the Senator's substitute.

Mr. McGOVERN. There may be a possibility we would include one or two by separate vote.

Mr. ELLENDER. I know, but it should settle the matter entirely by agreement to the substitute.

Mr. McGOVERN. I would not want to foreclose any Senator from offering amendments to the original bill.

Mr. MANSFIELD. Mr. President, I withdraw my unanimous-consent request and express the hope we can get started on the debate on the pending measure this afternoon.

The PRESIDING OFFICER. The proposal is withdrawn. What is the will of the Senate?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. ELLENDER. Mr. President, the pending bill, S. 2547, would expand and improve the food stamp program. Its objective is to abolish poverty-induced hunger in the United States.

The bill would increase the size of the program from $315 million for the last fiscal year to $750 million for this fiscal year and to $1.5 billion the next fiscal year, with another $1.5 billion for the year after that.

The committee gave a good deal of attention to the bill. We had 4 days of hearings. I am sure all those who desired to testify did testify.

After concluding with the hearings, the committee spent 2 full days in executive session in working out the bill. I am glad to say it was voted out of the committee unanimously. Reservations were made by the Senator from South Dakota. All of us, of course, took note of that. I understand it is his objective to present some amendments to the pending bill. Those amendments will, I am sure, be in keeping with the proposals that he submitted to the committee when the pending bill was considered. As I recall, the committee more or less unanimously voted against or objected to the proposals that he placed before the committee.

Mr. President, the food stamp program has been with us for quite some time. Originally it was in effect about 2 or 3 years before World War I. During the war it was discontinued. Thereafter authority was given to reinstate the program, and in the early sixties it was reinstated on a pilot basis. It will be recalled that several areas in the country were chosen to try out the best methods of carrying on a food stamp program.

After 2 or 3 years of experience, the committee then considered a bill, which was finally passed and which is the law today. Under that program we gained a great deal of valuable information. Then, from the pilot experience we had gained, we started to write a blil, which is now the law. Under that bill, Mr. President, we started out with an annual outlay of $75 million. The second year we increased it to $100 million. The third year we increased it to $200 million. Still more experience was gained.

I am very disappointed that the House of Representatives has not yet enacted a resolution that was passed by the Senate last June. The resolution did not in any manner change the present law, but merely increased the authorization from $340 million to $750 million. It is true that the Department stated that during fiscal 1970 it could not use more than $610 million, as I recall; but in order to be on the safe side, the Senate committee decided to report the resolution for $750 million.

In the pending bill we have incorporated authorization for $750 million to be spent during the fiscal year 1970. In addition, as I have just stated, we have provided for additional funds to be spent over the fiscal years 1971 and 1972.

It is my belief that the sums authorized by the committee will be ample to broaden this program to the extent necessary to provide food for the needy.

The bill would assure every eligible household the ability to buy an adequate and nutritious diet.

It would assure every poor person in every area that had the program of the opportunity to participate. Where any family was too poor to pay even the barest minimum of 50 cents per person per month for its food, the State agency would be required to pay for its coupon allotment, or arrange for such payment by local charities or welfare organizations.

In other words, this provision is simply a substitute for those who would desire to write into the bill provision for free coupons.

As a matter of fact, the recipients would pay nothing, under the bill. We provide that it be paid by the States, or by charitable organizations that are usually in the field of providing food for the needy. No household could be charged more than 30 percent of its income for its stamps.

Minimum national standards of eligibility would be prescribed by the Secretary to assure that all poor families are eligible.

State authorities would be utilized as at present and would be given a real share in the program, handling the certification of eligible households, issuing stamps, and, in addition, under the provisions of the bill, helping participants pay the small charge made for stamps wherever necessary. In the few cases, if any, where State or local cooperation cannot be obtained, a program is urgently needed, and the need cannot be met with a commodity distribution program, the Secretary could operate the program directly upon request of the Governor of the State.

Every effort would be made to inform poor families of the program and to insure their participation in it. This would be a function of the State agency, and it would use the services of other federally funded agencies in carrying it out.

Mr. President, those are the main features of the bill. They give every poor family the opportunity to obtain a fully adequate, nutritious diet.

Mr. President, in this connection, it was the belief of the committee that we should have full cooperation at the local level, in order to make this venture successful. I am proud to say that the committee voted without objection for continuing the method of having the State and local people participate in the program.

In addition, the bill contains provisions designed to simplify procedures to make it as easy as possible for each family to obtain its stamps. Under these provisions hearings would be provided by the State agency to settle grievances; households receiving public assistance would be certified on the basis of information available to the State agency, if such information were adequate; and coupons would be issued on at least monthly and semimonthly schedules to suit the convenience of participants.

Since the delivery of the coupons is left entirely in the hands of the State, the State could provide, if it chooses, for weekly distribution of coupons, or whatever system would suit its own needs.

The cost of coupons could be deducted from federally aided public assistance program payments if the participant desired.

In addition to expanding and facilitating the food stamp program, the bill would permit direct commodity distribution to be continued during the initial period of a food stamp program in any area, and would provide for an interdepartmental committee to advise the Secretary on food assistance programs. The bill authorizes every reasonable step that can be taken to provide food for the hungry.

Federal efforts to help feed our children and our poor have been developed through the years, being expanded and improved as we progressed. As shown in the table on page 7 of the committee report, our food assistance programs have grown from $645.9 million in fiscal 1966, to $743.8 million in fiscal 1967, to $908.9 million in fiscal 1968, to $1.2 billion in fiscal 1969, and probably $2 billion in fiscal 1970. The best and now the largest of the family food assistance programs is the food stamp program. It has the advantages of providing a varied diet and permitting participants to make their own selections in their local food stores at their own convenience.

The original food stamp program was conducted in the fiscal years 1939–43 under section 32 of Public Law 320, 74th Congress, but there were problems and it was discontinued during the World War II years, as I have heretofore stated. In 1959 permissive authority for a program was provided by Public Law 86–341, but this authority expired on January 31, 1962, without having been used. Prior to its expiration a pilot food stamp program was begun on May 29, 1961, under the authority of section 32, in McDowell County, W. Va.; and pilot programs in seven additional areas were in operation by mid-July 1961. The pilot programs were expanded and extended as the Department gained experience and in 1964 Congress enacted the Food Stamp Act of 1964 to provide a legislative framework for the program. The act authorized $75 million for the program for fiscal 1965, $100 million for fiscal 1966, and $200 million for fiscal 1967. The program has continued to expand as rapidly as was consistent with good administration. It has been well administered and very successful; and the time has arrived when it can be greatly expanded.

Such expansion should not, however, be undertaken without regard to the safeguards that have been developed, without regard to local responsibility to share in the cost of providing food for the neediest families, and without atten-

tion to the most careful considerations of fiscal responsibility. While it would more than double the authorization for fiscal 1970 and double that again for fiscal 1971, the committee bill has been developed to preserve these safeguards and to preserve local responsibility. The committee bill was developed after 4 days of hearings in May and careful consideration of those hearings and the various bills and other proposals before the committee.

The food-stamp program is one that draws heavily on State responsibility and on State and local knowledge and experience. In each State, the State welfare agency develops a plan of operation, and has the responsibility for certifying applicants and issuing stamps. In many cases the State agency already has in its possession the information needed to determine the applicant household's eligibility and assign to it its proper coupon schedule. The bill provides nearly automatic certification in such cases.

Where the State agency does not have the requisite information, it obtains it from the applicant household and such other sources as it deems fit. There is nothing complex or difficult about this procedure. Employees are available in local welfare offices to assist in the making out of applications. Applicants are required to give honest answers, and local welfare employees are required to obtain the information needed for certification. This is a fiscally responsible method of operating the program; and the committee rejected suggestions made by some that applicants certify their own eligibility and be absolved from responsibility for falsehoods. Such suggestions, if adopted, would invite wrongdoing and scandals which might bring the entire program into such disrepute that we would lose the program entirely.

At present, eligible households pay an amount equal to their normal food expenditures, and receive, in return, food stamps of sufficient value to enable them more nearly to obtain a low-cost nutritionally adequate diet. Under the bill, they would generally pay less and receive more than at present. Under the bill, the charge for stamps could not exceed either 30 percent of the household income, or an amount representing a reasonable investment in stamps. Since most low-income households ordinarily pay an excessive part of their income for food, these criteria represent a substantial reduction in the cost of stamps to them, especially in the case of those with the lowest incomes. The bill increases the value of the stamps allotted each family to an amount equal to the cost of a nutritionally adequate diet. So, in the future, low-income households will be able to obtain a nutritionally adequate diet with only a reasonable investment, in no event more than 30 percent of their income.

Families so poor as to be on federally aided welfare programs—such as old-age assistance or aid to dependent children—should have no trouble in participating in this program. These families receive a regular monthly check from their welfare agency, part of which is to meet their food needs. By spending no more than 30 percent of their welfare check—and in many cases, substantially less than 30 percent—they will receive enough stamps to buy an adequate diet. Other poor families getting State or local welfare should be able to participate on the same basis.

Welfare has historically been a State and local responsibility. The State and local governments, together with private charities, have developed knowledge and experience in dealing with welfare problems and have competent, trained personnel. The food stamp program enhances local welfare by increasing the amount of food that can be purchased out of the welfare check. It should not replace local welfare or serve as a means of simply shifting local responsibilities to the Federal Government. Accordingly the bill would not provide for free coupon allotments, but would continue in effect by law the minimum charge which has heretofore been fixed administratively. That minimum is 50 cents per person per month, but in no case more than $3 per month for any family. This amount would be paid by the State agency if the family could not afford to pay it, and if the State could find no other local welfare organization that would pay it. Certainly this is the very least that ought to be asked of local people in the way of helping to feed their poor.

For the families on welfare, other than federally assisted welfare, the State agency, at present, can arrange to have deductions made from welfare payments to provide for the purchase of food stamps. Under the bill this could also be done in the case of federally assisted welfare with the consent of the welfare client.

As I have said, the program has been developed carefully and gradually. The bill provides for an expansion from $315 million last year to $1.5 billion in fiscal 1971 and 1972. The bill increases the value of the coupon allotment for each household from an amount which provides it with "an opportunity more nearly to obtain a low-cost nutritionally adequate diet" to the full cost of a nutritionally adequate diet. This is a big step. We should not at this time try to go further and extend the program to soap, insecticides, clothing, or shelter. All of these are necessities, but if we try to take care of them in this program, the program will surely bog down, and we will not be able to extend it to every family that needs food assistance.

Of course, not all households eligible to participate in the program will do so. As the household income increases, the difference between the amount it must pay for its coupon allotment and the value of its coupon allotment diminishes. And as this difference diminishes, there is less and less need and consequently less benefit to be obtained from participation.

Coupon schedules showing the amount to be paid by households in each income bracket are prepared by the Department of Agriculture. Adjustments are made for households that have large medical or other expenses which reduce the amount they have available for investment in food.

Most States issue coupons on monthly and semimonthly schedules, and the bill would require this. For a family which receives a relief check once a month, a monthly schedule may be best. For families that receive money more frequently, it may be impossible to accumulate enough to meet a monthly schedule Some States have even more frequent schedules, and this practice could be continued under the bill. More frequent issuance, of course, involves greater costs, and the committee felt that this should be left to the State, which must pay these costs.

The States have responsibility for issuing coupons and may adopt the methods they find most feasible and convenient for the recipient and for the State. Some States establish their own issuing offices. Others pay commercial banks or other agencies to issue coupons for them. It has been charged that in some cases these charges—such as a charge of 63 cents per transaction in Los Angeles—are exhorbitant.

As I said, it is all left to the State because it is within the province of the State to make it monthly, semimonthly, or four times a month if it is desired. It should be remembered, however, that this charge is paid by the State or locality out of its own funds. Presumably the State has competent employees acquainted with local conditions, with the amount of work and risk involved in issuing coupons in the correct amount to the persons entitled, and with the advantages and disadvantages to the State and the recipient involved in the use of alternate methods. In any event it should be made absolutely clear that the recipient pays no part of the cost of issuing food stamps and that the Federal Government pays no part of such cost. That cost is borne entirely by the State or locality. The convenience to the recipient of being able to obtain food stamps at the nearest bank is obvious and the States should certainly be permitted to continue issuance in this manner, if they so elect.

Eligible households use food stamps just like money to purchase food at their local retail stores, which in turn redeem the coupons through their local banks, just like checks.

The food stamp program has been developed as the best method of assuring low-income families of an adequate and nutritious diet. Many other methods have been tried during the period between the termination of the early food stamp program in 1943 and the enactment of the Food Stamp Act of 1964. Direct commodity distribution provides a diet without sufficient variety and without many of the elements needed for good nutrition. It can involve considerable spoilage and waste. It involves the inconvenience and cost of a separate distribution system. We should move as rapidly as administratively possible to extending the food stamp program to the entire country.

At this point I wish to add that it was the desire of the former administration to try to get food stamps used entirely throughout the country rather than have direct food distribution, for the reasons I have just mentioned. In my judgment, it would not have taken very much longer to make it possible for food recipients to deal entirely with stamps.

To provide for direct distribution and food stamps in the same area would tend

to defeat the program. Just as bad money drives out good money, direct commodity distribution would tend to destroy the food stamp program. When confronted with the choice of a poor diet of free food or a good diet for some small cost, economic pressure would undoubtedly cause many to choose the free food at the expense of their health and the health of their children.

To permit eligible households to pay a part of the cost and receive only a part of their coupon allotment would also tend to defeat the program. Many households would undoubtedly take this alternative if it were offered to them. Obviously, the only effect of such an alternative is to permit households to obtain less than an adequate diet and perpetuate the malnutrition the program is designed to cure.

We should not tolerate any provision which would deprive any household participating in the program of a fully adequate diet for all its members.

Provisions which would relieve the States of any responsibility for minimum food welfare, which would encourage falsehood with freedom from any penalty therefor, or which would extend the program to goods or services other than food may appear to be very generous. However, the adoption of such provisions, tacking on a little something more here and there, could easily cause the entire structure to fall. It is our duty to build a program that will accomplish its objective and that can be maintained.

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

Mr. ELLENDER. I yield.

Mr. HOLLAND. First, I congratulate the Senator upon his explanation of this committee bill, which I think does effectively deal with this very serious problem.

I should like to amplify one point which I do not believe the Senator mentioned, and that is the fact that the committee bill contains a provision under which the total appropriation if made for 1970, and if not used in 1970, would be carried forward until 1971, and the same provision applies with reference to 1971. So that unused funds, if they could not be used in full and with proper care during any year of the life of this program, which extends over only three years, as suggested—1970, 1971, and 1972—would, at the end of each year, be projected into the succeeding year.

Mr. ELLENDER. The Senator is correct.

Mr. HOLLAND. So that the whole amount of authorization—$750 million for 1970, one and a half billion dollars for 1971, and one and a half billion dollars for 1972—is available to be carried forward until June 30, 1972, if it is appropriated and may be usefully employed during that whole period.

Mr. ELLENDER. The Senator is correct. I failed to mention that, but that is what the bill provides.

Mr. HOLLAND. Mr. President, I thank the Senator. I wanted it to be mentioned at this time for this reason: As the Senator will recall, the Senate placed in the appropriation bill for 1970 the total authorized amount included in the temporary resolution, the emergency resolution, which the Senate passed some time ago and sent to the House. I would want it clear in the RECORD that the entire $750 million, even if it could not be used in fiscal 1970 because of the lapse of time since we acted on this matter, can nevertheless be usefully employed in this program. I would like that to be understood not only by Senators but also by Members of the other body, so that no confusion will arise on this point. I would also like to make it clear that the authorization for any year will not be carried forward unless it is appropriated. In other words for any part of the fiscal 1970 authorization which cannot be used in 1970 to be carried forward, it must be appropriated for 1970.

Mr. ELLENDER. The pending bill so provides.

Mr. HOLLAND. I thank the Senator for yielding to me.

Mr. AIKEN. Mr. President, I was very glad to join with our distinguished chairman of the Committee on Agriculture and Forestry in bringing this bill, S. 2547, to the floor of the Senate; and I am very happy to support the bill now. The chairman has given a very good explanation of the bill which is now before us, and in my book it is an excellent bill.

My association with food stamps goes back many years. I was Governor of Vermont when the first food stamp plan was placed in operation. There were, I believe, five pilot programs put into effect in the various parts of the country, and one of them happened to be in Vermont. It seemed to me that it worked exceptionally well at that time. There was very little cheating or graft or anything of that sort going on, and it was one of the better programs which were established under the New Deal years.

This firsthand experience convinced me then that the food stamp program was the best method yet devised to improve the diets of needy families. I am of the same opinion today—nearly 30 years later. Based on firsthand experience, I then, as a Member of the Senate, sponsored food stamp legislation from 1943 on, in every session of Congress up to, I believe, 1961, I was joined in the early years by Senator Robert LaFollette of Wisconsin, and in later years by Senator YOUNG of North Dakota, Senator ANDERSON of New Mexico, and others.

The plan we offered called for the issuance of a monthly stamp allotment equal to the cost of an adequate diet, with the families making a reasonable payment for the stamp, based upon the family's ability to pay.

As a member of the Committee on Agriculture and Forestry, I participated in authorizing a pilot food stamp program in 1961—an approach that I had long advocated in my national allotment plan. This, as I recall, was a House bill which had already passed the House, and it seemed best to support that bill rather than promote our own that year.

I joined my colleagues in the strong Senate support for the Food Stamp Act of 1964 and for the amendments of 1967 and 1968, which extended the program and increased its funding.

I believe that one of the early counties under the new program in 1961 was Franklin County, Vt.; and I believe that we were the first State where the program was extended to cover the entire area of a State a few years later.

I do not know just what percentage of the cost of the stamps is being paid by the families that are using them now, but until this year it was approximately 60 percent. This means that their food was subsidized to the extent of 40 percent by the Federal Government, which is very small compared with the subsidy extended to some of our big corporations today. But these are not the people who come into Washington and cry every time they cannot buy just what food they want.

Another good thing about this bill, which was finally adopted by the committee, is that it continues a program which is handled largely by private industry, with local banks and local merchants providing the necessary services. The program does enjoy the support of people generally.

There are some complaints. A woman told me the other day that she saw one of these people actually buying oranges with food stamps, and the person was buying cheese and milk, too.

I said:

> That is the general idea for her to be able to buy oranges, milk, meat, and fresh vegetables. That is the purpose of it.

Now, we are considering a bill to further improve a basically sound food program. As is proper, Congress looked at the program experience since 1964, recognized the need to further improvements, and has now taken steps to make the necessary legislative changes, particularly in the funding.

The Senate already has passed an emergency resolution authorizing an increase in appropriations for this fiscal year from $340 million to $750 million. It is not expected they could use that full amount this year but it was provided, as the Senator from Florida said, for a carryover in other years; and for each of the following 2 years the Senate bill today would authorize $1.5 billion, an increase of more than 400 percent over the present limitation on the food stamp program. Yet, there are those who say we are very stingy about it all. They know perfectly well they could not use more than that amount of money; they do not have the facilities to get that program any further underway during the next 2 years.

I certainly hope no one tries to make political profit out of this bill at the expense of people who really need something to eat. That would be disgusting. In improving the program, we must not eliminate the basic principles of the program. The bill we are considering today continues the cooperative Federal, State, and local sharing of responsibilities.

It builds upon State and local welfare responsibilities, rather than acting as a substitute for them. It enables people who participate in the program to stand taller, to walk straighter, and to talk a little plainer language than they would if they were dependent upon welfare handouts. The bill retains the self-help principle and the incentives for self-support.

It utilizes our efficient commercial distribution system rather than requiring States and localities to set up a second delivery system to handle the donated

commodities. The delivery of surplus foods has grown in some places into scandalous proportions, delivering food to the people, food they did not need and could not use, but somebody was paid for the administrative cost of handling the program. This bill would give needy families access to the wide variety of food available in retail stores, rather than restricting them to a limited range of Government-acquired foods.

It will increase sales by stores of meat, poultry, dairy products, citrus fruits, and fresh vegetables. That is what is necessary to upgrade the diets of people who have not had adequate amounts of the right kinds of foods to eat.

It incorporates a program of food and nutrition education for participating families, so that they can get the best nutrition for their increased food-purchasing power.

The program modifications we are considering today are designed to bring food stamp benefits to more of our needy families; insure that these families can buy a nutritious diet with their coupon allotment; introduce additional operating flexibilities into the program; and provide for the progressive expansion of the program to all counties and cities, phasing out the commodity program as fast as feasible. That cannot be done overnight in some cases, because the adequate machinery is not established as yet.

These program modifications also are consistent with the President's far-reaching proposals for the reform of our national welfare system. But it is important that we act now on food stamps. The need for action is both immediate and urgent.

I saw a release which came from the House Agriculture Committee a week ago Sunday reporting on hearings which had been held over there in which it was divulged that 2 percent of the people using food stamps cheated. Mr. President, can you imagine that? The implication was that nothing could be done for the other 98 percent until some way had been found to control the 2 percent who cheated. I said when I read that article that I certainly hope they do not apply that rule to the Congress because if they find 2 percent of the Members of Congress cheated in any way, they would have to deny the remainder of the Members of Congress their seats until some way was found to deal with the 2 percent. I thought that was a rather weak argument for not acting on a food stamp bill.

I think this is a good bill. There may be amendments to improve the bill. I have one amendment myself. I will read my amendment now and will discuss it unless the chairman wants to accept it. My amendment states:

On page 2, line 18, insert the following new sentence after the phrase "Agriculture.":

"In prescribing such national standards, the Secretary shall take into account the benefits of extending the food stamp program to households which, in the absence of such benefits, might be required to obtain welfare assistance to meet minimum subsistence needs."

My amendment is approved by officials of the Department of Agriculture. It does no violence to the bill in any way. It simply seeks to indicate the guidelines for the Department of Agriculture to use in determining who is eligible and who is not eligible, but it does not do anyone out of his just needs. Specifically, the amendment requires the establishment of guidelines making households eligible for food stamps which otherwise would have to go on public welfare in order to obtain a minimum subsistence. The food stamp program was designed to keep families off welfare and this amendment would insure that the national standards for eligibility would carry out that purpose. As I said before, it does no violence to the bill in anyway.

Mr. ELLENDER. That was the same amendment that he submitted.

Mr. AIKEN. That was prepared by Mr. Stanton on our committee staff. While it does not materially change the bill in anyway, it does make it easier for the Department of Agriculture to establish proper guidelines.

Mr. ELLENDER. It is up to the Department, of course, to make the guidelines under the bill.

Mr. AIKEN. That is right.

Mr. ELLENDER. I can see no objection to the amendment. I have no objection to it.

The PRESIDING OFFICER. Does the Senator from Vermont offer his amendment at this time?

Mr. AIKEN. Yes. I not only offered it, I also read it to save the clerk the trouble.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 2, line 18, insert the following new sentence after the phrase "Agriculture.":

"In prescribing such national standards, the Secretary shall take into account the benefits of extending the food stamp program to households which, in the absence of such benefits, might be required to obtain welfare assistance to meet minimum subsistence needs."

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. HOLLAND. If I understand the amendment correctly—I have not seen the wording of it in print—it would mean that the Secretary would, in determining eligibility, have in mind, among other things, the effort to keep people off the welfare rolls?

Mr. AIKEN. That is correct.

Mr. HOLLAND. I thank the Senator. I see no objection to it at all.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment was agreed to.

Mr. AIKEN. Mr. President, again I commend my colleagues on the Committee on Agriculture and Forestry for bringing out what I believe is an excellent bill. I do not say there can be no improvement. Amendments will be offered, I am sure, but the main thing is to see that these people get more adequate diets than they are getting now, that they are able to hold up their heads straighter and not be pointed at as being shiftless, and that they will be able to feed their families on a much higher nutritional level than they are doing at the present time.

KANSAS COMMITTEE ON NUTRITION AND HUMAN NEEDS

Mr. DOLE. Mr. President, as a member of the Select Committee on Nutrition and Human Needs, as well as a member of the Committee on Agriculture and Forestry, it is obvious to me that numerous problems exist throughout the United States that are closely related to nutrition and human needs. I concluded long ago that only through the close cooperation of all levels of government and the private sector is there any hope of finding meaningful solutions to these problems. For this reason, a group of outstanding Kansans agreed to assist me, and a Kansas Committee on Nutrition and Human Needs was constituted some months ago.

Under the leadership of our distinguished former Senator Frank Carlson and Mrs. Verne Alden, of Wellsville, Kans., the Kansas committee has worked diligently throughout the summer months reviewing and deliberating on possible new approaches to the needs of our disadvantaged citizens.

Mr. President, there has been much publicity that in some States some counties do not participate in a food assistance program. Often, the roadblock in these counties is not the lack of need or lack of desire, but the lack of population which makes the implementation of these programs impractical. One of the Kansas committee's recommendations would be to combine administration of food assistance programs in sparsely populated counties. This would apply to my State of Kansas.

The Kansas Nutrition Committee also recommended that if the food assistance programs are expanded, there must be accompanying increases in nutrition education.

Mr. President, the Kansas Committee on Nutrition and Human Needs has offered other valuable recommendations which should be helpful to the Senate when it considers S. 2547. A copy of their report has been forwarded to Secretary of Agriculture Clifford Hardin and to Secretary of Health, Education, and Welfare Robert Finch, and will be placed in the RECORD so that Senators may review it.

I commend the members of the Kansas committee. Their voluntary efforts provide an outstanding example of how local action can be effective in helping to solve a most urgent domestic problem. It is time Washington listened to those who are now, and have been, on the firing line.

Mr. President, I ask unanimous consent to have printed in the RECORD the summary of the informative report the Kansas Nutrition and Human Needs Committee submitted to me on September 15, along with the names of the committee members.

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

SEPTEMBER 13, 1969.

HON. ROBERT DOLE,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR DOLE: As chairman of your Kansas citizens committee on Nutrition and Human Needs, I'm pleased to submit this

report. It represents two months of concentrated study and personal contact efforts by committee members.

It is my observation that the individuals who served in your behalf on this committee and in this inquiry have taken their assignments seriously and worked intensively. The three group meetings, I felt, were lively and most informative.

As you know there has been much press in Kansas during these months, calling attention to the absence of food programs and directed at the whys of local issues. I feel this committee was doing some direct talking locally and had a significant role in calling attention to these local issues.

The one point that continually came up in our discussions was that education is desperately needed to solve the nutrition and feeding problems of the poor and needy. I would hope that you will continue to call attention to this need. You and your colleagues, as you develop legislation to solve poverty's problems, will be in a position to see that funded education components are included. The poverty stricken and malnourished can be told to "get with it" but they have to be taught how to "with it get."

In behalf of your committee and Senator Carlson, I would like to thank you for the opportunity to "speak out and up" on this vital issue. Certainly this committee stands ready to give you further assistance at your request.

Sincerely and respectfully,

MRS. VERNE W. ALDEN.

OBJECTIVES OF THE KANSAS COMMITTEE ON NUTRITION AND HUMAN NEEDS

1. "To act as an advisory committee to me on Kansas needs in order that I may report them to the Senate Select Committee on Nutrition and Human Needs.

2. To analyze existing food and public assistance programs and propose legislative and administrative changes.

3. To create an awareness of malnutrition as related to poverty and accompanying human needs."

MEMBERS OF THE KANSAS COMMITTEE ON NUTRITION AND HUMAN NEEDS

Senator Frank Carlson (chairman) Concordia.
Mrs. Verne W. Alden (cochairman), Wellsville.
Mr. F. E. Black, Topeka.
Mrs. M. L. Breidenthal, Kansas City.
Judge Floyd H. Coffman, Ottawa.
Mrs. Ed Faulkner, El Dorado.
Mr. James A. Garver, Parsons.
Mrs. Marvin Gunn, Salina.
Mrs. George Haley, Kansas City.
Mr. E. Kent Hayes, Topeka.
Mr. H. R. Carrillo, Topeka.
Dr. Evalyn S. Gendel, Topeka.
Mrs. Cliff Hope, Jr., Garden City.
Mrs. Rex Lee, Wichita.
Mr. Walter C. Peirce, Hutchinson.
Mr. Thomas M. Potter, Wichita.
Mr. Allen C. Quetone, Horton.
Mrs. Bill Richardson, Hoxie.
Mr. Robert E. Schmidt, Hays.
Miss Ruby Scholz, Topeka.
Mrs. Earl Simmons, Ashland.
Mrs. Barbara E. McWhorter, Topeka.
Mr. O. L. Plucker, Kansas City.
Mrs. CECIL NUTTER, Agenda.
Mrs. Grace M. Shugart, Manhattan.
Mr. Harold L. Smelser, Topeka.
Mrs. Beverly Smith, Salina.
Mr. Ray F. Uehling, Ness City.
Rev. Walter Weiss, Great Bend.
Dr. Shirley White, Manhattan.
Mr. Harold E. Wills, Dodge City.
Dr. George A. Wolf, Jr., Kansas City.
Mrs. Harold O. Williams, Cheney.
Mrs. H. O. Wright, Salina.
Mr. A. Price Woodard, Jr., Wichita.

REPORT OF THE KANSAS COMMITTEE ON NUTRITION AND HUMAN NEEDS

THE ABSENCE OF FAMILY FOOD ASSISTANCE PROGRAMS IN CERTAIN KANSAS COUNTIES—SUBCOMMITTEE NO. 1

(Submitted by Thelma Wright)

Committee members: Mrs. Marvin Gunn, E. Kent Hayes, Mrs. Cecil Nutter, Allen C. Quetone, Mrs. Grace M. Shugart, Mrs. Earl Simmons, Mrs. H. O. Wright.

This Committee recommends:

1. That small counties band together for administering food programs. For donated foods, have a central distribution point.

2. That a program of education for the needy be established at the county level, through Extension Home Economists, so they can effectively use donated foods or plan purchases with food stamps. (See Committee report no. 5)

3. That education be broadened to include education of County Commissioners as to how the food stamps and donated food could be used and especially what constitutes malnutrition.

This committee prepared a questionnaire which was sent to county commissioners in July. A summary of findings follow:

Counties who have neither food program and want neither:

Comanche	Brown
Washington	Thomas
Marshall	Norton
Cloud	Ellis
Barton	Marion
Rice	Clay
Pratt	Republic
Ness	Coffey
Lincoln	Barber
Nemaha	

Counties who have food stamps and want to continue:

Crawford	Leavenworth
Montgomery	Atchison
Johnson	Franklin
Neosho	Bourbon
Greenwood	Cherokee
Wilson	Labette

Counties who have food commodities and want to continue:

Kearny	Sherman
Elk	Hamilton
Harper	Meade
Grant	Clark
Ford	Kingman
Hodgeman	Sedgewick
Shawnee	Wyandotte

Counties who do not have food stamps but want them:

Sedgwick—Presently have Food Commodity Program, but have voted to change.

Jackson	Allen
Greeley	Miami
Reno	Woodson
Sheridan	Jefferson
Osage	Riley
Douglas	McPherson
Saline	Cowley
Linn	Dickinson
Lyon	

Counties who do not have food commodities but want them:

Ottawa	Graham
Decatur	Edwards
Harvey	Morris
Finney	Harvey
Sumner	

PROBLEMS CONFRONTING THE FOOD ASSISTANCE PROGRAMS—SUBCOMMITTEE NO. 2

(Submitted by Walter C. Peirce)

Committee members: Harold Smelser; Mrs. Ed Faulkner; Mrs. Harold O. Williams; Mrs. Cliff Hope, Jr.; Robert Schmidt, Walter Peirce, Thomas Potter.

A major concern of the committee is that present food assistance programs do not reduce the county welfare load. The new programs, instead of being coordinated with, are piled on top of existing programs. This has been a reason for many counties not participating, since it would mean an increase in county property taxes to pay the increased administration costs.

At the July 26 meeting in Salina the subcommittee discussed the following:

1. Low participation in food stamp counties (an average of 30% of welfare families using the program where it has been available.)

The problem is that many eligible families do not buy stamps because they want to spend the welfare check for other things. The suggested solution was that the amount of stamps which families were eligible for be assigned and issued; preferably mailed to them.

The USDA should take into consideration the differences of various areas in revising formulas of distribution and stamp programs. The key issue is providing an adequate diet for low income needy families.

The requirement of a fixed amount of food stamps to be purchased should be more realistic. It is better if a family buy one half their quota than be forced to buy all or none. Simplify the regulations on food items eligible. The check-out girl is supposed to know that food stamps cannot be used for imported beef from Argentina, fish from Africa, pineapple from the Phillipines, etc. Better diet is the main criterion for food distribution. Special interest groups should not use food stamps, school lunch programs and commodity distribution as a vehicle for discriminating against imports, margarine, etc. Better diet and higher participation will help everyone, including special interest groups.

There are other items in the store which should be disqualified along with tobacco, alcoholic beverages, such as carbonated drinks, candy and gum. Proper diet will or should be the determining factor. Perhaps items such as soap should be allowed.

2. Adverse news publicity on excessive stocks of commodities found in clients' homes.

Many of the original methods of distribution have been improved yet the bad publicity lingers on. The distribution of commodities seems to be working well in Wichita. Extension programs are helping low income people learn to cook. Education and motivation are still major problems.

3. Distribution of surplus food commodities and the selling of stamps.

Volunteer groups can be a help in distributing commodities or in helping individuals get to the distribution points. Stamps distribution could be simplified by assigning and issuing food stamps to those on welfare and other needy families. The committee strongly recommends that the stamp books be mailed out. They felt this would be better than present methods of selling them and would be better than proposals of selling them at post offices.

4. How to inform local officials of the program.

Outreach groups—KSU Cooperative Extension Service, technical action groups, Office of Economic Opportunity.

5. Increased taxes on the local level to pay extra administration costs and warehousing of commodities.

Perhaps federal money for part of the administration costs, rent for warehouses, etc. All counties should have equal treatment.

6. How to handle the program in sparsely settled areas or counties with few families considered needy or on welfare.

Combine a number of counties or tie to a more populous one. Mailing of food stamps would again be the answer. Let local people certify the need for food assistance.

The committee is concerned with the fact

that people who are trying to help themselves and be self supporting may have more need for supplemental food than those on welfare. Medical and dental services which are furnished welfare clients, can create a terrific emergency for self employed people. Their need for food assistance may be quite dire.

The really needy would be helped while the improvident should be encouraged to help themselves. Far too often the incentives are reversed, encouraging the deadbeats to be parasites and discouraging those who are industrious. While revisions are being made in relief and welfare procedures, the matter of *proper* incentives is of paramount importance.

CHILD NUTRITION PROGRAMS—SUBCOMMITTEE NO. 3

(Submitted by Mrs. Rex Lee)

Committee Members: Evalyn S. Gendel, M.D.; Dr. O. L. Plucker; Mrs. Bill Richardson; Mrs. Ruby Scholz; Mrs. Rex Lee.

1. *School Breakfast and Lunch Programs*

In view of the fact that there is a definite and immediate need for an initial outlay for establishing food facilities, the current major problem is the method of receiving and utilizing money over and above the cost of food. These facilities must be established in order to use existing funds, now available under the National School Act and also the Childs Nutrition Act for school Breakfasts, which must be turned back if there are no facilities to store, prepare or serve the food which can be purchased and also no personnel to supervise and prepare it. We recommend that Federal assistance is needed for equipment and personnel on an interim basis. We recommend initiating a General School Aid Program such as block grants, instead of the present categorical aid. There must be more flexibility in sharing the cost, where participation is high and relative economic status is low, also more flexibility in the methods of preparation, distribution and serving. The law in Kansas, on school financing does not permit spending over 104% of the previous expenditures, subsequently, the cost of establishing kitchens and etc., cannot be included in the school budget. The present conditions prohibit the schools from entering into this program and consequently, there is hunger and malnutrition. In our competitive Society, there is an important relationship between children's nutritional experience and their eventual competence as adults.

2. *State Consultant Nutritionist*

We also recommend Kansas re-establish the position of State Consultant Nutritionist in the State Department of Health, which was unfilled for three years because of absolute noncompetitive salary and was removed from the budget because it could not be filled. This person in the past war primarily serving schools and youth institutions on food utilization and the relationship of nutrition to health of school age children.

We recommend more publicity on why Federal funds cannot be used. We would like to see Welfare cooperate with the schools to *encourage* families to use a portion of the food allotment as allocation for reduced price lunches.

Could the money that is designated for school lunches (15¢ per day) be paid directly to the school so these children can have lunch?

HEALTH CARE FOR LOW-INCOME GROUPS—SUBCOMMITTEE NO. 4

(Submitted by C. Walter Weiss)

Committee members: Mr. H. R. Carrillo; Judge Floyd H. Coffman; Dr. Shirley A. White; Dr. George A. Wolf; Mr. F. E. Black; Mrs. Verne Alden; C. Walter Weiss, ACSW.

Taking into consideration the following facts:

(1) The high correlation of .96 of the poverty index and the relative health index in Kansas (as reported by Mr. Johnson, the Health Planning Analyst with the Comprehensive Health Planning Program);

(2) Recent studies show that low income persons just above welfare level are in the poorest health of all, having poor immunization levels and uncared for dental problems;

(3) Problems in the Health Care System include: (a) Shortages and poor distribution of health manpower; (b) High costs due to unnecessarily duplicated and underutilized facilities and equipment; (c) Duplicated services in some areas and absence of necessary service in other areas; (d) High cost of administration by the vendor groups, as a result of regulations set forth by governmental units;

(4) Urban Renewal and Public Housing Programs have not kept up with the need for additional sound housing units;

(5) The recommendations made by Dr. Thomas F. Taylor, Chairman, Coordinating Council for Health Planning, State of Kansas, in his statement to the Subcommittee;

(6) The critical element involved in breaking the poverty cycle is that of nutrition.

Subcommittee No. 4 submits the following recommendations for consideration:

(1) Federal Legislation should be proposed to institute programs increasing the supply of health manpower. The usage of paraprofessionals and sub-professionals needs to be strongly encouraged.

(2) Increased federal funding under the Public Health Service Act is strongly urged.

(3) In view of the need for adequate information on which to base planning and program decisions, a statistical gathering program should be permanently established.

(4) A very high priority should be placed on the needs of children as the best preventive measure our society can take. Preschool programs, day care services, and adequate housing are involved in child welfare programs.

(5) Continued and adequate support of educational programs in nutrition is strongly urged.

Statement by Dr. Thomas F. Taylor, Chairman, Coordinating Council for Health Planning to the Sub-Committee #4 of the Kansas Committee on Nutrition and Human Needs, August 23, 1969

I wish to thank the committee for the opportunity to discuss health care for low income groups. I am currently chairman of the Coordinating Council for Health Planning which advises the State Board of Health in regard to its responsibilities as the agency designated by the Kansas Legislature to prepare and administer a State Comprehensive Health Planning Program. The Partnership for Health Amendments of 1966 and 1967 to the Public Health Service Act authorized the establishment of state and areawide health planning programs. Our task is to establish a comprehensive and systematic planning process to establish goals, objectives and priorities for health, and to include both the public and the private sector in this planning process. Priorities for the expenditure of grants for comprehensive health planning services which will be available from the Federal Government in blocks rather than in categorical grant must be determined. The scope of the activities for comprehensive health planning are to include the manpower, facilities, and services necessary for promoting and assuring the highest level of health attainable for every person in an environment which contributes positively to healthful, individual and family living.

This planning process must be a true partnership involving public and private agencies, organizations, and programs, and all levels of government with *no* domination by any segment. We hope that through activities of areawide councils and a system of sub-committees, the expression of health needs as seen by the people of the state will be included in the planning. Identification of population groups with higher than average risks of illness is a significant goal of the program. In addition to working with existing agencies, we will assist OEO and Model Cities with their health components and include their findings and recommendations in the setting of priorities.

Mr. Johnson, the health planning analyst with the Comprehensive Health Planning Program has devised a general health status index. Copies of this are available for the committee. A number of weighted factors were used in determining this index including an index of poverty related to the number of families in each county with incomes below $3,000 as reported from the 1960 census. This poverty rating was not given a large weighting in the computation. When Mr. Johnson ran a correlation between the poverty index and the relative health index the high correlation of .96 was obtained. The correlation remained .95 between the poverty factor and all the other factors. The poverty level is the most important factor in the general status of the population. This may lend strong support to any federal measures to increase the income level of the lower portion of the population.

Financial support is now available through Medicaid and Medicare for health services which low income and elderly people (and many of the elderly are poor) need. There is a greater utilization of the Health Services by these groups than ever before whether because of promises for health care or of inability to pay prior to the advent of medicare.

Recent studies show that low income persons just above welfare level are in the poorest health of all. These persons have poor immunization levels and uncared for dental problems. One of the reasons for the rapid increase in the medicaid assistance payments in Kansas has been coverage for dental problems. It is estimated that it will take 5 years to catch up on the dental treatment needed by persons on welfare. The dental problems of those just above welfare levels are still neglected.

70 percent of the persons on welfare in Kansas live in counties having either a food stamp program or a commodity distribution program. I do not need to tell this committee, which is fortunate to have serving on it Dr. White who has pioneered in the use of nutrition aides, about the need for nutrition education for the entire population.

The health care system is more obviously visible now with the increased demand for services. Shortages and poor distribution of health manpower, high costs due to unnecessarily duplicated and underutilized facilities and equipment, duplicated services in some areas and absence of necessary services in other areas and high costs of administration by the vendor groups as a result of regulations set forth by governmental units are all problems in the health care system. Model City Studies in Wichita and Kansas City show that poor transportation systems make it impossible for residents in one part of the city to utilize Health Services in other parts of the same city.

The grant for comprehensive public health services for Kansas in FY 1970 totaled $917,400. Fifteen percent of this must be used for mental health services and 70 percent of the total must be used for services in communities. Unless this appropriation is significantly increased, the concept of the block grant will be of little significance.

I was asked to summarize the recommendations of the Booz, Allen & Hamilton Report as they pertain to housing, sanitation and pest control. This was the report of a consulting firm prepared for the Legislative Council in 1967–68 at the request of the Kansas State Board of Health. The report stated that there was no organized housing program in Kansas such as existed in other states and recommended the adoption and enforcement of state uniform housing standards. The figures from the 1960 U S Census show that the national total for Sound hous-

ing with plumbing facilities is 74 percent. The Kansas total was 71.9 percent. The severity of the housing problem for some groups is highlighted by the findings of the Kansas City, Kansas Model Cities Program which showed that using the same 1960 U S Census, the area total for the Model Cities area in Kansas City was only 16.8 percent Sound housing.

Urban renewal and public housing programs have not kept up with the need for additional sound housing units. The private market is unwilling to assume the risks involved. Financial institutions in the Kansas City area now deny investment capital or require excessive down payments according to the findings of the Model Cities Program. Again, a major problem is for those families whose income is too high for public housing but not high enough to compete for suitable housing on the open market. The Kansas Department of Economic Development will be including housing in its planning during the coming year. Some provisions are evidently available under the 1968 Housing Act which have not been utilized. But in addition, incentive may be necessary so that private investors will find construction of adequate low cost housing profitable.

Concerning sanitation, the Booz, Allen & Hamilton Report stated that increasing population and industrial expansion continues to create new problems in general sanitation and waste disposal. They stated that state standards are needed. The state did receive a United States Public Health Service Grant in 1967 for a 3 year solid waste planning project.

In regard to pest control, the report stated that such programs can be most effectively administered locally. Such problems are interrelated for rodents, for example, will breed in areas with poor waste disposal.

The Coordinating Council for Health Planning has established a Committee on Environmental Health Problems. Under the chairmanship of Dr. Ross McKinney from the University of Kansas, this committee is now preparing a more complete survey of the environmental health services and programs in Kansas available from both public and private agencies and associations. The committee will recommend priorities for environmental health concerns in the state and recommendations and actions for their improvement.

Kansas does have a State Child Abuse Register. We do not, however, have all of the services nor channels of communication necessary to deal with these and related problems. There are still 24 counties in Kansas which are not included in areas receiving services from Community Mental Health Centers. There is a shortage of foster homes and adequate child care facilities. Support of federal programs for adequate mental health and child care facilities is certainly indicated.

In the summary I would make the following recommendations for federal legislation:

1. Programs to increase the supply of health manpower. The social security amendments of 1967 permit the use of subprofessionals in welfare and maternal and child health projects. The usage of paraprofessionals such as medical corpsmen should be explored.

2. Increase federal funding under the Public Health Service Act. This includes funding for comprehensive health planning and for block grants for community health services and other special health projects which are locally sponsored. The discrepancy between the goals and intent of the legislation and the amount of money awarded for implementation is a source of frustration and disillusionment. The same will be true of the new welfare proposal unless the minimum payment truly takes into consideration the amount of money necessary to provide an adequate diet.

3. There is a great need for information on which to base planning and program decisions. Inadequate information is available in all of our work. So far, we do not know where people are who actively do the work on one hand and we do not have adequate sources of information on the other hand. For example, housing statistics are available only from the federal census. And, for example, in Kansas we do not have current information on actively practicing physicians or nurses. Other methods for obtaining this basic information must be found in order to make good sound judgmental decisions.

4. In addition to catching up with the needs of the adult population, a very high priority must of course be placed on the needs of children as the best preventive measure our society can take. Priorities should be placed on head-start and other pre-school programs, children and youth programs, and the coordination of such special programs with other existing and needed physical and mental health and educational services. The Interdepartmental Committee for Children and youth in Kansas is sponsoring a demonstration project in three counties of Kansas to improve and coordinate the whole system of community services offered to children and family. Simplified federal funding for such demonstrations and continued programs would be of great benefit to the public.

Thank you for the opportunity to describe the efforts of the Comprehensive Health Planning Program and to offer my views in this very important area.

NUTRITION EDUCATION—SUBCOMMITTEE NO. 5

(Submitted by Beverly B. Smith)

Committee Members: Mrs. Barbara McWhorter; Mr. Ray Uehling; Mrs. George Haley; Mrs. M. L. Breidenthal; Mr. Harold E. Wills; Mr. James A. Garver; Mrs. Beverly Smith, chairman.

At the first meeting of the committee in Topeka on June 28, those in attendance were Mrs. M. L. Breidenthal, Kansas City; Mrs. George Haley, Kansas City; Mrs. Barbara McWhorter, Topeka; Mrs. Beverly Smith, Salina. At this meeting Mrs. Breidenthal was to check on the Nutrition Aid Program in her county, Mrs. Haley was to check on other Extension Service activities, and Mrs. McWhorter was to check on H.E.W. School and Health related activities. In addition each member was to attempt to find out about different Nutrition-Education programs that were being carried on in their respective counties. Mrs. Beverly Smith was elected chairman of this sub-committee.

The second meeting of the committee was held July 26 at the Hilton Inn in Salina. Those in attendance were Mr. Ray Uehling of Ness City and Mrs. Beverly Smith of Salina. Previous correspondence had gone out to the sub-committee members. This meeting was spent explaining what had been done at the previous meetings. No actual results or accomplishments were given at this particular time. The following information was received—one from Mrs. Doris Haley, Kansas City, saying that an interview was made with Mrs. Betty Price of the Nutrition Extension Service of Wyandotte County. The following information was obtained from this interview: The Extension Service has first tried to establish rapport with the various groups receiving food from the commodity program. One manner in which this has been done is to train members of these groups to teach other individuals methods of best using the foods obtained.

Small classes are held in neighborhood centers and those participating are happy to be taught by someone in their own group. Volunteers also go into various homes to teach methods of adapting recipes and cooking new foods made available by the program. Classes are held at Y.W.C.A. branches and have been successful. Many of these have been classes with youth and unwed mothers. Work has been done with social workers who deal directly with persons in the program and gas company home economists are given information to pass on to their contacts. Information has been given to those on special diets. The Extension Service has contributed newspaper articles to the Kansas City Star and has also used films, recipe books, and brochures. There has been an attempt to create an awareness of what foods are available for those who are not knowledgeable on what foods can be obtained. It was reported that all of these efforts have been met with success and the entire program reaches more and more people every day. Enclosed with this report were brochures and newspaper articles regarding the Extension Program.

Mrs. McWhorter contacted four people in different agencies, plus the Nutrition Consultant with Health, Education, and Welfare. She stated that it may have been her imagination, but she felt there was a reluctance to discuss Nutrition-Education programs, probably because the people involved realized programs are inadequate as far as reaching total numbers of people needing assistance. She approached the problem as follows:

1. Resources available:

a. What programs?

b. Personnel involved.

c. Practicality of present programs (right and wrong of programs).

d. What are the needs or what recommendations should be made?

Problems mentioned by those with whom she talked were:

1. The Department of Health does not have a nutritionist to act as a resource person throughout the state.

2. Distribution of surplus commodities is a problem. Funds to warehouse are not available. A C & Y teaching project in Kansas City never got off the ground, because no funds were available for storage or distribution. The aged have no means of transportation to warehousing centers to pick up commodities available to them.

3. Commodity Program vs. Money. The people to whom she talked were divided as to whether cash should be made available for purchasing and clients taught to purchase rather than utilize available commodities.

4. Apparently county commissioners and boards composed of nine people determined priorities for our home extension people. If the commissioners do not consider nutrition important, nutrition is not taught.

5. Welfare has two people engaged in some kind of nutritional education on a very limited basis. One acts as a consultant group and the other has been involved in the party type of teaching.

Positive Information:

1. Education for low income groups seems to be best on a one-to-one level.

2. Low income people enjoy and seem to learn when the environment is geared to a neighborhood social event referred to as, "Teach and Party", a get together where plentiful foods are served and cooky cakes, etc. forms. The method of cookery demonstrated and recipes distributed. This type of teaching was referred to as the "buddy system", "show and tell" and "cook and taste" parties.

3. Shawnee County is utilizing the homemakers trained at KSU. Recommendations as to needs were not forthcoming, either personnel or funds. One individual did say she felt that Nutrition-Education programs should be delegated either to extension people or to welfare people. She felt that education under "one umbrella" would produce better results. To illustrate her point she mentioned that the Inter-agency Nutrition Committee and the Technical Action Panel are both organized to keep people informed, but neither really knows what the other is doing.

In a letter from Gladys H. Matthewson, nutrition consultant, Community Health Service, Department of Health, Education,

and Welfare, Kansas City, she notes the following:

"As you know, nutrition education is a responsibility shared by numerous state agencies. In the state Health Department it is a component of all programs and services concerned with health promotion and is directed through the professional personnel, serving individuals and communities either directly or indirectly.

"In 1967 Dr. Arnold Schaefer, Chief Nutrition Program, Division of Chronic Disease Programs, Regional Medical Program Service, Public Health Service, identified three population groups with needs for nutrition guidance and public health programs. These projections are suggested as a guide. In the vulnerable group where there are children and poverty (as defined by O.E.O.), one nutritionist per 10,000 population. Per groups with long-term illness, heart disease, cancer, stroke, diabetics, arthritis, etc.—one nutritionist per 50,000 population. And in the area of health promotion for the general public needing nutrition surveillance—one nutritionist per 100,000 population. Under the Medicare legislation, there are more than 14,500 beds in approximately 182 certified or credited hospitals and 66 extended-care facilities for whom the quality of nutritional care would be improved through nutrition and dietary consultation from the state Health Department.

"About 60% of the population has some home health services available at present. Nutrition consultation is available on a part-time basis in four of the thirty-five certified agencies, some of whom utilize home health aids to assist in meeting patient needs. According to information available to me, there are about 200 public health nurses in the state and local health departments. Some on-going nutrition consultation is available in Topeka-Shawnee and Wichita-Sedgwick County Health Departments which together employ about 70 nurses. Other programs which would benefit from guidance in nutrition include school health nurses, dental health personnel, child caring facilities, migrant health projects, and pre-natal clinics to name a few.

"The supplemental food programs for pregnant women and children has been initiated in the Western Kansas Migrant Health projects, Topeka-Shawnee County Health Department. The children in youth projects at Kansas University Medical Center is presently involved in administrative details of participating also."

Sub-Committee No. 5 of the Kansas Committee On Nutrition and Human Needs has concerned itself with Nutrition-Education programs in Kansas. These are the minutes of our August 23rd meeting in Manhattan with Barbara McWhorter, Ray Uehling and Beverly Smith in attendance.

The Department of Health considers Nutrition Education a component of all programs and services concerned with health promotion. Division of Social Welfare, schools and business are doing very little, if any, in the area of nutrition education.

The most progressive program of Nutrition-Education is being carried on in the Cooperative Extension Service with their Expanded Nutrition Program using Nutrition Aides.

Our committee feels that in addition to money and other program changes, that Nutrition-Education is the most important influence to make results of lasting importance in combating malnutrition.

Therefore, we make the following recommendations:

1. That the general public be made aware of the problems in nutritional education in order that they support a program to eliminate malnutrition and improve general nutrition among the American people.

2. That the responsibility and coordination for Nutrition-Education be placed under one agency and that the agency be the Federal Cooperative Extension Service in cooperation with Public Health and the Department of Social Welfare.

3. That money and time be provided to develop and continue the Expanded Nutrition Program in Cooperative Extension.

4. That dietitians and nutritionists be provided on the state level to coordinate programs and act as resource people.

5. That Nutrition-Education be emphasized by up-grading, expanding, and realizing the importance of home economics classes and nutrition information at all levels of the school by the State Department of Education.

6. That the Food Industry (producers, processors, and retailers) become involved in Nutrition-Education.

7. That more extensive use of volunteers be made in the teaching of nutrition. In order to have a successful volunteer program, orientation, coordination, and training of the volunteers need to be done by a qualified paid person. We would further recommend that funds be appropriated to pilot a volunteer program in Kansas which would supplement the existing nutrition education program carried on by Cooperative Extension.

8. That the Senate Nutrition and Human needs committee have the national T.V. and radio networks promote the need for Nutrition-Education programs and also provide Nutrition-Education programs for the American people in the same forceful and poignant way they called national attention to poverty.

Mr. DOLE. Mr. President, I subscribe generally to the statements of the chairman of the committee, the Senator from Louisiana (Mr. ELLENDER), and the ranking Republican on the committee, the Senator from Vermont (Mr. AIKEN) in regard to S. 2547. I would add that there are several provisions with which I have some disagreement.

FREE FOOD STAMPS

Mr. President, the administration believes food stamps should be provided without charge to those we may refer to as the poorest of the poor. An amendment was offered in the Senate Agriculture Committee which would have accomplished this objective. That amendment was defeated but I understand that there will be other amendments offered to S. 2547 to accomplish this result tomorrow. Such a change in the food stamp program, in my opinion, would help those who are most in need of help—the small fraction of our population at the very bottom of the poverty scale. Food stamps would be made available without charge, for example, to a family of two with a monthly income of less than $20, a family of four with less than $30 and a family of six with less than $40. Tomorrow I intend to introduce an amendment that would substantially accomplish this objective.

Let me add that the bill provides in substance that there must be paid not less than 50 cents per person per month for a household of five persons or less, and $3 per household, for six or more persons per month. It appears that this provision is based on the theory, that recipients should not get something for nothing. Perhaps that has some merit, but there are examples—not many—but some in America, in my State, and probably in every other State across this land where, because there is no money available, some people may be denied food stamps and, therefore, families with children will be denied proper nutritious diets.

The families that will benefit from free food stamps are the families least able to obtain a minimum adequate diet. They have no continuous source of income. They are not eligible for the federally aided forms of public assistance such as aid to dependent children, old age assistance, or aid to the blind or the handicapped. They live in areas that provide no form of general welfare assistance.

The greatest threat from malnutrition occurs while a child is still unborn and during the first two years of life. The poorest of the poor are the group most likely to suffer from malnutrition during these critical months. If their children suffer brain damage as a result of poor nutrition, succeeding generations will be locked into the cycle of poverty.

I strongly believe that the dollar cost of providing free food stamps for the poorest of the poor is minimal when compared with what might happen if this is not done.

Providing stamps without charge to the very poorest removes an important barrier to their participation in the food stamp program. The value of this outreach effort will far exceed the income that will derive from a 50 cents per person charge.

Further, the commodity distribution program is already providing food without charge to the poor. I cannot, for one, understand why this same principle does not apply to the food stamp program. As the food stamp program replaces direct distribution, new barriers should not be established that will discourage participation by the poorest and neediest.

The purpose of the administration's food stamp proposals is to make the program adequate and self-sufficient. They are designed to assure that the program will provide a minimum adequate diet and will incorporate payment levels that are reasonable and that do not discourage participation. In the past, church groups, OEO affiliates and charitable organizations have had to provide cash to purchase food stamps for the very poor. If this program is going to stand on its own, the very poor should be able to obtain stamps without charge. Providing free food stamps to the poorest of the poor is an integral part of a comprehensive, workable, and self-sufficient program of food assistance.

Mr. President, there is one other provision that requires attention. While a county is converting from a direct distribution program to a food stamp program, or in case of disaster, there is a need to establish concurrent programs. The administration bill requested that concurrent operation be authorized in three cases. One, during a natural disaster, when retail store operations were disrupted; second, during transition from commodity distribution to food stamps; third, if requested by the State and it agrees to accept all administrative costs.

The first of these was adopted by the committee. I will offer an amendment to modify the third alternative, namely, that when a State wishes and a State requests concurrent programs for a longer period, and if it is willing to pay the cost of administration, it be allowed to do so. The bill reported by the committee eliminated the last of these three options. My amendment would simply re-

state that option. I believe it is important that we provide this option to the States and localities. They are the ones who best know the local conditions. We have learned that ourselves. The committee has had field hearings in Florida, California, Illinois, and the District of Columbia. Those on the local level often appear to understand the problem of money and understand the problem of nutrition and malnutrition better than some of us on the Federal level. They know the local conditions. So if the people on the local and State levels are willing to undertake the additional expense involved, that should be a valid reason for requesting such flexibility in the Federal statutes.

I certainly commend the chairman and and other members of the Committee on Agriculture and Forestry for the modifications in the law allowing concurrent operation that have been made. But it appears to me that we should not foreclose even the limited use of such authority if State or local officials deem it necessary and are willing to pay the added costs. Aside from these particular provisions, I support the bill reported by the committee. I shall at the appropriate time offer the amendments about which I have spoken.

Mr. STEVENS. Mr. President, I have an amendment which I should like to send to the desk and ask to have printed. Will the distinguished chairman of the committee tell me whether he intends to call up amendments today? Will amendments offered to the bill be called up today?

Mr. ELLENDER. I stated to quite a number of Senators that I did not think any votes would be had this afternoon.

Mr. STEVENS. I thank the Senator from Louisiana.

Mr. President, I submit an amendment and ask that it be printed.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. STEVENS. Mr. President, the purpose of the amendment is to allow Alaskans who live in remote parts of my State and rely on subsistence hunting for the bulk of their diet to purchase rifle and shotgun ammunition with food stamp coupons. At first blush, this may seem strange. As a practical matter, coupons may be used anywhere else to buy meat. But these people do not live where there are any stores. Their total meat supplies come from their own hunting, and they live in absolute poverty conditions and do not have money with which to buy shells.

On a recent trip around my State, time and time again these people, who are so much benefited by this program, asked me why they could not use the food stamp coupons to buy the one thing that would give them a better, more adequate diet—that is, ammunition with which to shoot game on the land on which they live.

In many remote villages the death rate is high. The high death rate results from the incidence of debilitating diseases among native populations, and this can be directly attributed to malnutrition. So it is imperative that we do everything possible to assist these people to obtain an adequate diet.

The cost of what we call store-purchased food in these villages is two to three times, or even more, what it is in the other States. The cost of fresh fruits and vegetables and meat—if available—is absolutely prohibitive.

As a practical matter, in the area that would be covered by this amendment, there are no meat markets. There is no way to purchase fresh meat. These people pay 30 cents and more for a can of evaporated milk that Americans living in other States would pay 9 cents for at a local market. Alaskans must pay 50 cents for a box of salt that would sell for 11 cents at the Safeway store near my home. They must pay $11 for 50 pounds of flour, and then they pay, in addition, high freight rates to get such staples delivered to where they are.

As I pointed out, the food stamp coupons are absolutely useless as far as meat is concerned, because there is no fresh meat there that they can purchase. The only way to get fresh meat is to go out and hunt for it. I think that by providing assistance in the very areas in which the food stamp coupons could assist them would help fulfill the meaning of the program.

By a recent Internal Revenue Service administrative order, Alaskans are now allowed to purchase rifle and shotgun ammunition through the mail. I hope we can carry this one step further in the area where there is a food stamp economy.

As I mentioned to the chairman of the committee, in these rural communities of my State, there is no cash. It is a food stamp economy. This food stamp program will be meaningful only if they can use the coupons for the one thing with which they can really benefit themselves, and that is ammunition with which to hunt.

I am hopeful that when the time comes to call up my amendment—although I have discussed it with the chairman and I understand his position—we can obtain support for the amendment.

Mr. ELLENDER. Mr. President, I wish the Senator to understand that I will give the amendment consideration. When it comes up tomorrow, I may discuss it further with him.

Mr. STEVENS. I thank the Senator. I shall be glad to provide statistics for the chairman.

There are 178 native villages in my State. Of those 178 native villages, I would say less than 20 have access to fresh meat. Those 178 villages are located in areas where game abounds. Those people today do not have the money with which to purchase ammunition.

My State happens to be very fortunate right now. We know it has come into a substantial windfall. Hopefully, in the next few years, we can get money out into the villages and get the people employed so they will not be kept in a food stamp economy. The food stamp program helps the village people, but it does not help them supplement their diet so far as meat is concerned.

I was appalled to find that in village after village they do not have money to buy shotgun and rifle shells, and they just sit there. They no longer hunt with bows and arrows. They must have ammunition. I hope the Senator will give consideration to the amendment.

Mr. ELLENDER. The Senator has a good point, if we can limit the amendment to Alaska.

Mr. STEVENS. The amendment is absolutely limited to Alaska, and then only to rural areas where the people live on subsistence and when the Secretary makes a finding that the people are absolutely dependent on firearms for hunting game which they must have to live and supplement thier diet. I would encourage the chairman to take a look at the amendment. I thank him for his consideration.

Mr. BYRD of West Virginia. Mr. President, I support the objectives of the bill before us, S. 2547, which amends the Food Stamp Act of 1964. Its humanitarian goal is to provide a nutritionally adequate diet for those who participate in the program.

Additionally, it will assure all eligible households an equal opportunity to take advantage of the benefits of the food stamp program by providing for payment of the minimum charge in instances where individuals cannot afford to pay, and by limiting the maximum charge to 30 percent of household income.

There are other improvements in the program aimed at reaching more Americans who subsist on substandard diets because of their lack of money to buy proper food.

One of the most important of these improvements is that the value of food stamps would be raised to the "cost of an adequate diet." It would also require the issuance of the stamps at least twice a month, recognizing the fact that poor people often do not have enough money to pay even their share of the cost of the stamps for 1 month's time.

The bill provides also—and I believe this to be important in the effort to reach those who are undernourished in the midst of America's great affluence—that the State agencies administering the program "shall undertake effective action, including the use of services provided by other federally funded agencies and organizations to inform low-income households concerning the availability and benefits of the food stamp program and insure the participation of eligible households."

In my State of West Virginia, the department of welfare reports that 35,250 households were receiving food stamps at the last report, which was in July. The number of individuals receiving the stamps was set at 129,015. These figures are believed to be substantially correct at this point.

It is estimated that perhaps as many as 5,000 persons who may be eligible are not participating. Pride is generally given as the reason, although it is possible that some persons in remote areas do not yet know about the program. To correct this latter situation, the department of welfare continues to make efforts to reach persons who could benefit.

The program has been well received in the State, both by the participants, the stores, and the general public. The recipients feel that they are, in part, making their own way when they pay their share of the stamps. The public welcomes the fact that the recipients do have to pay something, and that they are now receiving an improved diet. The merchants welcome the program because the stamp purchasers come into their stores as other customers do, increasing their volume of sales.

Most of the stores in the State participate, according to the department of welfare. The minority which do not participate usually give as their reason that they do not want to bother with the Government redtape.

The single most important fact, from a humanitarian standpoint, is that poor people are now receiving a far more nutritious diet than they could get before, and each household is paying according to its ability to pay.

But the changes which are now proposed, in my judgment, will make the program fairer and more equitable for the poor family in that the bill provides for payment of an amount by a household which will represent a "reasonable investment on the part of the household," instead of an amount equivalent to its normal expenditures for food.

This, as the committee report points out, provides greater flexibility, permitting the Secretary to fix a charge which is reasonable for the poor, rather than tying the charge to what are generally thought of as normal expenditures for food, which for those below the poverty line are unreasonably high in relation to income.

An upper limit is imposed on what can be charged for stamps, which means simply that what the poor family is able to invest will provide more in bonus stamps, and thus provide more nutrition for the family. No household, under the change that is proposed, would be required to pay more than 30 percent of its income for food stamps. This, of course, would include welfare payments, since for all purposes under the act the term income includes any welfare payments received.

Additionally, the bill provides that the minimum payment of 50 cents per person per month for the first six persons in each household be paid by the State agency, if the eligible persons have no income with which to meet the minimum charge.

The objective of this provision, in the language of the report, is "to assure every low-income household a completely adequate diet, without shifting the historic State and local responsibilities to the Federal Government."

The committee believes that the State agency could make arrangements to provide the necessary funds from State or local sources. It might arrange with local authorities to apply general assistance welfare payments to the purchase of the coupons, or it could use State funds, or it might get local charities to underwrite these minimal charges.

There is a difference of opinion, of course, about requiring State or local participation to provide the minimum for those who cannot do so themselves. There is sentiment to make the food stamps free in such cases and for such individuals. The important thing is to make sure, by whatever means are necessary, that those who lack the money will get the food that they need.

There are a number of other needed changes which the bill would make.

It would, of course, increase the appropriation authorization from $315 million in fiscal 1969 to $750 million in fiscal 1970 and $1.5 billion in each of the fiscal years 1971 and 1972.

In general, it seeks to extend and expand the program, simplify procedures as the result of the experience that has now been gained, and to correct grievances.

In addition to the points I have already mentioned, the measure would provide direct administration by the Secretary of Agriculture in localities where such action might be necessary. It would provide for State eligibility standards which take local factors into account, but meet national standards prescribed by the Secretary.

It would provide hearings for participants with complaints; allow direct commodity distribution during a transition period to food stamps; simplify certification for certain assistance households; permit recipients to have the cost of coupons deducted from welfare checks; and provide for an interdepartmental committee to advise the Secretary on food assistance programs.

Mr. President, I have supported the food stamp program from its inception, and I believe this is a good bill. The program is the most effective approach that has been tried to help the poor provide better nutrition for themselves. The poor have their pride, and this legislation gives them the opportunity to make an investment in food for their families, and gives them the freedom to choose the foods that they want at the stores where they wish to buy.

At the same time, it takes into account the fact that there are those who have no means of their own with which to buy food, and it makes provision for them to get a nutritionally adequate diet.

The food stamp program takes advantage of our efficient commercial food distribution system, replacing the far less desirable commodity distributing systems operated by agencies of Government. From a dietary standpoint, the food-stamp system is far superior to a surplus commodity system, in that it permits the individual to choose foods according to his needs, and it relieves him of the necessity of storing large quantities, or even wasting donated foods, received for a month at a time.

The program needs to reach more people. Our national conscience should be deeply concerned by the fact that several million of our citizens—some figures indicate as many as 14 million—have inadequate diets because they do not have the money to buy food. No person should go hungry because of poverty in a land of plenty. This is a compassionate program, Mr President, hunger is a terrible thing. Whatever the program's cost, the amount will be less than the Nation loses because of its malnourished poor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ADJOURNMENT UNTIL TOMORROW AT 11 A.M.

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order of yesterday, that the Senate stand in adjournment until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 4 o'clock and 38 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, September 24, 1969, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 23, 1969:

DIPLOMATIC AND FOREIGN SERVICE

Clinton E. Knox, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Haiti.

Hewson A. Ryan, of Massachusetts, a Foreign Service information officer of the class of Career Minister for Information, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Honduras.

JUDGE OF THE DISTRICT COURT OF GUAM

Cristobal C. Duenas of Guam to be judge of the District Court of Guam for the term of 8 years vice Paul D. Shriver, resigned.

ASSISTANT SECRETARY OF COMMERCE

Harold C. Passer, of New York, to be an Assistant Secretary of Commerce, vice William H. Chartener.

ENVIRONMENTAL SCIENCE SERVICES ADMINISTRATION

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the Environmental Science Services Administration:

To be captain

Jack E. Guth — Robert C. Munson
Robert E. Williams — Gerard E. Haraden

To be lieutenant

Robert D. Hickson, Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 23, 1969:

INTERNATIONAL ATOMIC ENERGY AGENCY CONFERENCE REPRESENTATIVES

Glenn T. Seaborg, of California, to be the representative of the United States of America to the 13th Session of the General Conference of the International Atomic Energy Agency.

The following-named persons to be alternate representatives of the United States of America to the 13th Session of the General Conference of the International Atomic Energy Agency:

Verne B. Lewis, of Maryland.
James T. Ramey, of Illinois.
Henry DeWolf Smyth, of New Jersey.
Theos J. Thompson, of Massachusetts.