SENATE—*Thursday, December 4, 1969*

The Senate met at 9:30 o'clock a.m. and was called to order by the President pro tempore.

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, as we pause amid the season's pageantry of tapestry and tinsel, of mirth and music, of the gay laughter of little children and the hard work of men, we pray Thee to put the advent expectation in our souls. As we dedicate our lives to Thee this day and offer unto Thee the work of this Chamber, open our hearts to receive the Spirit of Him about whom it is written, "the government shall be upon His shoulder: and His name shall be called Wonderful, Counsellor, the Mighty God, the Everlasting Father, the Prince of Peace." Amen.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the order heretofore entered, the Senator from New York (Mr. GOODELL) is recognized for 30 minutes.

Mr. MANSFIELD. Mr. President, will the Senator from New York yield briefly without losing any of his time?

Mr. GOODELL. I yield.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, December 3, 1969, be dispensed with.

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

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that following the speech by the distinguished Senator from New York (Mr. GOODELL) and the consideration of the public works appropriation conference report, there be a period for the transaction of routine morning business with a time limitation of 3 minutes on statements in connection therewith.

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

COMMITTEE MEETINGS DURING SENATE SESSION—OBJECTION

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

Mr. BOGGS. Mr. President, by request, I am compelled to object to that unanimous-consent request.

The PRESIDENT pro tempore. Objection is entered.

THE VICE PRESIDENT, THE NETWORKS, AND A FREE PRESS

Mr. GOODELL. Mr. President, in a memorable essay, the late Judge Learned Hand once wrote:

> The spirit of liberty is the spirit that is not too sure that it is right.

We should remember this dictum when we discuss the Vice President's criticisms of the news media; and he might have done well to have borne it in mind himself.

In debating the role of the news media in our society, let us strive to keep the level of debate high and the level of our voices low.

The Vice President had every right to speak out if he felt the networks were not being fair. If the media are entitled to express reservations about Government policies, then certainly high officials of Government are entitled to express their own reservations concerning media policies.

Mr. AGNEW has, moreover, raised some important questions that have been troubling thoughtful observers of the television industry for years—and we are indebted to him for that. It is regrettable, however, that he discussed these questions in a manner that was not particularly conducive to rational debate.

The Vice President has advocated a "majoritarian" concept of news analysis with which I cannot agree. The tone and implications of some of his statements leave me deeply troubled.

The major point of the Vice President's address seems to be that the presentation of the news—other than editorials clearly labeled as such—should somehow be more "representative" of a collective point of view generally shared by all or most Americans. In his words:

> The views of this [network news] fraternity do not represent the views of America. That is why such a great gulf existed between how the nation received the President's address—and how the networks received it.
>
> As with other American institutions, perhaps it is time that the networks were made more responsive to the people they serve.

This view overlooks the real purpose of news analysis. It is not to convey an official line, nor to try to capture the popular mood of the moment. It is to provide information, stimulate thought, and enable individuals to make their own judgments intelligently.

The news media have always sought to fulfill an important and sensitive function in providing analytical and interpretative reporting to citizens of a free society.

In a complex political world, news often becomes an almost incomprehensible tangle of unrelated events. News analysis has the role of presenting events in the context of prior developments, and of separating rhetoric from reality. It should illuminate the news and sharpen issues frequently blurred by the "officialese" of Government.

New analysis, in short, is a process designed to enable the people to see more clearly the issues involved.

Because news analysis goes beyond mere reporting, it must venture into the realm of judgment and opinion. If a commentator simply recites a new administration proposal, he becomes nothing more than an extension of the Government's press spokesman. If, however, he tries to give the viewer some intelligible picture of the political background of the proposal and of its chances for passage in Congress, he must then exercise judgment.

There is, of course, a line beyond which news analysis ceases to be analysis and becomes editorializing. It is a line which a news analyst should take care not to cross. It is, however, a blurred line and thus one which even the best news analysts may inadvertently overstep. It is truly difficult to say precisely where informative political analysis ends and argumentative political persuasion begins.

Television news programs must operate under severe limitations of time in editing and selecting news film for viewing. This process likewise involves difficult and sensitive judgments.

The Vice President contended that the networks displayed a systematic and hostile bias against President Nixon's Vietnam speech.

The facts do not bear this out.

Federal Communications Commission Chairman Dean Burch has rejected claims that the networks showed systematic bias in their handling of the President's speech. In a recent decision supported by all the members of the Commission, he has ruled that the networks' coverage of the President's speech met the requirement of the FCC's "fairness doctrine" that broadcasters devote a substantial amount of time for presentation of contrasting views.

It becomes apparent, when one considers network television reporting during the 11 months of this administration, that much effort has been made to assure that its views on a wide variety of issues have been well represented.

During this period, the three major national news interview shows—Meet the Press, Face the Nation, and Issues and Answers—featured spokesmen for the administration on more than 40 occasions. They included each member of the President's Cabinet as well as other high administration officials.

During the same period, the two principal national news weeklies—Time and Newsweek—have 15 times headlined Mr. Nixon and other members of his administration as cover subjects.

When, for instance, the President made his successful trip around the world last spring, the networks devoted a great deal of prime time to his journey. This included live coverage of his visit to Rumania and the preempting of nighttime programing in order to carry Mr.

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Nixon's return to Washington—for an affair that proved to be largely ceremonial.

When, to cite another example, the President addressed the Nation on his welfare proposals, the three major networks, far from providing any instant analysis of their own, featured three members of the President's own cabinet to comment on his address. In this instance, a persuasive case can be made that the networks failed to meet their responsibilities of providing their viewers with independent analysis of the administration's plan.

If there is going to be searching and provocative discussion of the issues, there will inevitably be instances where individual commentators display their own bias. Is there, however, any basis for supposing that the public will simply and uncritically accept this bias as their own? Assuming, for the sake of argument, that the networks, as the Vice President claims, did not give fair treatment to the President's Vietnam speech, is there any basis for believing that the public did not respond to the President's speech on its own merits? The administration's own claims about the wide popular response to the President's speech belie this supposition.

The Vice President forgets that Americans are generally independent people who like to make up their own minds. If they see news programs that present events in an interesting and intelligible manner, they will reach their own conclusions—not try just to parrot the attitudes of the commentators.

If television news programs do not wholly reflect widely held attitudes—if they are controversial—this will only help make people think. Surely, thinking never hurt a democratic society. Here, we would do well to listen to the words of the late Edward R. Murrow:

> It is a truism that democracy is a means of dealing with the human imperfections of society. It recognizes that no form of government is perfect, no administration can be faultless, no legal system beyond improvement, no economic order as good as it might be.
>
> Where there is imperfection there must be change. And to produce change, unless it is imposed by tyranny, there must be difference of opinion; there must be opposition . . . there must be freedom to criticize; there must be the unremitting conflict and testing of ideas. This undoubtedly involves a great deal of confusion. But the liveliness of a democracy can be measured by the activity of the minds of its citizens. Security and serenity in a democracy are not at all the same things. They may even be opposite.

To disagree with the Vice President's views is not to suggest that television programing is wholly admirable. It is far from that. Newton Minow's observation nearly a decade ago, that television is a "vast wasteland" retains an uncomfortably large measure of truth.

Much of television entertainment, for example, has been guilty of being far more concerned with Nielsen ratings than with quality.

Unfortunately, it is precisely this fault that the Vice President would wish to carry over into newscasting.

If news analysis must reflect only popular attitudes, it will inevitably shy away from controversial issues. It will take on the same dull, bland, mindless cast that is too evident in much of the rest of television programing.

Television networks could no longer be able to present documentaries—such as CBS's "Hunger, U.S.A.," NBC's "CBW: The Secrets of Secrecy," or ABC's "Time for America"—which identify situations where we, as a nation, have been unwilling to live up to the principles of a just and equitable society. Such presentations, because they question or criticize official policies or popular attitudes, would become just too controversial.

The same fate would befall the special news analysis programs, such as CBS's "60 Minutes" and NBC's "First Tuesday," two extraordinary examples of superior broadcast journalism.

Oddly enough, the Vice President speaks with approval of "Hunger, U.S.A.," despite the fact that it was sharply critical of the then Secretary of Agriculture and his policies. Perhaps he forgets the controversial nature of the program because its barbs were aimed at a former administration, not his own.

Sanitized television news, made to appeal to the lowest common denominator in the name of appealing to some elusive consensus, will make Americans stop using their intelligence about politics.

The Vice President has also suggested that a commentator should disclose his own views on an issue before discussing it. I find this suggestion particularly puzzling. Does he mean that the commentator should try to apply a label to his own opinions such as "liberal" or "conservative"? The great issues are far too complex to be resolved in such simplistic terms. Does he mean the commentator should actually embark on a full description of his own views? This would lead to more editorializing, not less.

An insidious corollary of the Vice President's views is his tendency to equate the majority view on the issues, with the administration's views.

This identification can be made easily enough. After all, the administration did win the election even if by less than 51 percent, and it still has a majority of general support in the polls. So, this line of reasoning runs, if television should reflect the popular view, then why not the administration's?

Thus the Vice President's notions lead him to imply that the networks should not criticize the administration, at least on such a sensitive issue as Vietnam.

The bitterest attacks in the speech are reserved for those commentators who had the temerity to disagree with portions of the President's Vietnam speech, or whose expression or tone of voice did not show sufficient deference.

At one point, he baldly states that the networks had no right to offer criticism of the President's speech, at least until the people had the chance to "digest" it. As the Vice President puts it:

> The President of the United States has a right to communicate directly with the people who elected him, and the people of this country have the right to make up their own minds and form their own opinions about a Presidential address without having the President's words characterized through the prejudices of hostile critics before they can even be digested.

The President did, in fact, communicate directly with the people of the United States in his Vietnam address. The commentators whom Mr. AGNEW berates expressed, at most, some reservations about the speech. It is hard to think of the President, with all the power and prestige of his office, as no match for a few news analysts. In Fred Friendly's words:

> After all, the President had prime time on all three networks, and a small measure of counterfire from the loyal opposition is hardly stacking the deck.

As Mr. AGNEW should remember from the time the Republicans were out of office, the President has the overwhelming advantage in making his point of view known, and the opposition faces real problems in making its criticisms known. As a former Member of the House Republican leadership, I can recall all the efforts that were made—ultimately with success—to secure the right to respond to the President's state of the Union message.

In a free society, there is nothing inviolate or sacrosanct about a speech by the President of the United States. Mr. AGNEW to the contrary notwithstanding, the first amendment right of free speech is not abrogated because the airwaves are being used or because the President is speaking.

If the function of the media is to stimulate thought and to illuminate the issues, this inevitably will involve them in questioning the policies of this or any other administration.

The reason is not that the networks are run by a cabal of eastern liberals out to destroy a Republican administration. It would be difficult, indeed, to make a case that the media were any easier on the Democratic administration which preceded it.

It is, rather, that the job of any administration is to convince the public that its policies are worthy of support, and that of a responsible media to question those policies critically. This process—the administration persuading and the press and television asking the tough questions—is a natural and proper part of the democratic process. It enables the public to make an intelligent assessment of the Government's actions.

Public criticism of official policies is, moreover, not merely something to be tolerated as an unavoidable nuisance. It can perform a truly constructive role in bringing about reforms of those policies, where this is needed.

Vietnam is an obvious case in point. Today the President and most of us in public life agree that we should no longer seek military escalation in Vietnam; public debate, formerly concerned with "victory" in Vietnam, is now focused on the timing and manner of our withdrawal. A few years ago, those who disagreed with the policy of escalation were in a minority. Should those in the media have been silenced who criticized that

policy at a time when it was far from fashionable to do so?

I can sympathize with the Vice President's dislike of public criticism. No man likes to view or read unpleasant comments about himself. Criticism is, however, an occupational hazard for a politician.

As a great critic of another day, Dr. Samuel Johnson, once said:

> The liberty of the press is a blessing when we are inclined to write against others and a calamity when we find ourselves overborne by the multitude of our assailants.

If the Vice President is giving bad advice, he is at least, as I said earlier, asking some important questions.

They are questions which the networks should be asking themselves.

It is certainly appropriate to ask what can be done to enhance competition in an industry in which so much of the resources are concentrated in three national networks.

Mr. AGNEW, however, has raised this issue in a manner which suggests that he only objects to concentration when the media involved opposes the policies that he supports. He criticized the Washington Post Co. for owning both a radio and television station, but omitted any reference whatsoever to the Washington Star, which also owns a radio and television station but tends to favor the positions of the administration.

He had harsh words for the New York Times, but not criticism of the New York Daily News, which boasts a circulation two and a half times that of the Times, controls television station WPIX, and is owned by the largest paper in mid-America, the Chicago Tribune.

Concentration in the media is an issue that can be rationally discussed only if ideological or partisan bias is laid aside. An answer to this problem lies in creating additional television news sources—through strengthening the news programing resources of local stations, cable television, and educational television.

It is appropriate to ask how television can deal responsibly with conflict and confrontation in our society.

The news media reports what is newsworthy. It is a sad fact of life that conflict is often newsworthy; and that pleasant everyday occurrences are not always so. As Walter Cronkite points out, it is not news to report how many cats were not lost today.

The Vice President says only a small minority engage in demonstrations; he implies that demonstrations only keep happening because the media keeps covering them.

The media, however, have not created the conditions which underlie the unrest in our Nation—war, poverty, discrimination, and social injustice.

It is true that disenfranchised Americans have gained access to the media by use of the technique of demonstrations. This, however, is a legitimate way—and perhaps the only effective way they have—of making their grievances known.

In reporting demonstrations—especially where there is danger of violence—the media must exercise great care. They must avoid inflaming passions and reporting rumors. They must attempt a balanced estimate of the numbers involved and of the response of the community.

The media tries to do this. Naturally, in matters so delicate they do not always succeed. Where they err, however, they do not always do so on the side of the demonstrators. The networks, for example, almost totally failed to cover the largest peaceful demonstration in our history—that which occurred in Washington on November 15.

There will be other mistakes of this nature. The cure, however, is not to stop covering the real conflicts that occur in our society. The cure is not to make television news a wondrous Oz in which the Wizard's policies are always right.

The tone of the Vice President's statement also deserves some comment.

He seems to have fallen victim to the very same failing of which he accuses the networks: stressing confrontation at the expense of reasoned argument.

He speaks of Gresham's law and then unconsciously exemplifies it by letting bad rhetoric drive out good sense.

Was it really necessary, to cite a most unfortunate example, for the Vice President to attack Mr. Harriman?

Certainly, the attack was not relevant to the main theme of his speech. Certainly, he has not supplied a single shred of evidence that Ambassador Harriman "swapped some of the greatest military concessions in the history of warfare in order to gain an enemy agreement on the shape of the bargaining table."

And why single out Mr. Harriman, when much of what he said supported President Nixon, and particularly when Mr. Harriman expressly stated his opposition to a fixed date for withdrawal?

Was it also necessary for Mr. AGNEW to conjure up a fictitious "conspiracy"?

Was it really necessary for him to imply that because a majority of network commentators and producers all live in Washington and New York and sometimes go to the same cocktail parties, that they form a tightly knit cabal of like-minded men who seek to indoctrinate the public with a single point of view?

It is hardly a secret that network news is a highly competitive industry composed of men of diverse personal and intellectual backgrounds.

This becomes apparent when one considers the histories of six of the leading newsmen in broadcast journalism. None were raised or educated in the urban Northeast. Walter Cronkite was born in St. Joseph, Mo., and attended the University of Texas. Chet Huntley comes from Cardwell, Mont., and went to the Universities of Montana and Washington. Eric Sevareid is a native of Velva, N. Dak., and was educated at the University of Minnesota. Howard K. Smith—who incidentally was for many years a strong advocate of the Johnson administration's policy in Vietnam—was born in Ferriday, La., and went to college at Tulane. Frank Reynolds comes from East Chicago, Ind., and was educated at Wabash College, Ind. David Brinkley is a native of Wilmington, N.C.—and was never exposed to the intellectual hazards of a college education at all.

Why does the Vice President adopt some of the same rhetoric about a "conspiratorial establishment" as campus militants have adopted? Why is his speech—like their speeches—loaded with references to the dangerous things "they"—that tiny closed fraternity of privileged men—are doing?

Why does the Vice President choose to appeal to sectional prejudice—and talk about New York City or Washington as not being "representative" communities? Has he forgotten that he was elected to represent not one section of America, but all sections—and that includes even New York City?

The setting up of these straw men only adds acrimony to the debate, and obscures the substance of what Mr. AGNEW is saying.

The Vice President insists that he had no intent to propose Government censorship of television.

The question remains, however, whether the Vice President has attempted to use the prestige of his high office to place pressure upon the networks to report the news in a manner more favorable to the administration. This question becomes all the more urgent in view of comments by other highly placed officials that suggest that his views represent those of the administration.

Mr. AGNEW strenuously denies any attempt to put official pressure on the networks.

If this was not what he was attempting, however, why did he speak in such menacing tones? Why such abusive words for commentators who dared criticize the President?

Why did he use phrases like "it is time the networks 'were made'—not 'make themselves'—more responsive to popular views?"

Why did he so pointedly remind the media that the Federal Government controls the licensing of television stations—a reminder that was preceded by a highly unusual personal request by the Chairman of the FCC for a transcript of the networks' comments on the President's Vietnam speech?

Why did he raise doubts whether the first amendment applies to television news comment that is critical of official policy?

Why did he call upon his listeners to write the networks or phone their local stations to put pressure upon them to present the news his way?

Mr. AGNEW's personal motives are perhaps less important than the reasonable implications of what he actually said and how his statements will actually affect the networks.

I noted the particularly sharp and alarmed tone of the response made to the Vice President by various network spokesmen.

They vigorously maintained that they would not submit to the demands of the

Vice President. But the crucial test will be whether they will, in the long run, curtail news analysis programing which focuses upon the controversial issues in our society.

It is essential that they do not react to the Vice President's attack by compromising in any way their responsibility to offer informative and provocative news analysis and comment.

As I said at the outset, let us strive to keep the level of debate high and the level of our voices low. Let us avoid divisive rhetoric and simplistic solutions. Let us show genuine tolerance for views which differ from our own—not the sort of spurious tolerance of the angry man that Phyllis McGinley describes so well in her poem:

The other day I chanced to meet
An angry man upon the street—
A man of wrath, a man of war,
A man who truculently bore
Over his shoulder, like a lance,
A banner labeled "Tolerance."

And when I asked him why he strode
Thus scowling down the human road,
Scowling, he answered, "I am he
Who champions total liberty—
Intolerance being, ma'am, a state
No tolerant man can tolerate

"When I meet rogues," he cried, "who choose
To cherish oppositional views,
Lady, like this, and in this manner,
I lay about me with my banner
Till they cry mercy, ma'am." His blows
Rained proudly on prospective foes.

Fearful, I turned and left him there
Still muttering, as he thrashed the air,
"Let the intolerant beware!"

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

Mr. GOODELL. I yield.

Mr. JAVITS. Mr. President, it seems to me that the Senator has done a most admirable job in documenting in great detail for us the facts upon this critically important matter. I had occasion to address myself to it about a week ago.

Two things stand out in the Senator's statement and in my own feeling about the matter which in my judgment deserve emphasis.

We are both Republicans; hence, I think it is not only our privilege but also our duty to speak, as this is a Republican administration and a Republican Vice President.

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

Mr. JAVITS. I ask unanimous consent that the Senator may proceed for 5 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

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

Mr. GOODELL. I yield.

Mr. JAVITS. There are two points that seem to me to stand out in these views.

First, I note the statement on page 14 of the Senator's text, that the news media—which includes the press, television, and radio—shall not in the long run curtail their news analysis programing. They have already rebutted, as a matter of fact; the very day I spoke last week, Frank Stanton spoke very eloquently. I am sure that both my colleague and I profited greatly from his statement. Mr. Stanton rejected the idea that they would be inhibited by what Vice President AGNEW had said. But, having lived a long time and knowing how these things go, that does not end the case. They may very well be inhibited, nevertheless, because they are at the mercy of Government licensing. Notwithstanding appeals to the courts, and so forth, Government licensing is still a pretty potent proposition. There is a very clear intimation in what was said—not the words, but the tone and the timing—that those who transgress had better beware.

So I think it is critically important that a distinguished Senator like my colleague—others on the Democratic side have done the same thing, and I hope others will—has given assurance to those who might be inhibited that they have champions and that they need not be inhibited. To me, this is the greatest significance of what Senator GOODELL has done today.

The second point I should like to emphasize is the question which Senator GOODELL speaks of:

> The question remains, however, whether the Vice President has attempted to use the prestige of his high office to place pressure upon the networks to report the news in a manner more favorable to the administration.

That comes to the matter of timing. It is a fact that the Vice President's speeches began with his disapproval of the criticism by news and television commentators of the President's November 3 speech on Vietnam. If there is no clear implication in that statement that criticism will not be well received, I do not know what is a clear indication.

So I think, Mr. President, with the greatest friendliness—I am not angry, and I am sure Senator GOODELL is not angry—two things are served hereby: One, the networks know that they are not alone and solely at the mercy of whoever is in the Executive Office. That is very important. Two, the question of timing is raised, as to the issue whether criticism is just as correct for the President as it is for the networks. He has the same privilege. Why not? But the question is one of timing and the cause which incited him to speak.

For those reasons, I hope that what Senator GOODELL has said and what I and others have said will be taken and considered in as good faith by the administration, and with as much equanimity and understanding of why it was done, as I think Senator GOODELL has shown today in laying the case before the Senate.

I congratulate my colleague on a very fine job.

Mr. GOODELL. I thank my colleague.

I want to reiterate what my colleague said. This speech is not uttered in anger. It is uttered with concern. I think it is important that some of the matters I have covered here—which my colleague and others have covered previously—be made unmistakably clear to the American public, to the administration, to the Vice President, and to the networks. I certainly trust that the networks will take heed to the important questions raised by the Vice President, but not knuckle under in any way.

Mr. LONG. Mr. President, it was not my privilege to hear all the remarks of the Senator from New York, but I think the RECORD should show that many people approve of what the Vice President said. In the part of the country from which this Senator hails, the Vice President's remarks were overwhelmingly approved. In the Deep South, I would think at this time that he would probably be as strong or stronger than Richard Nixon, based on the statements that he made and the overwhelming approval which has been voiced from people in the area this Senator represents which has come to his attention.

May I say that I heard some of the comments by the commentators on the Vice President's speech, and about the only one I think I could agree with was Howard K. Smith, who comes from my part of the country. He comes from New Orleans.

The PRESIDING OFFICER (Mr. ALLEN in the chair). The additional 5 minutes of the Senator from New York have expired.

Mr. JAVITS. Mr. President, I ask unanimous consent that the Senator may proceed for 5 additional minutes.

Mr. MANSFIELD. Mr. President, I would reduce that figure, because the senior Senator from Louisiana (Mr. ELLENDER) is waiting to bring up an important conference report. Make it 3 minutes.

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

Mr. LONG. If need be, I will speak on the bill. I thought I had the floor in my own right.

All I had in mind saying is that it seems to this Senator that Howard K. Smith was the only commentator—and I am proud to say he comes from New Orleans, La.—who took the Vice President's criticisms in the spirit in which they were intended.

My impression was that the Vice President was saying that in view of the fact that the networks have a Federal license and a monopoly of the airwaves, they have a particular burden to be fair in the way they discharge their responsibilities.

I heard President Nixon's speech to the country, and it seemed most inappropriate to this Senator that when a much heralded speech of the President is heard and we hear him for a half hour or an hour, after he gets through, before we can even digest it or talk to our friends and neighbors about it, here comes some fellow I never heard of or anyone in the room knew, or knew where he came from, and says the people would be disappointed, that there is nothing new in the speech, and so forth. That is not how the people regarded the speech.

I did not regard it that way. Congress did not regard it that way. We then heard a commentator no one ever heard of, not elected to any office, probably could not be elected dogcatcher in his hometown, which is probably why he is in New York rather than in his hometown, proceeding to take the President apart.

It seems to me that the President is entitled to have his day. Someone said, "Oh, but after all, he had all three networks." Those commentators are on the airwaves every night. You hear them every night in the year, telling you what you ought to think and what they think about matters, and so forth. It seems to me that they ought to let the President have a night, just one night, to express himself. And I say that as a Democrat. Sometimes I agree with the President and sometimes I do not. I certainly did not vote for him.

I, for one, feel that there was a great deal of support for the Vice President. He gave two illustrations of his point. One was that the President was unfairly treated. Personally, I think he was—to have somebody come on right behind his speech, taking his speech apart, passing judgment on it, before the American people can pass judgment on it. No. 2, he talked about the way the coverage of the Chicago convention was slanted. I was there, and I saw it. That was the poorest and most slanted coverage I have seen. It helped elect a Republican. It is all the more convincing evidence, in my view, if one from another party looked into it and admitted that the way the Chicago convention was covered by the networks was very unfair. I was there and saw it, and I regard it as very unfair and slanted coverage, and so does he. At that particular point, the Vice President was speaking the views of someone on the other side of the aisle who has experienced and has seen some of these things. I know that what the Vice President has said has received the overwhelming support of the majority of the people. When the networks put their commentators on to respond to the Vice President, I understand the response was overwhelmingly in favor of saying, "We still think the Vice President was right."

I think he had a right to say what he did; he had a point. I do not say he is right about everything, but the Vice President has an argument for his side.

The PRESIDING OFFICER. The time of the Senator has expired

Mr. MANSFIELD. Mr. President, I ask unanimous consent, with the permission of the senior Senator from Louisiana, that the time be extended for 5 minutes.

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

Mr. LONG. It seems to me that the Vice President had a right to say what he said. He had a legitimate right to complain about the way his boss, the President, was treated in this instance, and he certainly had a right to feel that there has been slanted coverage of the news and that the networks ought to take a good look at themselves and reconsider the way they are handling some of these things. That is what he was saying.

He was pointing out that in view of the fact they are given a monopoly of the airwaves, which is worth a lot of money to them, they have a greater burden to tell the truth and to be fair in using that monopoly.

This Senator thought the criticism was well taken. It is only when someone reaches out to find something that was not said to quarrel about that one might say there is some threat here. Let them say what they want to say, but they should give the other man a fair chance to express his side.

There should be a moral burden on the networks and press. I think there is a moral obligation, whether we all agree to it or not, to unite the Nation in wartime and to unite behind our national leader in the best way we can.

I question whether the news media, and the networks in particular, have done anything to help along that line, and whether they have done as much as they could to help our President.

The Vice President was not trying to deny anyone his right to freely express his opinion but he was saying, "You people should look homeward and see if you cannot do a better job." Those of us who are in public life have that said to us every day. We have said it about us; why can we not say it about them? Turnabout is fairplay.

Mr. ELLENDER obtained the floor.

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

Mr. ELLENDER. I yield.

Mr. JAVITS. Mr. President, one can say everything that the Senator from Louisiana said is true, but it does not answer the question at all for this reason. Nobody is trying to muzzle the Vice President, but what is being argued is that the timing and frame of reference in which the Vice President spoke has dangers in trying to muzzle the press, radio, and television. That is the issue.

And I might say to my colleague that the consumer, to wit, the Senator from Louisiana, who is listening on television, has one privilege whch we will all die to defend. He can turn it off. But he is not in the seat of authority. The fellow who is commenting has nothing to do with the licensing or the Federal Government. The fact is that he does not have the power or the muscle the Vice President has.

So we have the right to say to the Vice President, "We are not trying to inhibit you; say what you please; but we have the right to say to the media, Do not get scared. A few people understand the situation and are not going to let you get cracked down on.' "

Mr. LONG. The Vice President has less power than any other elected official in the Federal Government. The Vice President can only vote in the event of a tie; he cannot even make a speech in the Senate except by unanimous consent. As a practical matter the Vice President has nothing more than the right to speak outside the Senate Chamber, but not here.

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

Mr. ELLENDER. I yield.

Mr. GOODELL. Mr. President, that is one of the questions raised. Is the Vice President speaking for himself or for the Administration? We know that the new Chairman of the FCC has taken a tremendous interest in what was said and has made a highly unusual personal request for the transcripts of the comments made by the networks after the President's speech.

I am sure the Senator will agree that the Vice President has the right to speak out; but that we must be very careful that we, who are in authority—the Vice President, whatever his authority—that all of us, do not in any way attempt to intimidate the press.

The Vice President even implied in his speech that there was a limit to the right of the first amendment to the Constitution, the right of free speech and television community.

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

The Senate will proceed to the consideration of the conference report on the Public Works Appropriation bill.

Mrs. SMITH of Maine. Mr. President, will the Senator yield to me briefly?

Mr. ELLENDER. I yield.

Mrs. SMITH of Maine. Mr. President, I would like to take this opportunity to thank the distinguished junior Senator from Louisiana for his defense of the Vice President.

The PRESIDING OFFICER. The Senate will now proceed to the consideration of the conference report.

Mr. MANSFIELD. Mr. President, will the Senator yield to me for one-half minute?

Mr. ELLENDER. Mr. President, I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I would like once again, as I have done so many times, to read for the Senate the first amendment of the Constitution, part of the Bill of Rights:

AMENDMENT [I]

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

Mr. President, that applies to every American. I hope we never forget it.

Mr. LONG. Mr. President, will the Senator yield to me for 1 minute?

Mr. ELLENDER. I yield.

Mr. LONG. Mr. President, the way I construe what the Vice President said about freedom of speech is that the television networks, having a monopoly to use the airways which belong to all the people, have a burden that both sides be heard.

My understanding of freedom of speech under the Constitution, and particularly that of the press, is the right of the fellow who owns that newspaper to see that it prints his point of view and not the other fellow's point of view. He can be as arbitrary as he wants to be in that respect. The airways belong to all the

people. One can say whatever he wishes to say over his own radio station so long as it is within the law, but he has to let the other fellow have an equal chance to be heard.

That is what the Vice President was saying, rather than that just one side be heard.

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

Mr. ELLENDER. I yield.

Mr. GORE. Mr. President, as I understood the distinguished Vice President, at least in one respect, he was not speaking out for the right of both sides to be heard; but, instead, he did not want any analysis or criticism of the President's speech until it could be digested. The American people—and intelligent people—do not have to sleep on a speech to digest it.

We are a country of traditions and we have had such experiences as this before. In our history we had the "Know Nothing Party" and we are seeing a revival of that tradition.

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

Mr. ELLENDER. I yield.

Mr. BAKER. Mr. President, I thank my colleague for yielding.

Mr. President, I make it a point not to take issue with my distinguished colleague from Tennessee when I can avoid it. After all, we represent the same constituents. But I must rise to say I find myself in most respectful but vigorous disagreement with his comments. And I may say further that I conceive the remarks of the distinguished Vice President to be simply this: If it is right for them to criticize us, it is all right for us to criticize them.

I think in the final analysis it must be said that the thrust of the Vice President's remarks might be interpreted to mean that electon to high office in this Republic does not create a disability for a man to say what he thinks.

The PRESIDING OFFICER. The Senate will proceed to consider the conference report.

Mr. ELLENDER. Mr. President, now that the AGNEW matter has been settled——

[Laughter.]

PUBLIC WORKS APPROPRIATION BILL, 1970—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14159) making appropriations for public works for water pollution control, and power development, including the Corps of Engineers—civil, the Panama Canal, the Federal Water Pollution Control Administration, the Bureau of Reclamation, power agencies of the Department of the Interior, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1970, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of December 2, 1969, page 36538, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

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

Mr. ELLENDER. Mr. President, the distinguished Senator from Maine (Mrs. SMITH) did not sign the report. She was the only conferee who did not.

Mr. President, I regret the Senate conferees were unable to sustain all the programs that we proposed but I think that all in all we came out very well.

As a rule, we have a certain formula to follow. The House committee placed in the bill 21 new planning starts, and 14 new construction starts. The Senate did likewise. In conference we ironed out the differences so that it is my belief the Senate came out of the encounter as well as the House did.

The conference bill provides $4,756,007,500, which is $237,421,000 below the amount approved by the Senate; $250,561,000 above the House; $552,029,500 above the budget; and $73,022,500 above the appropriation for fiscal year 1969.

Mr. President, there is a growing awareness of the need to protect and improve our environment. A major thrust of this effort is being directed to the elimination of air and water pollution. One of the most important programs to improve our environment is the construction grants for waste treatment works. Appropriations to carry out this program have been totally inadequate, and the gap between authorization and appropriations has been widening. This year the authorization is $1 billion, the budget recommended only $214 million. The House provided $600 million, and the Senate approved the full $1 billion—which is, of course the total authorization. The conference report provides $800 million. In other words, what happened was that the House and Senate conferees split their differences. I am proud to say that we were able to retain at least $800 million for that program. Therefore, the increase of $586 million on construction grants for waste treatment works is in excess of the total increase of $552,029,500 over the budget for the entire bill.

Exclusive of this item, the conference bill is $284,217,500 under the original budget submitted by President Johnson; $33,970,500 under President Nixon's revised budget; $50,561,000 over the House; $37,421,000 under the Senate; and $512,977,500 under the appropriations for fiscal year 1969.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary table explaining the action of the conferees on the various items in the bill.

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

PUBLIC WORKS APPROPRIATIONS FOR FISCAL YEAR 1970, SUMMARY TABLE

Agency and item	New budget (obligational) authority, fiscal year 1969 (enacted to date)	Original budget estimate of new (obligational) authority, fiscal year 1970	Budget estimates of new (obligational) authority, fiscal year 1970 (as amended)	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended in conference bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)
TITLE I—ATOMIC ENERGY COMMISSION						
Operating expenses	$2,109,300,000	$2,037,500,000	$1,963,800,000	$1,884,269,000	$1,840,269,000	$1,862,269,000
Plant and capital equipment	[1] 506,574,000	400,635,000	395,785,000	343,500,000	377,525,000	355,500,000
Total, title I, new budget (obligational) authority, Atomic Energy Commission	2,615,874,000	2,438,135,000	2,359,585,000	2,227,769,000	2,217,794,000	2,217,769,000
TITLE II—DEPARTMENT OF DEFENSE—CIVIL						
DEPARTMENT OF THE ARMY						
Corps of Engineers—Civil						
General investigations	30,015,000	40,400,000	40,900,000	40,600,000	41,760,000	41,191,000
Construction, general	[2] 862,713,500	769,420,000	627,055,000	671,982,000	740,469,000	711,992,000
Flood control, Mississippi River and tributaries	69,600,000	74,600,000	74,600,000	74,600,000	87,040,000	80,820,000
Operation and maintenance, general	[3] 227,300,000	245,700,000	245,700,000	245,700,000	253,000,000	253,000,000
Flood control and coastal emergencies	[4] 30,000,000	5,000,000	[5] 32,000,000	32,000,000	32,000,000	32,000,000
General expenses	[6] 21,875,000	22,980,000	22,980,000	22,600,000	22,980,000	22,680,000
Total, Corps of Engineers—Civil	1,241,503,500	1,158,100,000	1,043,235,000	1,087,482,000	1,177,249,000	1,141,683,000
Cemeterial Expenses						
Salaries and expenses	15,000,000	[7] 16,196,000	[7] 16,196,000	[8] 15,125,000	15,125,000	15,125,000

Footnotes at end of table.

PUBLIC WORKS APPROPRIATIONS FOR FISCAL YEAR 1970, SUMMARY TABLE—Continued

Agency and item	New budget (obligational) authority, fiscal year 1969 (enacted to date)	Original budget estimate of new (obligational) authority, fiscal year 1970	Budget estimates of new (obligational) authority, fiscal year 1970 (as amended)	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended in conference bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)
TITLE II—DEPARTMENT DEFENSE—CIVIL—Continued						
THE PANAMA CANAL						
Canal Zone Government:						
Operating expenses	[9] $38,569,500	$41,070,000	$41,070,000	$40,700,000	$40,700,000	$40,700,000
Capital outlay	200,000	[8] 2,373,000	[10] 2,373,000	2,000,000	2,000,000	2,000,000
Panama Canal Company: Limitation on general and administrative expenses	[11] (13,730,000)	(14,700,000)	(14,700,000)	(14,700,000)	(14,700,000)	(14,700,000)
Total, the Panama Canal	38,769,500	43,443,000	43,443,000	42,700,000	42,700,000	42,700,000
Total, title II, new budget (obligational) authority, Department of Defense—Civil	1,295,273,000	1,217,481,000	1,102,874,000	1,145,307,000	1,235,074,000	1,199,508,000
TITLE III—DEPARTMENT OF THE INTERIOR						
FEDERAL WATER POLLUTION CONTROL ADMINISTRATION						
Pollution control operations and research	[12] 86,789,000	91,972,000	91,972,000	85,382,000	86,482,000	86,382,000
Construction grants for waste treatment works	214,000,000	214,000,000	214,000,000	600,000,000	1,000,000,000	800,000,000
Total, Federal Water Pollution Control Administration	300,789,000	305,972,000	305,972,000	685,382,000	1,086,482,000	886,382,000
BUREAU OF RECLAMATION						
General investigations	[13] 16,319,500	16,400,000	16,400,000	16,000,000	16,060,000	16,030,000
Construction and rehabilitation	166,915,000	167,900,000	129,900,000	146,381,500	149,381,500	149,381,500
Upper Colorado River storage project	27,873,000	26,000,000	26,000,000	26,110,000	30,240,000	28,240,000
Colorado River Basin project		1,000,000	1,000,000	1,000,000	1,200,000	1,200,000
Operation and maintenance	[14] 50,530,000	55,000,000	54,030,000	53,500,000	53,500,000	53,500,000
Loan program	2,965,000	5,600,000	4,850,000	5,650,000	5,650,000	5,650,000
Emergency fund		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
General administrative expenses	[15] 12,400,000	12,700,000	12,700,000	12,700,000	12,700,000	12,700,000
Total, Bureau of Reclamation	277,002,500	285,600,000	245,880,000	262,341,500	269,731,500	267,701,500
ALASKA POWER ADMINISTRATION						
General investigations	$600,000	$700,000	$670,000	$600,000	$600,000	$600,000
Operation and maintenance	402,000	400,000	400,000	400,000	400,000	400,000
Total, Alaska Power Administration	1,002,000	1,100,000	1,070,000	1,000,000	1,000,000	1,000,000
BONNEVILLE POWER ADMINISTRATION						
Construction	104,000,000	110,400,000	102,400,000	96,500,000	96,500,000	96,500,000
Operation and maintenance	19,500,000	22,000,000	21,500,000	21,500,000	21,500,000	21,500,000
Total, Bonneville Power Administration	123,500,000	132,400,000	123,900,000	118,000,000	118,000,000	118,000,000
SOUTHEASTERN POWER ADMINISTRATION						
Operation and maintenance	850,000	700,000	700,000	700,000	700,000	700,000
SOUTHWESTERN POWER ADMINISTRATION						
Construction	4,020,000	3,360,000	3,100,000	3,100,000	3,100,000	3,100,000
Operation and maintenance	[16] 2,346,000	2,350,000	2,350,000	2,350,000	2,350,000	2,350,000
Continuing fund (definite appropriation of receipts)	3,200,000	2,900,000	2,800,000	2,800,000	2,800,000	2,800,000
Total, Southwestern Power Administration	9,566,000	8,610,000	8,250,000	8,250,000	8,250,000	8,250,000
Underground electric power transmission research		2,000,000				
Total, title III, new budget (olibgational) authority, Department of the Interior	712,709,500	736,382,000	685,772,000	1,075,673,500	1,484,163,500	1,282,033,500
TITLE IV—INDEPENDENT OFFICES (EXCLUDING AEC)						
Atlantic-Pacific Interoceanic Canal Study Commission: Salaries and expenses	4,900,000	1,337,000	917,000	917,000	917,000	917,000
Delaware River Basin Commission:						
Salaries and expenses	47,000	47,000	47,000	47,000	47,000	47,000
Contribution to the Delaware River Basin Commission	154,000	153,000	153,000	153,000	153,000	153,000
Total Delaware River Basin Commission	201,000	200,000	200,000	200,000	200,000	200,000
Interstate Commission on the Potomac River Basin: Contribution to Interstate Commission on the Potomac River Basin	5,000	5,000	5,000	5,000	5,000	5,000
National Water Commission: Salaries and expenses	[17] 150,000	1,100,000	1,100,000	1,050,000	1,050,000	1,050,000
Tennessee Valley Authority: Payment to Tennessee Valley Authority fund	50,250,000	55,750,000	49,750,000	50,600,000	50,300,000	50,600,000
Water Resources Council: Water resources planning	3,622,500	3,835,000	3,775,000	3,925,000	3,925,000	3,925,000
Total, title IV, new budget (obligational) authority, independent offices (excluding AEC)	59,128,500	62,227,000	55,747,000	56,697,000	56,397,000	56,697,000
Total, new budget (obligational) authority, titles II, III, and IV (excluding AEC)	2,067,111,000	2,016,090,000	1,844,393,000	2,277,677,500	2,775,634,500	2,538,238,500
Grand total, new budget (obligational) authority, titles I, II, III, and IV	4,682,985,000	4,454,225,000	4,203,978,000	4,505,446,500	4,993,428,500	4,756,007,500

[1] Includes $45,000,000 appropriated in Second Supplemental Act, 1969.
[2] Reflects transfer in Second Supplemental Appropriation Act, 1969, of $2,969,000 to "Operation and maintenance" and "General expenses," Corps of Engineers.
[3] Reflects transfer of $1,869,000 from "Construction, general," Corps of Engineers, and $1,731,000 appropriated in Second Supplemental Appropriation Act, 1969.
[4] Includes $25,000,000 appropriated in Second Supplemental Appropriation Act, 1969.
[5] Includes increase of $27,000,000 contained in H. Doc. 91–155.
[6] Reflects transfer in Second Supplemental Appropriation Act, 1969, of $1,100,000 from "Construction, general," Corps of Engineers.
[7] Reflects increase of $258,000 contained in H. Doc. 91–117.
[8] In addition, $991,000 available by transfer from funds appropriated in Public Works and AEC Appropriation Act, 1968.
[9] Includes $1,085,000 appropriated in Second Supplemental Appropriation Act, 1969.
[10] Reflects decrease of $227,000 contained in H. Doc. 91–85.
[11] Includes increase of $130,000 provided in Second Supplemental Appropriation Act, 1969.
[12] Reflects transfer in Second Supplemental Appropriation Act, 1969 of $246,000 to Bureau of Indian Affairs and $1,803,000 to the Bureau of Land Management.
[13] Includes $371,000 appropriated in Second Supplemental Appropriation Act, 1969.
[14] Includes $630,000 appropriated in Second Supplemental Appropriation Act, 1969.
[15] Includes $450,000 appropriated in Second Supplemental Appropriation Act, 1969.
[16] Reflects transfer in Second Supplemental Appropriation Act, 1969, of $4,000 to Bureau of Sport Fisheries and Wildlife (General Administrative Expenses).
[17] Appropriated in Supplemental Appropriation Act, 1969.

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

Mr. ELLENDER. I yield for a question.

Mr. JAVITS. May I say to the Senator from Louisiana that I should like to express on behalf of New York our appreciation for the consideration given New York for some urgent projects in the conference report on public works appropriations. There are a number of projects, but I wish to refer specifically to the project concerning the problems we have with the south shore of Long Island; that is, from Fire Island to Montauk Point, which has an enormous

national resource in its beaches. The Senate Appropriations Committee, I think, was understanding of our position by making the additional $380,000 available, and the compromise with the House to add at least $190,000 to the original $500,000 requested will be, I think, an effective measure to do what needs to be done to protect and preserve those beaches.

Also, in view of the critical importance of New York Harbor, not only to New York but also to the whole Nation, I should like to express my appreciation to the Senator from Louisiana (Mr. ELLENDER) and his colleagues for the approval of funds to continue the dredging of the anchorages in New York Harbor.

The allowance is not everything we had hoped for, but it certainly will enable the work to go forward.

Let me ask the Senator just one question: Does the fact that an item may have been omitted in conference which had been approved in the Senate bill mean that there was any substantive problem about the item?

I refer to Port Jefferson. Does its omission mean that the committee did not feel it had enough money to distribute this year, that it had done the best it could, and that there was no prejudice whatever against trying again next year?

Mr. ELLENDER. None whatever. I wish to say with reference to New York that we came out very well with reference to the Fire Island and anchorage problems—all three of the new starts that were provided. Only one was left out and that was Port Jefferson, which is a small navigation project.

I want to give my good friend from New York a promise that we will try again next year and I am sure we will be able to make it.

Mr. JAVITS. I thank the Senator from Louisiana very much.

Mr. MUSKIE. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. MUSKIE. I should like to take a few moments to compliment the distinguished Senator from Louisiana (Mr. ELLENDER) chairman of the Public Works Subcommittee, for the culmination of his efforts to increase the appropriations for waste treatment works construction.

I know of his efforts, going back several months in the early days of this session, and I cannot recall a more effective piece of legislative work dedicated to a clear objective in the public interests since I came to the Senate.

We had been bogged down at the appropriations level in this field at $200 million for several years. There seemed little prospect, in light of budgetary restraints, that we would ever move above that level.

We have done so in this conference report.

I do not think we would have done so without the commitment and the outstanding leadership demonstrated by the distinguished Senator from Louisiana (Mr. ELLENDER).

I understand the difficulties in trying to preserve the full Senate figure in conference. The House approved $600 million. The effort to increase that to $1 billion over the House figure failed, I think, by a very narrow margin, which gave us some hope that the House conferees might agree to the full figure. Nevertheless, I understand, from having participated in conferences myself and the need to compromise. We have compromised the figure sufficiently greater than the last appropriation to give the program the impetus it so badly needs.

So, once more—and I have said this many times on the Senate floor—I compliment the distinguished Senator from Louisiana, and the other Senators who represented the Senate point of view in conference.

This is a signal achievement of great importance in the fight against water pollution.

Mr. ELLENDER. Mr. President, I think I can speak for all the Senate conferees and say that we are grateful for the fine compliments the Senator from Maine has just directed to us. He has led in the fight to provide the authorizations for the program.

I may say, although we tried to get the House to increase the amount to $1 billion, as the Senator says, this is a matter of compromising differences. The whole bill was quite large almost—$5 billion. We were over and above the budget by over $500 million. Additions were made for the pollution problem. Personally, I am sorry we did not retain the $1 billion, but I think that we did very well, nonetheless.

Mr. MUSKIE. Mr. President, I am sure that if the Senator from Louisiana can undertake to persuade the administration and the President as to the increasing urgency of this problem, of course, I would join the Senator in any way he thinks appropriate to undertake to do that. It is not a question of trying to put the President on the spot. Congress is giving thorough and deliberate thought to this problem. It has undertaken this commitment at this time. We would all like to see the commitment met. Thus, if we can persuade the administration to go along, I would be very happy to join in that effort.

Mr. ELLENDER. I appreciate that. I may say to my good friend from Maine that I am very hopeful of trying to get a group of Representatives and Senators to call on the President and explain this matter to him.

It is stated that we had a carryover. Of course, there can be a carryover on any amount provided for any project if the Bureau of the Budget will not release the money we provide here. That has been the case with the water pollution control program. I am sure that many States would have gone forward and provide the necessary legislative authorizations if only the Congress had provided enough money.

We have, I think, provided a sufficient amount that will encourage the States to proceed to obtain their share. As the Senator knows, at the end of 6 months after the allocation is made, a review is made of the amount each State spends. If any State does not spend its allocation, the money not spent by States receiving a certain amount is redistributed to other States. I am sure that if the second distribution is adequately made, enough funds are provided here to make certain there will be completion of many projects.

Mr. MUSKIE. The purpose is to get the States to move, the lagging States and those that have moved more swiftly. So what we have done this year will be building a momentum that needs to keep going.

Mr. ELLENDER. As the Senator knows, the budget estimates for this program have been very low. That is, the Budget has approved very low figures. This year, with an authorization of $1 billion, they provided only $204 million. That is no encouragement to the States to prepare to do this work, because individual allocations would be so small that they could not even make a good start. So, with this sum, it is my belief that if it is allocated according to the formula, which I know it will be, the States will know that they will be entitled the money that is not spent from the first allocation. It is my belief that it will act as a stimulant for the States to proceed to go along with this program, which I think is absolutely necessary. We certainly need more work on air and water pollution. I think this provision will stimulate it.

Mr. MUSKIE. I thank the Senator.

TITLE I. ATOMIC ENERGY COMMISSION

Mr. ELLENDER. Mr. President, in addition to the consideration of appropriations for pollution control, the committee considered all of the appropriations for the Atomic Energy Commission.

The conferees agreed on $1,862,269,000 for operating expenses of the Atomic Energy Commission. This is $22 million below the House allowance, and $22 million above the amount allowed by the Senate. This is an overall reduction and not assigned to any specific program. The conference agreement provides for the full operation of the two K reactors at Richland, Wash.

For plant and capital equipment, the House agreed to $6 million of the $25 million the Senate restored for the 200-billion electron volts near Chicago, Ill., and to $6 million of the $7,525,000 restored by the Senate for capital equipment not related to construction.

Mr. President, in title II, for general investigations, Corps of Engineers, the bill provides $41,191,000, which is $599,000 below the amount approved by the Senate; $591,000 above the amount allowed by the House; and $291,000 above the budget.

I ask unanimous consent to have printed at this point in the RECORD a tabulation showing the details of the amount allowed for this item.

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

GENERAL INVESTIGATIONS, FISCAL YEAR 1970

Item (1)	Revised approved budget estimate for fiscal year 1970 (2)	House allowance (3)	Senate allowance (4)	Conference allowance (5)
GENERAL INVESTIGATIONS				
1. Surveys:				
(a) Navigation studies	$4,033,000	$4,381,000	$4,666,000	$4,556,000
(b) Flood control studies	9,826,000	10,015,000	10,380,000	10,191,000
(c) Beach erosion cooperative studies	441,000	454,000	479,000	454,000
General reduction due to slippage	−500,000			
Subtotal, navigation, flood control, and beach erosion studies	13,800,000	14,850,000	15,525,000	15,201,000
(d) Comprehensive basin studies:				
Arkansas-White-Red region				
Big Muddy River				
California region	640,000	640,000	640,000	640,000
Columbia North Pacific region	381,000	381,000	381,000	381,000
Connecticut River Basin, Conn., Mass., Vt., and N.H	314,000	314,000	314,000	314,000
Genesee River Basin				
Grand River Basin, Mich				
Great Basin region	213,000	213,000	213,000	213,000
Great Lakes region	831,000	831,000	831,000	831,000
Kanawha River, W. Va., Va., and N.C	600,000	600,000	600,000	600,000
Lower Colorado region	80,000	80,000	80,000	80,000
Lower Mississippi region	#500,000	500,000	500,000	500,000
Missouri River Basin	148,000	148,000	148,000	148,000
North Atlantic region	598,000	598,000	598,000	598,000
Pascagoula River Basin	67,000	67,000	67,000	67,000
Pearl River Basin, Miss				
Puget Sound area, Washington				
Red River below Denison Dam, La., Ark., Okla., and Tex	190,000	190,000	190,000	190,000
Sabine River Basin	65,000	65,000	65,000	65,000
Souris-Red region	315,000	315,000	315,000	315,000
South Atlantic gulf region				
Susquehanna River Basin, N.Y., Pa., and Md	829,000	829,000	829,000	829,000
Upper Colorado region	56,000	56,000	56,000	56,000
Upper Mississippi River Basin	149,000	149,000	149,000	149,000
Wabash River, Ind. and Ill	298,000	298,000	298,000	298,000
White River Basin, Ark. and Mo	100,000	100,000	100,000	100,000
Willamette River Basin, Oreg	66,000	66,000	66,000	66,000
Subtotal, comprehensive basin studies	6,440,000	6,440,000	6,440,000	6,440,000
(e) Special studies:				
Chesapeake Bay model study	330,000	330,000	330,000	330,000
Coordination studies with other agencies (Public Law 566, Public Law 984, etc.)	500,000	500,000	500,000	500,000
Great Lakes-Hudson River Waterway, N.Y				
Jersey Meadows, N.Y. and N.J	60,000	60,000	60,000	60,000
Lake Erie-Ontario Waterway, N.Y	100,000	100,000	100,000	100,000
National shoreline study	150,000	150,000	150,000	150,000
Northeastern United States water study	1,000,000	1,000,000	1,000,000	1,000,000
Texas coast	500,000	500,000	500,000	500,000
Texas water and pollution study	260,000	260,000	300,000	300,000
Water levels at Great Lakes	200,000	200,000	200,000	200,000
Subtotal, special studies	3,100,000	3,100,000	3,140,000	3,140,000
Subtotal, surveys	23,340,000	24,390,000	25,105,000	24,781,000
. Collection and study of basic data:				
(a) Stream gaging (U.S. Geological Survey)	340,000	340,000	340,000	340,000
(b) Precipitation studies (U.S. Weather Bureau)	620,000	620,000	620,000	620,000
(c) Fish and Wildlife Coordination Act studies (U.S. Fish and Wildlife Service)	625,000	625,000	625,000	625,000
(d) International water studies	190,000	190,000	190,000	190,000
(e) Flood plain management services	6,000,000	6,000,000	6,000,000	6,000,000
Subtotal, collection and study of basic data	7,775,000	7,775,000	7,775,000	7,775,000
3. Research and development:				
(a) Coastal engineering research and development	3,100,000	3,100,000	3,100,000	3,100,000
(b) Hydrologic studies	235,000	235,000	235,000	235,000
(c) Civil works investigations	3,755,000	3,615,000	3,615,000	3,615,000
(d) Mississippi Basin model:				
(1) Mississippi River comprehensive study	40,000	40,000	40,000	40,000
(2) Maintenance	60,000	60,000	60,000	60,000
(3) Computer application studies				
(e) Nuclear explosives studies for civil construction	2,100,000	2,100,000	2,100,000	2,100,000
(f) International hydrological decade program	495,000	50,000	495,000	250,000
Subtotal, research and development	9,785,000	9,200,000	9,645,000	9,400,000
1968 reserve applied in 1969				
Undistributed reduction		−520,000	−520,000	−520,000
Unobligated carryover balances		−245,000	−245,000	−245,000
Total, general investigations	40,900,000	40,600,000	41,760,000	41,191,000

Reflects changes made by the revised approved budget.

Mr. ELLENDER. Mr. President, reverting to the Atomic Energy Commission budget, I wish to say that the subcommittee held quite extensive hearings on this matter. It was rather difficult for us to point up where to cut certain items that we thought might need some pruning. The subcommittee simply made a reduction of $44 million from the entire amount asked for and decided to let the Commission allocate or subtract from the various programs as it saw fit.

When we met with the House conferees, they thought we cut too deeply. So the Senate conferees, in order to get the bill out, agreed to restore $22 million of the amount cut by the Senate.

Mr. President, for construction, general, Corps of Engineers, the conference agreement provided $711,992,000, which is $28,477,000 below the amount approved by the Senate; $40,010,000 above the House; $84,937,000 above the budget estimate; and $150,721,500 below the 1969 appropriation.

The construction items approved by the House included 21 unbudgeted planning items, 14 unbudgeted construction starts, and four new land acquisition items; all of which were approved by the Senate. In conference the House conferees agreed to 15 of the 21 new planning starts added by the Senate. The House agreed to 10 of the 21 new construction starts added by the Senate; and, in addition, to land acquisition on six reservoir projects for which the Senate had approved a construction start.

For increases in construction recommended, generally, the House approved increases which did not exceed one-half of the difference between the budget estimate and the capability of the Corps of Engineers.

That was the formula we applied to all projects, both in the planning stage and under construction, so that all items were treated similarly. I feel it was a wise way to do it, so that we showed no preference for any particular project in any of our 50 States.

This was based on the fact that only one-half of the year would remain for expenditure of the additional funds.

Unfortunately, the House would not agree to the planning funds for the Dickey-Lincoln project, for which there was a budget estimate.

I ask unanimous consent to insert at this point in the RECORD the tabulation showing the details of the amount allowed under construction, general.

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

CONSTRUCTION, GENERAL, FISCAL YEAR 1970

	Construction, general, State and project	Revised approved budget estimate for fiscal year 1970		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Alabama:								
(N)	Alabama River channel improvement	$100,000		$100,000		$100,000		$100,000	
(N)	Claiborne lock and dam	3,000,000		3,000,000		3,600,000		3,600,000	
(R)	John Hollis Bankhead lock and dam	#2,000,000		2,000,000		2,000,000		2,000,000	
(MP)	Jones Bluff lock and dam	11,000,000		11,000,000		12,300,000		12,000,000	
(MP)	Millers Ferry lock and dam	2,584,000		2,584,000		2,584,000		2,584,000	
(N)	Tennessee-Tombigbee Waterway, Ala. and Miss.		$500,000		$500,000		$500,000		$500,000
	Tombigbee River and tributaries, Alabama and Mississippi. (See Mississippi.)								
	West Point Dam, Ala. and Ga. (See Georgia.)								
	Alaska:								
(MP)	Bradley Lake power project		100,000		100,000		100,000		100,000
(FC)	Chena River Reservoirs, Fairbanks		150,000		150,000		150,000		150,000
(N)	King Cove Harbor						60,000		60,000
(MP)	Snettisham power project	#2,200,000		5,350,000		5,900,000		5,350,000	
	Arizona:								
(FC)	Gila River and tributaries below Painted Rock		774,000		2,489,000		2,489,000		2,489,000
(FC)	Phoenix and vicinity		1,000,000		1,000,000		1,000,000		1,000,000
(FC)	Santa Rosa Wash (Tat Momolikot Dam)	#100,000		150,000		150,000		150,000	
(FC)	Winslow	#100,000		550,000		550,000		550,000	
	ArkaAnsas:								
(N)	kansas River and tributaries, Arkansas and Oklahoma:								
	(a)Bank stabilization and channel rectification	3,500,000		3,500,000		3,500,000		3,500,000	
	B (b) Navigation locks and dams	#58,000,000		58,000,000		59,500,000		59,500,000	
(FC)	ayou Bartholomew (1950 and 1966 acts), Arkansas and Louosiana		119,000		119,000		119,000		119,000
(FC)	Bell Filey Reservoir				150,000		150,000		150,000
(MP)	Dardanelle lock and dam	4,346,000		4,346,000		4,346,000		4,346,000	
(MP)	De Gray Reservoir	5,600,000		5,600,000		5,600,000		5,600,000	
(FC)	De Queen Reservoir	#300,000		300,000		300,000		300,000	
(FC)	Dierks Reservoir	#466,000		466,000		466,000		466,000	
(FC)	Garland City	200,000		200,000		200,000		200,000	
(FC)	G llham Reservoir	#1,100,000		1,600,000		1,600,000		1,600,000	
(MP)	Narrows Dam (3d unit)	200,000		200,000		200,000		200,000	
(N)	Ouachita and Black Rivers, Ark. and La.	9,000,000		9,000,000		9,560,000		9,560,000	
(MP)	Ozark lock and dam	8,000,000		8,000,000		8,000,000		8,000,000	
(FC)	Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex.	600,000		600,000		1,000,000		1,000,000	
	California:								
(FC)	Alameda Creek, Del Valle Dam	2,200,000		2,200,000		2,200,000		2,200,000	
(FC)	Bear Creek	127,000		127,000		127,000		127,000	
(FC)	Buchanan Reservoir	150,000		500,000		500,000		500,000	
(FC)	Butler Valley Reservoir		#200,000		200,000		200,000		200,000
(FC)	Corte Madera Creek	1,850,000		1,850,000		1,850,000		1,850,000	
((N)	Crescent City Harbor		#25,000		25,000		25,000		25,000
(FC)	Cucamonga Creek				400,000		400,000		400,000
(FC)	Dry Creek (Warm Springs) Reservoir	1,500,000		1,500,000		2,500,000		2,500,000	
(FC)	Hidden Reservoir	360,000		360,000		600,000		600,000	
(FC)	Klamath River	#100,000		447,000		447,000		447,000	
(FC)	Lakeport Reservoir, Scotts Creek		359,000		359,000		359,000		359,000
(FC)	Los Angeles County drainage area	200,000		200,000		200,000		200,000	
(FC)	Lytle and Wam Creeks					500,000			
	Martis Creek Reservoir, Calif. and Nev. (See Nevada.)								
(MP)	Marysville Reservoir		750,000		750,000		750,000		750,000
(FC)	Mojave River Reservoir (West Fork)	3,600,000		3,600,000		4,000,000		4,000,000	
(FC)	Napa River			50,000		50,000		50,000	
(FC)	New Bullards Bar Reservoir (reimbursement)	3,155,000		4,500,000		4,500,000		4,500,000	
(FC)	New Don Pedro Reservoir (reimbursement)	1,940,000		1,940,000		1,940,000		1,940,000	
(MP)	New Melones Reservoir	#1,230,000		3,000,000		3,000,000		3,000,000	
(N)	Oakland Harbor	100,000		100,000		100,000		100,000	
(FC)	Pajaro River (1966 act)		200,000		200,000		200,000		200,000
(FC)	Pine Flat Reservoir	266,000		266,000		266,000		266,000	
(BE)	Point Mugu to San Pedro breakwater (reimbursement)	900,000		900,000		900,000		900,000	
(N)	Port Hueneme						50,000		50,000
(FC)	Russian River Basin (Coyote Valley Dam)	100,000		100,000		100,000		100,000	
(FC)	Sacramento River and major and minor tributaries	200,000		200,000		200,000		200,000	
(FC)	Sacramento River bank protection	2,000,000		2,000,000		2,500,000		2,500,000	
(N)	Sacramento River deepwater ship channel	100,000		100,000		100,000		100,000	
(N)	San Diego Harbor				100,000		100,000		100,000
(N)	San Diego River and Mission Bay	670,000		670,000		670,000		670,000	
(FC)	San Diego River and Mission Valley		400,000		400,000		400,000		400,000
(N)	San Francisco Bay to Stockton (John F. Baldwin and Stockton ship channels)	#300,000		550,000		550,000		550,000	
(N)	Santa Cruz Harbor					260,000		260,000	
(FC)	Santa Paula Creek			250,000		250,000		250,000	
(FC)	Sonoma Creek		343,000		343,000		343,000		343,000
(BE)	Surfside-Sunset, Newport Beach (reimbursement)	1,754,000		1,754,000		1,754,000		1,754,000	
(FC)	Sweetwater River		150,000		150,000		150,000		150,000
(FC)	Tahquitz Creek			250,000		250,000		250,000	
(FC)	Walnut Creek	1,800,000		1,800,000		1,800,000		1,800,000	
	Colorado:								
(FC)	Bear Creek (Mount Carbon) Reservoir		#150,000		150,000		150,000		150,000
(FC)	Chatfield Reservoir	#7,000,000		9,500,000		10,000,000		9,500,000	
(FC)	Trinidad Reservoir	#2,100,000		2,350,000		2,350,000		2,350,000	
	Connecticut:								
(FC)	Ansonia-Derby	4,000,000		4,000,000		4,000,000		4,000,000	
(FC)	Black Rock Reservoir	1,335,000		1,335,000		1,335,000		1,335,000	
(FC)	Derby	#100,000		700,000		700,000		700,000	
(FC)	New London Barrier	100,000		100,000		100,000		100,000	
(FC)	Stratford		246,000		246,000		246,000		246,000
(FC)	Trumbull Pond Reservoir		255,000		255,000		255,000		255,000

Footnote at end of table.

CONSTRUCTION, GENERAL, FISCAL YEAR 1970—Continued

	Construction, general, State and project	Revised approved budget estimate for fiscal year 1970		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Delaware:								
	Delaware River Philadelphia to the Sea, Del., Pa., and N.J. (See New Jersey.)								
(N)	Inland waterway, Delaware River to Chesapeake Bay (Chesapeake and Delaware Canal), pt. II, Delaware and Maryland	#$6,000,000		$6,250,000		$7,000,000		$6,500,000	
	Florida:								
(N)	Apalachicola River channel improvement	500,000		500,000		500,000		500,000	
(N)	Canaveral Harbor	#0		150,000		150,000		150,000	
(FC)	Central and southern Florida	#9,000,000		9,500,000		10,000,000		9,500,000	
(N)	Cross-Florida Barge Canal	6,000,000		6,000,000		9,000,000		7,500,000	
(FC)	Four Rivers basins	#3,000,000		3,500,000		4,000,000		3,500,000	
(N)	Intracoastal Waterway—St. Marks to Tampa (ecological study)				$20,000		$20,000		$20,000
(N)	Jacksonville Harbor (1965 act)	#200,000		700,000		700,000		700,000	
(N)	Miami Harbor						140,000		140,000
(BE)	Palm Beach County, Lake Worth Inlet to South Lake Worth Inlet (reimbursement)	4,000		4,000		4,000		4,000	
	Georgia:								
(MP)	Carters Dam	#6,300,000		6,700,000		6,700,000		6,700,000	
(N)	Savannah Harbor, 40 feet (1965 act)	#1,500,000		1,850,000		1,850,000		1,850,000	
(N)	Savannah Harbor (sediment basin)	#500,000		1,100,000		1,100,000		1,100,000	
(MP)	Spewrell Bluff Dam (land acquisition)					1,100,000		750,000	
(MP)	Trotters Shoals Reservoir, Ga. and S.C		$900,000		900,000		900,000		900,000
(MP)	West Point Reservoir, Ala. and Ga	#10,200,000		10,200,000		10,200,000		10,200,000	
	Hawaii:								
(N)	Barbers Point Harbor					1,000,000			
(N)	Kawaihae Harbor					1,000,000		750,000	
(BE)	Waikiki Beach					500,000		500,000	
	Idaho:								
(FC)	Blackfoot Reservoir		90,000		90,000		90,000		90,000
(MP)	Dworshak (Bruces Eddy) Reservoir	#44,700,000		44,700,000		47,000,000		46,350,000	
(FC)	Ririe Reservoir	#600,000		700,000		700,000		700,000	
	Illinois:								
(FC)	East St. Louis and vicinity		200,000		229,000		229,000		229,000
(FC)	Fulton (1968 act)		#30,000		30,000		30,000		30,000
(N)	Horse Island and Crescent Bridge (Mississippi River), Ill. and Iowa	750,000		750,000		750,000		750,000	
(FC)	Hunt Drainage District and Lima Lake Drainage District	831,000		831,000		831,000		831,000	
(N)	Illinois Waterway, Calumet-Sag modification, pt. I, Illinois and Indiana	2,700,000		2,700,000		2,700,000		2,700,000	
(N)	Illinois Waterway, Calumet-Sag modification, pt. II, Illinois and Indiana		50,000		50,000		50,000		50,000
(FC)	Indian Grave Drainage District	277,000		277,000		277,000		277,000	
(N)	Kaskaskia River (navigation)	#9,377,000		10,188,000		11,000,000		11,000,000	
(FC)	Levee District 21 (Vandalia), Kaskaskia River		59,000		59,000		59,000		59,000
(FC)	Levee District 23 (Dively), Kaskaskia River		75,000		75,000		75,000		75,000
(FC)	Levee unit No. 1, Wabash River (restudy)		10,000		10,000		10,000		10,000
(FC)	Lincoln Reservoir Land acquisition					1,500,000		500,000	
(N)	Lock and dam 26, Alton, Mississippi River				350,000		700,000		350,000
	Lock and dam 52, Illinois and Kentucky. (See Kentucky.)								
(FC)	Louisville Reservoir				75,000		75,000		75,000
(FC)	Milan (1968 act)				30,000		30,000		30,000
(N)	Mississippi River between Ohio and Missouri Rivers, Ill. and Mo.: Regulating works	1,000,000		1,000,000		2,000,000		1,500,000	
(N)	Mound City lock and dam Illinois and Kentucky		436,000		436,000		436,000		436,000
(FC)	Oakley Reservoir (land acquisition)	#500,000		100,000		50,0000		300,000	
(FC)	Peoria		50,000		50,000		50,000		50,000
(FC)	Rend Lake Reservoir	8,200,000		8,200,000		8,200,000		8,200,000	
(FC)	Rockford		155,000		155,000		155,000		155,000
(FC)	Rock Island	#150,000		150,000		150,000		150,000	
(FC)	Saline River and tributaries	#1,200,000		1,350,000		1,450,000		1,350,000	
(FC)	Shawneetown (restudy)		30,000		30,000		30,000		30,000
(FC)	Shelbyville Reservoir	#3,000,000		3,150,000		3,150,000		3,150,000	
(N)	Smithland locks and dam, Illinois and Kentucky	500,000		500,000		1,000,000		750,000	
(FC)	Wood River Drainage and Levee District		31,000		31,000		31,000		31,000
	Indiana:								
(FC)	Big Walnut Reservoir		50,000		35,000		35,000		35,000
(FC)	Brookville Reservoir	#1,400,000		1,400,000		1,400,000		1,400,000	
(N)	Burns Waterway Harbor (reimbursement)	5,520,000		5,520,000		5,520,000		5,520,000	
(N)	Cannelton locks and dam, Indiana and Kentucky	7,100,000		7,100,000		7,100,000		7,100,000	
(FC)	Evansville					500,000		500,000	
	Illinois Waterway, Calumet-Sag modification, pts. I and II, Illinois and Indiana. (See Illinois.)								
(FC)	Island levee	#100,000		100,000		100,000		100,000	
(FC)	Lafayette Reservoir (land acquisition)					750,000		400,000	
(FC)	Mason J. Niblack Levee (pumping facilities)				40,000		40,000		40,000
(N)	Newburgh locks and dam, Indiana and Kentucky	#2,100,000		3,200,000		3,600,000		3,200,000	
(FC)	Patoka Reservoir (land acquisition)	#400,000		400,000		400,000		400,000	
(N)	Uniontown locks and dam, Indiana and Kentucky	#4,500,000		4,500,000		4,500,000		4,500,000	
(FC)	West Terre Haute	#170,000		235,000		235,000		235,000	
	Iowa:								
(FC)	Ames Reservoir (land acquisition)			400,000		400,000		400,000	
(FC)	Big Sioux River at Sioux City, Iowa and South Dakota				70,000		70,000		70,000
(FC)	Clinton (1968 act)		#30,000		30,000		30,000		30,000
(FC)	Davids Creek Reservoir				100,000		100,000		100,000
(FC)	Dubuque	2,100,000		2,550,000		2,500,000		2,550,000	
(FC)	Guttenberg					100,000		100,000	
	Horse Island and Crescent Bridge, Mississippi River, Ill. and Iowa. (See Illinois.)								
(FC)	Iowa River Flint Creek Levee District No. 16	#100,000		150,000		150,000		150,000	
(FC)	Missouri River levee system, Iowa, Kansas, Missouri, and Nebraska	#1,200,000		1,500,000		2,000,000		1,500,000	
(N)	Missouri River, Sioux City to mouth, Iowa, Kansas, Missouri, and Nebraska	4,500,000		4,500,000		6,000,000		5,250,000	
(FC)	Rathbun Reservoir	2,600,000		2,600,000		3,000,000		3,000,000	
(FC)	Red Rock Dam and Lake Red Rock	2,000,000		2,000,000		2,000,000		2,000,000	
(FC)	Saylorville Reservoir	3,700,000		3,700,000		3,700,000		3,700,000	
(FC)	Waterloo			200,000		200,000		200,000	

Footnote at end of table.

CONSTRUCTION, GENERAL, FISCAL YEAR 1970—Continued

	Construction, general, State and project	Revised approved budget estimate for fiscal year 1970		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Kansas:								
	Arkansas—Red River chloride control, Texas, Oklahoma, and Kansas. (See Texas.)								
(FC)	Cedar Point Reservoir						$75,000		$75,000
(FC)	Clinton Reservoir (land acquisition)	$1,000,000		$1,000,000		$1,000,000		$1,000,000	
(FC)	Cow Creek, Hutchinson	#100,000		200,000		200,000		200,000	
(FC)	El Dorado Reservoir (land acquisition)			700,000		700,000		700,000	
(FC)	Hillsdale Reservoir		$275,000		$275,000		275,000		275,000
(FC)	Kansas City (1962 mod)	#350,000		425,000		425,000		425,000	
(FC)	Lawrence	#1,000,000		1,200,000		1,200,000		1,200,000	
(FC)	Melvern Reservoir	7,700,000		7,700,000		7,700,000		7,700,000	
	Missouri River levee system, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)								
	Missouri River, Sioux City to mouth, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)								
(FC)	Onaga Reservoir		250,000		250,000		250,000		250,000
(FC)	Osawatomie	962,000		962,000		962,000		962,000	
(FC)	Perry Reservoir	3,800,000		3,800,000		4,000,000		4,000,000	
(FC)	Topeka	850,000		850,000		850,000		850,000	
(FC)	Towanda Reservoir						100,000		
	Kentucky:								
(FC)	Booneville Reservoir		230,000		230,000		230,000		230,000
	Cannelton locks and dam, Indiana and Kentucky. (See Indiana.)								
(FC)	Carr Fork Reservoir	#2,130,000		3,380,000		3,380,000		3,380,000	
(FC)	Cave Run Reservoir	#3,800,000		3,800,000		3,800,000		3,800,000	
(FC)	Dayton		89,000		89,000		89,000		89,000
(FC)	Eagle Creek Reservoir		178,000		178,000		178,000		178,000
(FC)	Falmouth Reservoir				50,000		50,000		50,000
(FC)	Frankfort, North Frankfort area	824,000		824,000		824,000		824,000	
(FC)	Kehoe Reservoir		150,000		150,000		150,000		150,000
(MP)	Laurel River Reservoir	#2,740,000		2,740,000		2,740,000		2,740,000	
(N)	Lock and dam 52, Illinois and Kentucky	1,684,000		1,684,000		1,684,000		1,684,000	
(FC)	Martin			150,000		150,000		150,000	
(FC)	Martins Fork Reservoir, land acquisition					500,000		300,000	
	Mound City lock and dam, Illinois and Kentucky. (See Illinois.)								
	Newburgh locks and dam, Indiana and Kentucky. (See Indiana.)								
(FC)	Paintsville Reservoir		157,000		157,000		157,000		157,000
(FC)	Red River Reservoir	#500,000			500,000		500,000		500,000
	Smithland lock and dam, Illinois and Kentucky. (See Illinois.)								
(FC)	Southwestern Jefferson County		50,000		50,000		50,000		50,000
(FC)	Taylorsville Reservoir		236,000		236,000		236,000		236,000
	Uniontown locks and dam, Indiana and Kentucky. (See Indiana.)								
(FC)	Yatesville Reservoir		181,000		181,000		181,000		181,000
	Louisiana:								
(N)	Atchafalaya River, Bayous Chene, Boeuf, and Black				50,000		50,000		50,000
	Bayou Bartholomew, Ark. and La. (See Arkansas.)								
(FC)	Bayou Bodcau and tributaries					100,000		100,000	
(N)	Bayou LaFourche and LaFourche Jump Waterway	#100,000		250,000		250,000		250,000	
(FC)	Caddo Dam	1,200,000		1,200,000		1,200,000		1,200,000	
(FC)	Lake Pontchartrain, and vicinity	6,000,000		6,000,000		8,500,000		8,500,000	
(N)	Mermentau River					800,000		500,000	
(N)	Michoud Canal		15,000		15,000		50,000		50,000
(N)	Mississippi River, gulf outlet	800,000		800,000		800,000		800,000	
(FC)	Monroe Floodwall (1965 and 1966 Acts)		116,000		116,000		116,000		116,000
(FC)	Morgan City and vicinity	#150,000		175,000		200,000		175,000	
(FC)	New Orleans to Venice hurricane protection	#500,000		1,400,000		1,400,000		1,400,000	
	Ouachita and Black Rivers, Ark. and La. (See Arkansas.)								
	Overton-Red River Waterway (lower 31 miles only)	#200,000		600,000		600,000		600,000	
	Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex. (See Arkansas.)								
	Red River emergency bank protection					1,900,000		1,900,000	
(N)	Vermilion lock (replacement)		70,000		70,000		70,000		70,000
	Maine:								
(MP)	Dickey-Lincoln School Dam and reservoirs		807,000				807,000		
	Maryland:								
(FC)	Bloomington Reservoir, Md. and W. Va	#1,300,000		1,400,000		1,400,000		1,400,000	
	Inland waterway, Delaware River to Chesapeake Bay, Del. and Md. (C. & D. Canal), pt. II. (See Delaware.)								
	Massachusetts:								
(FC)	Charles River Dam		150,000		150,000		150,000		150,000
(N)	Fall River Harbor, Mass. and R.I		100,000		100,000		150,000		150,000
(FC)	Nookagee Reservoir		200,000		200,000		200,000		200,000
(R)	Plymouth Harbor	395,000		395,000		395,000		395,000	
(N)	Provincetown Harbor	#100,000		250,000		250,000		250,000	
(N)	Weymouth Fore and Town Rivers	#100,000		1,000,000		1,000,000		1,000,000	
(FC)	Whitmanville Reservoir		245,000		245,000		245,000		245,000
	Michigan:								
(N)	Cedar River Harbor					150,000			
(N)	Lexington Harbor				45,000		45,000		45,000
(FC)	River Rouge	#500,000		500,000		500,000		500,000	
(FC)	Saginaw River (flood control)	1,200,000		1,200,000		1,200,000		1,200,000	
(N)	Saginaw River (navigation)	2,496,000		2,496,000		2,496,000		2,496,000	
(R)	St. Joseph Harbor	350,000		350,000		350,000		350,000	
	Minnesota:								
(FC)	Big Stone Lake-Whetstone River, Minn., and S. Dak. (land acquisition)					200,000		200,000	
(FC)	Roseau River			50,000		50,000		50,000	
(FC)	Warroad River and Bulldog Creek		50,000		50,000		50,000		50,000
	Mississippi:								
(N)	Biloxi Harbor	330,000		330,000		330,000		330,000	
(FC)	Tallahala Reservoir						200,000		200,000
	Tennessee-Tombigbee Waterway, Ala. and Miss. (See Alabama.)								
(FC)	Tombigbee River and tributaries, Alabama and Mississippi	#300,000		650,000		650,000		650,000	
	Missouri:								
(FC)	Brookfield Reservoir				100,000		100,000		100,000
(FC)	Chariton River (1944 act)	#1,300,000		1,400,000		1,500,000		1,400,000	
(MP)	Clarence Cannon (Joanna) Reservoir	#2,750,000		2,925,000		2,925,000		2,925,000	

Footnote at end of table.

CONSTRUCTION, GENERAL, FISCAL YEAR 1970—Continued

	Construction, general, State and project	Revised approved budget estimate for fiscal year 1970		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Missouri—Continued								
(FC)	Gregory Drainage District	$538,000		$538,000		$538,000		$538,000	
(MP)	Kaysinger Bluff Reservoir	6,500,000		6,500,000		10,000,000		9,500,000	
(FC)	Little Blue River reservoirs (land acquisition)	#500,000		650,000		650,000		650,000	
(FC)	Long Branch Reservoir		$54,000		$54,000		$54,000		$54,000
(FC)	Meramec Park Reservoir (land acquisition)	700,000		700,000		700,000		700,000	
(FC)	Mississippi River Agricultural Area #8 (Elsberry)						120,000		
	Mississippi River between Ohio and Missouri Rivers, Ill. and Mo. (See Illinois.)								
	Missouri River levee system, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)								
	Missouri River, Sioux City to mouth, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)								
(FC)	Pattonsburg Reservoir (Highway I-35 crossing)	500,000		500,000		500,000		500,000	
(FC)	Platte River		103,000		103,000		103,000		103,000
(FC)	St. Louis	#2,700,000		2,800,000		2,800,000		2,800,000	
(FC)	Smithville Reservoir		275,000		275,000		275,000		275,000
(MP)	Stockton Reservoir	5,000,000		5,000,000		5,000,000		5,000,000	
(FC)	Union Reservoir		500,000		500,000	1,050,000			500,000
	Union Reservoir participation in State Highway No. 185 crossing.							300,000	
	Montana:								
(FC)	Great Falls	#0		400,000		400,000		400,000	
(MP)	Libby Reservoir	#48,500,000		48,500,000		52,600,000		50,800,000	
	Nebraska:								
(FC)	Columbus (section 205)	(300,000)				(300,000)		(300,000)	
	Missouri River levee system, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)								
	Missouri River, Sioux City to mouth, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)								
(FC)	Papillion Creek and tributaries		#75,000		75,000		300,000		300,000
	Nevada:								
(FC)	Martis Creek Reservoir, Calif. and Nev	520,000		520,000		520,000		520,000	
	New Hampshire:								
(FC)	Beaver Brook Reservoir		25,000		25,000		25,000		25,000
	New Jersey:								
(FC)	Elizabeth	#100,000		100,000		100,000		100,000	
(N)	Newark Bay, Hackensack and Passaic Rivers (1966 act)	#500,000		2,000,000		2,700,000		2,000,000	
(FC)	Raritan and Sandy Hook Bays	2,350,000		2,350,000		2,350,000		2,350,000	
(N)	Shrewsbury River Inlet		153,000		153,000		153,00		153,000
(FC)	South Orange, Rahway River			125,000		125,000		125,000	
(MP)	Tocks Island Reservoir, Pa., N.J., and N.Y. (land acquisition)	4,000,000		4,000,000		4,000,000		4,000,000	
	New Mexico:								
(FC)	Albuquerque diversion channels	#1,700,000		2,200,000		2,200,000		2,200,000	
(FC)	Cochiti Reservoir	#700,000		1,850,000		3,000,000		1,850,000	
(FC)	Galisteo Reservoir	2,069,000		2,069,000		2,069,000		2,069,000	
(FC)	Los Esteros Reservoir and modification of Alamogordo Dam		100,000		100,000		100,000		100,000
	New York:								
(BE)	Fire Island Inlet to Jones Inlet					500,000		500,000	
(FC)	Fire Island Inlet to Montauk Point	#500,000		500,000		880,000		690,000	
(N)	Hamlin Beach Harbor						40,000		40,000
(N)	Irondequoit Bay			100,000		100,000		100,000	
(N)	New York Harbor (anchorages)	#500,000		1,700,000		2,900,000		1,700,000	
(FC)	North Ellenville	#50,000		50,000		50,000		50,000	
(N)	Port Jefferson Harbor						50,000		
(FC)	Rosendale	1,300,000		1,300,000		1,300,000		1,300,000	
(FC)	Salamanca	799,000		799,000		799,000		799,000	
	Tocks Island Reservoir, Pa., N.J., and N.Y. (See New Jersey.)								
(N)	Wilson Harbor (1968 Mod.)					238,000			
(FC)	Yonkers		#0				25,000		25,000
	North Carolina:								
(N)	Cape Fear River above Wilmington	357,000		357,000		357,000		357,000	
(BE)	Cape Lookout						70,000		
(FC)	Falls Reservoir (land acquisition)			500,000		500,000		500,000	
(FC)	New Hope Reservoir	#2,500,000		4,700,000		5,000,000		4,700,000	
(FC)	Randleman Reservoir						100,000		100,000
(FC)	Reddies River Reservoir (deferred)						150,000		150,000
(N)	Wilmington Harbor, 38- and 40-foot depth (1962 act)	1,765,000		1,765,000		1,765,000		1,765,000	
(N)	Wilmington Harbor (32-ft project)					200,000		200,000	
(BE)	Wrightsville Beach					200,000			
	North Dakota:								
(R)	Garrison Reservoir (embankment repair)	1,800,000		1,800,000		1,800,000		1,800,000	
(FC)	Minot (not authorized)						75,000		75,000
(FC)	Missouri River, Garrison Dam to Lake Oahe	900,000		900,000		900,000		900,000	
	Oahe Reservoir, S. Dak. and N. Dak. (See South Dakota.)								
(FC)	Pipestem Reservoir	400,000		400,000		400,000		400,000	
	Ohio:								
(FC)	Alum Creek Reservoir	#1,300,000		1,400,000		1,400,000		1,400,000	
(FC)	Athens	2,800,000		2,800,000		2,800,000		2,800,000	
(FC)	Bellaire (restudy)		40,000		40,000		40,000		40,000
(FC)	Big Darby Creek Reservoir								
(FC)	Caesar Creek Reservoir	#1,800,000		2,250,000		2,250,000		2,250,000	
(FC)	Clarence J. Brown Dam and Reservoir	#1,600,000		1,600,000		1,600,000		1,600,000	
(FC)	East Fork Reservoir	#1,900,000		1,900,000		1,900,000		1,900,000	
(FC)	Fremont	$0		200,000		200,000		200,000	
(N)	Hannibal locks and dam, Ohio and West Virginia	#11,000,000		11,000,000		11,000,000		11,000,000	
(N)	Huron Harbor (deferred)				20,000		20,000		20,000
(FC)	Ironton			62,000		62,000		62,000	
(FC)	Newark				75,000		75,000		75,000
(FC)	North Branch Kokosing River Reservoir	#300,000		800,000		800,000		800,000	
(FC)	Paint Creek Reservoir	#2,400,000		2,400,000		2,400,000		2,400,000	
(N)	Racine locks and dam, Ohio and West Virginia	#11,000,000		11,000,000		11,000,000		11,000,000	
(FC)	Salt Creek Reservoir		227,000		227,000		227,000		227,000
(FC)	Utica Reservoir		#75,000		75,000		75,000		75,000
(N)	Willow Island locks and dam, Ohio and West Virginia	#12,000,000		12,000,000		15,000,000		13,500,000	
(FC)	Youngstown, Crab Creek	#100,000		100,000		100,000		100,000	

Footnote at end of table.

CONSTRUCTION, GENERAL, FISCAL YEAR 1970—Continued

	Construction, general, State and project	Revised approved budget estimate for fiscal year 1970		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Oklahoma:								
	Arkansas Red River chloride control, Texas, Oklahoma, and Kansas. (See Texas.)								
	Arkansas River and tributaries, Arkansas and Oklahoma. (See Arkansas.)								
(FC)	Birch Reservoir					$500,000			
(MP)	Broken Bow Reservoir	$2,328,000		$2,328,000		2,328,000		$2,328,000	
(FC)	Candy Reservoir		$232,000		$232,000		$232,000		$232,000
(FC)	Clayton Reservoir		225,000		225,000		225,000		225,000
(FC)	Copan Reservoir (land acquisition)					1,000,000		600,000	
(FC)	Crutcho Creek	=100,000		300,000		300,000		300,000	
(FC)	Hugo Reservoir	7,500,000		7,500,000		7,500,000		7,500,000	
(FC)	Kaw Reservoir	#6,400,000		6,850,000		6,850,000		6,850,000	
(FC)	Lukfata Reservoir			350,000		700,000		525,000	
(FC)	Oologah Reservoir	3,400,000		3,400,000		3,400,000		3,400,000	
(FC)	Optima Reservoir	#500,000		500,000		500,000		500,000	
(MP)	Robert S. Kerr (Short Mountain) lock and dam	8,800,000		8,800,000		8,800,000		8,800,000	
(FC)	Waurika Reservoir	#1,100,000		1,100,000		1,100,000		1,100,000	
(MP)	Webbers Falls lock and dam	10,000,000		10,000,000		10,000,000		10,000,000	
	Oregon:								
(MP)	Bonneville lock and dam (2d power unit), Oregon and Washington		715,000		715,000		715,000		715,000
(MP)	Bonneville lock and dam (modified for peaking), Oregon and Washington	#350,000		375,000		400,000		400,000	
(FC)	Catherine Creek Reservoir		300,000		300,000		300,000		300,000
(N)	Chetco River	614,000		614,000		614,000		614,000	
(N)	Columbia River and lower Willamette River, 35- and 40-foot projects, Oregon and Washington	2,000,000		2,000,000		2,000,000		2,000,000	
(MP)	John Day lock and dam, Oregon and Washington	#14,500,000		14,500,000		14,500,000		14,500,000	
(MP)	Lost Creek Reservoir	#1,750,000		3,650,000		3,650,000		3,650,000	
(FC)	Lower Columbia River bank protection, Oregon and Washington	400,000		400,000		750,000		575,000	
(FC)	Lower Grande Ronde Reservoir						250,000		
(MP)	McNary lock and dam, Oregon and Washington	2,500,000		2,500,000		2,500,000		2,500,000	
(FC)	Scappose Drainage District		46,000		46,000		46,000		46,000
(MP)	The Dalles lock and dam, Oregon and Washington (additional power units)	#8,000,000		9,000,000		9,000,000		9,000,000	
(N)	Tillamook Bay (south jetty)	1,800,000		1,800,000		1,800,000		1,800,000	
(FC)	Willamette River Basin bank protection	375,000		375,000		500,000		500,000	
(N)	Yaquina Bay and Harbor	#100,000		150,000		500,000		325,000	
	Pennsylvania:								
(FC)	Beltzville Reservoir	4,200,000		4,200,000		4,200,000		4,200,000	
(FC)	Blue Marsh Reservoir (land acquisition)	700,000		700,000		1,000,000		700,000	
(FC)	Chartiers Creek	#2,600,000		2,600,000		2,600,000		2,600,000	
(FC)	Cowanesque Reservoir		316,000		316,000		316,000		316,000
	Delaware River, Philadelphia to sea, Del., Pa., and N.J. (See New Jersey.)								
(FC)	Dubois			100,000		100,000		100,000	
(FC)	Foster Joseph Sayers Dam (Blanchard)	1,912,000		1,912,000		1,912,000		1,912,000	
(FC)	Muddy Creek Reservoir		100,000		100,000		100,000		100,000
(BE)	Presque Isle Peninsula (reimbursement)	300,000		300,000		300,000		300,000	
(FC)	Raystown Reservoir	#8,200,000		8,400,000		8,400,000		8,400,000	
(FC)	Tioga-Hammond Reservoir (land acquisition)	1,000,000		1,000,000		1,000,000		1,000,000	
	Tocks Island Reservoir, Pa., N.J., and N.Y. (See New Jersey.)								
(FC)	Tyrone		72,000		72,000		72,000		72,000
(FC)	Union City Reservoir	4,500,000		4,500,000		4,500,000		4,500,000	
(FC)	Woodcock Creek Reservoir	#1,550,000		1,550,000		1,550,000		1,550,000	
	Rhode Island:								
(BE)	Cliff Walk	#100,000		100,000		100,000		100,000	
	Fall River Harbor, Mass. and R.I. (See Mass.)								
(N)	Providence River and Harbor	4,000,000		4,000,000		5,000,000		5,000,000	
	South Carolina:								
(N)	Cooper River-Charleston Harbor (1968 act)				200,000		200,000		200,000
	Trotters Shoals Reservoir, Ga. and S.C. (See Georgia.)								
	South Dakota:								
(MP)	Big Bend Dam-Lake Sharpe	900,000		900,000		1,100,000		1,100,000	
	Big Sioux River at Sioux City, Iowa and S. Dak. (See Iowa.)								
	Big Stone Lake-Whetstone River, Minn., and S. Dak. (land acquisition). (See Minnesota.)								
(FC)	Cottonwood Springs Reservoir	540,000		540,000		540,000		540,000	
(MP)	Oahe Reservoir, S. Dak. and N. Dak	2,000,000		2,000,000		2,600,000		2,300,000	
	Tennessee:								
(MP)	Cordell Hull lock and dam	#7,500,000		7,550,000		7,550,000		7,550,000	
(MP)	J. Percy Priest Reservoir	2,136,000		2,136,000		2,136,000		2,136,000	
	Texas:								
(FC)	Arkansas-Red River chloride control (pt. I), Texas, Oklahoma, and Kansas		436,000		436,000		436,000		436,000
(FC)	Arkansas-Red River chloride control (supplemental studies), Texas, Oklahoma, and Kansas		749,000		749,000		749,000		749,000
(FC)	Aubrey Reservoir						150,000		150,000
(FC)	Belton Reservoir (raise water level)	#100,000		200,000		200,000		200,000	
(FC)	Buffalo Bayou and tributaries	1,000,000		1,000,000		1,000,000		1,000,000	
(N)	Cedar Bayou (deferred)						15,000		15,000
(FC)	Cooper Reservoir and channels	500,000		1,580,000		1,580,000		1,580,000	
(N)	Corpus Christi Ship Channel						35,000		35,000
(FC)	Duck Creek channel improvement		125,000		125,000		125,000		125,000
(FC)	Elm Fork Floodway		50,000		50,000		50,000		50,000
(FC)	El Paso	#300,000		350,000		350,000		350,000	
(FC)	Fort Worth Floodway, Clear Fork extension	#1,360,000		1,360,000		1,360,000		1,360,000	
(FC)	Freeport and vicinity	2,200,000		2,200,000		2,200,000		2,200,000	
(R)	Galveston Harbor and Channel (groins)	940,000		940,000		940,000		940,000	
(FC)	Highland Bayou	#100,000		300,000		300,000		300,000	
(FC)	Lake Kemp Reservoir	#1,000,000		1,000,000		1,000,000		1,000,000	

Footnote at end of table.

CONSTRUCTION, GENERAL, FISCAL YEAR 1970—Continued

	Construction, general, State and project	Revised approved budget estimate for fiscal year 1970		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Texas—Continued								
(FC)	Lakeview Reservoir		$300,000		$300,000		$300,000		$300,000
(FC)	Lavon Reservoir modification and channel improvement	#$2,500,000		$3,750,000		$3,750,000		$3,750,000	
(FC)	Millican Reservoir						200,000		
(N)	Mouth of Colorado River				75,000		75,000		75,000
(FC)	Pat Mayse Reservoir	200,000		200,000		200,000		200,000	
(FC)	Port Arthur and vicinity (hurricane flood protection)	5,000,000		5,000,000		5,000,000		5,000,000	
	Red River levees and bank stabilization, below Denison Dam, Ark., La., and Tex. (See Arkansas.)								
(N)	Sabine-Neches Waterway 40 feet and channel to Echo	4,700,000		4,700,000		5,000,000		5,000,000	
(FC)	San Antonio Channel	#900,000		1,200,000		1,200,000		1,200,000	
(FC)	San Gabriel River tributary to Brazos River (land acquisition).	750,000		750,000		1,000,000		900,000	
(FC)	Taylors Bayou			250,000		250,000		250,000	
(FC)	Texas City, hurricane protection	1,100,000		1,100,000		1,100,000		1,100,000	
(N)	Trinity River bridges	#1,300,000		1,400,000		1,400,000		1,400,000	
(N)	Trinity River project		150,000		150,000		150,000		150,000
(FC)	Vince and Little Vince Bayous	700,000		700,000		700,000		700,000	
(N)	Wallisville Reservoir, Trinity River	#1,900,000		1,900,000		1,900,000		1,900,000	
(MP)	Whitney Reservoir (raise power pool)			150,000		300,000		300,000	
	Utah:								
(FC)	Little Dell Reservoir						400,000		400,000
	Vermont:								
(FC)	Gaysville Reservoir		500,000		500,000				
	Virginia:								
(FC)	Gathright Reservoir	#1,500,000		1,900,000		1,900,000		1,900,000	
(N)	Hampton Roads	#2,300,000		3,200,000		3,500,000		3,500,000	
(N)	James River		#0				50,000		50,000
(MP)	Salem Church Reservoir		#150,000		35,000		150,000		150,000
(BE)	Virginia Beach (reimbursement)	85,000		85,000		85,000		85,000	
	Washington:								
	Bonneville lock and dam (2d power unit), (mod. for peaking) Oregon and Washington. (See Oregon.)								
(MP)	Chief Joseph Dam (additional power units)		500,000				500,000		500,000
	Columbia River and lower Willamette River, 35- and 40-foot projects, Oregon and Washington. (See Oregon.)								
(N)	Everett Harbor and Snohomish River (1968 act)		52,000		52,000		52,000		52,000
	John Day lock and dam, Oregon and Washington. (See Oregon.)								
(MP)	Little Goose lock and dam	#13,000,000		13,000,000		13,000,000		13,000,000	
	Lower Columbia River bank protection, Oregon and Washington. (See Oregon.)								
(MP)	Lower Granite lock and dam	#0		1,000,000		3,000,000		2,000,000	
(MP)	Lower Monumental lock and dam	8,000,000		8,000,000		8,000,000		8,000,000	
	McNary lock and dam, Oregon and Washington. (See Oregon.)								
	The Dalles lock and dam, Oregon and Washington. (See Oregon.)								
(FC)	Vancouver Lake				50,000		50,000		50,000
(FC)	Wynoochee River Reservoir	#750,000		2,000,000		2,000,000		2,000,000	
(FC)	Yakima River at Ellensburg (restudy)		13,000		13,000		13,000		13,000
	West Virginia:								
(FC)	Beech Fork Lake	#1,000,000		1,000,000		1,000,000		1,000,000	
	Bloomington Reservoir, Md. and W. Va. (See Maryland.)								
(FC)	Burnsville Lake (land acquisition)	700,000		700,000		1,000,000		850,000	
(FC)	East Lynn Lake	7,800,000		7,800,000		7,800,000		7,800,000	
	Hannibal locks and dam, Ohio and West Virginia. (See Ohio.)								
(FC)	R. D. Bailey (Justice) Lake	#10,700,000		10,700,000		10,700,000		10,700,000	
	Racine locks and dam, Ohio and West Virginia. (See Ohio.)								
(FC)	Rowlesburg Lake land acquisition					1,000,000		900,000	
(FC)	Stonewall Jackson Lake (land acquisition)			425,000		600,000		600,000	
(FC)	West Fork Lake		250,000		250,000		250,000		250,000
	Willow Island lock and dam, Ohio and West Virginia. (See Ohio.)								
	Wisconsin:								
(N)	Green Bay Harbor (1962 act)	1,250,000		1,250,000		1,250,000		1,250,000	
(FC)	La Farge Reservoir, Kickapoo River (land acquisition)	750,000		750,000		750,000		750,000	
(R)	Racine Harbor	100,000		100,000		100,000		100,000	
	Miscellaneous:								
(FC)	Emergency bank protection	300,000				300,000			
(FC)	Small projects for flood control and related purposes not requiring specific legislation (sec. 205)	8,000,000		6,500,000		8,000,000		7,250,000	
(FC)	Snagging and clearing	200,000				200,000			
(N)	Small navigation projects not requiring specific legislation costing up to $500,000 (sec. 107)	2,500,000		1,740,000		2,500,000		2,000,000	
(BE)	Small beach erosion control projects not requiring specific legislation costing up to $500,000 (sec. 103)	500,000				500,000		500,000	
	Recreation facilities, completed projects	#6,000,000		6,400,000		7,500,000		6,548,000	
	Fish and wildlife studies (U.S. Fish and Wildlife Service)	600,000		600,000		600,000		600,000	
	Aquatic plant control (1965 act)	1,000,000		1,000,000		2,000,000		1,500,000	
	Employees compensation	705,000		705,000		705,000		705,000	
	Reduction for anticipated savings and slippages	−44,100,000		−44,100,000		−44,100,000		−44,100,000	
	1969 reserve applied in fiscal year 1970	−43,785,000		−43,785,000		−43,785,000		−43,785,000	
	Grand total, construction, general	608,681,000	18,374,000	650,801,000	21,181,000	715,851,000	24,618,000	688,821,000	23,171,000
		(627,055,000)		(671,982,000)		(740,469,000)		(711,992,000)	

Reflects changes made by the revised approved budget, submitted in H. Doc. No. 93-300, dated Apr. 15, 1969.

Mr. ELLENDER. Mr. President, for Mississippi River and tributaries, the conference bill provides $80,820,000, which is $6,220,000 above the House allowance and the budget estimate, and $6,220,000 below the amount allowed by the Senate.

I ask unanimous consent to insert at this point in the RECORD the tabulation showing the details of the amount allowed for the Mississippi River and tributaries.

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

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, FISCAL YEAR 1970

Project	Revised approved budget estimate for fiscal year 1970		House allowance		Senate allowance		Conference allowance	
	Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. General investigations:								
(a) Examinations and surveys	$1,120,000		$1,142,000		$1,500,000		$1,202,000	
(b) Collection and study of basic data	110,000		110,000		110,000		110,000	
Subtotal, general investigations	1,230,000		1,252,000		1,610,000		1,312,000	
2. Construction and planning:								
Mississippi River levees	$1,800,000		$1,800,000		$2,750,000		$2,750,000	
Channel improvement	26,940,000		26,940,000		30,000,000		27,940,000	
Old River	200,000		200,000		200,000		200,000	
St. Francis Basin	4,000,000		4,000,000		6,000,000		5,000,000	
Lower White River:								
Big Creek and tributaries		$130,000		$130,000		$130,000		$130,000
Clarendon levee		20,000		20,000		20,000		20,000
Cache River			50,000		100,000		50,000	
West Tennessee tributaries	600,000		600,000		750,000		600,000	
Tensas Basin:								
Boeuf and Tensas Rivers, etc	600,000		600,000		750,000		600,000	
Red River backwater	1,000,000		1,000,000		1,000,000		1,000,000	
Yazoo Basin:								
Sardis Reservoir	50,000		50,000		50,000		50,000	
Enid Reservoir	50,000		50,000		50,000		50,000	
Arkabutla Reservoir	50,000		50,000		50,000		50,000	
Grenada Reservoir	50,000		50,000		50,000		50,000	
Greenwood	250,000		250,000		250,000		250,000	
Upper auxiliary channels			60,000		60,000		60,000	
Main stem	100,000		100,000		100,000		100,000	
Tributaries	1,500,000		1,540,000		1,540,000		1,540,000	
Big Sunflower River, etc	500,000		500,000		600,000		500,000	
Yazoo backwater	1,450,000		1,450,000		1,450,000		1,450,000	
Lower Red River, south bank	200,000		200,000		500,000		200,000	
Atchafalaya Basin	7,250,000		7,250,000		10,000,000		8,250,000	
Mississippi Delta region (salinity control structures)		80,000		80,000		80,000		80,000
Tech Vermilion Basin		150,000		150,000		150,000		150,000
West Kentucky tributaries		100,000		100,000		100,000		100,000
Subtotal, construction and planning	46,590,000	480,000	46,740,000	480,000	56,250,000	480,000	52,002,000	480,000
Reduction for anticipated savings and slippages	−1,300,000		−1,472,000		−1,300,000		−1,472,000	
Total, construction and planning	45,290,000	480,000	45,268,000	480,000	54,950,000		51,010,000	
3. Maintenance	27,600,000		27,600,000		30,000,000		29,810,000	
Grand total	(74,600,000)		(74,600,000)		(87,040,000)		(80,820,000)	

Note: The revised approved budget submitted by H. Doc. 91–100, dated Apr. 15, 1969, made no changes from the original approved budget for Mississippi River and tributaries.

Mr. ELLENDER. Mr. President, for title III, the conference bill provides $1,282,033,500 which is $202,130,000 below the amount approved by the Senate; $206,360,000 above the House allowance; $596,261,500 above the budget; and $569,324,000 above the appropriation for 1969.

With respect to the Federal Water Pollution Control Administration, for construction grants for waste treatment works, the conference bill allows—as was just stated in the colloquy between the distinguished Senator from Maine and me—$800 million, which is $200 million below the amount approved by the Senate; $200 million above the amount allowed by the House; $586 million above the budget estimate; and $586 million above the appropriation for fiscal year 1969.

I regret, Mr. President, as I stated a moment ago, that the Senate was not able to sustain the entire amount that this body voted last week; but all in all, it is my sincere belief that we did a very good job in at least increasing the amount to the $800 million agreed to. The budget estimate itself is far below the authorization. I hope that as a result of the conference action, the administration will recommend an appropriation for fiscal year 1971 which is equal to the authorization. I believe we are all aware of the critical need to move forward in a positive manner to combat pollution of our streams and lakes.

Mr. President, for the Bureau of Reclamation the conferees agreed on an increase of $30,000 for general investigations. The conferees agreed to the Senate increases for construction and rehabilitation, and allowed $2 million of the $4,000,000 Senate increase for the Bonneville unit of the central Utah unit of the Upper Colorado River storage project.

I ask unanimous consent that tabulations showing the details of the conference agreement for construction and rehabilitation, and for the Upper Colorado River storage project, be printed in the RECORD at this point.

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

BUREAU OF RECLAMATION, CONSTRUCTION AND REHABILITATION, FISCAL YEAR 1970

Construction, general State, and project	Revised budget estimate for fiscal year 1970		House allowance		Senate allowance		Conference allowance	
	Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
Arizona:								
Colorado River front work and levee system	$2,000,000		$2,000,000		$2,000,000		$2,000,000	
Pacific Northwest-Pacific Southwest intertie	8,700,000		8,700,000		8,700,000		8,700,000	
Parker-Davis project	1,046,000		1,046,000		1,046,000		1,046,000	
California:								
Central Valley project:								
Trinity division	339,000		339,000		339,000		339,000	
Sacramento River division	4,672,000		4,672,000		4,672,000		4,672,000	
San Luis unit	16,828,000		18,828,000		20,828,000		20,828,000	
(Westlands distribution and drainage system)	(5,868,000)		(6,868,000)		(7,868,000)		(7,868,000)	
(San Luis drain)	(5,100,000)		(6,100,000)		(7,100,000)		(7,100,000)	
Auburn-Folsom South unit	11,400,000		14,400,000		15,400,000		15,400,000	
Auburn Dam area	(10,936,000)		(11,936,000)		(11,936,000)		(11,936,000)	
Folsom South Canal	(464,000)		(2,464,000)		(3,464,000)		(3,464,000)	
San Felipe division		$100,000		$100,000		$100,000		$100,000

Footnote at end of table.

BUREAU OF RECLAMATION, CONSTRUCTION, AND REHABILITATION, FISCAL YEAR 1970—Continued

Construction, general, State, and project	Revised budget estimate for fiscal year 1970		House allowance		Senate allowance		Conference allowance	
	Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
California—Continued								
Central Valley project—Continued								
Delta division	$265,000		$1,115,000		$1,115,000		$1,115,000	
All other project facilities	135,000		135,000		135,000		135,000	
Total, Central Valley project	33,639,000	$100,000	39,489,000	$100,00	2,489,000	$100,000	42,489,000	$100,000
Colorado River front work and levee system. (See Arizona.)								
Pacific Northwest-Pacific Southwest intertie. (See Arizona.)								
Parker-Davis project. (See Arizona.)								
Washoe project. (See Nevada.)								
Colorado: Fryingpan-Arkansas project	7,900,000		11,500,000		11,500,000		11,500,000	
Idaho:								
Irrigation facilities, Corps of Engineers		30,000		30,000		30,000		30,000
Teton Basin project, lower Teton division	1,000,000		1,000,000		1,000,000		1,000,000	
Nevada:								
Pacific Northwest-Pacific Southwest intertie. (See Arizona.)								
Southern Nevada water project	10,800,000		15,800,000		15,800,000		15,800,000	
Parker-Davis project. (See Arizona.)								
Washoe project	2,650,000		2,650,000		2,650,000		2,650,000	
New Mexico: Pecos River Basin water salvage project	400,000		400,000		400,000		400,000	
Oklahoma: Mountain Park project		100,000		100,000		100,000		100,000
Oregon:								
Irrigation facilities, Corps of Engineers projects. (See Idaho.)								
Tualatin project		375,000		375,000		375,000		375,000
Texas:								
Palmetto Bend project				200,000		200,000		200,000
Pecos River Basin water salvage project. (See New Mexico.)								
Washington:								
Chief Joseph Dam project, Manson unit		325,000	387,500		387,500		387,500	
Chief Joseph Dam project, Whitestone Coulee unit	800,000		800,000		800,000		800,000	
Columbia Basin project:								
3d powerplant	29,550,000		29,450,000		29,450,000		29,450,000	
Columbia Basin Irrigation and other	9,680,000		10,530,000		10,530,000		10,530,000	
Irrigation facilities, Corps of Engineers projects. (See Idaho.)								
Various:								
Drainage and minor construction program:								
All-American Canal system, California	2,000		2,000		2,000		2,000	
Boulder Canyon project, Arizona-Nevada	825,000		825,000		825,000		825,000	
Buffalo Rapids project, Montana	30,000		30,000		30,000		30,000	
Crooked River extension, Oregon	144,000		144,000		144,000		144,000	
Eden project, Wyoming	500,000		500,000		500,000		500,000	
Gila project, Arizona	610,000		610,000		610,000		610,000	
Kendrick project, Wyoming	107,000		303,500		303,500		303,500	
Klamath project, Oregon-California	250,000		250,000		250,000		250,000	
Lower Rio Grande rehabilitation, Mercedes division, Texas	150,000		150,000		150,000		150,000	
Michaud Flats projects, Idaho	49,000		49,000		49,000		49,000	
Recreation facilities at existing reservoirs, various States	103,000		103,000		103,000		103,000	
San Angelo project, Texas	30,000		30,000		30,000		30,000	
Technical records and as-built drawings, Colorado	25,000		25,000		25,000		25,000	
Washita Basin project, Oklahoma	50,000		50,000		50,000		50,000	
Application of prior year funds	−131,000		−131,000		−131,000		−131,000	
Total, drainage and minor construction	2,744,000		2,940,500		2,940,500		2,940,500	
Rehabilitation and betterment of existing projects:								
All-American Canal system, Coachella division, California	800,000		800,000		800,000		800,000	
Carlsbad project, New Mexico	640,000		640,000		640,000		640,000	
Klamath project, Shasta View Irrigation District, Oregon			10,000		10,000		10,000	
Newlands project, Nevada-California	150,000		150,000		150,000		150,000	
North Platte project, Nebraska-Wyoming	59,000		59,000		59,000		59,000	
Salt River project, Arizona	550,000		550,000		550,000		550,000	
Tucumcari project, New Mexico	120,000		120,000		120,000		120,000	
Uncompahgre project, Colorado	74,000		74,000		74,000		74,000	
Yakima project, Outlook Irrigation District, Washington	205,000		205,000		205,000		205,000	
Total, rehabilitation and betterment of existing projects	2,598,000		2,608,000		2,608,000		2,608,000	
Subtotal, exclusive of Missouri River Basin project	113,507,000	930,000	129,301,000	805,000	132,301,000	805,000	132,301,000	805,000
MISSOURI RIVER BASIN PROJECT								
Kansas: Glen Elder unit	1,691,000		1,691,000		1,691,000		1,691,000	
Montana: Yellowtail unit	1,300,000		1,300,000		1,300,000		1,300,000	
Nebraska: Mid-State division		200,000		200,000		200,000		200,000
North Dakota: Garrison diversion unit	5,900,000		6,650,000		6,650,000		6,650,000	
South Dakota:								
Garrison diversion unit. (See North Dakota.)								
Oahe unit		500,000		500,000		500,000		500,000
Wyoming: Yellowtail unit. (See Montana.)								
Various:								
Transmission division	13,200,000		13,200,000		13,200,000		13,200,000	
Ainsworth unit, Nebraska	65,000		$65,000		65,000		65,000	
Bostwick division, Nebraska-Kansas	400,000		400,000		400,000		400,000	
Cedar Bluff unit, Kansas	40,000		40,000		40,000		40,000	
Crow Creek pump unit, Montana	11,000		11,000		11,000		11,000	
East Bench unit, Montana	336,000		336,000		336,000		336,000	
Farwell unit, Nebraska	80,000		80,000		80,000		80,000	
Frenchman Cambridge division, Nebraska	477,000		477,000		477,000		477,000	
Hanover Bluff unit, Wyoming	48,000		48,000		48,000		48,000	
Helena Valley unit, Montana	270,000		270,000		270,000		270,000	
Lower Marias unit, Montana	310,000		310,000		310,000		310,000	
Owl Creek unit, Wyoming	45,000		45,000		45,000		45,000	
Technical records and as-built drawings, Colorado	17,000		17,000		17,000		17,000	
Total, drainage and minor construction	2,099,000		2,099,000		2,099,000		2,099,000	
Subtotal, construction (Missouri River Basin)	24,190,000	700,000	24,940,000	700,000	24,940,000	700,000	24,940,000	
Investigations (Missouri River Basin)	1,830,000		1,830,000		1,830,000		1,830,000	
Other Department agencies	3,356,000		3,356,000		3,356,000		3,356,000	
Total, Missouri River Basin project	29,376,000	700,000	30,126,000	700,000	30,126,000	700,000	30,126,000	700,000
Subtotal, construction and rehabilitation	144,513,000		160,932,000		163,932,000		163,932,000	
Undistributed reduction based on anticipated delays	−14,613,000		−14,550,000		−14,550,000		−14,550,000	
Total, construction and rehabilitation	129,900,000		146,381,500		149,382,000		149,382,000	

Footnote at end of article.

BUREAU OF RECLAMATION, CONSTRUCTION, AND REHABILITATION, FISCAL YEAR 1970—Continued

Construction, general, State, and project	Revised budget estimate for fiscal year 1970		House allowance		Senate allowance		Conference allowance	
	Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
COLORADO RIVER STORAGE PROJECT								
Colorado: Curecanti unit	$3,500,000		$3,500,000		$3,500,000		$3,500,000	
Various: Transmission diversion	3,222,000		3,222,000		3,222,000		3,222,000	
PARTICIPATING PROJECTS								
Colorado:								
Bostwick Park project	1,400,000		1,400,000		1,400,000		1,400,000	
Dallas Creek project						$130,000		$130,000
Dolores project				$110,000		110,000		110,000
Fruitland Mesa project		$200,000		200,000		200,000		200,000
San Juan-Chama project	6,300,000		6,300,000		6,300,000		6,300,000	
Savery-Pot Hook project		150,000		150,000		150,000		150,000
New Mexico:								
San Juan-Chama project. (See Colorado.)								
Animas-La Plata. (See Colorado.)								
Utah:								
Central Utah project, Bonneville unit	8,000,000		8,000,000		12,000,000		10,000,000	
Central Utah project, Jensen unit		100,000		100,000		100,000		100,000
Central Utah project, Upalco unit		100,000		100,000		100,000		100,000
Lyman project. (See Wyoming.)								
Wyoming:								
Lyman project	1,350,000		1,350,000		1,350,000		1,350,000	
Savery-Pot Hook project. (See Colorado.)								
Various:								
Drainage and minor construction program:								
Colorado River Storage project:								
Glen Canyon unit, Arizona-Utah	[1] 450,000		450,000		450,000		450,000	
Navajo unit, New Mexico	170,000		170,000		170,000		170,000	
Participating projects:								
Central Utah project, Vernal unit, Utah	200,000		200,000		200,000		200,000	
Emery County project, Utah	350,000		350,000		350,000		350,000	
Hammond project, New Mexico	350,000		350,000		350,000		350,000	
Paonia project, Colorado	35,000		35,000		35,000		35,000	
Seedskadee project, Wyoming	100,000		100,000		100,000		100,000	
Silt project, Colorado	20,000		20,000		20,000		20,000	
Construction revenues	[1] −450,000		[1] −450,000		[1] −450,000		[1] −450,000	
Total, drainage and minor construction program	1,225,000		1,225,000		1,225,000		1,225,000	
Subtotal	24,997,000	550,000	24,997,000	660,000	28,997,000	790,000	26,997,000	920,000
Undistributed reduction based on anticipated delays	−2,047,000		−2,047,000		−2,047,000		−2,047,000	
Total, Upper Colorado River Basin fund	23,500,000		23,610,000		27,740,000		25,740,000	
RECREATION AND FISH AND WILDLIFE FACILITIES								
Bureau of Indian Affairs	650,000		650,000		650,000		650,000	
National Park Service	1,050,000		1,050,000		1,050,000		1,050,000	
Bureau of Sport Fisheries and Wildlife	800,000		800,000		800,000		800,000	
Total, recreation and fish and wildlife facilities	2,500,000		2,500,000		2,500,000		2,500,000	
Total, Upper Colorado River Storage project	26,000,000		26,110,000		30,240,000		28,240,000	

[1] Construction revenues included in Glen Canyon program.

Mr. ELLENDER. For title IV, the conference bill provides $56,697,000, which is the amount allowed by the House, and $300,000 above the Senate-approved bill; $950,000 above the budget; and $2,431,500 below the appropriations for fiscal year 1969.

The increase over the amount allowed by the Senate is for the Tennessee Valley Authority. The House had included $1,300,000 for land acquisition for the Normandy and Columbia Dams in Tennessee, which was disallowed by the Senate. The Senate added $1 million for initiation of construction of the Mills River Reservoir, in North Carolina, which was not provided for in the House bill. The conferees agreed on an appropriation of $1,300,000—in other words, the figures are not changed—for both projects. As a matter of fact, there was $1 million allocated to the two projects, the Normandy and Columbia Dams, that was put in the bill by the House of Representatives, which we struck from the bill, and $300,000 of that amount was added to the proposal that we put in the bill. All of these funds are to be used primarily for land acquisition on the Normandy and Columbia Dams. The conference agreement provides $400,000 for the Mills River Reservoir, Upper French Broad project, North Carolina, including $100,000 for planning and $300,000 within available funds, for initiation of land acquisition.

I am very glad that we were able to agree on retaining both of these projects in the bill.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. I understand the House of Representatives refused to accept an amendment I had in the bill, to provide $75,000 to start planning work on the Souris River project at Minot, N. Dak.

That river was responsible for the worst flood in the history of Minot, N. Dak. this year. The loss, according to the Corps of Engineers, was $11 million; and the total cost of this particular project would be about $3.5 million. The city of Minot voted recently, by a majority of 88 percent, to bond itself for $1.5 million of the $3.5 million cost.

I realize that this is legislation on an appropriation bill, but I do not believe there is an appropriation bill we receive from the House of Representatives that does not have from one to a dozen legislative items in it.

I do not see that there is anything much that we can do about it right now. The $75,000, I understand, is retained in the bill.

Mr. ELLENDER. It remains there until the project is properly authorized.

Mr. YOUNG of North Dakota. There is a possibility that we can use a provision of the law we have never used before, section 201 of the 1965 act, which permits the Committee on Public Works to authorize projects up to $10 million. I am hopeful that that can be done. This is a very small amount of money, $75,000, but it would save a whole year on the constructon of this badly needed flood control project.

Although I am deeply disturbed, and feel badly about losing this to the other side, I do not intend to try to do anything about it now. I hope we can find another way of solving the problem.

Mr. ELLENDER. The Senator, having been a member of the conference, will agree, I am sure, that there was a lot of sympathy for the project.

Mr. YOUNG of North Dakota. Yes.

Mr. ELLENDER. The only difficulty was that we were using an appropriation bill to authorize the project. That was the real problem.

It is my belief that the Public Works Committees of the House of Representa-

tives as well as the Senate—and, by the way, the Senator from West Virginia (Mr. RANDOLPH), who is chairman of the Senate Committee on Public Works, participated in the conference—will doubtless agree to a resolution whereby this money, the $75,000 retained in the bill, can be used for that purpose.

I was very glad for the committee to agree to authorize the matter in the appropriation bill, which is not very often done.

Mr. YOUNG of North Dakota. It is done sometimes, however.

Mr. ELLENDER. It is very seldom, though. I do not think we could have carried it with the House of Representatives, particularly since so many projects have been authorized and not included in the bill.

I think, however, that the passage of a resolution to authorize the spending of the $75,000 will probably be enacted by Congress within a few weeks after we meet next year.

Mr. YOUNG of North Dakota. Everyone in North Dakota appreciates the efforts of the chairman of the Committee on Public Works, Mr. ELLENDER.

Mr. ELLENDER. There is no doubt about its being a very worthy project.

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

Mr. ELLENDER. I yield.

Mr. AIKEN. Do I understand correctly that the House of Representatives receded from its appropriations of $500,000 for planning for a dam at Gatesville, Vt.?

Mr. ELLENDER. That is correct.

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

Mr. ELLENDER. I yield.

Mr. MUSKIE. I hesitate to interject at this time with reference to a project in my State. I would prefer that my colleague, Mrs. SMITH, had presented her statement on the conference report first. But I have a conference at 11 o'clock that I must attend, and she has graciously consented to my interjection at this point.

I deeply regret that the Dickey-Lincoln School project on the St. John River in Maine was not retained in the bill.

I appreciate, first of all, the efforts made by my distinguished colleague over the years in steadfastly supporting and effectively persuading the committee and the Senate to support this project. There has been no breakaway from that support in the several years we have had this project before us. We have always been frustrated by the refusal of the House of Representatives to support it. I express my appreciation to Senator SMITH, to the distinguished Senator from Louisiana, who has been a good friend of this project over the years, to the Senate conferees, and, indeed, to the entire Senate, which has never undertaken to single out this project for attack in the way that it has been attacked on the House side.

Having said that, I should like to express my disappointment that so many Members of the House of Representatives from southern New England have never seen fit to give this project the support which it merits.

I also express disappointment that Members of the House of Representatives throughout the country have not given this project, so critical to New England's power needs, the kind of support which other areas of the country have received for similar projects. I repeat a point I have made several times, and that has been made by other Senators many times, in connection with this project: This project has to meet all the criteria for feasibility that have been met by other projects built with congressional appropriations throughout the years—I think there have been some 170 or more built in other areas of the country—this project has met all of the criteria for feasibility that they have met, and, indeed, has met those criteria better than three-fourths of those projects.

Mr. ELLENDER. This project has a very good benefit-to-cost ratio and, as I recall, this is the fourth time that the Bureau of the Budget has suggested an appropriation for the project. The Senate went along with the Budget Bureau, but the difficulty has always been on the House side; and it strikes me that it will require the concerted effort of all the Representatives from the northeastern area of our country, from New York onward to the Northeast, to get the project underway.

I am very hopeful that next year the President will see fit again to include this item in the budget. If he does, the Senate will go along. And if we can get a little assistance from the Congressmen, particularly in that area, I have no doubt that we will go ahead with the project. When I refer to Congressmen, I mean, of course, that some Senators will also help to get this matter through.

Mr. MUSKIE. Mr. President, I appreciate the Senator's willingness to persist in the matter. I join with him, of course. I refer to the merits of the project in order to highlight what I think is the key roadblock of the whole project—the perseverance of the power industry in the New England area and the influence that they, combined with their compatriots throughout the country, have been able to bring against the project.

I think the country ought to be concerned about the kind of power and influence exerted. And what is involved is not simply this project. This project is important to Maine and northern New England, and I think it is important also to southern New England. Beyond this, however, the frustration of Congress in being unable to fund the project is a reflection of the tremendous power and influence that this industry has, not only with regard to Dickey-Lincoln School, but also with respect to projects throughout the country.

This fight is symbolic of the much broader fight that must be waged if the sources of energy are to be controlled in the public interest.

I know it is of interest to the Senator, and it is of mounting concern to us in New England, which has no indigenous sources of power except hydroelectric sources. Wherever we turn to get relief from the oppressive costs of power, we are frustrated because of the influence of some industry which undertakes to stand in our way. In this case it is the private power industry of New England.

I take this time to press the point not only because of my concern with this project, but also with the entire problem.

Mr. ELLENDER. Mr. President, I am glad the Senator brought up the question. I am not aware of any area in the United States in which the power needs are greater and the power rates are higher than in the Northeast.

It is my considered judgment that if we are able to construct the project within the next 5 or 6 years, the power rates will go down considerably, to the benefit of all people living in that part of the country.

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

Mr. ELLENDER. I yield.

Mr. COOPER. Mr. President, I express my appreciation for myself and the people of my State for the work of the Senator and his committee in approving many worthwhile projects in Kentucky. We are grateful for the leadership of the Senator from Louisiana.

Mr. ELLENDER. We have a good working subcommittee. The Senator should not forget that.

Mr. COOPER. I know. I am a member of the subcommittee. And I have the opportunity to sit in on hearings with the Senator. I know of the great work of the Senator.

I wish to talk about two Kentucky projects which were before the conference, and which I had urged that the conference maintain the Senate provision.

One project concerns Martins Fork Reservoir, which would protect from floods Harlan, Ky., and communities downstream. No funds were made available in the House. The Senator's committee made $500,000 available with which to commence construction. In my testimony before the committees, I had given his project the highest priority for years because of the constant danger of floods. I understand that in conference $300,000 was agreed upon to initiate construction, which will probably be used for land acquisition.

Mr. ELLENDER. The Senator is correct.

Mr. COOPER. Mr. President, while the conference amount is not as much as provided by the Senate, it will be very helpful. It will enable us to start with the project in this fiscal year, which is the main thing.

The second project I want to ask about is the Falmouth Reservoir, proposed on the Licking River, Ky. I know the concern the Senator had about that project, as well as a project called Tocks Island Reservoir. The House provided $50,000 with which to resume planning of the project, authorized in 1936 and 1938 but deferred for many years and reactivated after the 1964 floods.

Mr. ELLENDER. The Senator is correct.

Mr. COOPER. As directed by the Senate, $50,000 is to be used to make a restudy of that basin to determine if alternatives are feasible, including local flood protection for the cities of Falmouth, Covington, and Newport.

I was interested to see if alternatives are possible so that the 45,000 acres of very productive land—much of it in the

Blue Grass section, and the remainder very good land—would not be inundated.

I know of the Senator's concern and the concern of his committee, which led to appropriate language in the Senate committee report. I would like to ask if the determination of the Senate committee was in any way changed in the conference.

Mr. ELLENDER. No. The House agreed that the $50,000 would be used to study further the project in the hope that we could place the dam at some other place where it would not inundate so many acres.

I am very hopeful that some conclusion might be reached during this fiscal year so that the project can move along.

There is quite a bit of opposition, as the Senator knows, no matter where we dam the river. The contention of the people in that part of Kentucky is that we would be providing a big recreational area for the people of Cincinnati across the river. They do not like that very much. Sometimes I do not blame them, because the loss of 40,000 acres means a great deal to quite a few of the farmers in that area.

Mr. COOPER. If they were paid adequately for the farms, it would still be troublesome. One cannot repurchase farms, or find them. However, I want the city of Falmouth to have flood protection.

I know that the Senator will help. I am pleased to help the Senator, but I know that he does not need my help. I hope the Senator can assure us that the Engineers will go ahead and make the study with an open mind, and reach a decision.

Mr. ELLENDER. Mr. President, I express the hope that we do not overstudy the project. We ought to be able to come to some conclusion during this fiscal year, and whatever conclusion is reached by the Engineers, we will try to go forward with the project.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BYRD of West Virginia. Mr. President, the able Senator has brought to the floor a good conference report. It reflects diligence and much hard work on the part of the Senate conferees in their deliberations with the House conferees.

I am particularly grateful, as a member of the Appropriations Subcommittee on Public Works, for the consideration the chairman of the committee has given to the needs of West Virginia over the years in which I have served on the subcommittee.

I want to express appreciation in behalf of our people of West Virginia for the following items in particular:

$800,000 agreed on in conference for Burnsville Lake, when the budget estimate for fiscal year 1970 was only $700,000.

$900,000 for the Rowlesburg Lake, whereas there was nothing in the budget estimate for this item.

$600,000 for Stonewall Jackson Lake, whereas there was nothing in the budget estimate for that item.

Mr. ELLENDER. The House added $425,000, and we increased it to $600,000.

Mr. BYRD of West Virginia. There was, however, nothing contained in the budget estimate.

Mr. ELLENDER. The Senator is correct. The House added $425,000 in the bill. And of course we concurred with that and added $175,000 to the project.

I think the State of West Virginia fared well in all of the projects where we provided either a new start or where money was provided and we increased the amount and the House sustained us.

Mr. BYRD of West Virginia. There is also the R. D. Bailey—Justice—Lake. That is an item about which we have been extremely concerned for many years, even prior to my service in the Senate, when I was a Member of the House of Representatives. I, at that time, offered legislation to authorize the construction of that reservoir. Since I have been serving on the Public Works Appropriations Subcommittee of the Senate, I have followed that item with extreme care, and the chairman has at all times been most considerate of the need for this reservoir, and the other water resources projects in West Virginia as well. I also call attention to the modernization of navigation system in the Ohio River Basin, in connection with which we are appropriating $13.5 million for the Willow Island lock and dam. This is $1.5 million above the budget request.

His interest in and work on that system has antedated my service in the Senate.

I congratulate the Senator and express appreciation on the part of all West Virginians in the Ohio River Basin who have been so ably served by the chairman of the subcommittee. I again thank the chairman for his unfailing consideration.

Mr. ELLENDER. I thank the Senator. I did my best to help every part of the country.

I yield to the distinguished Senator from Maine (Mrs. SMITH).

Mrs. SMITH of Maine. Mr. President, earlier this week I went through what has become an annual exercise in futility on trying to obtain for the people of Maine and the Northeast only that which the Congress has given to the people of all other regions of our Nation.

I speak of the proposed Dickey-Lincoln School hydroelectric power project. It has been supported by three Presidents—Democratic Presidents Kennedy and Johnson and Republican President Nixon. It has been approved by the Senate year after year after year.

But all this support—this bipartisan support—of the Presidents and the Senate has been in vain. For after authorization for the project has been enacted, the House has repeatedly repudiated that authorization by rejecting funds for the project after those funds had been budgeted by the Presidents and voted by the Senate.

It is the same pattern year after year—the President budgets and approves the item, whether he is Democratic or Republican, and then the House kills any funds for the project, and then the Senate restores fully the amount budgeted for the item by the President—and then the House again kills the funds either through their conferees or through a direct vote on the House floor.

This year is the worst year for the Dickey-Lincoln School project. President Nixon requested $807,000 for it in his budget. The House Appropriations Committee deleted all such funds. Then the House proponents of the project did not even offer an amendment on the House floor to restore the funds for the project. Not a finger was lifted for the project when the bill came to the House floor for debate and voting.

Following this shocking lack of real support for restoration of the funds in the House, when the Public Works appropriations bill came to the Senate, we supporters of the project again were able to get the Appropriations Committee to restore the full budgeted funds and the Senate to go along with that restoration.

In connection with the House Appropriations Committee rejection of funds for the project, there was some rather defensive talk and rationale that it was best not to offer an amendment to restore funds in the House bill but instead to pray that the Senate would restore the funds and then the House supporters would get the House conferees to recede on the item and agree to the Senate restoration of the funds.

Now what has happened? The House conferees adamantly refused to recede on this item. They claimed—and the House conference report No. 91-697 so states—a majority of the House conferees believe "that the project is fully justified and required to provide hydropower in the area."

But yet when I urged the House conferees to recede and vote to restore funds for the project, the House conferees adamantly refused to do so. Now, I just do not understand how you can believe in the justification and the requirement of a project and yet refuse to vote for restoring the funds for it.

The reason they gave was that the House has in past years voted against funds for the project. When the House conferees gave this reason, I then urged them to take the item back to the House and give the House a chance to express itself—the House to vote it up or down—instead of assuming that the House would vote against the project funds.

When the House conferees refused to let the full House have a chance to vote on funds for the project, I could not conscientiously sign the conference report.

To me they proposed a compromise in the form of putting a statement in the conference report giving the impression that the conferees were really for the project by stating that they believed in the justification and requirement of the project and that funding of the project should again be considered in subsequent bills.

I could not conscientiously agree to such a compromise. I could not because I think it is misleading. It proposes to keep up the hopes of the people of Maine and the Northeast region of the Nation that before long the House will finally approve of full funds for the project.

On the basis of the past record of the House—and especially on the basis of the House record this year when even the

House sponsors of the project would not even offer an amendment on the House floor to restore the funds—and not offer such an amendment on the grounds of getting the House conferees to agree to Senate restoration of the funds—and only later to have the experience of the House conferees adamantly refusing to do so—on the basis of the House record, how can anyone really believe that the House will approve the Dickey-Lincoln School funds in the near future?

I certainly am not going to put my name to a conference report that gives such an appearance—and that unrealistically encourages wishful thinking.

For this is just a bunch of words to soften what should be recognized by the people of Maine as a grievous defeat. I am not going to be a party to misleading the people of Maine. Instead I think that with this year's record in the House, particularly with no effort made on the House floor, and the past record of growing House opposition to the project, the language of the conference report is less than forthright with the people of Maine.

There is not the slightest sound basis of optimism for this project. The very blunt fact, however sad and discouraging, for the people of Maine is the simple truth that there just are not enough friends of Maine in the House of Representatives. This latest of the repeated rebuffs on the Dickey-Lincoln School project is but only one of the House rejections of matters of prime interest to Maine. For it was only a very short time ago that after the Senate had passed the potato promotion bill, the House killed that bill—as the Washington correspondent for several daily Maine papers put it, the House "mashed" the potato promotion bill that the Senate had passed.

Make no mistake about it, if Maine is going to get fair treatment by the House in the future, Maine is certainly going to have to get far more friends in the House than it now has. For let us look at the record on what the House did for some other States as compared to Maine.

The House cut out the only Maine item in the budget—it cut out the $807,000 the President requested for the Dickey-Lincoln School project, a project which has a 2-to-1, benefit-to-cost ratio.

In contrast, the House gave Ohio more than $1,300,000 than was in the budget—including over $260,000 in unbudgeted items; $700,000 of this was for projects having a poorer benefit-to-cost ratio than the Maine project.

The nearby State of Massachusetts was given by the House over a million dollars more than President Nixon requested—and one of the projects had a poorer benefit-to-cost ratio than the Maine project.

The House gave Mississippi an increase of $350,000 over what was budgeted—and this was on a project that has a poorer benefit-to-cost ratio than the Maine project.

The House gave Texas over $3,400,000 more than was budgeted—of which $325,000 was on unbudgeted items. More interesting is the fact that all but one of these nine Texas projects had a poorer benefit-to-cost ratio than the Maine project.

The House gave Arizona $2,215,000 more than was budgeted—and one of the increased items has a poorer benefit-to-cost ratio than the Maine project.

The House gave New York $1,300,000 over what was budgeted—of which $100,000 was on an unbudgeted item. The New York project getting the $1,200,000 increase has a poorer benefit-to-cost ratio than the Maine project.

The House gave Michigan $45,000 for an unbudgeted project and on which there is a poorer benefit-to-cost ratio than the Maine project.

Now these are but a few of the many instances of comparison of the way that the House generously treated other States in contrast to its shabby treatment of Maine. I have limited the citation of instances to those States from which the House conferees come. I have not even taken in the States of all members of the House Appropriations Committee.

In short, Mr. President, the blunt truth is that the House has treated Maine like a stepchild and the language of the House conferees seeks to soften up that treatment, if not to attempt to gloss over it with the illusory promise that better times are ahead.

Mr. President, my patience is at an end. I am sick and tired of supporting projects throughout the United States and every other region of the Nation—and to have Maine receive from the House rebuff after rebuff. Maine is in the United States like every other State. Perhaps in a way we would fare better not to be as far as power projects are concerned—and would do better under foreign aid.

I am grateful to the Members of the Senate for the manner in which they have supported the Maine project. But I am bitter at the attitude of the House and truly sad about how few friends Maine has in the House. To this lack of House friendship for Maine, now has been added the dubious wording of the conference report—the wording devised by the House conferees giving a few crumbs of words of consolation and attempted comfort and a seriously misleading impression.

This wording literally adds insult to injury to the Maine people on the Maine project.

Let no one in Maine be fooled by the wording. What we in Maine want is action, not mere crumbs of words that only hold out false hopes for the project.

How many times must we go through such frustration and futility where the President of the United States asks for the Maine project and adequate funding and the Senate approves such only to have the House shoot the project down—and this year without even having a vote on the House floor on it?

Mr. President, I want to take this opportunity to thank the distinguished Senate conferees, and especially the very able and distinguished chairman of the subcommittee, the Senator from Louisiana (Mr. ELLENDER), and the distinguished and able ranking minority member, the Senator from North Dakota (Mr. YOUNG) for their leadership and help throughout the years on this project.

Mr. ELLENDER. Mr. President, I wish to say I am very sympathetic with the position taken by the Senator from Maine. As she has said, this project was in the budget on four separate occasions. It does have a very good benefit-to-cost ratio. We have often put in projects with a benefit-to-cost ratio of 1.2 to 1, and this project is 2 to 1.

My feeling is that it is the heavy hand of the privately owned utilities in the Northeast that controls the minds of some Members of Congress on the other side of the Capitol.

The Senators on this conference were unanimous in their approval of the project. I am glad to be able to say that a majority of the conferees on the House side favored this project. However, somehow, when the project has been considered on the House side, we have lost it on so many occasions that I felt it best we not send it back to the House for another "licking," as it were.

I can assure the Senator from Maine, as far as I am concerned and as long as I am chairman of the subcommittee, I shall look with favor on this project. I think it is a good one. I shall do all I can to assist in its construction.

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

Mr. ELLENDER. I yield.

Mr. HOLLAND. Mr. President, of course, the Senator from Maine knows that the Senator from Florida and all other conferees on the Senate side not only sympathize entirely with her position but also think that Maine is entitled to consideration in this matter.

This was the only project in this important bill that was located in Maine, and entirely aside from that, Mr. President, the Senator from Florida feels that in an area where the cost of power is higher than anywhere else in the Nation it is exceedingly desirable that one Federal power project be created, to have its effect, as it undoubtedly will, in a beneficial way upon the rates charged by private utility companies.

I hope a better day will come for this project in the future and I shall do anything in my power to bring about that day.

I wish to say to the distinguished chairman that I am grateful for the attitude and action of the conference committee in many respects, but I wish to address myself to one matter which I think needs to be made completely clear in the record with respect to the Fort Pierce Beach erosion control. As the Senator from Louisiana knows, here is an emergency situation because erosion is threatening many millions of dollars of highly developed property. The county affected, St. Lucie, Fla., is perfectly willing to put up the money to go ahead with this project, provided it is regarded as a joint Federal-local project, and that that portion of the money they put up, which should, under law, be paid by the Federal Government, will be repaid later.

It is my understanding that the wording in the conference report, which I asked unanimous consent to have printed

in the RECORD, comes after the words, "Fort Pierce Erosion Control, Florida."

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

Fort Pierce Beach Erosion Control, Florida: The conferees have approved, as proposed by the Senate, a contract between the Corps of Engineers and the Board of County Commissioners of St. Lucie County, Florida, for reimbursement of certain beach erosion work to be performed by the Commissioners pursuant to section 215 of the Flood Control Act of 1968.

Mr. HOLLAND. Mr. President, I ask the chairman of the committee if it is his clear understanding that that means the county puts up the money to have the work go ahead, with the definite understanding that the normal Federal share of that project will be refunded from Federal funds to the county at a later date?

Mr. ELLENDER. The Senator is entirely correct. We proceed in this manner: As a rule, if a project is not mentioned in the report, we usually get a joint letter from the chairman of both committees. I am glad the Senator placed the excerpt in the RECORD. It was agreed to by both conferees from Senate and House, and I can assure the Senator that under law that is the proper procedure. After the money is put in by the county, it will be returned to the county by the Federal Government through appropriations made in the future.

Mr. HOLLAND. That means the Federal part?

Mr. ELLENDER. That is right. Half of it.

Mr. HOLLAND. Of course there is the local part which will be put in, which will not be refunded; but the Federal part will be refunded?

Mr. ELLENDER. Yes.

Mr. HOLLAND. I thank my distinguished friend from Louisiana. The RECORD will be completely clear on this matter now.

Mr. SPONG. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. SPONG. I should like, first, to commend the distinguished Senator from Louisiana for the diligence with which he has managed this bill through the Senate and through the conference.

There are two small items of particular interest to Virginia, in the Hampton Roads area, that I should like to thank him for.

One is a study to be undertaken to find an additional site for disposal of dredge spoil in the Craney Island area, and the second is a feasibility study for further dredging in Norfolk Harbor.

I am pleased that the conference included these two items in the bill, and I thank the Senator from Louisiana for his efforts.

Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

Mr. ELLENDER. Mr. President, I move that the Senate recede from its amendment numbered 5.

Mr. President, that amendment concerns the project that was discussed a while ago by the distinguished Senator from North Dakota. I regret very much that the House refused to go along with us.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

PROPOSED SUPPLEMENTAL APPROPRIATION—COMMUNICATION FROM THE PRESIDENT (S. Doc. No. 91-44)

A communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1970 in the amount of $1,443,000 for the Commission on Population Growth and the American Future, which with accompanying papers was referred to the Committee on Appropriations, and ordered to be printed.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on policies covering the collection of dollar claims from the Government of Vietnam, Agency for International Development, Department of State, dated December 3, 1969 (with an accompanying report); to the Committee on Government Operations.

REPORT ON CONTRACTS NEGOTIATED BY THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report with respect to contracts negotiated by the Administration for the period January 1, 1969, through June 30, 1969 (with an accompanying report); to the Committee on Aeronautical and Space Sciences.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A resolution adopted by the Board of County Commissioners of Collier County, Fla., in support of President Nixon and Vice President AGNEW in their conduct of foreign policy; to the Committee on Foreign Relations.

ENROLLED BILLS SIGNED

The PRESIDENT pro tempore announced that on today, December 4, 1969, the Vice President signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 564. An act for the relief of Mrs. Irene G. Queja;

S. 2019. An act for the relief of Dug Foo Wong; and

S. 2185. An act to authorize a Federal contribution for the effectuation of a transit development program for the National Capital region, and to further the objectives of the National Capital Transportation Act of 1965 (79 Stat. 663) and Public Law 89-774 (80 Stat. 1324).

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 a bill (H.R. 4296) to amend title 37, United States Code, to provide for the procurement and retention of judge advocates and law specialist officers for the Armed Forces, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 4296) to amend title 37, United States Code, to provide for the procurement and retention of judge advocates and law specialist officers for the Armed Forces, was read twice by its title and referred to the Committee on Armed Services.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session, the following favorable report of a nomination was submitted,

By Mr. SPARKMAN, from the Committee on Banking and Currency:

Hildreth Frost, Jr., of Colorado, to be assayer of the Mint of the United States at Denver, Colo.

BILLS INTRODUCED

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

By Mr. KENNEDY (for himself, Mr. FONG, Mr. ANDERSON, Mr. BAYH, Mr. BROOKE, Mr. CASE, Mr. GOODELL, Mr. HARRIS, Mr. HART, Mr. HUGHES, Mr. INOUYE, Mr. JAVITS, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGEE, Mr. MCGOVERN, Mr. MONDALE, Mr. MUSKIE, Mr. PASTORE, Mr. PELL, Mr. PROXMIRE, Mr. RANDOLPH, Mr. STEVENS, and Mr. WILLIAMS of New Jersey):

S. 3202. A bill to revise the Immigration and Nationality Act; to the Committee on the Judiciary.

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

By Mr. BELLMON:

S. 3203. A bill to establish within the Department of the Interior the position of Assistant Secretary of the Interior for Indian Affairs; to the Committee on Interior and Insular Affairs.

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

By Mr. MAGNUSON (for himself, Mr. CANNON, Mr. COOK, Mr. COTTON, Mr. GOODELL, Mr. HANSEN, Mr. HART, Mr. HOLLINGS, Mr. INOUYE, Mr. LONG, Mr. MOSS, Mr. PASTORE, Mr. PROUTY, Mr. SCOTT, Mr. SPONG, and Mr. TYDINGS) (by request):

S. 3204. A bill to amend the act entitled "An Act to require certain safety devices on household refrigerators shipped in interstate commerce," approved August 2, 1956; to the Committee on Commerce.

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

By Mr. FULBRIGHT (by request) (for himself, Mr. ANDERSON, and Mr. SCOTT):

S. 3205. A bill to authorize the construction of pavilions as additions to the National Museum of History and Technology for the Smithsonian Institution, including the preparation of plans and specifications and all

other work incidental thereto; to the Committee on Public Works.

S. 3206. A bill to appropriate a site for a museum of man for the Smithsonian Institution; to the Committee on Rules and Administration.

(The remarks of Mr. FULBRIGHT when he introduced the above bills appear later in the RECORD under the appropriate heading.)

By Mr. SPARKMAN (for himself and Mr. BENNETT):

S. 3207. A bill relating to the liabilities of Federal National Mortgage Association to the United States; to the Committee on Banking and Currency.

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

S. 3202—INTRODUCTION OF A BILL TO REVISE THE IMMIGRATION AND NATIONALITY ACT

Mr. KENNEDY. Mr. President, on behalf of myself and Senators FONG, ANDERSON, BAYH, BROOKE, CASE, GOODELL, HARRIS, HART, HUGHES, INOUYE, JAVITS, MAGNUSON, MCCARTHY, MCGEE, MCGOVERN, MONDALE, MUSKIE, PASTORE, PELL, PROXMIRE, RANDOLPH, STEVENS, and WILLIAMS of New Jersey, I introduce, for appropriate reference, a bill to amend the Immigration and Nationality Act.

A companion bill is being introduced in the other body by the chairman of its Judiciary Subcommittee on Immigration, Representative MICHAEL A. FEIGHAN of Ohio.

Mr. President, little more than 4 years ago, President Johnson signed into law the Immigration Act of 1965. This act, which resulted from President Kennedy's recommendations to the Congress in July of 1963, repealed the discriminatory national origins quota system as a basis for selecting immigrants.

I said at the time that a measure of greatness for any nation is its ability to recognize past errors in judgment, and its willingness to reform its public policy. Through the act of 1965, we made a good beginning in basic policy governing those who seek admission to our land.

The accomplished reform broadened a central theme in American history—equality of opportunity. It stands today with recent legislation in other fields—civil rights, poverty, education, and health—in reaffirming our Nation's continuing pursuit of justice, equality, and freedom.

But the act of 1965 was only the beginning of an important task. It did not include a number of additional and needed reforms. It failed to resolve a number of issues relating to immigration from Western Hemisphere countries. And it fell short of the desired flexibility in immigration policy recommended by the executive branch.

I believe—along with many Senators—that new legislation is now overdue. The need finds a telling story in my own case files—as I know it does in the files of others.

And in the absence of any initiative by the administration, we felt it was extremely important to develop a congressional alternative.

In preparing the bill we introduce today, I worked closely with many Members of Congress. In the Senate, Senator HART, Senator PELL, and Senator FONG have made important contributions to the development of the legislation.

I also sought the advice and counsel of outside experts, including representatives of the business and labor communities, and the American Immigration and Citizenship Conference and its nearly 100 member organizations.

The bill goes a long way in continuing the reform initiated in 1965. It accomplishes the following objectives:

First, it refines and strengthens the new system established 4 years ago. It not only remedies the confused situation in the allocation of visas to applicants in Western Hemisphere countries—but also provides a more orderly, flexible, and humane method of allocating visas to applicants in all countries, on a first-come, first-served basis.

Second, it meets the urgent need generated by the growing multinational character of industry, commerce, education, and other areas, for a freer movement of international executives and specialized personnel into the United States on temporary visas.

Third, it strengthens immigration objectives to reunite families.

Fourth, it establishes a new humanitarian policy of asylum for refugees and victims of natural calamity.

Fifth, it refines the application of our belief in human dignity and equal opportunity under law, by reestablishing a board of visa appeals and a statute of limitations on deportation.

Sixth, it provides minor adjustments in the nationality and naturalization law, and establishes a Select Commission on Nationality and Naturalization to evaluate the fairness of our general policy in this extremely important, but overlooked, area of public concern.

I would like to elaborate briefly on these objectives—in the order I have listed them—by referring to specific sections of the bill.

Section 4 establishes a worldwide ceiling of 300,000 immigrants annually, exclusive of immediate family members of U.S. citizens and other special immigrants.

The worldwide ceiling becomes effective on July 1, 1973. In the interim, the present ceiling of 170,000 immigrants from countries in the Eastern Hemisphere continues to operate.

The present ceiling of 120,000 immigrants from countries in the Western Hemisphere is raised to 130,000—and, owing to the special nature of the Cuban refugee program, refugees who adjust their status to permanent resident alien under the act of November 2, 1966, will not be counted against the ceiling.

Section 5 of the bill extends the present 20,000 annual limitation on immigration from any one country in the Eastern Hemisphere, to Western Hemisphere countries as well—except that Canada and Mexico are given a maximum of 35,000 each.

Section 6 amends the preference system established in 1965. In addition to introducing flexibility into the allocation of visas among the seven preferences—and I shall refer to this again—this section applies the preference system on a worldwide basis simultaneously with the effective date of the world ceiling.

In the interim the preference system, which is currently operative only in the Eastern Hemisphere, is broadened to include the Western Hemisphere. But the preference system will operate separately in each hemisphere until July 1, 1973.

A brief reference to the legislative history of the act of 1965, and some later developments, will, I feel, illustrate the need for the proposed amendments I have outlined thus far.

In abolishing the national origins quota system, the act of 1965 established an annual pool of 170,000 visas for applicants in countries of the Eastern Hemisphere.

These visas were allocated among seven preference categories for relatives, skilled and professional persons, and refugees. They were to be issued on a first-come, first-served basis, with a maximum of 20,000 going to the applicants in any one country.

For visa applicants in the Western Hemisphere, the act continued our traditional open-door, no-ceiling policy, until at least mid-1968. The act provided, however, that on July 1, 1968, a ceiling of 120,000 would be imposed on Western Hemisphere immigration, unless a select commission, established by the act, recommended otherwise, and Congress enacted legislation to carry out the recommendation.

The Commission—for a number of reasons—did not resolve the issue. Instead, early in 1968, at the time its mandate expired, the Commission recommended a 1-year extension of its mandate, and a 1-year postponement of the ceiling's effective date. Legislation to carry out this recommendation failed enactment.

So the Commission expired, and the ceiling on Western Hemisphere immigration went into effect as scheduled—on July 1, 1968.

Inevitably, this sudden change in policy generated much confusion and concern in a number of countries, especially Canada.

The ceiling began with a backlog of visa applicants, and the situation continues to deteriorate—creating significant problems in our foreign relations.

Perhaps we cannot meet the full demand for immigrant visas in this hemisphere—but we must do what we can to bring maximum relief.

The orderly allocation of available visas through the preference system, the removal of Cuban refugees from ceiling considerations, a 10,000 increase in Western Hemisphere visas before implementing the worldwide ceiling, and the issuance of nonimmigrant visas to personnel transferred by their employer to an affiliate in this country, are some of the ways to bring this relief.

The bill provides for all these measures.

As suggested earlier, section 6 of the bill introduces maximum flexibility into the allocation of visas within the preference system. This is accomplished, first of all, by making minor changes in percentage allocations from the pool of visas to each preference category, so as to bet-

ter reflect the pattern of anticipated demands—and, more importantly, by permitting the drop down of unused visas in any category to meet excessive demand in the category that follows. Visas remaining after the drop down through the seven preference categories will be issued to nonpreference immigrants.

These modifications in the preference system will, among other things, make available additional visas in the categories traditionally used by applicants in Ireland, Germany, the Netherlands, and several other countries.

Section 2 of the bill provides for the issuance of nonimmigrant visas to executives, managerial and other specialized personnel who are aliens transferred temporarily by their employer to a home or branch office, affiliate, or subsidiary in the United States.

We must recognize the growing multinational character of industry, commerce, education, and other fields.

And we must recognize the growing need it generates for a more expeditious and freer international movement of personnel.

Enactment of section 2 will, first of all, facilitate the entry of such personnel, without the long delays frequently encountered if they use regular immigration channels; and, second, it will release immigrant visas, which transfer personnel have always used in the past, to applicants who intend to remain in the United States permanently and, hopefully, become citizens of our country.

On strengthening traditional immigration objectives to reunite families, section 6 of the bill adds parents of permanent resident aliens to the second preference.

It also increases the number of visas available to refugees, who frequently have relatives in the United States.

Section 7 facilitates the admission of the mentally retarded.

Section 22 provides for the issuance of special immigrant visas to clean up the backlog of applicants in the fifth preference for brothers and sisters of U.S. citizens. In Italy, petitions date back to March of 1962, and contain a large residue which resulted from the discriminatory national origins quota system.

To provide relief for qualified fifth preference visa applicants who still wish to join their family in this country, is humane and just.

Additionally, section 2 facilitates the admission of aliens who are fiances or fiancees of U.S. citizens or permanent resident aliens.

And section 3 establishes a board of visa appeals to review the denials of an immigrant visa to relatives of U.S. citizens or permanent resident aliens.

There are many cases on record in which the denial of a visa by an American consul abroad has raised justifiable skepticism.

Some of these denial cases have been finally settled through the enactment of private immigration bills.

It is true that an informal appeal process currently operates within the Department of State.

Regardless of the Department's findings, however, the final decision rests with the consul abroad. I believe an independent board of visa appeals—under law—will help assure a more equitable treatment of denial cases.

To establish a new humanitarian policy of asylum for refugees, the number of admissions allocated within the preference system—as amended through section 6 of the bill—is raised from the current maximum of 10,200 to 30,000.

The definition of a refugee is broadened from its present European and cold war framework, to include the homeless throughout the world.

Moreover, section 7 intends that the Attorney General will continue to parole into the country additional numbers of refugees in times of emergency, if he determines it to be in the public interest.

Section 7 also provides a permanent authority to adjust the status of refugee paroles to that of permanent residence, so as to avoid the need for special legislation of the kind required for refugees from Hungary and Cuba.

In practice, our country has always been generous in providing resettlement opportunities to refugees, but our permanent immigration law has never included a comprehensive asylum policy.

As chairman of the Judiciary Subcommittee on Refugees, I believe it is extremely important that our law fully recognize resettlement needs throughout the world. The bill accomplishes this objective.

Mr. President, I should add at this point that I am disturbed to learn that the Department of Justice has apparently not responded to recent appeals for the parole of a reasonable number of East European refugees into the United States.

A report unanimously approved by the Subcommittee on Refugees, on November 3, noted "that the number of conditional entries available to refugees from Eastern Europe during the current fiscal year is nearly exhausted."

In view of the continuing and growing need for resettlement opportunities among these refugees—especially those from Poland and Czechoslovakia—the report recommended that immediate steps be taken to admit additional numbers under appropriate provisions of the Immigration and Nationality Act.

The report stressed that priority should be given to those who wish to join family members in the United States.

In mid-November, several members of the House Judiciary Committee made a similar recommendation, in a petition to the Attorney General, for refugees from Czechoslovakia. The American Council of Voluntary Agencies, representing more than 30 private organizations, has also appealed to the Attorney General for speedy action.

I am hopeful that the Attorney General is giving this important humanitarian concern his urgent consideration.

The record is clear on the need for action. Let us be generous in welcoming these refugees to our shores.

Section 12 of the bill reestablishes a statute of limitations on deportation. It is an established principle of law that justice requires a time limit, within which authorities must commence proceedings against an individual for any alleged crime or violation of law.

We recognize this principle in the criminal code, the exceptions usually involving capital cases.

But in matters involving the deportation of a lawfully admitted resident alien, this elementary principle does not apply.

The alien may have resided in this country since childhood, or for 20 or 30 years or more. He may have been a product of our society—but he is denied its justice, and its equity under the law.

The absence of a statute of limitations from the basic immigration law is a tragic shortcoming—a glaring injustice which has caused undue personal hardship and anxiety in the lives of many.

All Senators are familiar with such cases. The bill I introduce is a modest attempt to remedy the situation.

Section 20 of the bill establishes a short-term Select Commission on Nationality and Naturalization. As stated in the bill:

> The Commission shall make a complete study and investigation of all matters relating to the policy, administration and effect of title III of the Immigration and Nationality Act, including but not limited to, the effect of Federal judicial decisions in recent years on any of the provisions of such title and an analysis and evaluation of the fairness of the laws and regulations, and their administration and effect, relating to nationality and naturalization.

Mr. President, this important segment of public policy has been ignored and overlooked by the Congress, since the codification and amendment of nationality and naturalization laws in 1952.

There is little doubt that many provisions in the basic statute are products of a harsher period in our Nation's history, and should have no place in the public policy of a free society.

But aside from this, court decisions in recent years have altered the statute considerably. The situation clearly demands a comprehensive review and evaluation of our nationality and naturalization policy. I strongly feel this will be more easily and fairly accomplished through the efforts of an independent select commission.

Mr. President, I am extremely hopeful that extensive hearings on the bill will be held early in the next session.

But I would be remiss in my comments if I did not urge that the appropriate committees also consider at least two other important items.

The first relates to the need for legislation and administrative rulings to regulate the flow of workers from Mexico.

The grinding poverty, high unemployment, and low wages in many of our communities along the Mexican border is well known and a national disgrace.

The readily available and low-paid work force from Mexico is an important factor contributing to this distressing situation. Some measure of relief is urgently needed.

The issue should be given high priority

by the Judiciary Committees of both Houses.

The second item relates to the administration of the labor clearance procedures for employable visa applicants without a family preference.

I am sure this has been a matter of some concern to nearly every Member of the Senate.

There are many problems, and the clearance procedure requires a continuing review by the appropriate committees of Congress.

Mr. President, I have outlined what I feel are today's principal issues in the immigration field.

The bill we introduce suggests some remedies. In all candor, I must say that it is difficult at this time in our Nation's life—when we are faced with convulsive problems at home and abroad—to concentrate effort and concern in the currently less dramatic aspects of our country's progress and pursuit of justice.

But there is work to do in perfecting the policy which governs the oldest theme in our Nation's history.

And I strongly feel that unless informed citizens, the Congress, and the administration give immigration issues the attention they need and deserve, much chaos will result in a significant area of public policy—which will shorten the hopes of many, and needlessly injure our relations with countries throughout the world.

I urge Senators to join the movement for continuing reform.

Mr. President, I ask unanimous consent that the bill I introduce today, and a summary of its provisions, be printed at this point in the RECORD.

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

The bill (S. 3202) to revise the Immigration and Nationality Act, introduced by Mr. KENNEDY (for himself and other Senators), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S. 3202

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 "Immigration and Nationality Act Amendments of 1969."

SEC. 2. Section 101 of the Immigration and Nationality Act (8 U.S.C. 1101) is amended as follows:

(1) Subsection (a)(15) is amended

(A) by adding at the end of subparagraph (H) the following new clause: "or (iv) who immediately preceding the time of his application for admission into the United States has been employed by an individual or by a corporation or other legal entity and who is coming temporarily to the United States in order to continue to render his services to the same employer at a branch office, affiliate, or subsidiary in a capacity that is executive or managerial or involves specialized knowledge;"; and

(B) by striking out the period at the end of subparagraph (J) and inserting in lieu thereof a semicolon and "or", and by adding after subparagraph (J) the following new paragraph:

"(K) an alien who is the fiance or fiancee of a citizen of the United States or of an alien lawfully admitted for permanent residence and who seeks to enter the United States solely to conclude a valid marriage within 90 days after entry into the United States.

(2) Subsection (a)(27) is amended—

(A) by striking out subparagraph (A) and redesignating subparagraphs (B), (C), (D), and (E) as subparagraphs (A), (B), (C), and (D), respectively; and

(B) by striking out "carrying on the vocation of minister of a religious denomination" in the subparagraph redesignated as subparagraph (C) and inserting in lieu thereof "performing duties which are related to the religious activities of a religious denomination."

SEC. 3. Section 104 of the Immigration and Nationality Act (8 U.S.C. 1104) is amended by adding at the end thereof the following new subsection:

"(g)(1) There is hereby established within the Bureau of Security and Consular Affairs a Board of Visa Appeals (hereafter referred to in this subsection as the 'Board'), to be independent of the Visa Office. The Board shall consist of five members to be appointed by the Secretary of State, who shall designate one member as Chairman. The practice and procedure before the Board shall be in accordance with this subsection and, subject to paragraph (4), such regulations as the Secretary of State may prescribe.

"(2) Upon petition—

"(A) by any citizen of the United States claiming that an alien outside the United States is entitled to (i) a preference status by reason of a relationship to the petitioner described in paragraph (1), (4), or (5) of section 203(a), or (ii) an immediate relative status under section 201(b), or

"(B) by any alien lawfully admitted for permanent residence claiming that an alien outside the United States is entitled to a preference status by reason of the relationship to the petitioner described in paragraph (2) of section 203(a),

the Board shall have jurisdiction to review any determination of a United States consular officer refusing an immigration visa, or revoking an immigrant visa issued, to any such alien outside the United States who has applied for classification as a preference immigrant described in any such paragraph or as an immediate relative. Each alien shall be informed of the review procedure available under this subsection when a determination refusing or revoking an immigrant visa to him is made by a consular officer. No petition for review may be filed with the Board more than sixty days after the date of notification to an alien of the making of the determination with respect to which review is sought.

"(3) Any review by the Board under this subsection shall be conducted solely upon the basis of the visa application and any other supporting documents submitted in connection with such application by or on behalf of the alien concerned, and any other documents, materials, or information in the possession of and considered by the consular officer, together with any briefs, memoranda, or arguments submitted in writing by or on behalf of the alien. No alien, solely by virtue of a petition for review by the Board under this subsection, shall be entitled to entry or admission into the United States.

"(4) The decision of the Board in each case shall be in writing and shall be communicated to the petitioner and the alien concerned. Decisions of the Board under this subsection shall be final and conclusive on all questions of law and fact relating to the issuance or revocation of a visa and shall not be subject to review by any other official, department, agency, or establishment of the United States; but, nothing in this subsection shall be construed to limit the application of section 221(d)."

SEC. 4. (a) Subsection (a) of Section 201 of the Immigration and Nationality Act (8 U.S.C. 1151) is amended to read as follows:

"(a) Exclusive of special immigrants defined in section 101(a)(27), of alien refugees who may apply for adjustment of status to that of aliens lawfully admitted to the United States for permanent residence under the Act of November 2, 1966 (80 Stat. 1161); 8 U.S.C. 1255 note), and of the immediate relatives of United States citizens specified in subsection (b) of this section, the number of aliens who may be issued immigrant visas or who may otherwise acquire the status of an alien lawfully admitted to the United States for permanent residence, (i) shall not in any of the first three quarters of any fiscal year exceed a total of 80,000 and (ii) shall not in any fiscal year exceed a total of 300,000: *Provided,* That, during the period from the effective date of the Immigration and Nationality Act Amendments of 1969 through June 30, 1973, the number of aliens specified in this subsection (a) shall not in any of the first three quarters of any fiscal year exceed a total of 45,000 and shall not in any fiscal year exceed a total of 170,000 for aliens ascribed to independent foreign countries of the Eastern Hemisphere, and (B) shall not in any of the first three quarters of any fiscal year exceed a total of 35,000 and shall not in any fiscal year exceed a total of 130,000 for aliens ascribed to independent foreign countries of the Western Hemisphere."

(b) Subsections (c), (d), and (e) of such section are repealed.

SEC. 5. (a) Subsection (a) of section 202 of the Immigration and Nationality Act (8 U.S.C. 1152) is amended—

(1) by striking out "and the number of conditional entries" in the first proviso—

(2) by amending the second proviso to read as follows: *"Provided further,* That, notwithstanding the preceding proviso, the total number of immigrant visas made available to natives of any country contiguous to the United States shall not exceed 35,000 in any fiscal year."; and

(b) Subsection (c) of such section is amended by striking out "shall not exceed 1 per centum" and insert in lieu thereof "shall not exceed 3 per centum".

SEC. 6. (a) Subsection (a) of section 203 of the Immigration and Nationality Act (8 U.S.C. 1153) is amended—

(1) by striking out "or their conditional entry authorized, as the case may be," in the portion which precedes paragraph (1);

(2) in paragraph (1), by striking out "20" and insert in lieu thereof "10";

(3) in paragraph (2), by inserting a comma and "or parents" after "unmarried daughters" and insert after "permanent residence" the following: ": *Provided,* That in the case of parents, such alien lawfully admitted for permanent residence must be at least twenty-one years of age";

(4) in paragraph (3), by striking out "10" and insert in lieu thereof "15", and insert after "201(a)(ii)," the following "plus any visas not required for the classes specified in paragraphs (1) and (2),";

(5) in paragraph (5), by striking out "24" and insert in lieu thereof "20", and by striking out "brothers or sisters" in that paragraph and inserting in lieu thereof "unmarried brothers or unmarried sisters";

(6) in paragraph (6), by striking out "10" and insert in lieu thereof "15", and insert after "201(a)(ii)," the following: "plus any visas not required for the classes specified in paragraphs (1) through (5),"; and

(7) by amending paragraph (7) to read as follows:

"(7) (A) Visas shall next be made available, pursuant to such regulations as the Secretary of State may prescribe and in a number not to exceed 10 per centum of the number specified in section 201(a)(ii), to

alien refugees described in subparagraph (B), who are not firmly resettled and apply for admission to the United States while in any non-communist or non-communist dominated country or area.

"(B) The term 'alien refugee' means (i) any alien (I) who has fled or shall flee from and is unwilling to return to any communist or communist-dominated country or area, owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion, or (II) who has fled or shall flee from and is unwilling to return to any country owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion, or (III) who has been uprooted by natural calamity or military operations and who is unable to return to his usual place of abode, and (ii) the spouse and children of any such alien, if accompanying or following to join him.".

(b) Subsections (g) and (h) of such section are repealed.

SEC. 7. (a) Paragraph (4) of subsection (a) of section 212 of the Immigration and Nationality Act (8 U.S.C. 1182(a)) is amended by striking "or a mental defect";

(b) Paragraph (14) of subsection (a) of such section is amended by striking out "to special immigrants defined in section 101(a)(27)(A) (other than the parents, spouses, or children of United States citizens or aliens lawfully admitted to the United States for permanent residence),";

(c) Paragraph (24) of subsection (a) of such section is amended by striking out "(A) and";

(d) Subsection (b) of such section is amended by striking out "paragraph (25) of subsection (a)" at the first place it appears, and inserting in lieu thereof "paragraphs (1) or (25) of subsection (a)";

(e) Paragraph (5) of subsection (d) of such section is amended to read as follows:

"(5) (A) The Attorney General may in his discretion parole into the United States temporarily under such conditions as he may prescribe for emergent reasons or for reasons deemed strictly in the public interest any alien applying for admission to the United States, but such parole of such alien shall not be regarded as an admission of the alien and when the purposes of such parole shall, in the opinion of the Attorney General, have been served the alien shall forthwith return or be returned to the custody from which he was paroled and thereafter his case shall continue to be dealt with in the same manner as that of any other applicant for admission to the United States.

"(B) Notwithstanding the numerical limitations specified in any other section of this Act, any alien who has been paroled into the United States as a refugee pursuant to subparagraph (A), whose parole has not theretofore been terminated by the Attorney General pursuant to such regulations as he may prescribe, who has been in the United States for at least two years and who has not acquired permanent residence, shall forthwith return or be returned to the custody of the Service and shall thereupon be inspected and examined for admission into the United States, and his case dealt with in accordance with the provisions of sections 235, 236, and 237.

"(C) Any alien who, pursuant to subparagraph (B), is found upon inspection by the immigration officer or after hearing before a special inquiry officer, to be admissible as an immigrant under this Act at the time of his inspection and examination, except for the fact that he was not and is not in possession of the documents required by section 212 (a) (20), shall be regarded as lawfully admitted to the United States for permanent residence as of the date of his arrival."

(f) Subsection (e) of such section is amended to read as follows:

"(e) No person admitted under section 101(a)(15)(J) or acquiring such status after admission (1) whose participation in the program for which he came to the United States was financed in whole or in part, directly or indirectly, by an agency of the Government of the United States or by the government of the country of his nationality or his last residence, or (2) who at the time of admission or acquisition of status under section 101(a)(15)(J) was a national or resident of a less developed country which the Secretary of State, pursuant to regulations prescribed by him, had designated as clearly requiring the services of persons engaged in the field of specialized knowledge or skill in which the alien was engaged, shall be eligible to apply for an immigrant visa, or for permanent residence, or for a nonimmigrant visa under section 101(a)(15)(H) until it is established that such person has resided and been physically present in the country of his nationality or his last residence for an aggregate of at least two years following departure from the United States, except that upon the favorable recommendation of the Secretary of State, pursuant to the request of an interested United States Government agency, or of the Commissioner of Immigration and Naturalization after he has determined that departure from the United States would impose exceptional hardship upon the alien's spouse or child (if such spouse or child is a citizen of the United States or a lawfully resident alien) or that the alien cannot return to the country of his nationality or last residence because he would be subject to persecution on account of race, religion, or political opinion, the Attorney General may waive the requirement of such two-year foreign reisdence abroad in the case of any alien whose admission to the United States is found by the Attorney General to be in the public interest. *Provided:* That the Attorney General may waive such two-year foreign residence requirement in any case in which the foreign country of the alien's nationality or last residence has furnished the Attorney General a statement in writing that it has no objection to such waiver in the case of such alien."

(g) Subsection (g) of such section is amended by striking out "who is excludable from the United States under paragraph (1) of subsection (a) of this section, or any alien".

SEC. 8. Section 214 of the Immigration and Nationality Act (8 U.S.C. 1184) is amended by adding at the end thereof the following new subsection:

"(d) A visa shall not be issued under the provisions of section 101(a)(15)(k) until the consular officer has received a petition filed in the United States by the fiance or fiancee of the applying alien and approved by the Attorney General. The petition shall be in such form and contain such information as the Attorney General shall by regulations prescribe it shall be approved only after satisfactory evidence is submitted by the petitioner to establish that the parties have a bona fide intention to marry and are legally able and actually willing to conclude a valid marriage in the United States within a period of 90 days after the alien's arrival."

SEC. 9. (a) Section 224 of the Immigration and Nationality Act (8 U.S.C. 1204) is amended by inserting "alien refugee," immediately after "special immigrant" each place it appears.

(b) The section heading for such section is amended by inserting ", alien refugee," immediately after "immediate relative."

(c) The item relating to such section 224 in the table of contents of such Act is amended by inserting ", alien refugee," immediately after "immediate relative."

SEC. 10. Section 241(a)(10) of the Immigration and Nationality Act (8 U.S.C. 1251(a)(10)) is amended by striking out the language within the parentheses and inserting in lieu thereof the following: "other than an alien who is described in section 101(a)(2)(A) or is a native-born citizen of any independent foreign country of the Western Hemisphere or of the Canal Zone."

SEC. 11. Section 244(d) of the Immigration and Nationality Act (8 U.S.C. 1254(d)) is amended by striking out "is entitled to a special immigrant classification under section 101(a)(27)(A), or ".

SEC. 12. Section 245 (c) of the Immigration and Nationality Act (8 U.S.C. 1255 (c)) is amended by striking out "any country of the Western Hemisphere" and inserting in lieu thereof "any country contiguous to the United States."

SEC. 13. (a) (1) Chapter 9 of Title II of the Immigration and Nationality Act (8 U.S.C. 1351–1362) is amended by adding at the end thereof the following new section:

"LIMITATIONS ON DEPORTATION"

"SEC. 293. (a) No alien lawfully admitted to the United States for permanent residence, other than an alien who obtained such status by fraud, concealment, misrepresentation, or other misconduct, shall be deported solely by reason of any conduct or event occurring or condition existing more than ten years prior to the institution of deportation proceedings against him.

"(b) No alien lawfully admitted to the United States for permanent residence before attaining the age of fourteen years shall be deported if he has resided continously within the United States for a period of at least ten years immediately preceding the institution of deportation proceedings against him and after having been lawfully admitted for permanent residence, including as part of such period at least nine years of physical presence in the United States.

"(c) No alien lawfully admitted to the United States for permanent residence other than an alien who obtained such status by fraud, concealment, misrepresentation, or other misconduct, shall be deported if he has resided continuously within the United States for a period of at least twenty years immediately preceding the institution of the deportation proceedings against him and after having been lawfully admitted for permanent residence, including as part of such period at least eighteen years of physical residence in the United States.

"(d) The benefits of this section shall be applicable to any alien notwithstanding (1) that any of the facts by reason of which subsection (a), (b), or (c) may be applicable, including the date of admission for permanent residence in the United States, occurred or existed prior to the effective date of the Immigration and Nationality Act Amendments of 1969, or (2) that the status of an alien lawfully admitted for permanent residence was erroneously or illegally granted to such alien through no fault of his own, that this section shall not be applicable to aliens as to whom deportation proceedings are pending on such effective date.

"(e) Any alien whose deportation is prevented under this section and whose status as an alien lawfully admitted for permanent residence was erroneously or illegally granted through no fault of his own shall remain in that status notwithstanding any other provision of this Act."

(2) The table of contents of chapter 9 of Title II of the Immigration and Nationality Act is amended by adding at the end thereof the following:

"SEC. 293. LIMITATIONS ON DEPORTATION."

(b) Section 340 of the Immigration and Nationality Act (8 U.S.C. 1451) is amended by adding at the end thereof the following new subsection:

"(k) No proceeding under this section shall be instituted more than ten years after a

naturalized citizen has been admitted to citizenship."

SEC. 14. The first proviso contained in paragraph (1) of section 312 of the Immigration and Nationality Act (8 U.S.C. 1423) is amended by striking out "or to any person who, on the effective date of this Act, is over fifty years of age and has been living in the United States for periods totaling at least twenty years" and inserting in lieu thereof the following: "or to any person who, on the date of the filing of his petition for naturalization as provided in section 334, is over fifty years of age and has been living in the United States for periods totaling at least twenty years".

SEC. 15. Section 316(b) of the Immigration and Nationality Act (8 U.S.C. 1427(b)) is amended—

(1) in the matter preceding clause (1) of the second paragraph thereof by inserting "or is employed by an accredited American philanthropic agency or organization, or is the sole owner or proprietor of" immediately after "recognized as such by the Attorney General,";

(2) in clause (1), by inserting "or to be employed by such accredited American philanthropic agency or organization," immediately after "such firm or corporation,"; and

(3) at the end thereof by inserting the following new sentence: "The granting of the benefits of this subsection to a person who has established to the satisfaction of the Attorney General that he will be employed in a capacity described in this subsection shall extend to the spouse, children, and unmarried sons and daughters of such person who, after being lawfully admitted for permanent residence, are physically present abroad as members of the household of such person during the period that such person is absent from the United States in the capacity for which such benefits are granted."

SEC. 16. Clause (1)(B) of section 319(b) of the Immigration and Nationality Act (8 U.S.C. 1430(b)) is amended by inserting "of an accredited American philanthropic agency or organization, or is the sole owner or proprietor or in the employment" immediately preceding "of an American firm".

SEC. 17. Sections 320 and 321 of the Immigration and Nationality Act (8 U.S.C. 1431–1432) are amended by striking out the phrase "sixteen years" wherever it appears and inserting in lieu thereof "eighteen years".

SEC. 18. Section 323 of the Immigration and Nationality Act (8 U.S.C. 1434) is amended as follows:

(1) In subsection (a)—

(A) by inserting "and" at the end of clause (1);

(B) by striking out the semicolon and the word "and" at the end of clause (2) and insert in lieu thereof a period; and

(C) by striking out clause (3).

(2) In subsection (b), by striking out "only two years' residence and one year's physical presence in the United States during the two-year period immediately preceding the filing of the petition" and insert in lieu thereof the following: "physical presence in the United States at the time of naturalization."

(3) By striking out subsection (c).

SEC. 19. The third sentence of section 336 (c) of the Immigration and Nationality Act (8 U.S.C. 1447(c)), relating to final hearings upon petitions for naturalization, is amended by striking out "sixty" and inserting in lieu thereof "thirty".

SEC. 20. Section 338 of the Immigration and Nationality Act (8 U.S.C. 1449) is amended by striking out "and personal description of the naturalized person, including age, sex, marital status, and country of former nationality" and inserting in lieu thereof "and personal description of the naturalized person, including age, sex, and marital status".

SEC. 21. (a) There is hereby established a Select Commission on Nationality and Naturalization (hereinafter referred to as the "Commission") to be composed of nine members as follows:

(1) three members appointed by the President, at least one of whom shall be from each of the major political parties;

(2) three members of the Senate appointed by the President of the Senate, with the consent of the majority and minority leaders, two of whom shall be from the majority party of the Senate; and

(3) three members of the House of Representatives appointed by the Speaker of the House of Representatives with the consent of the majority and minority leaders, two of whom shall be from the majority party in the House of Representatives.

The President shall designate one of the persons appointed under clause (1) of this subsection as chairman.

(b) The Commission shall make a complete study and investigation of all matters relating to the policy, administration, and effect of Title III of the Immigration and Nationality Act, including but not limited to, the effect of Federal judicial decisions in recent years on any of the provisions of such title and an analysis and evaluation of the fairness of the laws and regulations, and their administration and effect, relating to nationality and naturalization.

(c)(1) The Commission shall make a preliminary report to the President and the Congress on or before the first day of the seventh month after the effective date of this Act. The Commission shall make a final report to the President and the Congress not later than six months after the submission of its preliminary report. Such reports shall include the results of its study and investigation, together with such legislative and administrative recommendations relating to Title III of the Immigration and Nationality Act, as the Commission considers appropriate.

(2) The Commission shall cease to exist sixty days after the submission of its final report.

(d) All Federal departments, agencies, and instrumentalities shall cooperate fully with the Commission to the end that it may effectively carry out its duties.

(e) (1) Each member of the Commission who is not otherwise employed in the service of the Government of the United States shall receive compensation at the rate of $100 for each day he is engaged in the performance of his duties as a member of the Commission and shall be allowed travel expenses, including per diem in lieu of subsistence, while away from his home or regular place of business, as authorized by section 5703 of title 5, United States Code.

(2) Each member of the Commission who is otherwise employed in the service of the Government of the United States shall serve without compensation in addition to that received in his regular employment, but shall be allowed travel, transportation, and subsistence expenses while engaged in the performance of his duties as a member of the Commission, as authorized by subchapter I of chapter 57 of title 5, United States Code.

(f) The Commission may appoint such personnel as it deems necessary in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and shall fix the compensation of such personnel in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(g) The Commission is authorized to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to ex-

SEC. 22. (a) Any alien who is eligible for ceed $100 a day for individuals.

important status under section 203(a)(5) of the Immigration and Nationality Act, as it existed immediately prior to the effective date of this Act, on the basis of a petition filed with the Attorney General prior to January 1, 1969, and the spouse, and children of such alien, if accompanying or following to join him, shall be held to be special immigrants and if otherwise admissible under the provisions of the Immigration and Nationality Act, shall be issued special immigrant visas if, upon his application for an immigrant visa and at the time of his admission to the United States, such alien is found to have retained his relationship to the petitioner and status as established in the approved petition.

(b) The Secretary of State shall make reasonable estimates of the number of visas which shall be issued under subsection (a) and, based on such estimates not more than 35 per centum of such visas may be issued in each of the first two fiscal years beginning July 1, 1970. The visas authorized to be issued under this subsection shall be issued to eligible immigrants in the order in which petitions in their behalf were filed with the Attorney General under section 204 of the Immigration and Nationality Act.

SEC. 23. Section 21 of the Act of October 3, 1965 (79 Stat. 916, 920), is hereby repealed.

SEC. 24. This Act shall become effective on the first day of the first month which begins at least 30 days after enactment.

The summary, presented by Mr. KENNEDY, is as follows:

SUMMARY OF IMMIGRATION BILL, INTRODUCED BY SENATOR EDWARD M. KENNEDY, 91ST CONGRESS, 1ST SESSION

Section 1 designates the bill the Immigration and Nationality Act Amendments of 1969.

Section 2 facilitates the *temporary* admission of aliens who are executives, managers of possess specialized knowledge, and are transferred by their employer to a branch office, affiliate or subsidiary in the United States; and facilitates the admission of aliens who are fiances or fiancees of United States citizens or permanent resident aliens; and provides special immigrant status to aliens "performing duties which are related to the religious activities of a religious denomination."

Section 3 establishes a Board of Visa Appeals as an independent office within the Bureau of Security and Consular Affairs of the Department of State. The Board will consist of five members, including a chairman, to be appointed by the Secretary of State. The Board shall have jurisdiction to review the denial of an immigrant visa to a relative of a United States citizen or permanent resident alien, upon the petition of such citizen or alien.

Section 4 provides for establishing a worldwide ceiling of 300,000 immigrants annually, exclusive of special immigrants, to become operative on July 1, 1973. In the interim the current ceiling of 170,000 for the Eastern Hemisphere continues to operate, and the current ceiling of 120,000 for the Western Hemisphere is increased by 10,000. Cuban refugees who adjust their status to aliens lawfully admitted for permanent residence are removed from ceiling considerations.

Section 5 extends to Western Hemisphere countries the 20,000 annual limitation on immigration from any one country which is currently applicable to countries in the Eastern Hemisphere, and raises the limitation on dependent areas from 200 to 600 annually.

Section 6 amends the preference system.

(a) The preference system, currently operative only in the Eastern Hemisphere, becomes operative on a worldwide basis simultaneously with the effective date of the world ceiling. In the interim the preference system operates separately in each hemisphere.

(b) The percentum of first preference (unmarried sons and daughters of U.S. citizens) is changed from 20 to 10.

(c) The second preference, currently the spouses and unmarried sons and daughters of aliens lawfully admitted for permanent residence, is expanded to include parents of permanent resident aliens. The percentum of 20 remains.

(d) The percentum of third preference (members of professions or persons of exceptional ability in the sciences and arts) is changed from 10 to 15.

(e) The fourth preference (married sons or daughters of U.S. citizens) and its percentum of 10 remains unchanged.

(f) The fifth preference, currently the brothers and sisters of U.S. citizens, eliminates those who are married. The percentum is changed from 24 to 20.

(g) The percentum of sixth preference (skilled and unskilled workers in short supply) is changed from 10 to 15.

(h) The percentum of seventh preference (refugees) is changed from 6 to 10. Instead of being given "conditional entry" in accordance with regulations prescribed by the Attorney General, refugees are issued regular immigrant visas in accordance with regulations prescribed by the Department of State. The definition of a "refugee" is broadened to establish a worldwide asylum policy for the United States: "The term alien refugee means any alien who has fled or shall flee from and is unwilling to return to . . . any country owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion, or who has been uprooted by natural calamity or military operations. . . ."

(i) to permit maximum flexibility in the use of visas, available visas not required in any one preference are to be used in meeting excessive demands in succeeding preference categories.

Section 7 facilitates the granting of waivers to certain exchange visitors who wish to remain in the United Sates; provides a permanent authority to adjust the status of refugees paroled into the United States, for emergency reasons, by the Attorney General; and facilitates the admission of the mentally retarded.

Sections 8, 9, 10, and 11 contain technical amendments.

Section 12—except in the case of natives of Canada, Mexico and adjacent islands—provides for the adjustment of status of Western Hemisphere natives on the same basis as aliens from the Eastern Hemisphere.

Section 13 establishes a new Section 293, entitled, "Limitations on Deportations." The Statute of Limitations would prevent the deportation:

(1) of aliens lawfully admitted to the U.S. for permanent residence solely by reason of any conduct or conditions which occurred or existed ten years prior to the institution of deportation proceedings;

(2) of aliens lawfully admitted to the United States for permanent residence if such aliens entered the U.S. prior to age 14 and have resided in the U.S. for a period of ten years immediately preceding the institution of deportation proceedings;

(3) of aliens lawfully admitted to the U.S. for permanent residence if such aliens have resided continuously within the U.S. for a period of at least 20 years immediately preceding the institution of deportation proceedings against him.

The Statute of Limitations will not apply to aliens who received their residence status illegally.

Section 14 facilitates the naturalization of persons over 50 years who have been living in the United States for at least 20 years.

Sections 15 and 16 facilitate the naturalization of permanent resident aliens employed overseas by an accredited American philanthropic organization, or the alien spouse of a U.S. citizen employed by such organization.

Section 17 permits the derivative acquisition of citizenship by a minor child, through his parents' naturalization, through 18 years of age instead of 16 as currently provided.

Section 18 facilitates the naturalization of an alien child adopted by a U.S. citizen parent who is employed overseas by an accredited American philanthropic organization.

Section 19 provides that final hearings upon petitions for naturalization can be held as late as 30 days before a pending general election, rather than 60 days as currently provided.

Section 20 eliminates the question of "Country of former nationality" from the naturalization certificate.

Section 21 establishes a Select Commission on Nationality and Naturalization to "make a complete study and investigation of all matters relating to the policy, administration, and effect of title III of the Immigration and Nationality Act, including but not limited to, the effect of Federal judicial decision in recent years on any of the provisions of such title and an analysis and evaluation of the fairness of the laws and regulations, and their administration and effect, relating to nationality and naturalization." The Commission shall be composed of nine members—three from the Senate, three from the House, and three appointed by the President—and shall file its final report one year following enactment of this bill.

Section 22 cleans up backlog in fifth preference (brothers and sisters of U.S. citizens), by authorizing the issuance of special immigrant viasas to applicants whose petition for admission was filed prior to January 1, 1969.

Section 23 contains a technical amendment.

Section 24 contains enactment date.

Mr. FONG. Mr. President, a few months ago, I noted with great pleasure and satisfaction that after 4 years of experience under the historic Immigration Reform Act of 1965, immigration to the United States from all over the world has become more evenly distributed.

This result unequivocally attests to the fact that we have achieved one of the principal avowed purposes of the new law; that is, to wipe out all traces of racial discrimination from our laws and policies.

However, as the distinguished and able senior Senator from Massachusetts (Mr. KENNEDY) has so eloquently pointed out, a number of shortcomings still exist in our basic immigration law. Some of these shortcomings were noted during the consideration of the 1965 act, but those of us who strongly favored that law decided not to push them at that time, because we felt that the more basic reforms should come first.

Now that these basic changes have been accomplished, I believe that it is timely for the Congress to consider and promptly enact further corrective legislation, to plug most of the loopholes which still exist in our laws.

I am pleased, therefore, to join Senator KENNEDY and Senator HART in sponsoring an omnibus bill to achieve the following ends:

First. To reinforce and clarify the system of allocation of visas which we first enacted in 1965; to extend this system to applicants in countries of both the Western and Eastern Hemispheres, all on a first-come, first-served basis.

Second. To recognize the tremendous transnational growth of business, educational, artistic, and other organizations by facilitating entry on a temporary basis of nonimmigrant personnel who possess ability, skills, and ideas required in the Nation.

Third. To further the objective which was written into the 1965 law of reuniting families by facilitating the entry of fiances or fiancees of American citizens or permanent resident aliens, and accord second preference status to the parents of permanent resident aliens.

Fourth. To broaden the humanitarian policy of granting asylum to refugees from all areas of the world by allowing 10 percent of the total annual quota to enter as immigrants rather than as conditional entrants.

Fifth. To establish a world-wide ceiling of 300,000 immigrants annually, exclusive of immediate family members of U.S. citizens and other special immigrants; the ceiling would become effective July 1, 1973—and in the meantime the existing ceiling of 170,000 immigrants from the Eastern Hemisphere would continue and the ceiling of immigrants from the Western Hemisphere would be increased from 120,000 to 130,000; because of the exceptional status accorded the Cuban refugee program, such refugees who elected to adjust their status under the act of November 2, 1966, would not be counted against this Western Hemisphere ceiling; the present 20,000 annual limit on immigrants from any single country in the Eastern Hemisphere would be made applicable to countries of the Western Hemisphere, except that Canada and Mexico are given individual ceilings of 35,000 each.

Sixth. To establish an independent Board of Visa Appeals within the Bureau of Security and Consular Affairs of the Department of State, which would have jurisdiction to review the denial of an immigrant visa to a relative of a U.S. citizen or permanent resident alien upon the petition of such citizen or resident alien.

Seventh. To establish a statute of limitations to prevent deportation of permanent resident aliens: First, for the sole reason of conduct which occurred or conditions which existed 10 years prior to the institution of deportation proceedings; or second, who entered the country prior to age 14 and have resided in the United States for 10 years immediately preceding the institution of deportation proceedings; or third, who have lived continuously in the United States for at least 20 years immediately preceding the institution of deportation proceedings.

Eighth. To waive the naturalization requirements of literacy in the English language for aliens who are 50 years of age and who have been living in the United States for at least 20 years.

Ninth. To establish a Select Commission on Nationality and Naturalization, to make a full and complete study and investigation of all aspects of the naturalization policies under the immigration laws.

Mr. President, during the first session of the 90th Congress, I introduced several pieces of legislation containing some of the provisions which I have outlined

and I am happy that they are included in this omnibus bill.

As a member of the Committee on the Judiciary, and one who helped to draft the landmark Immigration Reform Act of 1965, it is my firm hope that both Houses of Congress will move promptly and expeditiously to enact this very meritorious omnibus bill.

By enacting these changes, we will be bringing the Immigration and Nationality Act into even closer harmony with the traditional American precepts of fairplay and equal justice for all under the law.

I shall urge the Committee on the Judiciary to schedule comprehensive and complete hearings on this measure early in the next session.

In 1965, 76 Senators joined to write reforms to our basic immigration laws which were the most far reaching in our history, but we have yet to give the last full measure of our devotion to the first principles of our Nation insofar as our immigration policies are concerned, and it is my hope that the Congress will wholeheartedly support this legislation and thereby further the ends of immigration reform.

S. 3203—INTRODUCTION OF A BILL TO ESTABLISH WITHIN THE DEPARTMENT OF THE INTERIOR THE POSITION OF ASSISTANT SECRETARY FOR INDIAN AFFAIRS

Mr. BELLMON. Mr. President, I introduce today a bill to establish within the Department of the Interior the position of Assistant Secretary for Indian Affairs.

Since the establishment of the Bureau of Indian Affairs, this agency has been under the direction of the Assistant Secretary of the Interior for Public Land Management. The Assistant Secretary presently is responsible for the conservation, development, and management of over 400 million acres of the Nation's public lands—more land area than Alabama, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, New Hampshire, and New Jersey all put together—18 States. His duties also involve the administration of mining and mineral leasing on federally owned lands. He is also the focal point of Federal activities related to outdoor recreation. Another major responsibility involves the Office of Territories of the United States. On top of this monumental task, the Assistant Secretary has the responsiblity to oversee the Bureau of Indian Affairs, which deals with our Nation's 600,000 American Indian citizens.

The Bureau of Indian Affairs was established in the War Department of 1824 and was transferred to the Department of the Interior when it was established in 1849. Since 1849, 36 men have served this country as Commissioner of Indian Affairs. Since 1849, the policy of our country has varied greatly in regard to the administration of the affairs of our Indian citizens.

Mr. President, I feel that the time has come for this country to take a firm position on the future of these native Americans. I can think of no better way to accomplish this than to elevate the Commissioner of Indian Affairs and to give him both the responsibility and the authority to cope with the serious and complex problems faced by our Indian citizens. This move will help elevate the Bureau of Indian Affairs to its proper role and strengthen the agency in its operation.

The present arrangement is both unworkable and dehumanizing so far as Indian citizens are concerned. To place the welfare of 600,000 Americans under an agency called "the Bureau of Land Management" is to infer that Indians are not really people, but some lesser order of creatures that can be managed along with the wildlife that roams the public lands. This is an unintended, but gross insult that Indians should not be expected to bear.

In addition, Indian problems are people problems, best understood and solved by educators, sociologists, economists, and others trained and experienced in the humanities. Under the present arrangement, as recommendations regarding Indian needs and services move through the many echelons of decision-making in the Bureau of Land Management, they must be acted upon by officials whose expertise is far afield from the social sciences.

The sad lot of the American Indian is well known. The failure of our Government to assure him the opportunity and the means of gaining an equal share in American progress is one of the most shameful pages in our history.

The creation of the position of Assistant Secretary for Indian Affairs and the restructuring of the Bureau of Indian Affairs along humanitarian lines will increase the opportunity for progress for American Indians.

As a former member of the Indian Education Subcommittee of the Committee on Labor and Public Welfare, I am aware that the committee will shortly propose legislation to make many changes to accomplish some of the objectives I have in mind in introducing this measure; but the matter of reorganizing the Bureau of Indian Affairs and of giving additional authority and responsibility to the man who is presently Commissioner by elevating him to the position of Assistant Secretary is a matter of great immediacy. Therefore, today I introduce the bill and ask that it be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3203) to establish within the Department of the Interior the position of Assistant Secretary of the Interior for Indian Affairs, introduced by Mr. BELLMON, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

S. 3204—INTRODUCTION OF A BILL TO AMEND PUBLIC LAW 84-930

Mr. MAGNUSON. Mr. President, it is my privilege to introduce, at the request of the administration, a bill that will be of interest to all who are concerned with the continuing problem of child entrapment in certain home appliances. This bill will amend the act of August 2, 1956—Public Law 84-930—that requires household refrigerators shipped in interstate commerce to be equipped with doors that can be opened easily from the inside. While the original act has done much to decrease the number of tragic entrapments of children, it is now seen to have two major shortcomings which this amendment will rectify.

The 1956 statute was enacted in response to the growing danger to children from increasing numbers of abandoned and idle refrigerators. At that time the potential danger of entrapment and suffocation in household freezers and refrigerator-freezer combinations was not fully recognized because sales of those appliances were not widespread. However, a recent survey conducted by the National Bureau of Standards in cooperation with the Refrigeration Service Engineers Society indicates that of 140 entrapment deaths occurring during the past 10 years, 30 involved freezers or refrigerator-freezer combinations. The remaining 110 involved refrigerators believed to have been manufactured prior to the introduction of safety devices required by Public Law 84-930. I fear that the number of entrapments in abandoned freezers may increase drastically in coming years because of the recent rapid increase in their popularity and resultant sales.

Fortunately, many producers of freezers and combination units have voluntarily incorporated the same safety features in their products that are required by law for refrigerators. Not all such units comply, however. The proposed amendments are intended to assure that all homefreezers are equipped with adequate safeguards against accidental entrapment. The National Commission on Product Safety, which also has been concerned with entrapment deaths among our children, has strongly recommended such extension of existing Federal law.

In addition to extending coverage to homefreezers, the proposed bill amends existing law to provide for standards covering additional or different forms of safeguards that may be conceived as new technology is developed. This amendment would permit increased flexibility in product safety design so that the children of our Nation may be protected by improved safety standards whenever they may prove to be practical and necessary.

I believe that this bill is necessary to carry out the job begun in 1956 and I hope that favorable action may be taken on it.

Mr. President, I ask unanimous consent that the text of the bill and the explanatory statement submitted by the Department of Commerce 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 statement will be printed in the RECORD.

The bill (S. 3204) to amend the act entitled "An act to require certain safety

devices on household refrigerators shipped in interstate commerce," approved August 2, 1956, introduced by Mr. MAGNUSON (for himself and other Senators), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 3204

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of August 2, 1956 (70 Stat. 953; 15 U.S.C. 1211) is amended to read as follows:

"It shall be unlawful for any person to introduce or deliver for introduction into interstate commerce any household refrigerators, household freezers, or household refrigerator-freezer combination manufactured on or after the date this section takes effect unless such refrigerator, freezer or refrigerator-freezer combination is equipped with safety devices which conform with standards prescribed pursuant to section 3, which are in effect on the date of manufacture."

SEC. 2. Section 3 of such Act is amended to read as follows:

"SEC. 3. The Secretary of Commerce shall prescribe and publish in the Federal Register performance standards for devices which when used in or on household refrigerators, household freezers, or household refrigerator-freezer combinations will protect children against unreasonable risk of entrapment leading to death or personal injury. The provisions of sections 551 through 559 of title 5, United States Code, shall apply to the issuance of all standards or amendments thereto under this section."

SEC. 3. Section 5 of such Act is amended by deleting the word "commercial" in the phrase "Commercial standards" wherever it appears.

SEC. 4. Notwithstanding the provisions of this Act, the standards in effect under the provisions of the Act of August 2, 1956 (70 Stat. 953) on the day preceding the date of enactment of this Act, shall continue in effect for the household refrigerators to which they are applicable until superseded or modified by the Secretary of Commerce pursuant to the authority conferred by the amendments made by this Act.

The statement, presented by Mr. MAGNUSON, is as follows:

STATEMENT OF PURPOSE AND NEED

The Act, entitled "An Act to require certain safety devices on household refrigerators shipped in interstate commerce," was approved as Public Law 84–930 on August 2, 1956 (70 Stat. 953; 15 U.S.C. 1211). That statute prohibited the shipment in interstate commerce, after the effective date of safety standards which were published by the Secretary of Commerce, of any household refrigerator unless equipped with a device enabling the door thereof to be opened from the inside, which conformed to such standards. The law was designed to protect small children from accidental entrapment and suffocation in abandoned or idle household refrigerators by requiring that they be equipped with doors capable of being opened from the inside by a child.

Public Law 84–930 appears to have been very successful in accomplishing the purpose for which it was designed in that there have been no reports of deaths resulting from entrapment in refrigerators that meet the current standard. However, the law applied only to household refrigerators and not to home freezers or the freezer portions of household refrigerator-freezer combinations. Yet, a similar hazard of entrapment exists with respect to abandoned or idle freezers. It is the purpose of these amendments to extend the law's coverage to include home freezers and household refrigerator-freezer combinations in order to reduce further the type of hazard to small children that made Public Law 84–930 necessary.

Since the passage of the Act of August 2, 1956, there has been a rapid increase in the use of freezers and refrigerator-freezer combinations in the home. Within the next several years, this Nation may be confronted with a situation similar to that which existed with the increased manufacture and use of refrigerators: an abundance of what appears to an adult as simply an abandoned freezer, but what a child views as an inviting hiding place. An additional complication exists with home freezers in that many are top-opening, rather than side-opening, appliances. This tends to increase the possibility of accidental entrapment.

It is to the credit of the home appliance industry that most freezers and refrigerator-freezer combinations now on the market are equipped with doors that can be opened easily from the inside as required by the standard for refrigerators published by the Secretary of Commerce on August 1, 1957 (22 F.R. 6058; 15 C.F.R. 260) pursuant to Public Law 84–930. A recent survey conducted by the National Bureau of Standards concerning the forces required to open the doors of home freezers and refrigerator-freezer combinations now being sold indicated widespread voluntary compliance with the existing standard. Of 187 refrigerator-freezer combinations tested, only 10 of the freezer compartment doors required opening forces greater than 15 pounds, which is the maximum permissible force established for refrigerator doors by the standard issued pursuant to Public Law 84–930. Among the 50 upright freezers tested, 8 required opening forces greater than 15 pounds. All of the chest type (horizontal) freezers were found to contain counter balancing mechanisms for the lids, but 3 of the 20 checked required forces in excess of 15 pounds to open.

As these figures indicate, the extent of voluntary compliance by makers of home freezers and combination units with the safety standard for refrigerators published under the present law has been remarkably good. However, not all units comply and there is no statutory requirement that they do so. The proposed amendment to Public Law 84–930 would give the Secretary of Commerce authority to require that all such freezers and refrigerator-freezer combinations comply with the standard concerning the opening force on doors now voluntarily observed by the makers of most such units.

In addition, the proposed amendment would authorize the Secretary of Commerce to require additional and different forms of safeguards against entrapment in refrigerators, as well as freezers or combination units, should he determine that a need for such protection exists. As presently stated, the law provides only for devices to permit refrigerators to be opened easily from the inside. This, of course, assumes that the entrapped child will make a positive effort to free himself, which unfortunately may not always be the case. During tests conducted at the National Bureau of Standards in 1956, a small but significant number of the younger children studied made little or no effort to free themselves from a mock refrigerator enclosure. If they behaved similarly during a prolonged period in a real refrigerator or freezer (even one complying with current standards) they could suffocate.

It may be, therefore, that more effective protection against entrapment would be afforded through devices to prevent unintentional closure of a refrigerator or freezer compartment of a unit not in service, that is, not connected to an electrical power source. Such a safeguard might be particularly appropriate in the case of refrigerator-freezer combinations that utilize a drawer type freezing compartment. The technical difficulties of devising a drawer that can easily be opened from the inside may be far greater than devising means to prevent accidental closure of the drawer of a unit not in service.

Standards providing for this sort of solution to the entrapment problem are not authorized under the present Act. However, the proposed amendment would enable the Secretary to establish any reasonable and technologically practicable standard or amendment thereto needed to protect against unreasonable risk of entrapment. The proposed legislation also provides that the administrative procedural requirements set out in sections 551 through 559 of title 5, United States Code, would apply to the issuance of all standards or amendments issued by the Secretary under section 3 of the Act. This would provide adequate opportunity for all affected parties to express their views with respect to proposed standards or amendments issued by the Secretary under that section.

Unfortunately, data concerning the number and nature of child entrapments that have occurred in recent years are not adequate to permit a reliable assessment of the extent of the hazard that may remain. It is known that at least 31 children lost their lives in this manner during 1966, the last year for which records are available. Since there have been no reports of entrapments in refrigerators that comply with the present standard, it would appear that these recent accidents continue to occur primarily in refrigerators manufactured prior to 1958 when the standard took effect. In short, we are still suffering as a result of the massive supply of hazardous units produced before the problem was fully recognized in 1956.

Fortunately, due to the excellent voluntary action of the appliance industry, the number of possibly hazardous home freezers and refrigerator-freezer combinations that may exist today is believed to be relatively small. However, in view of the increasing use of these units and the improved technology now available to deal with the special problems posed by freezers, it is believed that the Secretary should be given the authority to require full compliance with the most effective and practical safety standards that can be devised to protect the children of the future.

S. 3205 and S. 3206—INTRODUCTION OF BILLS RELATING TO THE SMITHSONIAN INSTITUTION

Mr. FULBRIGHT. Mr. President, at the request of the Board of Regents of the Smithsonian Institution, I introduce today for myself, the Senator from New Mexico (Mr. ANDERSON), and the Senator from Pennsylvania (Mr. SCOTT), two bills relating to the Smithsonian Institution. I ask that they be appropriately referred.

One bill is to authorize the construction of pavilions as additions to the National Museum of History and Technology for the Smithsonian Institution, including the preparation of plans and specifications and all other work incidental thereto.

The other bill is to appropriate a site for a museum of man for the Smithsonian Institution.

I ask unanimous consent that these bills be printed in the RECORD, together with statements of justification.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the bills and statements of justification will be printed in the RECORD.

The bill (S. 3205) to authorize the construction of pavilions as additions to the National Museum of History and

Technology for the Smithsonian Institution, including the preparation of plans and specifications and all other work incidental thereto, introduced by Mr. FULBRIGHT, by request, for himself and other Senators, was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

S. 3205

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Regents of the Smithsonian Institution are hereby authorized and directed to have prepared drawings and specifications for and to construct suitable pavilions as additions to the National Museum of History and Technology Building at Fourteenth Street and Constitution Avenue Northwest, Washington, District of Columbia (with requisite equipment) for the use of the Smithsonian Institution, to be used for special exhibits in support of the Bicentennial of the American Revolution and thereafter for the use of the Smithsonian Institution, at a cost not to exceed $6,000,000.

SEC. 2. That the preparation of said drawings and specifications, the design and erection of the building, and all work incidental thereto may be placed under the supervision of the Administrator of the General Services Administration in the discretion of the Board of Regents.

SEC. 3. That there are hereby authorized to be appropriated to the Smithsonian Institution such sums, not to exceed $6,000,000 as may be necessary to carry out the provisions of this Act: *Provided,* That appropriations for this purpose, except such part as may be necessary for the incidental expenses of the Regents of the Smithsonian Institution in connection with this project, may be transferred to the General Services Administration for the performance of the work: *Provided further,* That when so specified in the pertinent appropriation act, that amounts appropriate under this authorization are available without fiscal year limitation.

The material presented by Mr. FULBRIGHT is as follows:

JUSTIFICATION

The National Museum of History and Technology (NMHT) is the center of historic research and education at the Smithsonian. It is fitting, therefore, that the Institution's observance of the Nation's Bicentennial in 1976 should be focused principally upon this Museum.

Yet this Museum, which has far surpassed all expectations in its popularity and in demands upon its resources, is already inadequate to accommodate the increased numbers of visitors and to display to best advantage its historic resources. Unless action is taken immediately to fit the Museum for its role in the Bicentennial, the Museum may prove unable to make the contribution the occasion demands.

INCREASED VISITORS, LIMITED SPACE

The number of visitors to NMHT is increasing steadily, even without the Bicentennial. In 1967, for example, the number of visitors to NMHT was nearly six million. The year 1976 will bring much larger numbers to the Mall and to the Museum.

Exhibit space in NMHT is already scarce. The historic collections are growing and special acquisitions of historic artifacts will be a part of the Museum's Bicentennial preparations. If the Museum is to fulfill its educational role, to make a coherent and comprehensive statement about the growth of the United States, it must now construct appropriate exhibit space.

To accommodate new permanent exhibits and to handle an unprecedented influx of Bicentennial visitors, the Smithsonian Institution proposed that two Bicentennial pavilions be added to the Museum of History and Technology.

THE BICENTENNIAL PAVILIONS

The Bicentennial Pavilions will bcome the focus of a great effort of research to interpret the first 200 years of the United States. Long after 1976, they will be the scene of important educational presentations revealing the special international nature of America's history.

As proposed, the two Pavilions will, with the present museum, provide a three-part complex in the National Museum of History and Technology.

THE FIRST PAVILION

The first pavilion, "A Nation From the Nations," will present the people who have settled America: their contributions, their trials, and their character. The theme would be the distinctive immigrant experience of each period of American history and of each part of the country.

Topical exhibits would illuminate the rise of American civilization, emphasizing the contributions of all the different ethnic groups: political institutions and law influenced by other nations; technology, from English factory organizations to Dutch diamond cutting; the scientific, agricultural and mathematical contributions of the Germans, Danish, Swiss and Italians, and the many contributions of various peoples to American religion, art, architecture, education, science, sports and other fields.

THE SECOND PAVILION

The present Museum will continue to show the achievements of America: what the American people have accomplished together, from folk art to physics to human rights.

The second pavilion will provide the final phase of the Museum's Bicentennial presentation: "A Nation to the Nations." Its goal: to trace the influence of America on the world: the shaping power of our thought, industry and politics upon the world.

A final segment of this pavilion, entitled "Toward World Community," will show how Americans and their ideas of cooperation have helped shape and cement a world community.

A SCHOLARLY EFFORT

It should be noted that the Bicentennial Pavilions promise not only an effort in bricks and mortar, but a focal point for new and important scholarly activity.

As Secretary Ripley has said:

"We have failed to give the true historical picture, to describe the whole panorama of our cultures. Young people representing Negroes, Indians, Spanish, Chinese, Japanese and other subcultures are nct given the evidence that they are part of the stream of history of the United States with a noble past, a vital present, and an unlimited future. If our Institution is to play a valid role in the Bicentennial of the American Revolution in 1976, we should be prepared to correct what is in effect a series of oversights in history, the history of our country and of the multiplicity of our people."

To this end, the Pavilion project will call upon many of the nation's greatest scholars as consultants. The Smithsonian hopes that such eminent social historians as Oscar Handlin, Samuel Eliot Morison, John Hope Franklin, Oscar Lewis, Richard Hofstadter, and others, will contribute to the Bicentennial Pavilion effort.

The paucity of scholarship both in immigration-history and in the history of American influence abroad gives us the opportunity to promote a deeper and wider discovery and understanding of our role in the world.

At a time when our nation is preoccupied with its internal divisions, when we are tempted to identify "minority" status with poverty and inequality, the Pavilions will channel our concern into a broad humanistic pride. They will remind all Americans that our "minorities" are the symbol of our peculiar strength and of our ties to all mankind.

COST

Each pavilion will provide approximately 25,000 square feet of additional floor space. Design, construction, site improvements and completion of interior furnishings are estimated to cost $6,000,000.

The bill (S. 3206) to appropriate a site for a museum of man for the Smithsonian Institution, introduced by Mr. FULBRIGHT, by request, for himself and other Senators, was received, read twice by its title, referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

S. 3206

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the portion of the Mall bounded by Third Street, Maryland Avenue, Fourth Street and Jefferson Drive, in the District of Columbia, is hereby appropriated to the Smithsonian Institution as the permanent site for a museum building. Subject to further authorization for design and construction, the museum shall be known as the National Museum of Man, and shall be under the administration of the Board of Regents of the Smithsonian Institution.

The material presented by Mr. FULBRIGHT, is as follows:

JUSTIFICATION

Long standing policies guiding the development of the Mall have restricted land use to museums, galleries and other similar uses. With construction of an addition to the National Gallery of Art on the square bounded by 3rd Street, Madison Drive, 4th Street and Pennsylvania Avenue, the north side of the Mall becomes fully committed to use. Attention is now directed to the south side and the panel bounded by 3rd Street, Maryland Avenue, 4th Street and Jefferson Drive. To insure that this last square is used for public purposes, legislation is proposed to have it appropriated to the Smithsonian Institution for museum purposes, without cost to the Institution.

An exchange of correspondence in February 1969 with the Chairman of the National Capital Planning Commission confirmed their view that the site should be used for museum purposes.

A new building will be constructed on the site to house the National Museum of Man. The availability of an appropriate and properly designed building will permit removal of the sciences of man from the Museum of Natural History and for the first time put in a single worldwide context all studies and exhibits of cultures and peoples from the earliest time to the present. The Museum of Man will coordinate and carry out programs involving research, education and service in facilitating the study of man in a comprehensive and scholarly manner.

Since 1879 the Smithsonian's Bureau of American Ethnology has been gathering, recording and publishing information on the American Indians and natives of lands under the jurisdiction of the United States—their languages, material culture, history, social and religious organization and mythology. The initial researches of the Bureau were studies of the language and culture of the existing Indian tribes; but within a few years, the study of prehistoric Indian remains also was undertaken with Congressional approval. Nearly 300 publications devoted to American Indian linguistics, ethnology, and archaeology constitute the Bureau's tangible record of the achievement in the study of the original inhabitants of America.

The Bureau of American Ethnology was later expanded to the Office of Anthropology encompassing more comprehensive studies in the science of man. In 1968 the Center for the Study of Man was established to assure responsibility for the operation and development of the research components of the Office of Anthropology and to concentrate on areas of urgent anthropology because of many of the unique characteristics that distinguish various cultures and subcultures are being destroyed by the spread of mass media, rapid transportation, greater literacy, and the general mobility of groups in our civilization.

With the restructuring and redefining of anthropological programs, to meet the urgent demand for knowledge concerning man's intersocietal relationships, the Smithsonian has established the National Museum of Man by the consolidation of the Office of Anthropology of the National Museum of Natural History and the Center for the Study of Man. Thus the foundation is laid for a major new museum to carry on work started in 1879 and to provide a base for study and education for the future.

The proposed site will, within zoning requirements and good planning standards, permit construction of a building containing approximately 350,000 square feet of floor space.

The proposed legislation reserves the site for museum purposes. Since the land is now in Federal ownership, there will be no cost to the Smithsonian. Future legislation will be proposed, at some appropriate time, to authorize design and construction as national policies may permit.

S. 3207—INTRODUCTION OF A BILL RELATING TO THE LIABILITIES OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION TO THE UNITED STATES

Mr. SPARKMAN. Mr. President, I am introducing a bill for myself and Mr. BENNETT, relating to the liabilities of the Federal National Mortgage Association to the United States. The preferred stock of Federal National Mortgage Association, all of which was held by the Secretary of the Treasury, was retired on September 30, 1968. At that time FNMA was required by section 303(a) to "pay to the Secretary of the Treasury for covering into miscellaneous receipts an amount equal to that part of the general surplus and reserves of the corporation—other than reserves established to provide for any depreciation in value of its assets, including mortgages—which shall be deemed to have been earned through the use of the capital represented by the shares held by him from time to time." That part of the general surplus and reserves of the corporation deemed to have been earned through the use of preferred stock and carried on the books of the corporation as representing the earnings attributable to the portion of the capital supplied by the United States, approximated $52 million. At the time payment of this amount was due to be paid to the United States, FNMA asserted a claim against it based upon a contention by its counsel that it should establish a reserve for depreciation in the value of its mortgages which would wipe out its entire surplus and leave nothing to be paid to the United States. Pending resolution of the issue the $52 million was placed in a special status account in the Treasury, subject to withdrawal upon the joint order of the Secretary of the Treasury and the corporation.

Subsequently, on December 12, 1968, after the preferred stock had been retired and after FNMA ceased to be a Government corporation, its board of directors attempted retroactively to transfer all its surplus to an account called "surplus reserves." The resolution stated that instead of the board endeavoring to resolve legal questions or ambiguities, it would be more appropriate that such legal questions or ambiguities be resolved either by clarification from the Congress or by authoritative interpretation from the courts.

Shortly before its becoming a private corporation, FNMA had changed its accounting procedures in such a way as to reduce its surplus and the tax equivalent payments made to the Treasury by approximately $16 million. This change in accounting procedures was disallowed by the Treasury Department so that the total indebtedness of FNMA to the Treasury now exceeds $68 million.

After several consultations between counsel for the Treasury and counsel for the corporation, it was concluded by the Treasury that there is no alternative but to bring suit against the corporation to recover the amounts due. Before suit could be brought, however, the president of the corporation indicated a willingness on the part of the corporation to pay the full amount due but, because of an alleged concern over possible potential liabilities of officers and directors of the corporation, he requested that Treasury Department sponsor legislation. The Treasury Department agreed to this approach but made clear that if legislation is not enacted it sees no alternative but to pursue the matter in the courts.

I ask unanimous consent that two letters relating to the bill I am introducing be printed in the RECORD.

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

The bill (S. 3207) relating to the liabilities of the Federal National Mortgage Association to the United States, introduced by Mr. SPARKMAN (for himself and Mr. BENNETT), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The letters, presented by Mr. SPARKMAN, are as follows:

THE GENERAL COUNSEL OF THE TREASURY,
Washington, D.C.

Hon. JOHN SPARKMAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SPARKMAN: Pursuant to the discussion which Jim Smith and I had with you a few days ago, I am enclosing copies of legislation which we propose be enacted in order to finally settle the dispute between the Federal National Mortgage Association and the United States Treasury.

Agreement has been reached between Counsel for the Treasury and FNMA concerning the settlement of this dispute and the proposed legislation would accomplish its final resolution.

I am also enclosing a brief memorandum giving the factual background, and copies of correspondence which I have had with the President of FNMA.

Sincerely yours,

PAUL W. EGGERS.

THE GENERAL COUNSEL OF THE TREASURY,
Washington, D.C.

Mr. RAYMOND H. LAPIN,
President, Federal National Mortgage Association,
Washington, D.C.

DEAR MR. LAPIN: This is to confirm our understanding concerning the submission of legislation pertaining to the liabilities of Federal National Mortgage Associaton to the United States.

As you know, the Corporation became liable to the United States on September 30, 1968, in an amount in excess of $52 million representing earnings attributable to capital provided by the United States. Tax equivalent payments in excess of $16 million are also due to the United States. $52,190,693 was paid to the Treasury on September 30, 1968, but at your request it was placed in a special status subject to withdrawal on the joint order of the Treasury Department and the Corporation. You have specifically declined to agree to the withdrawal of this sum from the special status account for payment into miscellaneous receipts of the United States.

At the meeting in my office on May 13, 1969, you indicated a willingness on the part of the Corporation to pay these sums to the United States, but expressed concern over possible potential liability of officers and directors of the Corporation to its shareholders for doing so. Because of this concern, you requested that the Treasury Department sponsor legislation to specify the amounts due the United States and to protect the officers and directors of the Corporation against liability.

While we are satisfied that there is no necessity for such legislation, and while we are certain that the officers and directors of the Corporation would incur no liability because of paying its just obligations, as an accommodation to you and in order to avoid the necessity for litigation I advised you on May 14, 1969, that the Treasury Department would be amenable to legislation as suggested by you. This was done with the understanding that should legislation be enacted the Corporation will promptly pay the sums due the United States. In no way, however, should our acquiescence in your request be regarded as indicating any uncertainty as to the legal liability of the Corporation to the United States, nor as derogating from our legal position should litigation become necessary.

Sincerely yours,

PAUL W. EGGERS.

FEDERAL NATIONAL MORTGAGE ASSOCIATION,
Washington, D.C., June 11, 1969.

PAUL W. EGGERS, Esq.,
General Counsel, Department of the Treasury, Washington, D.C.

DEAR MR. EGGERS: This letter relates to your letter to me dated May 29, 1969, concerning our mutual interest in the authoritative and final disposition of various issues referred to in your letter.

It is our mutual desire that all legal, tax, tax equivalent, accounting, and other uncertainties preceding or arising from the transition of FNMA effected on September 1, 1968, pursuant to Public Law 90–448, and expressly including such problems as are incidental or related in time to the final retirement of all outstanding FNMA preferred stock on September 30, 1968, be resolved by clarifying legislation. For your convenient reference, a copy of the draft legislative provisions that were recently discussed between Mr. Englert and our representatives is attached.

We acknowledge that your participation in this matter does not indicate any uncertainty on your part as to the fact and extent of the liability of the corporation to the Secretary of the Treasury, nor does it derogate from your legal position should litigation become necessary.

I am sure that you likewise understand that our participation in this matter is not to be construed as an admission, nor should it be considered as derogating from the positions of the corporation, as determined by our Board of Directors, with respect to the matters in issue between the Treasury and the corporation.

All of us will, of course, cooperate in every possible respect with you and other Treasury representatives to seek prompt passage of legislation required to resolve these issues.

Sincerely,

RAYMOND H. LAPIN,
President.

ADDITIONAL COSPONSORS OF BILLS

S. 2312

Mr. CASE. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from Texas (Mr. YARBOROUGH) be added as a cosponsor to S. 2312, to establish a Department of Conservation and the Environment.

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

S. 3163

Mr. GRIFFIN. Mr. President, on behalf of the Senator from Arizona (Mr. FANNIN) I ask unanimous consent that at its next printing the names of the Senator from North Dakota (Mr. BURDICK), the Senator from Nevada (Mr. CANNON), the Senator from North Carolina (Mr. ERVIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Oregon (Mr. HATFIELD), the Senator from Florida (Mr. HOLLAND), the Senator from Idaho (Mr. JORDAN), the Senator from Montana (Mr. MANSFIELD), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Texas (Mr. TOWER) be added as cosponsors to S. 3163, to provide for a White House Conference on Indian Affairs.

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

ADDITIONAL COSPONSOR OF A RESOLUTION

S. RES. 292

Mr. GRAVEL. Mr. President, I ask unanimous consent that, at the next printing, my name be added as a cosponsor of Senate Resolution 292, to express the sense of the Senate with respect to troop deployment in Europe.

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

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, December 4, 1969, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 564. An act for the relief of Mrs. Irene O. Queja;

S. 2019. An act for the relief of Dug Foo Wong;

S. 2185. An act to authorize a Federal contribution for the effectuation of a transit development program for the National Capital region, and to further the objectives of the National Capital Transportation Act of 1965 (79 Stat. 663) and Public Law 89-774 (80 Stat. 1324); and

S.J. Res. 143. Joint resolution extending the duration of copyright protection in certain cases.

TAX REFORM ACT OF 1969—AMENDMENTS

AMENDMENT NO. 351

Mr. YARBOROUGH submitted an amendment, intended to be proposed by him, to the bill (H.R. 13270) to reform the income tax laws, which was ordered to lie on the table and to be printed.

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

AMENDMENT NO. 352

Mr. BELLMON submitted an amendment, intended to be proposed by him, to H.R. 13270, supra, which was ordered to lie on the table and to be printed.

(The remarks of Mr. BELLMON when he submitted the amendment appear later in the RECORD under the appropriate heading.)

AMENDMENT NO. 353

Mr. McCARTHY (for himself and Mr. RIBICOFF) submitted an amendment, intended to be proposed by them, jointly, to H.R. 13270, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 354

Mr. RIBICOFF (for himself and Mr. CURTIS) submitted amendments, intended to be proposed by them, jointly, to H.R. 13270, supra, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 355

Mr. JAVITS submitted an amendment, intended to be proposed by him, to H.R. 13270, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 356

Mr. GORE (for himself, Mr. CRANSTON, Mr. MONDALE, Mr. MONTOYA, and Mr. YARBOROUGH) submitted an amendment, intended to be proposed by them, jointly, to H.R. 13270, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 357

Mr. HOLLINGS submitted an amendment, intended to be proposed by him, to H.R. 13270, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 358

Mr. SPARKMAN. Mr. President, the amendment I am submitting for myself, Senator BAKER and Senator ALLEN is consistent with the action taken by Congress last year in assuring tax exempt status for municipal industrial revenue bonds. Unfortunately, the effect of the congressional action last year has been impaired because of an administrative ruling of the Securities and Exchange Commission that the interests upon which these bonds are issued be registered in accordance with SEC regulations. This registration is time consuming and prohibitively expensive. It is estimated that the expense would amount for a typical small issue to a range of $50,000 to $75,000 in legal, auditing, and printing costs along with a deadly delay of 4 to 6 months.

In 1968 the Senate curtailed large issues and firmly fixed a ceiling of $1 million or, under special circumstances, $5 million for any one company in any county. This was designed to stop large corporate issues from escaping tax payment.

It was designed, however, to permit the smaller issues to continue and to be considered on the same basis as regular municipal general obligation bonds. The Congress recognized the public interest which these smaller issues serve. My amendment makes meaningful this congressional intent.

Alabama has had its law permitting industrial revenue bonds since 1949. Millions of dollars of the bonds have been sold during this period. I am informed that there is no record available of anyone who has lost any money or suffered economic injury during this 20-year period. At the same time, many lives have been bettered, jobs have been created, and the general economic status of the community has been enhanced. I am confident that a similar statement could be made of other States throughout the Nation. I urge the adoption of my amendment.

AMENDMENT NO. 359

Mr. MILLER (for himself and Mr. METCALF) submitted amendments, intended to be proposed by them, jointly, to H.R. 13270, supra, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 360

Mr. ERVIN submitted amendments, intended to be proposed by him, to H.R. 13270, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 361

Mr. SCOTT submitted amendments, intended to be proposed by him, to H.R. 13270, supra, which were ordered to lie on the table and to be printed.

AMENDMENTS NOS. 362 AND 363

Mr. SPARKMAN (for himself and Mr. McCARTHY) submitted two amendments, intended to be proposed by them, jointly, to H.R. 13270, supra, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 364

Mr. McCARTHY (for himself and Mr. CRANSTON) submitted an amendment, intended to be proposed by them, jointly, to H.R. 13270, supra, which was ordered to lie on the table and to be printed.

AMENDMENTS NOS. 365 AND 366

Mr. SPARKMAN submitted two amendments, intended to be proposed by him, to H.R. 13270, supra, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 367

Mr. LONG (for himself, Mr. RIBICOFF, Mr. MANSFIELD, Mr. PASTORE, Mr. GORE, Mr. MONTOYA, Mr. CANNON, Mr. MAGNUSON, Mr. ALLEN, Mr. CRANSTON, Mr. McGOVERN, Mr. YOUNG of Ohio, Mr. WILLIAMS of New Jersey, Mr. HUGHES, Mr. BURDICK, Mr. BYRD of West Virginia, and Mr. McINTYRE) submitted an amendment, intended to be proposed by them, jointly, to H.R. 13270, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 368

Mr. KENNEDY (for himself, Mr. CANNON, Mr. HART, Mr. MCGOVERN, Mr. METCALF, and Mr. YOUNG of Ohio) submitted an amendment, intended to be proposed by them, jointly, to H.R. 13270, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 369

Mr. HARTKE submitted an amendment, intended to be proposed by him, to H.R. 13270, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 370

Mr. SPARKMAN. Mr. President, on behalf of myself and the Senator from Alabama (Mr. ALLEN), I submit an amendment, intended to be proposed by us, jointly, to House bill 13270. All of the issued and outstanding common stock—1,085 shares—of American Cast Iron Pipe Co.—"Acipco"—is owned by the trustees of the trust created by the codicil to the will of John J. Eagan, who died on March 30, 1924. The trustees, as provided in the codicil to the will, are the members of Acipco's board of management and board of operatives, all of whom are officers or employees of Acipco and none of whom are members of the Eagan family. The trust, which is commonly referred to as the Eagan Trust, is for the benefit of employees of Acipco and their families. The will provides, in essence, that income from the trust shall be used by the trustees to insure to the employees an income equivalent to a "living wage," to pay an income to any employee, or to the wife and minor children of any employee, at such times as the plant of Acipco may be shut down, or at such times as an employee through accident, sickness, or other unavoidable cause shall be unable to work, and to provide other benefits for employees and their families. The Eagan Trust has been held to be a charitable trust by both Federal and State courts in the cases of *Eagan* v. *Commissioner of Internal Revenue* (5th Cir., 1930), 43 F. 2d 881, and *Mrs. Susan Young Eagan and Marion M. Jackson, as Executors of the Last Will and Testament of John J. Eagan, Deceased,* v. *W. D. Moore, et al.* (No. 61106, Superior Ct. of Fulton County, Georgia, 1924). The trust is presently exempt from Federal income tax under section 501(c)(3), having received a ruling from the Commissioner of Internal Revenue by letter dated February 15, 1946, that it was exempt from Federal income tax under the provisions of section 101(6) of the Internal Revenue Code, the predecessor section of 501(c)(3).

The trust also bought from Acipco at par, and now holds $1,400,000 par value of 5 percent noncumulative preferred stock of Acipco. The common stock has a book value of approximately $40,000,000. The Eagan Trust has no assets other than the Acipco common and preferred stock and there have been no donations to the trust by anyone since Mr. Eagan died.

Acipco employs approximately 3,000 people directly at its plant and offices in Birmingham, Ala. Acipco's payroll in Birmingham will amount to over $25,000,000 this year. The company spends approximately $30,000,000 annually in the Birmingham area for raw materials, goods and services. In addition to wages and salaries Acipco provides very substantial fringe benefits for its employees and members of their families in the form of bonuses based on profits, medical services, pensions, and retirement benefits and group insurance. The effect of providing such benefits is to further the purposes of the trust. Each year Acipco retains a portion of its earnings—in 1968, $2,754,398—for general corporate purposes, principally to protect, preserve and maintain its facilities. Of course, Acipco pays income taxes on its net earnings on exactly the same basis as any other business corporation—in 1968, approximately $2,883,000 to the Federal and State governments—and all amounts paid by Acipco to its employees as wages or other compensation are fully taxable to the employees.

The definition of a "private foundation" contained in H.R. 13270, the Tax Reform Act of 1969, could be held to include the Eagan Trust. Other provisions of the act would, in effect, require "private foundations" to divest themselves of stock constituting in excess of 50 percent—20 percent in the House bill—of the stock of any corporation. In addition, under the act "private foundations" would be required to distribute all of their income currently and, in determining income, the act would impute income to the foundation of 5 percent of the fair market value of its assets.

As indicated above, the Eagan Trust owns all of the outstanding common stock of Acipco and $1,400,000 of preferred stock. Furthermore, the income of the Eagan Trust does not even approach 5 percent of the value of its assets, that is the value of the Acipco common and preferred stock or approximately $41,400,000. In view of the substantial fringe benefits provided by Acipco to its employees and their families as indicated above, the trustees, as owners of the Acipco stock, have requested the company from time to time to distribute to the trust as dividends only such amounts as have been reasonably required to carry out fully the purposes of the trust. In 1968 the trust received $42,000 in dividends which it used exclusively for purposes of the trust. The requirement for distribution of income not less than 5 percent of the value of assets of the trust would substantially eliminate the benefits that Acipco furnishes and seeks to furnish to its employees. If 5 percent of $41,400,000, which is $2,070,000, has to be distributed each year there would be no way to furnish substantial fringe benefits and to maintain the plant and operate the company. Any sales of stock to create funds for distribution would be impossible because of the provisions and purposes of the trust.

The effect of the provisions of the proposed act referred to above, if applied to the Eagan Trust, would be to require the trustees, in some fashion and probably only after litigation, to divest themselves of 50 percent—80 percent under the House bill—of the stock of Acipco, contrary to the terms of the will and probably ultimately to destroy the trust estate entirely by forcing the trust to distribute principal as imputed income. As to any amounts required to be so distributed beyond what is required for the charitable purposes of the trust, it is, of course, impossible to say to whom, for what purposes and with what effect amounts in excess of those required for the purposes of the trust would be distributed. There is certainly no reason to limit to 40 years the tax-free status of such a trust.

Application of the provisions of the proposed act to the Eagan Trust would not only result in little or no additional revenue to the Government, but would completely defeat the testator's benevolent, praiseworthy, and legitimate intent. It could well be disastrous to Acipco by forcing it to pay out as income greater amounts than would be prudent. It would without question materially adversely affect the employees of Acipco and members of their families by depriving them of the benefits of the trust.

Since tax avoidance is not in any manner involved in this trust, the bill should be amended to remove it from the definition of private foundations subject to new rules and taxes aimed at preventing abuses. Indeed, the Eagan Trust is probably unique in this country and is entitled on its merits to continue because of the social and charitable advantages that it affords to its beneficiaries and to the public.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

AMENDMENT NO. 371

Mr. JAVITS submitted an amendment, intended to be proposed by him, to House bill 13270, supra, which was ordered to lie on the table and to be printed.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 332

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from Oregon (Mr. HATFIELD) be added as a cosponsor to Amendment No. 332 of H.R. 13270, to authorize the use of tax exempt foundation funds for voter registration and voter education programs.

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

TAX REFORM ACT OF 1969

The PRESIDING OFFICER. The hour of 11:30 a.m. having arrived, the Chair lays before the Senate the unfinished business, which will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. H.R. 13270, the Tax Reform Act of 1969.

TRANSACTION OF ADDITIONAL ROUTINE MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that there be a brief period for the further transaction of routine morning business at this point.

The PRESIDING OFFICER. Will the

Senator state the time for the transaction of routine morning business?

Mr. BYRD of West Virginia. Not to extend beyond 15 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

WHITE HOUSE CONFERENCE ON FOOD, NUTRITION, AND HEALTH—REMARKS OF SENATOR MONDALE

Mr. KENNEDY. Mr. President, on this, the fourth day of December, we see the conclusion of the 3-day White House Conference on Food, Nutrition, and Health. Three thousand participants from all over the Nation were invited to take part in panel discussions and consultations about hunger, malnutrition, and the needs of the poor.

Experts familiar with every phase of nutritional needs and nutritional problems contributed to these sessions. Conference panels covered the most minute aspects of everything from evaluation of nutritional needs to food-delivery systems and nutrition education.

But there is no doubt that the most fundamental cry at that conference was made by the poor—those who are forced to go through life suffering food deprivation because they have no money to buy a full meal. They expressed, with full emotion, what it means to go day after day with that dull, gnawing pain that signals an empty stomach. They came here to Washington, along with all the others, to let us know that whatever is said about proteins, vitamins, hemoglobin, and iron levels and all the other jargon professionals use when they discuss nutrition—whatever may be said about all those things, there were people at that conference who know what must be done. They came here to make one and only one recommendation—feed the hungry now.

When Robert Kennedy returned from the Mississippi Delta in 1967 he said: "Just get some food down there."

That is what we need. Let us feed hungry Americans and let us feed them right away.

The Senator from Minnesota (Mr. MONDALE) spoke at that White House conference this afternoon, and he eloquently reviewed our Nation's sorrowful response to the needs of hungry people. He eloquently chronicled the way we have promised and flattered hungry Americans. But, we have continually failed to feed them.

Senator MONDALE properly cites the powerlessness of the poor as the real cause of hunger and deprivation. He clearly sees that because the poor have not been able to bring to bear the pressures and influences of their demands they have been doomed to continue to suffer.

I join with the Senator from Minnesota in his call for a declaration of a national emergency to set the needs of hungry Americans on top of all other national priorities.

Therefore, I am pleased to ask unanimous consent to have printed in the RECORD Senator MONDALE'S remarks before the conference this afternoon, in which he called for immediate action to eliminate hunger in America.

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

TEXT OF SENATOR WALTER F. MONDALE'S REMARKS TO THE WHITE HOUSE CONFERENCE ON FOOD, NUTRITION, AND HEALTH, DECEMBER 4, 1969

Senator McGovern sends his best wishes.

Since those doctors found hunger in Mississippi 2½ years ago, we have flattered America's hungry with a mammoth amount of publicity; surveys; reports; TV documentaries; Presidential messages; testimony; touring committees; and now, even a White House Conference.

We have flattered them with everything—except food.

Along with many of you, I have been privileged to be part of the liberal road show. It's quite a sight. Shriveled infants on the Navajo; blank-eyed, unlearning children in Nome; unbelievable proportions of anemia in a migrant community in Texas; a Florida migrant county with no food program at all, but with a death rate for nonwhite infants over six times the national average. Hunger everywhere—including a ghetto less than a mile from this hotel, where we saw children's lives being ruined by lack of food.

We set up a Nutrition Committee under the chairmanship of one of the truly remarkable leaders of our time, George McGovern. At latest count, our committee has heard over 6000 pages of testimony; 300 witnesses and traveled thousands of miles.

We weren't the first to look at hunger and deprivation—many of the poor remember visits by Eleanor Roosevelt, John Steinbeck, and others. Like them, we were shocked by what we saw; like them, we promised reform.

The case is now beyond dispute.

The problem is *not* that we lack facts about hunger and malnutrition—the problem is that we have lacked the will to eliminate it.

Our policies have not left us unscarred. For just as a war in Vietnam brutalizes *us* as well as the Vietnamese, so our willingness to permit hunger and deprivation in our land takes its toll on us as well. We might be able to live with our platitudes—but thank God, our children cannot. We may be losing them because we first lost our commitment to our professed ideals.

Many of your recommendations involve further nutrition studies and surveys, and, in exquisite detail, set forth a plan for an army of trained nutritionists to move among the poor and educate them. Undoubtedly, some of it is needed.

But I believe it would be far more valuable—we might even end hunger—if the education process were turned around and directed at ourselves, our society, to find out why in the name of heaven we have lost our capacity to respond quickly and adequately to starving Americans.

We would find, I believe, that the real cause of hunger and deprivation is the powerlessness of the poor, a powerlessness resulting from our desire to hold the poor in a guardian-ward relationship.

At times, our paternalism is benevolent. Often, it is abusive. But always it carries the self-seeking tone of wanting to do minor good works while preserving the power and the institutions of the dominant society. And in the end, those who are made dependent upon *our* continued interest and *our* voluntary sacrifices remain miserable and hungry.

Call the roll: Indians; Eskimos; migrants and farm workers; ghetto dwellers; the rural poor; millions of children who never have a chance; the elderly who are left alone or Americans confined to institutions of "care." These impoverished Americans, as Michael Harrington observed, "see life as a fate, an endless cycle from which there is no deliverance."

It is the powerlessness of the poor which results in the hunger we are discussing today—not ignorance or lack of will. I have never yet met a hungry person who liked it that way. But unlike us, they cannot do anything about it.

Until the poor have power—*political* power, *legal* power, and most of all *purchasing* power, they will stay poor and they will stay hungry.

I am convinced, in short, that poverty and hunger will not be eliminated until we tap the vast wisdom, understanding, loyalty, and pride of the poor. What an awful, unutterable waste not to realize that above all it is the poor themselves who know most about the details and the solution to their predicament!

But we must enjoy our paternalism. Why else do we fight so hard to preserve it? Why do we constantly attack those institutions attempting to afford the poor some control over their lives? Why the current effort to cripple foundations—an attack aimed primarily at foundations which are financing efforts to increase political participation by the poor and programs to make bureaucracies responsive to the needs of the poor? Why do we support efforts to destroy those same foundations which first exposed hunger in America and made this conference possible?

Why did the Senate adopt the Murphy Amendment—to turn over control of OEO's Legal Services Program to Governor Reagan and his colleagues? How many lawsuits against the government to feed the hungry will be brought by lawyers hired and directed by the Governor?

Perhaps this Conference should have tackled the real cause of hunger—powerlessness. You have squarely met the need for *purchasing* power in your income maintenance recommendations. But there are other types of power which could have been considered.

For example, why not endorse Cesar Chavez's attempts to organize the table grape growers—a first essential step in granting the same bargaining power to migrants and farm workers which nearly all other workers enjoy?

Why discuss the hunger of the Eskimo without mentioning the Alaska Native Claims Settlement Act—which would give the Alaskan native more hope, more pride, and more income from a fair share of oil properties than anything we could do here?

Why not recognize that if the Southern Black were permitted to participate fully and effectively in state and local government—in part, by extension of the Voting Rights Act—he could do more to help himself than we can.

Why is there no mention of one of the greatest sources of powerlessness in this country today—our government's policy permitting the thousands and thousands of desperate, impoverished, unskilled Mexicans daily crossing the borders of Texas and California, depressing working conditions, taking jobs, breaking strikes and refueling the cruelest and most destructive institution in America today—the migrant stream?

My point is perhaps most clearly evident in the case of the American Indian. For 130 years they have been the special responsibility—special wards—of the Federal government. We permit the average Indian family barely to exist on $1,500 a year—but if the annual budget of the BIA and related federal programs would be divided among the Indian people, the average Indian's family's income would rise to $6,500.

Instead, our first Americans are now indisputably the last. Of all Americans, they have been most dependent upon us for the longest. Our paternal policies have resulted in their breaking all records—of ill health, joblessness, school failure, alcoholism, suicide, and, yes, hunger. Yet the recommendations here did not call for Indian control of their schools or any basic remedies which would empower the Indian to do something to save himself.

But despite these omissions, your panel recommendations and the reports of your task forces *do* propose a clear program for an end to hunger in America.

Most important, the Conference has recognized the greatest single need of the hungry—money for an adequate diet.

Many of you have made the first priority of this program a national system of income maintenance—a recommendation which I strongly support. By offering economic power to the beneficiaries, income maintenance offers an answer to both the immediate problem of hunger and the more fundamental problem of powerlessness.

Cash income means far more than adequate nutrition. It conveys dignity and self-respect, which have no value and yet all value.

But let's not delude ourselves. $1,600 a year, with or without food stamps, does not constitute adequate income maintenance for a family of four. And we would compound our self-deception if we accept government statistics which assume that a family of four with an income of $3,600 is not poor.

We need a program that provides real—not token—income maintenance *and* that offers incentives—not threats—for meaningful employment. A combination of good jobs and income help without demeaning and unnecessary investigations would go far toward ending both poverty and paternalism.

Studies show that "the poor make better use of their investment dollar than the well-to-do," that they will spend the money they receive more wisely to meet their needs than we can. This income and employment program must be a central and crucial objective in our pursuit of a just America.

Because of distorted priorities—with which most of us do not agree—we cannot accomplish this goal overnight.

But children cannot go hungry while we seek to reverse our priorities. As you have pointed out, there are important measures which can and must be adopted immediately.

1st. I join with those who have urged the President to declare at once a National Emergency, and to harness all resources to eradicate hunger—just as he would deal with other kinds of national disasters. The President had a perfect opportunity to make such a declaration at this conference, I regret that he did not. If the President and the nation can move so fast and effectively to aid victims of hurricanes, surely we can respond similarly to the victims of hunger.

2nd. It is time to stop making vague commitments to end hunger. If "the time has come to end hunger," that time is now. Let that national commitment contain a national deadline—just as a deadline was set by President Kennedy and met one year early for landing a man on the moon!

3rd. The key threshold objective of those totally committed to ending hunger must be the passage and full funding of the McGovern-Javits Food Stamp program adopted by the Senate.

It is carefully designed to *assure* adequate food assistance to the estimated 5 million poorest of the poor, 1.3 million of whom have no cash income at all. It is among those desperate Americans that hunger often becomes starvation.

The Administration alternative would serve far fewer of these most desperately poor *if* it worked—and it won't work. It won't because it assumes that State and local governments will all participate and will all find and feed the hungry. There is no basis for that sunny expectation. Today, several years after local governments could have implemented food stamp programs, 5 states and over 300 counties do not have them at all, and most counties have only token programs, in fact, the average food stamp county reaches only 10% of the poor.

The Administration program, unlike the Senate measure, lacks a national responsibility to end hunger. That is the gimmick—the "rhetoric" of the Administration position. Unless some national officer is finally responsible for finding and feeding the hungry, they won't be found or fed.

The Senate bill, which now languishes in the House Agriculture Committee, was not a Democratic measure—it enjoyed wide bipartisan support. I therefore plead with the President, whose representatives lobbied against its passage in the Senate; and whose Secretary of Agriculture now lobbies against it in the House, to stand up and clearly support this essential measure to end family hunger among this nation's most desperately poor.

If after everything—including this conference—we cannot enlist the President's clear support for the Senate bill and assure its passage, then we can do nothing meaningful to eliminate hunger.

The President spoke about working within our system. But that system responds to leadership; we need his now.

4th. We must immediately pass your recommended Children's Emergency Food Service Program to bring nutritious lunches and breakfasts to the 5 million low income children not now receiving them. An adequate diet should come first, before textbooks. Textbooks are useless to hungry children.

The President has set a target of feeding every needy school child by next June. But his Administration is fighting that goal. His current budget assures that almost 5 million needy school children will remain unfed. And they have opposed a House-passed measure to increase that budget.

Nor has this Administration pursued a creative and meaningful program for early childhood pre-school nutrition, beginning with mothers during pregnancy. Our failure to do so now destroys millions of our young before they even enter school.

5th. We clearly need Congressional reform. Obviously, all blame does not rest with the Executive.

The first step must be the extension for at least one more year of the Senate's Select Committee on Nutrition and Human Needs. The Senate-adopted food stamp bill would not have been possible without the bipartisan push by this Committee. This Committee can help monitor passage of your recommendations.

In addition, legislative jurisdiction for *all* nutrition programs should rest in those Committees primarily concerned with human problems—the Labor and Public Welfare Committee in the Senate and the Education and Labor Committee in the House.

Now, where do we go from here? What happens to these recommendations? Do we simply await the Conference's final report and place it, perhaps, alongside the report of the Kerner Commission?

Or do we join in a call for an immediate end to hunger and malnutrition as the central and overriding goal of this Conference?

Your recommendations must be implemented. But that job requires pressure—*unrelenting public pressure.*

Our responsibility—your responsibility—does not end with this conference—it only begins. You represent most of America. With your constituencies and your concern, you are ideally suited to move both Congress and the President.

We know the stakes.

As Nick Kotz observed, we once resisted the conclusion of widespread hunger in our land. We said, "We don't know." But the most disturbing answer was, "We don't know because we have not looked: we have not looked because we feared what we would see; and we were afraid because seeing would indict us."

We knew that seeing it raised not only questions of hunger but questions about our society.

It is now too late to say "We don't know." We have looked. We have seen, and we stand indicted.

The only question that remains is what we mean by the Politics of Hunger.

Will the hungry continue to eat promises or will they eat food?

LACK OF UNIFORM DESEGREGATION IN PUBLIC SCHOOLS

Mr. SPARKMAN. Mr. President, in recent days, the distinguished Senator from Mississippi (Mr. STENNIS) has been doing some excellent work in connection with the lack of uniformity in insisting upon desegregation in public schools. Within the last few days, he has shown how wide is the practice of having dual school systems and an apparent disregard of desegregation of the public schools in the manner in which HEW has insisted upon for southern schools.

Certainly, there can be no justification for a different treatment in different sections of the country.

This point was discussed very clearly in an editorial published in the Mobile Press Register of November 16, 1969.

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

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

[From the Press Register, Nov. 16, 1969]

WHY PUT PRESSURE ON SOUTH ALONE?

"Government sources" not otherwise identified have been quoted by the Associated Press in Washington, D.C., to the effect that the Nixon administration "will apply new pressure on some 130 holdout southern school districts in a first positive response to the Supreme Court's desegregate at once mandate."

These same "sources" are quoted to the effect that the Nixon administration "will not demand faster action from the 109 Southern districts that already have signed up to desegregate next fall."

Politicians who specialize in ridiculing and harassing the South can be counted on to rejoice over the reported prospect of "new pressure" being put on "holdout" school districts in this region of the nation.

Assorted leftist radicals in general may be expected to join in the rejoicing, for they, too, are overflowing with prejudice against the South.

But if new so-called desegregation pressure is to be applied, why single out "holdout" school districts in the South when racial segregation is practiced so widely and conspicuously outside the South.

In the words of Sen. John Stennis of Mississippi, "If it is the law, it ought to apply

in Chicago the same as it does in Mississippi, Alabama, Arkansas or anywhere else."

And in the words of Sen. Russell B. Long of Louisiana, "It seems to be hard for everyone to understand that if it is the law, everyone should abide by it."

It is preposterous to claim that equity and justice can be found in persecuting the South while other regions have a field day in segregation and go scotfree.

From Sen. Clifford P. Hansen of the western state of Wyoming, this statement: "I see no reason or justification for applying a national law any more leniently or any more strenuously in one part of the country than in another."

Expressly pointing out that he was "not trying to imply that the Civil Rights Act is wrong or that it is right," Senator Hansen said: "It is the law and as part of this country it should apply uniformly throughout the country."

Anti-South politicians and anti-South radicals who rejoice over seeing the South singled out for persecution are a sorry sight to behold.

ROCKWALL, TEX., ROTARY CLUB FAVORS 100,000-ACRE BIG THICKET NATIONAL PARK

Mr. YARBOROUGH. Mr. President, the Rockwall Rotary Club of Rockwall, Tex., has adopted a resolution urging the establishment of a 100,000-acre Big Thicket National Park in southeast Texas. This distinguished organization, as well as many other conservation and civic groups throughout the country, recognize the danger posed by the bulldozer and chain saw to this unique and beautiful wilderness. At one time the Big Thicket covered over 3.5 million acres. Now 300,000 acres is all that remains of this natural wonderland.

Because of the richness and diversity of the plant life, the Big Thicket has immense scientific value. Every major American university has sent representatives to the Big Thicket to do research. Many of the plants that are found in the Big Thicket are useful in the treatment of cancer and heart disease.

The Big Thicket, also famous for the many species of rare wildlife that live there, has at least 300 species of birds, including the rare bald eagle, red-cockaded woodpecker, Bachman's sparrow, and the legendary ivory-billed woodpecker.

The Big Thicket is in danger of being lost forever. With each day that goes by, another 50 acres disappears. Unless action is taken soon on my bill, S. 4, we will lose the Big Thicket forever.

Mr. President, I ask unanimous consent that the resolution of the Rockwall Rotary Club be printed in the RECORD.

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

RESOLUTION OF ROCKWALL ROTARY CLUB, ROCKWALL, TEX., ON THE BIG THICKET NATIONAL AREA

Rockwall Rotary Club does hereby adopt the Policy Statement on The Big Thicket National Area, a copy of which is attached hereto and made a part hereof for all purposes, and urges the President of the United States, the Congress, the Department of the Interior, the U.S. Corps of Engineers (as to Dam B), and the appropriate state agencies (as to supplemental state and historic parks) to take appropriate action to implement this policy as soon as possible.

Rockwall Rotary Club, District 581,
FRANK A. ROBERTSON, *President.*
F. V. IRVIN, *Secretary.*
507 Crotty, Rockwall, Tex. 75087.

POLICY STATEMENT ON BIG THICKET NATIONAL AREA

We favor a Big Thicket National Park or area which would include not only the minimum of 35,500 acres proposed in the Preliminary Report by the National Park Service study team, but also the following modifications and additions:

1. Extend the Pine Island Bayou section southward and eastward down both sides of Pine Island Bayou to its confluence with the Neches River.

2. Extend the Neches Bottom Unit to cover a strip, a maximum of three miles, but not less than four hundred feet, wide on both sides of the Neches River from Highway 1746, just below Dam B, down to the confluence of Pine Island Bayou.

3. Extend the Beaumont Unit northward to include all the area between the LNVA Canal and the Neches.

4. Incorporate a Village Creek Unit, comprising a strip up to one mile wide where feasible, and no less than 400 feet wide on each side of Big Sandy-Village Creek from the proopsed Profile Unit down to the Neches confluence. Where ever residences have already been constructed, an effort should be made to reach agreement with the owners for scenic easements, limiting further development on such tracts and preserving the national environment. Pioneer architecture within these areas should also be preserved.

5. Incorporate a squarish area of at least 20,000 acres so that larger species such as black bear, puma and red wolf may survive there. An ideal area for this purpose would be the area southeast of Saratoga, surrounded by Highways 770, 326 and 105. Although there are pipeline crossings in this area, they do not destroy the ecosystem; therefore the National Park Service should revise its standards pertaining to such incumbrances, in this case, leaving them under scenic easement rules instead of acquiring them.

6. Connect the major units with corridors at least one-half mile wide, with a hiking trail along each corridor but without new public roads cutting any forest. A portion of Menard Creek would be good for one such corridor. The entire watershed of Rush Creek would be excellent for another.

Such additions would form a connected two-looped green belt of about 100,000 acres (there are more than 3 million acres in the overall Big Thicket area) through which wildlife and people could move along a continuous circle of more than 100 miles.

We recommend that the headquarters be in or near the line of the Profile Unit.

We are absolutely opposed to any trading or cession of any National Forest areas in the formation of the Big Thicket National Park or Monument.

In addition, but not as a part of the Big Thicket National Monument, we recommend: (a) the establishment of a National Wildlife Refuge comprising the lands of the U.S. Corps of Engineers around Dam B, (b) a state historical area encompassing communities of typical pioneer dwellings, farms, etc., such as that between Beech and Theuvenins Creeks off Road 1943 in Tyler County, and (c) other state parks to supplement the national reserve.

FELLOWSHIP OF CHRISTIAN ATHLETES

Mr. PERCY. Mr. President, I wish to commend the work of the Fellowship of Christian Athletes, Kansas City, Mo. With an idea begun in 1954, the Fellowship of Christian Athletes has now become a dynamic, interdenominational program directed toward athletes and all young people.

Recognizing that we live in a sports-oriented society, the Fellowship of Christian Athletes seeks to use the prominence of the athlete to inspire the youth of the Nation to meet the challenges and adventures of our times following Christian precepts.

The program has grown rapidly over the years, and today thousands of high school and college students have been reached through it. The program can well be described as a fellowship through which ordinary people help each other to become better men.

MAN AND HIS ENVIRONMENT

Mr. SPONG. Mr. President, modern man has come to realize that the quality of his life is proportional to the harmony he can achieve with his environment.

For centuries, man operated on the theory that his environment had an unlimited capacity to assimilate his wastes. Only within the past few years has he come to recognize that the costs of misusing the environment ultimately are unavoidable.

Ecological relationships are discussed in an enlightening article written by Lee Berton and published in the Wall Street Journal of Tuesday, December 2. The article will be of interest to every Senator. I ask unanimous consent that it be printed in the RECORD.

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

[From the Wall Street Journal, Dec. 2, 1969]

ECOLOGY AND PROBLEMS BEYOND POLLUTION

(By Lee Berton)

"U.S. cities are mining the productive soils of the prairies and dumping useful nutrients into places like New York harbor, where they are harmful, and the Hackensack Meadows in New Jersey, where they are useless."

That, says University of Pennsylvania Professor Ian McHarg, is perhaps the most pressing environmental problem uncovered in a just-completed five-year aerial and ground-level inventory of natural resources in the Delaware River Basin. Mr. McHarg is chairman of the department of landscape and architecture and regional planning at Penn, and the survey taken under his direction is one of the most extensive projects yet in the fledgling science of ecology, or the study of man's relationship with his total environment.

The problem of environment, ecologists stress, goes far beyond merely pollution, for all its current popularity in headlines and on television screens. For too long, they contend, man has thought merely of disposing of wastes, preferably in some innocuous way. But, Mr. McHarg declares, "burning garbage at incineration plants or burying it in landfill is stupid and senseless. All we get for our troubles are poisonous methane gas and poor foundations."

The real solution to waste management, the ecologists say, is to use sewage and other effluents wisely, so they benefit rather than damage the environment. By and large, wastes are fertilizers and foods needed by some organisms. Put in the right place they can be useful, but put in the wrong place they entirely upset the balance of the environment.

SEWER DISPOSAL DIFFICULTIES

The problem is particularly obvious, and particularly pressing, in the treatment and disposal of sewage. Current treatment depends heavily on aeration to kill harmful bacteria and remove offensive odors. The resulting effluent is released into lakes and streams.

The process breaks sewage down into its constituent compounds of phosphorous, nitrogen and the like. These compounds are food for many organisms, and releasing too much of them into water's stimulates a clogging overgrowth. The much publicized "pollution" of Lake Erie, for example, does not actually result from inherently noxious chemicals. Rather it comes from an overabundance of generally beneficial ones, stimulating an excessive plant growth that uses up so much of the available oxygen, fish can no longer survive.

John Cantlon, former president of the Ecological Society of America, says "We've got to plan our cities and rural areas so that waste management is one of the major elements, and we put in enough green space or swamp land to absorb our effluents through enrichment of the soil rather than pollution of our lakes and streams."

Ecologists generally support that opinion strongly. The principle is clear enough. Rather than run phosphates from sewage plants into Lake Erie, for example, spray them on green belts or forests surrounding cities, where more plant growth is needed. In working out the details, though, many projects remain only in the idea stage, and others serve mostly to suggest the difficulties and expense involved.

George M. Woodwell, a senior ecologist at Brookhaven National Laboratories in Upton, N.Y., suggests building small marshes and ponds as "great sinks for these nutrients." In these water bodies, Mr. Woodwell would harvest carp and rice, which he describes as excellent crops for absorbing sewage plant effluent. He has asked the Atomic Energy Commission for a grant of several million dollars to conduct a 10-year study of these "terrestial and aquatic swamps," which he describes as similar to Southeast Asia's "paddy-and-fish" irrigation systems.

A Lake Mendota near Madison, Wis., University of Wisconsin researchers have been removing aquatic plants with special harvesting equipment for the past three years. "Before the city of Madison stopped spewing its sewage into the lake three years ago, the waters became so thick with milfoil, a spruce-like underwater growth, that boats and canoes couldn't sail and fish and humans couldn't swim," recalls Arthur Hasler, director of the university's Laboratory of Limnology (the study of fresh inland waterways).

Professor Hasler says these aquatic plants are being cut up after harvesting and are being used for hog feed and compost. "But we are removing the plants coking up Mendota with only three machines, which is like using one lawnmower on all our city parks," he says. "We need at least 10 of these weed harvesters or we're simply making a gesture rather than a real effort." The harvesters, however, cost $40,000 each and the city of Madison and surrounding Dane County can't afford more than three, he adds.

Michigan State University in East Lansing began a project two years ago to absorb the sewage effluent from its 40,000 students without polluting nearby lakes. Researchers at the university's Institute of Water Research discovered that if they construct a system of connected ponds and small plots of woods and specific crops, they could absorb the nutrients in the effluent without upsetting the ecological balance of the landscape.

Marvin E. Stephenson, an associate professor working on the project, says five ponds and 200 acres of three-to-five acre plots of hardwoods or corn and alfalfa cover 450 acres. Pollution of the ponds decreases as each is drained into another and the final pond, which is five times the size of the other four, is clean enough for swimming. The first few ponds, which get the brunt of the sewage, are occasionally harvested of overgrowths of water weeds and plants.

Nutrients from the smaller ponds are used to fertilize small plots of land and each plot is being studied to see which plants or vegetables absorbs phosphates or nitrates quickest. The budget for the project is $1.4 million.

At present the project is infeasible for large cities. Professor Stephenson estimates that 350 square miles of ponds and plots would be needed to treat all New York City's effluent; the city itself covers only 320 square miles. "The land area needed to absorb without pollution the 15 billion gallons of treated sewage of the U.S. daily would encompass 3,500 square miles, or more than Rhode Island and Delaware together," he points out.

Some communities are diverting effluent from nearby lakes to distant irrigation reservoirs used by farmers. Professor Hasler is a consultant to the South Tahoe Public Utility District, which raised $9 million locally and received a $10 million Federal grant to pipe treated sewage over the mountains into California rather than into Lake Tahoe in Nevada. He recalls, "At first the farmers weren't too keen on using 'night soil' to fertilize their fields, but they've discovered it doesn't smell that bad and is much better than commercial chemicals."

USE THE OCEANS?

While methods of recycling nutrients into nature are being studied and perfected, some ecologists believe a useful stopgap would be dumping sewage far out into the oceans, well beyond the continental shelf. William Niering, a botany professor at Connecticut College in New London, suggests isolating sections of the oceans with plastic barriers for dumping contaminants. "We could create self-contained ponding areas that wouldn't spread sewage," he says, adding that the open ocean is now a "biological desert" that could absorb organic fertilizers without harmful pollution.

To promote better handling of wastes, David Gates, a St. Louis ecologist, has asked Congress to establish a National Institute of Ecology. He also recommends the creation of ecosystem analysis task forces, which would study certain geographical areas and try to save animal and plant species being eliminated by pollution or competing, less desirable species.

Ecologists concede that improving waste management will require huge spending. To manage the nation as an orderly ecosystem, Mr. Gates says, would be "like fighting a major war," and would cost billions of dollars. He adds that while this sounds expensive, so, a decade ago, did sending a man to the moon. "Attacking pollution is more important than space travel and we've got to abandon the notion we can't afford new ecosystems. We're poisoning our world and we can't afford not to spend the money as soon as possible."

Most ecologists are discouraged over whether such funds will become available, for they see the Federal Government as the only logical source. Total national expenditures for disposing of solid wastes, both public and private, now run about $4.5 billion a year. Robert Finch, Secretary of Health, Education and Welfare, concedes that these outlays "have simply not been effective in preserving or improving the quality of our landscape." But he told a Senate subcommittee recently that the Administration wants industry rather than Government to pay for coping with the nation's growing mountains of trash.

INADEQUATE AND UNSANITARY

Much of today's waste disposal, moreover, is inadequate even from the traditional standpoint of simple sanitation, let alone from the more modern perspectives of the ecologists Federal officials say that 75% of the country's municipal incinerators are "unsatisfactory from the standpoint of public health, efficiency or protection of natural resources."

Instances of pollution by noxious substances also remain a serious problem. White perch caught in Chesapeake Bay were found to contain organisms that could cause typhoid fever, dysentery and tuberculosis. Coho salmon caught in the Great Lakes were found to contain dangerously high levels of DDT.

It seems clear, though, that the ecologists' point that the old standards are not enough will demand more attention in the future. Whatever the level or source of funding for waste management, the problem will be not merely waste disposal but proper use of the resulting nutrients.

"If man continues to degrade his land by dumping nutrients into the wrong places," says Brookhaven Labs' Mr. Woodwell, "We'll eventually kill off all species of fish, fowl, birds and animals that we like, while species we don't like will survive." Crab grass, rats, crows and inedible fish will survive, he warns, "but eagles, pine trees and trout will disappear."

PROPOSED REPEAL OF EMERGENCY DETENTION ACT OF 1950

Mr. INOUYE. Mr. President, yesterday, the Department of Justice in a letter to Senator JAMES O. EASTLAND, chairman of the Senate Judiciary Committee, recommended the repeal of the Emergency Detention Act of 1950 as proposed in S. 1872, a bill I introduced on April 18 of this year with 25 other Senators. I welcomed this news and am delighted that the Justice Department has finally recognized the threat it poses to justice and constitutional rights of American citizens. I am particularly relieved by this decision in view of the rumors reported in our press that the Justice Department did not support title II's repeal.

With this additional support for the legislation by the Justice Department I am again urging the Judiciary Committee to schedule early consideration of S. 1872. In the letter to Senator JAMES O. EASTLAND, the Department of Justice recommended the "repeal of the Emergency Detention Act of 1950 as proposed in S. 1872." In view of this support and the support of many others for repeal of this statute, I am hopeful that my bill will be quickly considered and reported from the Judiciary Committee and that no other provisions or revisions of the Internal Security Act be attached to it. The need and justification for passage of S. 1872 has, I believe, been clearly established and the inclusion of other revisions in the Internal Security Act would defeat the singular purpose of my legislation.

The Justice Department goes on to state in supporting repeal of title II:

> It is quite clear that the continuation of the emergency detention act is extremely offensive to many Americans. In the judgment of this Department, the repeal of this legislation will allay these fears and suspicions—unfounded as they may be—of many of our citizens. This benefit outweighs any potential advantage which the Act may provide in a time of an internal security emergency.

As Mr. Kleindienst states, many Americans find the emergency detention provision frightful and this view confirms my receipt of many letters and other communications supporting my fight for the repeal of this law. As an example of the material I have received, I ask unanimous consent to have printed in the RECORD copies of resolutions I recently received supporting the repeal of title II that were adopted by the council of the city and county of Honolulu, Hawaii; council of the county of Maui, Hawaii; council of the city of Berkeley, Calif.; 120th convention of the Episcopal Diocese of California; Club 100, an organization of World War II veterans of 100th Battalion, 442d Regiment; and a petition signed by approximately 150 students of San Jose High School.

Unquestionably the existence of this law deeply concerns many Americans and, to forever allay the fears and rumors its existence has caused, I urged the Senate to take speedy and favorable action on S. 1872, the bill simply to repeal title II.

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

RESOLUTION OF THE CITY COUNCIL OF HONOLULU, HAWAII

Whereas, the Congress of the United States has heretofore adopted subtitle II of the Internal Security Act of 1950, commonly known as the Emergency Detention Act; and

Whereas, the said Emergency Detention Act authorizes detention of any person on the mere probability that he will engage in, or conspire with others to engage in acts of espionage or of sabotage during proclaimed periods of "Internal Security Emergency"; and

Whereas, the said Emergency Detention Act fails to provide for trial by jury, or even before a judge, substituting instead hearing before a departmental preliminary hearing officer and a detention review board; and

Whereas, the said detention procedures set forth in the said Emergency Detention Act, pose a serious threat to the Civil Rights of all Americans; now, therefore,

Be it resolved that the Council of the City and County of Honolulu strongly urge all members of the Congress of the United States to use their best efforts to have the said Emergency Detention Act repealed; and

Be it finally resolved that the Clerk be. and she is hereby directed to transmit copies of this resolution to: Governor John A. Burns; U.S. Senator Daniel K. Inouye; U.S. Senator Hiram L. Fong; U.S. Congressman Spark M. Matsunaga; U.S. Congresswoman Patsy T. Mink; Senator David McClung, President, State Senate; Representative Tadao Beppu, Speaker, State House of Representatives; Mr. Ray Okamura, JACL National Co-Chairman; Mr. Mike Masseka, JACL Washington Representative; Dr. Robert Suzuki, JACL Executive Liaison; Mr. A. A. Smyser, Editor, Honolulu Star Bulletin; Mr. George Chaplin, Editor, Honolulu Advertiser; Mr. Takeshi Fujikawa, Editor, Hawaii Hechi; Mr. Ryekin Toyehira, Editor, Hawaii Times; and Mayor Frank F. Fasi, City and County of Honolulu.

BEN F. KAITO.
CLESSON Y. CHIKASUYE.
WALTER M. HEEN.
BRIAN CASEY.
TORAKI MATSUMOTO.
HERMAN J. WEDEMEYER.
CHARLES M. CAMPBELL.

Date: November 4, 1969.
HONOLULU, HAWAII.

RESOLUTION OF THE COUNCIL MAUI COUNTY, HAWAII

Whereas, the Internal Security Act of 1950 passed by the Congress of the United States provides, among other things, for the detention of any person on the mere probability that he will engage in or conspire with others to engage in acts of espionage or of sabotage during proclaimed periods of "Internal Security Emergency"; and

Whereas, said act violates the civil rights of all Americans; now, therefore,

Be it resolved by the Council of the County of Maui that it does hereby respectfully request the Congress of the United States to forthwith take whatever action is necessary to repeal the Internal Security Act of 1950; and

Be it further resolved that certified copies of this resolution be transmitted to Senator Hiram L. Fong, to Senator Daniel K. Inouye, to Congressman Spark M. Matsunaga, and to Congresswoman Patsy T. Mink.

RESOLUTION OF THE CITY COUNCIL OF BERKELEY, CALIF.

(A resolution urging repeal of the Emergency Detention Act—subtitle II of the Internal Security Act of 1950—and expressing friendship and goodwill for the Japanese-American community)

Be it resolved by the Council of the City of Berkeley as follows:

Whereas, the Emergency Detention Act (Subtitle II of the Internal Security Act of 1950) provides that, during periods of "internal security emergency", any person who probably will engage in, or probably will conspire with others to "engage in, acts of espionage or sabotage" can be incarcerated in detention camps; and

Whereas, a person detained under the Emergency Detention Act will not be brought to trial under law, but instead will be judged by a Preliminary Hearing Officer and a Detention Review Board, wherein the detainee must prove his innocence but the government is not required to disclose evidence or produce witnesses to justify the detention; and

Whereas, said procedures violate all constitutional guarantees and protections, principles of democracy, and are unnecessary since existing laws and procedures are available and are completely adequate to safeguard internal security; and

Whereas, such a law has ominous implications for the racial ethnic communities because of past history with particular relation to the World War II detention experience of American citizens of Japanese ancestry, and because of its approach to justice in group rather than individual terms, contrary to the best American traditions.

Now, therefore, be it resolved that the Council of the City of Berkeley does hereby declare its opposition to the Emergency Detention Act, Subtitle II of the Internal Security Act of 1950, and urges its repeal.

Further, resolved, that the Council of the City of Berkeley does hereby express its sincere friendship and goodwill toward the Japanese-Americans in the City of Berkeley, in the State of California and in the United States of America, wishes them continuing prosperity and success and commends them for their unyielding faith in America and in their triumph over wartime adversities.

RESOLUTION OF DIOCESAN COUNCIL

(A resolution supporting repeal of title II, 1950 Internal Security Act—Emergency Detention Act of 1950)

Whereas the Internal Security Act of 1950 provides, in Title II, for the Emergency Detention, under circumstances declared by the President to be an "Internal Security Emergency", of persons believed likely to engage in or to conspire with others to engage in acts of treason or of espionage, and

Whereas this type of detention without a hearing is contrary to the legal principles of constitutional government, and

Whereas the experience of this country with such a measure in the internment of Japanese-Americans in World War II produced results that were less than desirable, and

Whereas at the present time Senate and House bills supporting the Repeal of Title II (Emergency Detention Act of 1950) are pending in Congress, namely S. 1872 and H.R. 11825, now, therefore,

Be it resolved that the 120th Convention of the Episcopal Diocese of California support the Repeal of Title II (Emergency Detention Act of 1950), of the Internal Security Act of 1950, and

Be it further resolved that this Convention urge the people of the Diocese to write their legislators in support of the House and Senate bills (S. 1872 and H.R. 11825) to repeal the Emergency Detention Act of 1950.

RESOLUTION OF CLUB 100, AN INCORPORATED ASSOCIATION OF MEMBERS OF THE 100TH INFANTRY BATTALION

Whereas, Americans of Japanese ancestry, from previous experience in emergency detention, recognize the danger of Sub-Title II of the Internal Security Act of 1950 (Emergency Detention Act), to the civil rights of all Americans, and

Whereas, the Emergency Detention Act provides that, during periods of "Internal security emergency", any person who "*probably* will engage in, or probably will conspire with others to engage in, acts of espionage or of sabotage" can be incarcerated in detention camps, and

Whereas, a person detained under the Emergency Detention Act will not be brought to trial under law, but instead will be judged by a Preliminary Hearing Officer and a Detention Review Board, where the detainee must prove his innocence but the government is not required to furnish evidence or witnesses to justify the detention; Now therefore, be it

Resolved by the Club 100, an organization comprised of World War II veterans of the 100th Battalion, 442nd Regiment, that is hereby affirms it's opposition to Sub-Title II of the Internal Security Act of 1950 (Emergency Detention Act), and be it further

Resolved that in conformity with its opposition to said Sub-Title II of the Internal Security Act of 1950, that it hereby urges the members of the 91st Congress of the United States of America to repeal said Sub-Title II of the Internal Security Act of 1950, and be it finally

Resolved that duly certified copies of this resolution shall be forwarded to the following:

(1) The President of the United States
(2) Honorable Spiro T. Agnew, President of the Senate of the United States
(3) Honorable John W. McCormack, Speaker of the House of Representatives
(4) Senator Hiram L. Fong
(5) Senator Daniel K. Inouye
(6) Representative Spark M. Matsunaga
(7) Representative Patsy T. Mink

Date: September 10, 1969.
HONOLULU, HAWAII.

PETITION BY 150 STUDENTS AT SAN JOSE, CALIF., HIGH SCHOOL

DEAR SENATOR INOUYE: We understood that you have introduced a bill to repeal the Emergency Detention Act. (Title II of the Internal Security Act of 1950). We the undersigned support your legislation.

We are fully aware of the Title II which provides for the establishment of detention camps and the indiscriminate incarcera-

tion of citizens. We feel that there are adequate laws under which persons committing espionage, sabotage, and other criminal acts against the United States can be brought to justice under due process of law, which is a right due every American citizen by the Constitution of the United States.

There is reason to believe that certain government agencies or authorities are considering implementing the Emergency Detention Act as a means of quelling the forces of dissent in the country.

We do not want the injustice which prevailed in the 1940's to reappear.

PAUL HOFFMAN—DEDICATED WORLD SERVANT

Mr. PERCY. Mr. President, Paul Hoffman has dedicated a major portion of his life to helping other people to build a better life for themselves. First as Administrator of the Marshall plan, then as Managing Director of the United Nations Special Fund, and now as Administrator of the U.N. Development Program, Mr. Hoffman has fought, pleaded, and cajoled the more developed nations of the world to assist those that are less fortunate. Against great odds, he has succeeded. Not that the goals of worldwide development is here. But, he has managed to convince nations and peoples—developed and less developed—that the road to advancement and social well-being lies through the application of intelligence, commonsense, hard work, diligence, and a dedication to succeed. Paul Hoffman, I suspect, has managed to persevere in this endeavor because of his confidence that this approach, although not always the most dramatic, is the true road to success.

On November 13, Mr. Hoffman, in his capacity as Administrator of the U.N. Development Program, presented a most valuable report to the 24th session of the General Assembly on past development efforts and the requirements for future growth. I ask unanimous consent that his statement be printed in the RECORD immediately following my remarks.

This report outlines in excellent fashion: The need to view development from a total interdependence standpoint involving all sectors and aspects of society; the fact that each nation is different and must be approached on an individualized basis; the interrelationship of external assistance and internal resources, private investment, trade, and multinational contributions; and the continued applicability of older truths relating to the essential application of preinvestment surveys, education and training, science and technology, infrastructive development, and so forth.

More important than all these other factors, in my opinion, is the realization—ably presented by Mr. Hoffman—that we are all together in this development effort. The more we help others to develop, the greater our trade will be and, thereby, the wealth of our own Nation. Similarly, the more that free trade is permitted to exist, the better will be our ability to prosper and to help others. Most essential of all, we live together in a small world. If we are to save our world, and grow in material and moral wealth, we must work together and help our neighbors. Contrary to many spurious reports, we as taxpayers pay very little to help other nations. What we do contribute will come back to us multifold in peace, security, and material well-being.

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

STATEMENT BY PAUL G. HOFFMAN, ADMINISTRATOR OF THE UNITED NATIONS DEVELOPMENT PROGRAM TO THE 24TH SESSION OF THE GENERAL ASSEMBLY SECOND COMMITTEE, NOVEMBER 13, 1969

Mr. President, for more than ten years, I have had a privilege that comes to very few men. I have worked at a job I thoroughly enjoy; a job that is constantly changing, constantly challenging, sometimes frustrating but always rewarding—the job of administering an unprecedented partnership for helping to build a better world.

During these years, I have listened to and read what must total many hundreds of thousands of words on the subject of development. Honesty compels me to confess that I have written and spoken many thousands myself. One might think it difficult, then, to find anything new to say about the topic. In truth, we must all plead guilty to having repeatedly used, and some might feel *over*-used, the same facts and the same argumentation. This is not always so great a sin as it sounds. There are, after all, certain truths about development that not only bear repeating but demand it.

Perhaps the most important of these is the truth that the first development decade has been a decade of *successful achievement*. I know that this point of view is not universally accepted. But I also remember that in 1961, when the achievement of an economic growth rate of 5% by 1970 was set as a goal for the developing countries, it was regarded as over-optimistic. That growth rate has essentially been achieved. Furthermore, it is even slightly higher than the average growth rate achieved in the more advanced nations. There is, however, another side to this development story. The rate of population increase in developing countries has been about 2.5 per cent, so that the rate of growth of income per head has been held down to approximately 2.5 per cent. In the more advanced countries, where the annual population increase was considerably smaller, about 1.2 per cent, the growth rate of per capita incomes was close to 3.7 per cent. Clearly, most developing countries are faced with a population explosion which has a most serious impact on personal incomes.

The fact that the average economic growth rate for the developing countries has reached 5 per cent should not conceal the fact that in many countries it is still far too low. The average of 5 per cent resulted from substantial growth rates in a number of countries—ranging from 6 per cent to as high as 10 per cent. One significant fact about countries with very high growth rates is that in almost every case the flow of external resources to them was considerably higher than to those countries with much lower growth rates. With such strong evidence as to the efficacy of the impact of external resources we may well ask ourselves why they are not provided on a larger and wider scale.

There is more, however, to the success story of the 1960s than mere statistics. For example, there has been a remarkable change in the attitudes of officials in the developing countries. No longer is there any trace of the feeling that independence assures economic and social development. There is, rather, recognition of the fact that these goals can only be achieved by much hard work and sacrifice. There is recognition too that while external assistance has a vital role to play in the economic and social advancement of the low-income countries, it is at the same time a limited role. It cannot be overlooked that between 80 and 85 percent of the resources for development must come from within the developing countries themselves.

Mr. President, I would like to point out, too, that in the decade of the '60s there have also been some changes of attitude on the part of those of us who have had the responsibility for administering assistance programmes. While certain of our early beliefs have been strengthened, some, on the other hand, have undergone great change.

Looking backward, we did not fully take into account the inter-dependence of all economic and social sectors. For example, successful *industrial* development often cannot take place without development of the *agricultural* sector as well. For a country does not industrialize by building factories: markets must be built. And since farming remains by far the largest source of income and purchasing power for the people of developing countries, agricultural growth and increased farm productivity and incomes are indispensable to industrialization.

Both agricultural and industrial growth are clearly dependent in turn, on growth in transport, power production, education, training, public health facilities and a great many other factors. Indeed, this kind of inter-dependence permeates the whole fabric of the development process.

Nor did we fully take into account—in 1960—how important it was to plan a development programme that gave due regard to the different institutions, traditions, mores and values of the developing nations. We learned that there could not and should not be a standardized programme for modernization that would apply to every country. We learned, rather, that assistance should be so administered that it would help keep the world safe for diversity. One result of this change of thinking has been the decision to enlarge the field organization of the UNDP to the point where we now have 94 field offices. We are certain that only by having qualified representatives actually living in a country . . . only by their getting to know the people and the officials of that country and its economic and social environment at first hand . . . can sound decisions be made that will enable our assistance to help speed the development process.

We believed in 1960 that the underlying cause of much of the poverty and misery in the world was not due to lack of physical and human resources, but rather due to their underutilization. That belief has been strengthened. After ten years of experience we now know that there is an *unrealized* potential of not less than 80 per cent of the underdeveloped world's material resources and fully 90 per cent of its human resources.

Ten years ago, we believed that technical assistance should be augmented by large-scale pre-investment projects in order to stimulate or facilitate new capital investment for the development of natural resources. The decade of the '60s has validated this belief and the UNDP has assisted 70 pre-investment projects which have influenced, directly or otherwise, reported investment commitments of an estimated $3 billion.

Ten years ago, we were convinced that the natural resources of a country could be exploited successfully only if the people of the country were educated and trained to take advantage of the opportunities which presented themselves. The decade of the '60s has done nothing to shake this conviction and the UNDP has assisted in the establishment of 260 training institutions of various kinds which have provided both short and long-term instructional courses to more than

300,000 men and women in the low-income countries. Further, many existing educational and training institutions have been strengthened with UNDP help. And many thousands of counterparts are benefiting from on-the-job training being given by the more than 8,000 international experts working on UNDP-assisted projects throughout the developing world this year.

Ten years ago, we believed that the United Nations and its related agencies should be used as executing agencies for special fund-assisted projects, even though at that time their field experience had been largely limited to smaller technical assistance operations. Acting on that belief the UNDP governing council to date has approved 1,075 major pre-investment projects calling for total expenditures of over $2½ billion, of which almost $1½ billion are being supplied by the recipient countries themselves. I am pleased to report, moreover, that the performance of the executing agencies has become increasingly effective during the course of the decade of the '60s. Further, we are convinced that as a result of the forthcoming study of the United Nations system capacity, still greater efficiency, enlarged capabilities and steadily improved coordination will be achieved in the years immediately ahead.

Ten years ago, we had the hope that science and technology had much to contribute to the development process. Today we know with certainty that this contribution can be spectacular. In every area of technical assistance and pre-investment activity, advances in methodology and technology have already demonstrated their worth and, in addition, have held out the promise of even greater returns in the years to come. This is true in education and training, in industry, forestry, fishing, the development of water resources, public health, in petroleum and other mineral exploration, in meteorology and in the application of nuclear energy.

But the most significant and most dramatic advances have taken place in the agricultural sector. Here, the term "Green Revolution" is neither figurative nor fanciful, but based on present actuality. Some months ago, for example, I was privileged to participate in several days of meetings in Bellagio, Italy, attended by some of the leading agricultural scientists in the world. I came away convinced that the technology is available *now* to double world food production within the next 10 to 15 years. I was also persuaded that there is *in the making* the technology through which it will soon be possible to increase substantially the protein-content of cereals and legumes. The ability to add significant amounts of protein to basic foods would literally be a world-shaking event, for by conservative estimates, 300 million children betwen the ages of 2 and 5 now face lives of stunted physical and mental growth due to the present lack of protein in their diets.

In line with the UNDP's increasing confidence in the potential of scientific and technological advances in this area, we propose to extend our activities in basic research by assisting a project with potentially global effects. It will involve intensified research and training in the cultivation of improved strains of maize with high nutritional value, exceptional yield-potential, and strong disease-resistance. The fundamental objective of this project is to extend the use of these improved varieties throughout a large part of the underdeveloped world.

The evidence of spectacular technological progress that was provided by man's successful moon-landing is paying other dividends here on earth. One of the most exciting half-hours I have spent in months, for example, was with a man heading a company that employs several of the scientists involved in that recent space venture. Their specialty is photography. They claim to have developed a new method for "photographing" the earth-surface from high altitudes which will enable them to locate and identify geological structures where raw materials lying beneath the land or even under the seas might be found. This high-altitude reconnaissance, can reveal promising areas for follow-up exploration and may prove to be an important additional tool in the search for metallic minerals, petroleum, underground water—virtually an entire catalogue of untouched resources. Significantly, too, this process holds the promise of reducing the cost of many resource surveys and of cutting in half the time presently required.

Man's efforts in space are providing other benefits as well. Within three years, for example, the first man-made star of its kind will be relaying to the Indian sub-continent educational television programs as well as instruction on modern farming practices, disease prevention and birth control. In fact, the entire educational field is on the verge of its own revolution thanks to advances in computer techniques, audiovisual devices and improved teaching methods.

Applied research and technology have already, of course; many contributions to their credit. Among the results of work UNDP has supported in this area during the past decade, I might mention, just by way of illustration, such things as the discovery by the Indian Institute of Petroleum of a method for extracting from low-grade kerosene a substance highly valuable to the plastics and fibre industries . . . the development in Iran on a laboratory scale of a process for recovering up to 98 percent of the zinc oxide content of low-grade ores . . . and successful experiments in Yugoslavia with radiation—induced mutations in plant-breeding which have contributed to the development of high-yielding and disease-resistant strains of some important staple crops. These achievements were part of a successful beginning in the field of applied research and technology—a beginning that allows us to look forward to a significant increase in the pace of development progress in the '70s.

Mr. President, may I sum up this brief assessment of the first development decade by saying that, in my opinion, never in any ten years of human history has so much progress been made in the achievement of a better utilization of the material and human resources of this planet. And may I add, at the same time, that never before has it been so clear as to how much remains to be done to bring about more rapid economic and social progress.

Earlier, I stated that the primary responsibility for development rested on the developing nations themselves. This was not, however, intended to understate the great importance of trade, or the vital role of external assistance. To put this question of development assistance as simply and directly as possible, the volume should be at least doubled and as soon as possible. The recently issued report of the Commission on International Development, organized under the auspices of the world bank and with the right honorable Lester Pearson as chairman, clearly supports this view.

The Pearson Commission Report makes a number of outstanding recommendations all of which merit most serious consideration. The report suggests, for example, that the flow of development aid be increased as quickly as possible—and by no later than 1975—to a figure equalling 1 per cent of the wealthier countries' gross national products. Another recommendation suggests that by no later than 1975, seven-tenths of this flow should be in the form of *official* development assistance. This second recommendation is of great significance. It could result in a much more equitable sharing of the aid burden among the tax payers of donor nations. It could also stimulate increased private investments because, generally, private investment strongly favours countries with good schools, good hospitals, modern roads, a competent civil service and other important public facilities. Such facilities must be financed from public sources.

A third most gratifying recommendation of the Pearson Commission calls for doubling, by 1975, that part of official aid flows which is channelled through multilateral organizations. This would mean an increase from 10 per cent of the total to 20 per cent—and I need not, before this body, go into any detail on the significance of that proposal.

But perhaps this would be an appropriate time to comment on an all too prevalent misunderstanding about how much the present level of aid actually costs the tax payers of the donor nations. As of now, aid figures reported in the press and other mass communication media often give the gross amount and this distorts the picture of the tax payers' aid burden. It does not separate from the total, private investments, bankable loans granted on commercial terms or a reasonable proportion of so-called "soft loans". Nor does it make allowance for repatriation of commercial profits, interest payments and similar items of counter-flow. Thus, for example, it must have seemed to most donor country citizens that the total tax burden for aid came to more than $12 billion in 1968; whereas I personally estimate that the real figure was around $4 billion.

The Pearson Commission report also recommends as a minimum target for the 1970s an annual economic growth rate of *at least 6 per cent* for the developing countries. Doubtless, the General Assembly will consider this recommendation as well as others—particularly that of the Committee for Development Planning—when it sets its own annual economic growth rate target for the developing countries in the '70s.

Undoubtedly, a global target is of genuine value in setting general standards for developing country efforts and providing a degree of psychological impetus. However, when it comes to stimulating action in a given country, the most important moving force for economic and social progress is a national target set by that country's officials and worked out in detail on the basis of that country's own pressing needs, its own most promising opportunities and its own available resources.

The United Nations development programme, for its part, has been deeply involved in the whole process of helping governments plan for economic and social advancement. For in addition to the scores of planning projects large and small which the UNDP has supported in individual countries throughout the world, our programme has also provided major assistance to the establishment of the African, Asian and Latin American Regional Planning Institutes.

Perhaps it is only natural that the subject of development planning is very much on all our minds as the start of the second development decade approaches. There are many who feel that too much time and effort have gone into high-level theorizing of which perhaps far too little has been translated into the pick and shovel work of actually getting things moving. Yet if one looks back to the concepts behind development work at the beginning of the 1960s, one can see what a necessary and useful evolution has taken place in the field of development planning.

There has been, for example, a significant trend away from an approach characterized by individual projects viewed in isolation. Emphasis now is on the more realistic concept of coordinated, sequential development activities presented as an adaptable, integrated programme. Today, also, the necessity for national, regional and even a degree of global programming is taken for granted—so much so that we sometimes forget just

how much the lack of such programming cost in terms of wasted financing, the dissipation of scarce resources, bitter battles among competing priorities and loss of that precious commodity, time.

This brings me, Mr. President, to the final points I would like to make. I have previously stated that in planning a development programme due regard should be given to the traditions, institutions and values of the developing country in question. I cannot overemphasize this. But it is impossible to modernize a country without effecting changes—some quite radical, some even revolutionary. These changes will be accepted provided the need for them is adequately explained and demonstrated; yet it is a painful process as anyone of us, I think, can recognize. We need only to recall incidents from the history of virtually every country to appreciate the fact that change—no matter how reportedly beneficial—is always regarded with a measure of suspicion and sometimes even fear.

Thus when we encourage a peasant, whose life literally depends on the success of a single crop, to use new seeds or new farming methods, we must recognize that we are presenting him with a difficult choice. The same is true when a couple is asked to practice family planning when the very concept may conflict with what they have believed in from childhood. Or when it comes to convincing local merchants of the advantages of long-term investments when in their country an immediate high profit has always been the goal of any business enterprise.

Changing such fundamental feelings and many others like them takes time and tact, patience and understanding. It also requires the use of modern motivational and educational techniques—with full sensitivity to the fact that no one will give up something of value unless he can be shown and convinced that he is getting something of greater value in return. Many UNDP-assisted projects utterly depend on local attitudes for their success. Consequently, after long and serious study, UNDP is now fostering what we call "project support communication". The name explains the purpose—to help governments of the developing countries create understanding of, involvement in and support for UNDP-assisted work by those of their people who are directly affected by that work.

There is not only a need for intensified informational activities in the developing countries but—if anything—a far greater need in the industrially advanced countries.

Behind this rather polite way of putting things stands a hard fact which must be faced—the fact that *all of us* who are concerned with speeding development have to some extent failed in a major responsibility. We have failed to communicate effectively something we ourselves know—that what helps the developing countries helps the whole world. We have failed to convince enough people that development aid is not charity but a sound investment in global peace and progress. We have failed to get across to the taxpayers of the major donor countries the truth that their future depends on the achievement of a rapidly expanding world economy. We have signally failed to tell the full story of what aid and self-help have achieved and how vital mounting success is to all countries, rich and poor.

These failures are *not* irreversible. Just as I have never doubted that the developing countries would make whatever sacrifices were necessary to win their war on poverty and poverty of opportunity, so I still do not doubt that the wealthier nations will continue to be firm allies in that fight. The fact that UNDP resources for 1970 will be the largest for any single year in the history of the United Nations encourages us to believe that before too long we will be in a better position to meet a greater number of legitimate requests for assistance from the United Nations system.

The case for speeding development is strong and good, for it is the case of all mankind and surely must succeed. Indeed, if it is argued effectively—with cold facts, yes, but also with warm and generous emotion—then, Mr. President, I think it can hardly fail. No greater task faces us as we confront the second development decade—a period which could see the greatest forward surge that the community of man has ever known toward the goal of equal opportunity for every child born on this planet.

BOSTON COLLEGE LAW SCHOOL PAPER WRITES ABOUT S. 9

Mr. YARBOROUGH. Mr. President, on January 15, 1969, I introduced S. 9, a bill to create a commission to compensate victims of crime in certain areas under Federal jurisdiction.

On October 31, 1969, Sui Juris, the newspaper of Boston College Law School, published an informative discussion of the bill, which I think will be of interest to the Senate.

I ask unanimous consent that the article, entitled "Victims of Violent Crimes," written by Bruce Chasan, be printed in the RECORD.

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

VICTIMS OF VIOLENT CRIMES

(By Bruce Chasan)

"A violent crime against the person occurs—perhaps assault, murder, or rape or malicious disfiguration—and the attacker is apprehended. What takes place? The attacker may receive legal counsel, psychiatric examinations and treatment, hospitalization, food, clothing, and even vocational training or an education—all paid for by the State. Yet the victim, whose life may have been turned to chaos or even destroyed by the crime, will more than likely be ignored. The only way he can collect reimbursement for medical bills, lost wages, or other expenses is to sue his attacker—a process which brings highly dubious results."

With the above words, Senator Ralph Yarborough (D. Texas) introduced S. 9, the "Criminal Injuries Compensation Act of 1969." (15 January 1969 Congressional Record, p. 793.) To date it has not seen any action.

The bill would create a commission to handle the claims of the victims of violent crimes residing in the District of Columbia and other federally administered territories. In turn, the commission would be able to award up to $25,000 in compensation. Such an award would not be construed to have any bearing on the guilt or innocence of an accused suspect.

Sen. Yarborough has been concerned for some time about this paradox of American justice whereby the rights of the criminal are zealously guarded while the innocent victim gets nothing. "When society fails," the Senator says, "in its assumed duty to protect its citizens, society ought to have the responsibility of compensating the innocent victim for his personal gain and injury."

Five states—Massachusetts, California, New York, Maryland, and Hawaii—have enacted legislation of this type.

THE PRESIDENT AND CBW

Mr. PERCY. Mr. President, the whole world had cause to rejoice last week when President Nixon announced that the United States would renounce the use of lethal biological weapons and the first use of lethal and incapacitating chemical weapons. The President also announced that he would submit for Senate ratification the Geneva protocol of 1925, which prohibits the first use of poison gases and bacteriological weapons.

It is significant that President Nixon has taken these initiatives just as the Soviet-American strategic arms limitation talks are underway. I hope that his decisions on chemical and biological warfare will herald a new era, when nations, understanding the futility of mass destruction, will mutually agree to limit the weapons they possess.

THE DEAN OF HARVARD GOES SOUTH

Mr. SPARKMAN. Mr. President, the Parade magazine supplement of the Birmingham News and other Sunday papers of November 30, 1969, contains an interesting article entitled "The Dean of Harvard Goes South," written by Gil Fuchs. It is a story of the work of John Monro, who, in the spring of 1967, left his position as dean of Harvard College to become director of freshman studies and an English teacher at Miles College, an unaccredited, all-black college in Birmingham. Because I believe that Senators and other readers of the CONGRESSIONAL RECORD will find this a most interesting story, I ask unanimous consent that it be printed in the RECORD.

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

THE DEAN OF HARVARD GOES SOUTH

(By Gil Fuchs)

BIRMINGHAM, ALA.—In the spring of 1967, John Monro, then 54, Dean of Harvard, Americas richest, oldest and most prestigious college, announced he was leaving to go to Miles College, an unaccredited, all-black school here.

It is a long way from Cambridge to Birmingham—but it is even farther from Harvard to Miles. Harvard has 13,000 predominantly white students who represent the most educated and elite student body in the country. It boasts a faculty of 7000, and an endowment of more than $1 billion.

Miles has 1100 black students, a faculty of 70 and an endowment of $300,000.

Why did Monro leave his position as Dean of Harvard College to become director of freshman studies and an English teacher at Miles?

For Monro the answer is simple: "Miles is the way of the future as far as this country is concerned. The future of education is not at highly selective colleges like Harvard or Yale but here at Miles where we admit everyone with a high school diploma. And the kids in the bottom half of the class do well. This tells me that there are many kids, all across the country, who can do well in college but who aren't getting the chance.

"Harvard and Yale are caught up in some categorical game of numbers and grades. The individual never gets a chance. This problem is most tragic and urgent in the black community."

MISSED OPPORTUNITIES

The silver-haired Monro is quick to cite that only 15 percent of black youth in the South actually attend college. The figure for whites is 50 percent.

"This means," he explains, "that some 75,000 black young men and women each year, with college ability, do not get to college simply because they are black.

"We can do a hell of a lot for these kids, and the proof is going to come at Miles."

Monro directs freshman studies and teaches two freshman English courses at Miles, where his is not an easy job. Alabama spends about $400 a year per pupil, and as a result, freshmen at Miles, having completed their first 12 years of school, possess on the average the language and math skills of ninth-graders.

"I like teaching and working with the curriculum," Monro says. "I figured that one contribution I could make would be to make English teaching and reading simple and functional."

Monro credits his ability as an English teacher to his training as a journalist. After graduating from Harvard in 1935 (where he started a rival paper to the established Crimson), he began a stint as a newspaper reporter on the old Boston Transcript. He served as an officer in the Navy during World War II. After the war he "took six months off, wrote the great American novel, tore it up, and went to work at Harvard as assistant director of veterans' programs.

RAPID ADVANCEMENT

He soon progressed to assistant to the provost and then to director of financial aid.

In 1957 President Nathan Pusey asked Monro to become Dean of Harvard College. His duties included overseeing many student activities, ranging from dormitory and athletic programs to academic standards and discipline.

Monro's journey to Miles began in 1962 when Harvard sent him to Miami to observe a meeting of an association of black teachers. It was there that he met Dr. Lucius Pitts, the black president of the association who had just become president of Miles. Pitts invited Monro to visit Miles and he did so in the summer of 1963.

The next summer Pitts invited Monro down to run a summer skills workshop. During the next school year Monro says he "was putting in every free minute and then some down here at Miles."

Monro realized he had to make a choice. "This was the time that tensions were rising in the Harvard community. Berkeley had just happened and I realized I just couldn't do both. I had to make up my mind.

"After that it was simple. I decided to drop Harvard. My job there didn't relate to what I wanted to do, namely opening up equal opportunity. Miles was doing it; Harvard wasn't."

Monro says he knew time was growing short. "I'm 56," he says, "I'm in the cancer and heart attack range. If I want to do anything, I've got about ten years. I'm old enough to know that you can't change the world, but you can give it a heave."

THE MONEY TRAP

Monro says he enjoyed his stay at Harvard but has no time for "sentimental reprises."

"Our society has a great many traps," he says. "Once you start orienting your life around the expectations of pay, family, neighborhood, swimming pools, status, then you're done—you've given your life over to the trap.

"Havard is a great fur-lined trap—it's one of the best. But that's a lousy way to decide how you're going to spend your life. It's what you do with your hours that's important."

Monro has received a number of letters from older college professors and administrators telling of their dissatisfactions and asking his advice. "I tell them to come on down, the water's fine," he says.

Living and teaching in the black community of Birmingham, says Monro, has brought him closer to the realities of American life.

WORKING STUDENTS

Most of the students at Miles come from poverty-ridden homes. Sixty percent of the students' families make less than $5000 a year, and 70 percent make less than $6000. By contrast, 80 percent of college students in the U.S. at large come from families with incomes above $6000. Only 3 percent of Miles students can afford to pay all their expenses, $700 for tuition and $700 for room and board. Most of them have to work 40 hours a week in addition to going to school.

Miles is only one of 89 black colleges which together produce over half of all black college graduates every year. Monro sees these colleges as a necessity. "Fifteen years after the famous Brown desegration decision, only 2 percent of the undergradautes in big publicly supported universities are black students. It is a dismal record and it is not going to get better in a hurry.

"Black colleges are here to stay because, poor as they are, they are performing a critical function as educational institutions and as centers of community strength."

The need for Miles is clear. Jim Williams, young, black, Columbia-educated assistant to the president, points out: "Birmingham is 40 percent black. There are four institutions of higher learning in Birmingham and Miles is the only black one. If Miles closed, 90 percent of the black kids in Birmingham could just forget it."

Miles also serves as a vital center of strength for the black community. It has brought a number of government programs to the black community including Vista, Head Start and the manpower program. In addition, it has started programs to erase adult illiteracy and to assist black elected officials.

"We have a serious awareness of what Miles means to the black community," Monro says. "Institutional strength is easy to take for granted in white society where there are many big institutions like Harvard and General Motors. But in the black community, where there are very few of them, Miles becomes very important."

Founded in 1907, Miles was, until Pitts' time, a very small conservative, church-oriented school dedicated to turning out, as one student says, "teachers and preachers."

Pitts came to Miles and in eight years doubled the student body, increased the annual budget from $300,000 to $2.7 million, added five new buildings and recruited people like Monro.

Like many other black colleges, Miles' foremost problem is economic survival. "We have very little endowment, very little inflow from students and no other solid constituency from which to obtain additional funds," development officer Denny Reigle, a white graduate of the Harvard Business School, points out.

STRINGS ATTACHED

"Most government and foundation money comes with strings attached for special programs. Outside of that our only two constituencies are the alumni and the local corporate community. The alumni have increased their giving from $4000 to $46,000 in the past five years but other segments of the community have not been equally responsive."

Many of Miles' other problems find their roots in the college's financial straits.

The problem of accreditation is one example. The sole reason for Miles' lack of accreditation is it lack of financial resources. But foundations won't consider it for substantial grants until it is accredited.

Recently the foundations and the federal government have stepped up their support for black higher education. "But," Dean Richard Arrington notes, "all that new money is not going to black colleges which have been struggling to educate the black man for years. It is going to white institutions like Yale and Harvard."

IN TRANSITION

The clash between Miles' conservative, church-oriented past and the rising tide of black consciousness has brought it another set of problems.

"Black colleges are in transition," Arrington says, "we're no longer trying to ape white colleges. We're helping to accelerate the student's appreciation of black culture."

One of the first questions that arises is the role of Monro and other white faculty. There are no white students at Miles and until Pitts became president there was no white faculty. Now about 30 of the school's 70 teachers are white.

Monro realizes his limitations at Miles. "I couldn't be president of this place, I couldn't be dean. But I think there is a fine opportunity for white teachers to make an effective contribution in a subordinate role."

The key to Miles' future will be its ability to attract good young black faculty who will stay. White institutions have made this difficult. They continually outbid Miles for young black Ph. D.'s to staff new black studies programs.

ACCEPT CHALLENGE

The things that brought Monro to Miles have brought others. The young white faculty includes a Rhodes scholar, Harvard-trained lawyers and graduates from several Ivy League schools. The older white faculty includes the former chairman of the philosophy department at Smith.

Perhaps the greatest sacrifices have been made by young black men like Arrington, a Ph. D. in biology who turned down a profitable career at a white college to return to Miles, or like Hubert Sapp, a bright Harvard graduate and president of the Afro-American Society there who chose Miles over many more attractive possibilities.

"You know something of great consequence is happening when you can get people like that here," says Monro.

Arrington suggests what it is: "There is a great need for the country to develop institutions which serve the kind of people black colleges do. The experiment that is going on at Miles has to succeed."

"PLAN AHEAD FOR SURVIVAL"—ADDRESS BY ROBERT SARNOFF

Mr. PERCY. Mr. President, Mr. Robert Sarnoff, president of RCA Corp., has recently delivered a most thought-provoking address on the needs of our society, especially in the public sector, to plan ahead for survival.

Our civilization is leaping ahead on a geometric scale in development and progress. Accompanying these advances at every stage, however, are problems of increasing magnitude—environmental pollution, population explosion, crime, urban decay, and so forth. These have placed our society uptight. Unless we begin to resolve these problems rapidly and realistically, room for maneuver will be lost.

For years now the business community has led the way in developing and applying advanced measures of planning to help solve current problems and avoid future pitfalls. In order to make this planning meaningful, modern management techniques and technological tools have been developed—operations research, systems analysis, model-building and simulation. To some extent, a few agencies of our Government have sought to follow suit. The results have not been particularly successful, however.

Our failure to utilize these modern tools of management effectively is due primarily to our reluctance to engage in

governmental planning, to haphazard legislative techniques, and to the pressures in some instances of special interests. These attitudes may have been tolerable in an earlier, less-complicated era; they certainly are a luxury we cannot afford today.

The world society we live in is in deep trouble. Our environment is threatened with a life-destroying degree of pollution. A population explosion challenges our ability to feed human beings, let alone raise standards of living. Crime, urban decay, ignorance, and disease are lowering the level of tolerance so that sparks of conflict may begin to trigger ever-growing flames of violence.

The time is upon us to think big and to plan boldly for the future. Mr. Sarnoff in his creative address calls upon the public and private sectors of our society to team together to develop a comprehensive systems effort to revitalize the Nation's Capital. He proposes that we plan beyond mere physical rehabilitation and include all facets of life that must be considered as an interrelated whole if successful redevelopment is to occur—housing, transportation, race relations, employment, health, welfare, education, communications, law enforcement, pollution, and so forth.

To those who may question the need to burden other regions of the country with the expense and effort that will be required to revitalize our Nation's Capital, I can only answer that we are in this life together. In addition to the pleasure we would obtain by making our Nation's Capital the symbol and example of what a free society can accomplish, the experience gained in this endeavor will be applicable to all other populated communities in the country. Large-scale financial, social, and esthetic benefits will accrue.

We have now reached the day of reckoning.

In Mr. Sarnoff's view:

> We must decide whether our way of life is worth the necessary commitment to our cities and our environment.

I fully endorse this expression of concern, Mr. President, and would only add that not only may our way of life be threatened, but our very lives themselves.

I ask unanimous consent that Mr. Sarnoff's address be printed in the RECORD.

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

ADDRESS BY ROBERT W. SARNOFF, PRESIDENT, RCA CORP., NEW YORK, N.Y., NOVEMBER 20, 1969

I am delighted to join you. I have followed your earlier conferences with special interest since they have displayed a maximum of self-questioning and a minimum of self-congratulation. Your discussions have nothing in common with the recent New Yorker cartoon showing a long-haired young man tuning his guitar and telling his father: "I wrote this especially for your birthday, Pop. It's about how enlightened American business executives have created a viable economy and a mobile and progressive social structure."

American industry has, in fact, worked wonders in harnessing the resources and technology that power our physical progress. Yet the gulf between private affluence and public want has grown so wide that it is undermining the whole framework of life. Today our concern for the future must be shared even by the cynic who asked, "What has posterity ever done for me?"

The challenge for business is to recognize and adapt to the new conditions or to face eventual discredit and decline. We must develop new managerial techniques and new organizational forms. We require new styles of leadership which will preserve the continuity and vitality of our institutions while shaping them to the processes of change.

The time for revision is growing short. We continue to approach technology and its effects in the same piecemeal, random fashion that has served us in the past. We are not unlike the man falling from the top of the Empire State Building and telling himself as he passes the twentieth floor: "Things seem to be going well so far."

We now have access to the instruments and to much of the knowledge needed to respond to the social and environmental questions raised by advancing technology. These new instruments of information when combined with the rising reservoir of knowledge can form system to solve today's problems and even forecast those which may arise tomorrow. They are the tools with which to shape our future—if only we have the good sense and the firm resolve to grasp them.

There is a growing awareness of the promise of systems planning as a social implement. The Federal Government has encouraged the use of the systems approach in planning projects for its model-cities program. On the state and local levels, there have been other efforts to employ these new techniques. A few years ago the State of California contracted systems studies of crime control, information processing, transportation and waste disposal. Since then, a number of cities have established their own systems-analysis groups to evaluate the projects they commission. In New York, the Rand Institute is working on systems studies of operations in the city's housing, health, police and fire departments.

To date, however, such efforts have been too incomplete in concept, too limited in scope, to prove much beyond the fact that systems planning is a complicated and costly enterprise. We have yet to see a demonstration project of sufficient scale to create a critical mass for real social improvement.

There are reasons, to be sure, why government has lagged in using the new techniques for social ends. The lead time for such programs is long. Public managers are inhibited in long-term planning by periodic changes of administration and by the vagaries of legislation appropriations. In its social works, government does not face the same competitive stresses that force most businesses to undertake major investments for long-range growth. Any private corporation whose development programs were limited to four-year periods would suffer a severe, if not fatal, handicap. However, the pressures on government will increase in the years immediately ahead, as the electorate becomes more concerned about the quality of life in a deteriorating environment.

In the meantime, public administrators face another obstacle—the deep American prejudice against government planning. This has been associated with the arbitrary plans of socialist societies, and contrasted with our romantic dream of the rugged individual taming the wide open spaces of the frontier. Yet the briefest reading of American history reveals examples of planning.

Some of our earliest settlements, from the villages of New England to the town of Williamsburg, were laid out as planned communities. The Constitution itself stands today as the charter of a planned system that has proved its vitality and relevance during two centuries of change. Even the frontier has felt the effect of a major experiment in planning. The Morrill Act of 1862 set up a system of land-grant colleges as the first of a series of research and information programs that have received much of the credit for the productive miracle of American agriculture.

The problem, in short, is not so much a lack of precedent as a lack of spokesmen for the planning point of view. The business corporation, with its emphasis on problem solving and the pragmatic approach, certainly is in a position to fill the role of advocate. In the past few years, increasing numbers of business firms have developed long-range planning for their marketing, manufacturing and other operations. Surveys have shown, however, that the use of computer procedures in such efforts is largely devoted to arithmetical calculations rather than managerial decision models. Nevertheless, the trend is toward more sophisticated approaches to business planning.

At RCA, as an example, our management information systems are maturing as essential implements in all our activities. We are employing computer systems in designing and producing electronic devices, in evaluating new business opportunities, in financial and total business planning and many other complex functions. As more firms develop such procedures, their experience should prove useful in applying the systems approach and long-range planning to social problems.

Business even now can do much to dispel the prevailing mistrust and misunderstanding of the new techniques. We can, for example, correct the notion of planning as an attempt to impose a rigid outline on the future and to make reality conform to it. This is, indeed, a primitive idea of today's systems methods.

The fact is that a workable plan must be an open-ended system designed to allow for all foreseeable contingencies, for changing conditions and for feedback from all the interests affected. There is good reason to believe that by projecting alternatives, it encourages hard thinking about values and priorities. It should stimulate rather than inhibit debate and involvement.

It is even possible that long-range planning with wide public participation would strengthen the democratic institutions that lately have come under such sharp attack. As John Gardner has observed, "there can be nothing more healing for men than to participate directly in the reshaping of institutions that no longer enjoy their confidence."

The question, at any rate, deserves to be carefully considered and put to a serious test. The systems approach to social problems is likely to be so complex in conception that its value can only be proved on a grand scale. Its execution, furthermore, would require the time, effort and financing that can only be provided with wide public understanding and commitment. By way of analogy, it is worth recalling that polio was once a national scourge. President Roosevelt then placed the full weight of his prestige behind the "March of Dimes" to mobilize the public support and the scientific dedication necessary to conquer the disease. Similar efforts have been mounted in the Tennessee Valley Authority, which revitalized an entire region; the Marshall Plan, which is credited with saving Western Europe from Communist domination, and most recently the American space program, which within a decade developed the technology to put men on the moon.

We are now confronted with a challenge at least as urgent as any of these.

The time has come for a demonstration project to determine whether the techniques that have succeeded in other fields can be applied to the urban and environmental crises. The business community should take the lead in suggesting and participating in an appropriate test.

A full-scale pilot program will be needed. I propose a complete and systematic rehabilitation of Washington, D.C., and the National Capital Region as a most logical choice.

The Capital belongs to all our people. A comprehensive systems effort to revitalize the city and its environs should invoke a nation-wide response—a response as broad and enthusiastic as that inspired by the Apollo moon landing. As the seat of government and a major news-making center, Washington commands the kind of attention that a project of this nature would require and deserve.

To underline the national significance of such a program, the first phase might be scheduled for completion in 1976 to coincide with our nation's celebration of its two-hundredth anniversary.

Washington was founded as a planned city, but has long since fallen heir to all the ills of our unplanned society. It differs fundamentally from other metropolitan centers. Its principal employer is the Federal Government, it is governed by Congress, and its officials are appointed by the President.

In recent years, more thought has been devoted to the physical planning of the Capital—including a regional plan for the year 2000—than to any other American city. Earlier this year Washington planners presented a systems study for a model designed to provide forecasts of future regional population and employment. Thus the Capital not only faces the need but has laid some of the groundwork for a comprehensive and systematic approach to the urban crisis. It now stands ready for a large-scale program of regeneration that would go beyond physical planning and cut through the whole tangled maze of interacting problems in housing, transportation, race relations, employment, health, welfare, education, communications, law enforcement, air and water pollution. Such a project would draw on all the most advanced techniques of operations research, systems analysis, model-building, simulation and long-range planning.

Any effort to provide a meaningful test of these methods must be made on a large and comprehensive scale. The lead times, therefore, will be long and the costs will be high—just how high can be determined only after detailed study. To assure continuity, the full funding should be earmarked by Congress at the outset and carefully phased over the years. The program could be placed under the administration of existing planning agencies, which should be strengthened in authority and broadened in capability to deal with all phases of the region's future. These agencies, working together on a contractual basis, would draw on the services of managers and specialists from government, the universities and industry, as well as those agencies, both public and private, with special knowledge of urban problems. Above all, the program should be designed to assure the representation and active participation of all major segments of the communities involved.

We must expect that an effort so experimental in nature and involving so many varied interests and disciplines will have its failures as well as its successes. Even allowing for setbacks, however, the costs should be far outweighed by the gains. One of the first benefits of a systems analysis of the Capital region would be an auditing of the real costs, in terms of taxes and lost revenues, of an impaired environment. As the program progressed, it would provide an immense inventory of new knowledge and new methods that could be applied to other beleaguered cities across the nation. As an example, the difficult task of building a computer model of a metropolitan complex as large and important as the Washington region would alone spin off enough new information to mark a significant advance in the understanding of urban problems. Professor J. W. Forrester of the M.I.T. Sloan School of Management, who has pioneered in experimental urban models, has already concluded that "the intuitive solution of the problems of complex social systems will be wrong most of the time." Most important, perhaps, a project of the magnitude we are considering would generate new working relationships between the political leaders who manage our cities and the systems planners who help them manage more effectively.

It has been said that if you do not think about the future, you cannot have one. Today we must not only think but also act on a future that is bearing down on us at breakneck speed. It has been estimated that in the next thirty years we must double the physical plant of our cities to accommodate the growth of population and the continuing migration from the countryside. We must, in other words, achieve in a single generation what our forebears struggled to accomplish in three hundred years.

As Lincoln said, "new problems demand new methods for new solutions." Today we require new styles of leadership at every level of our undertakings, public and private alike. We must recognize that the need is not in some reassuringly dim future. It is now. The manager we seek, to borrow Bruce Palmer's apt phrase, is a "specialist in generalizing." He relies less on specific knowledge than on an understanding of the complex relationships within organizations and among disciplines. He must encourage a work climate conducive to creativeness and growth. He must shape administrative structures that are flexible, decentralized and designed for particular tasks. He distinguishes sharply between freedom and free-wheeling and is sensitive to developing social needs—from the inner city to the emerging country. He is receptive to new ideas including those that may question the most basic premises of the conventional wisdom.

Such people can be found today in the ranks of business, government, and education—but their talents may too often be engaged in narrow fields or on matters which do not demand immediate attention. We must bring them forward now if we are to mount a bold and innovative attack on the hard problems that face society. We must continue at the same time, in the classroom and the conference room, to develop an increasing supply of such leaders for tomorrow.

The development of such leadership through motivation, education and experience is a primary concern of this conference, and I am confident that new light will be shed on the problem, to the benefit of all of us. For over the years, Americans have demonstrated a genius for social inventiveness and cooperation. We now face one of the great tests of our history—to restore and reinvigorate the whole framework of life while preserving our traditions as a democratic, humanistic and open society. Winston Churchill once observed that we shape our cities and they shape our way of life. While the cities shape our life, we are failing to shape our cities.

We have now reached the day of reckoning. We must decide whether our way of life is worth the necessary commitment to our cities and our environment. I am convinced that Americans, especially our young people, possess the mind and motivation to undertake such a commitment. I also believe that, despite the gloomy forecasts to the contrary, we will have future generations.

I hope history will look back on the '60's as the decade we defined the social crisis.

I trust the '70's will be the decade we took action to solve it.

The time to predict has passed. It is now time to decide and act.

WAITING FOR A BREAK FOR HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, The International League for the Rights of Man, an affiliate with the United Nations, is presently being directed by a Mr. Roger Baldwin. Recently, the league sent out a bulletin which states quite clearly the present state of human rights. Mr. Baldwin commented:

> It is hardly necessary to note the low state of United Nations activity or morale in the field of human rights generally, due largely to the weakness of international authority in the face of nationalism, cold war and an undiminished arms race. The U.N. efforts for law, against colonialism in Africa, against racism and for refugees continue at the General Assembly session, mainly devoted to old items. One gets the impression of established machinery marking time, waiting for a break.

This "low state of United Nations activity" to which Mr. Baldwin refers is demonstrated in his discussion of the United Nations Subcommittee Against Discrimination and for the Protection of Minorities. He stated:

> The source of much U.N. effort for human rights lies in the Sub-Committee Against Discrimination and for the Protection of Minorities, which reports to the Human Rights Commission. In theory it represents individual experts; in practice it is like others, representative of governments. But it conducts useful studies of all sorts of discrimination and draws up principles and declarations following reports of its expert rapporteurs. This year it considered one suggested originally by the League, discrimination in the administration of justice. The declaration of principles and its interim report should be followed next year by a completed draft covenant.
>
> A slight move has been made to get consideration of some of the grossest violations of human rights by giving the Sub-Commission the right to examine patterns of persistent violations inside countries, but only with the consent of their governments. Obviously this is a pretty feeble measure, illustrative of the sensitivity to nationalistic pride. New studies were authorized on slavery, which still afflicts parts of the world, and on how economic and social rights are faring.
>
> Consideration of the rights of minorities, embodied in the Sub-Commission title was as usual deferred. Indeed no agreed definition of what is a minority exists. The Sub-Commission concluded its session just prior to the opening of the Assembly.

Mr. Baldwin's remarks are not encouraging, to say the least. Although the United Nations Subcommittee Against Discrimination and for the Protection of Minorities did move somewhat in the consideration of human rights, this movement cannot be measured substantially by any stretch of the imagination. It would seem a fair judgment that the "established machinery" is "marking time, waiting for a break."

Why should not the United States provide that needed break? The record of this Nation in ratification of human rights conventions is one of the worst in the world. Would not a movement by the United States toward recognition of an international level of the basic human rights of all men be a substantial lift in the prestige of the human rights movement? I think it would. I therefore urge

this Chamber to consider and ratify the Human Rights Conventions on Political Rights for Women, on Forced Labor, and on Genocide.

CRIME CONTROL ACT OF 1969

Mr. SCOTT. Mr. President, the Subcommittee on Criminal Laws and Procedures, of which I am a member, has made its report to the Judiciary Committee on S. 30, the Organized Crime Control Act of 1969. S. 30 consists of 10 substantive titles derived from some eight separate bills introduced by Senators on both sides of the aisle. Its provisions are designed to correct several defects in the evidence-gathering process which are especially troublesome in organized crime cases, to limit defense abuse of pretrial proceedings to extend Federal jurisdiction over major cases of gambling and corruption, to curb organized crime infiltration of legitimate organizations, and to authorize extended sentences for special offenders.

The bill incorporates the best recommendations of the President's Crime Commission, the National Commission on Reform of Federal Criminal Laws, the American Bar Association Project on Minimum Standards of Criminal Justice, the Model Penal Code, the Model Sentencing Act, and witnesses who represented the National Council on Crime and Delinquency, the Association of Federal Investigators, the New York County Lawyers Association, the American Civil Liberties Union, the New York State Commission of Investigations, the National Association of Counties, the National Chamber of Commerce, and the New York State Bar Association in hearings held by the subcommittee. The Justice Department supports every title of the bill with amendments made by the subcommittee. I would like briefly to discuss certain implications of the organized crime problem and of the measures which S. 30 proposes for dealing with that problem.

One of the most disturbing aspects of organized crime today is the fact that its preponderant impact is upon those least able to pay the price that organized crime exacts: the urban poor. As President Nixon stated in his organized crime message to the Congress of April 23, 1969:

> The most tragic victims [of organized crime], of course, are the poor whose lack of financial resources, education and acceptable living standards frequently breed the kind of resentment and hopelessness that make illegal gambling and drugs an attractive escape from the bleakness of ghetto life. (Message from the President of the United States Relative to the Fight Against Organized Crime, H.R. Doc. No. 91-105, 91st Cong., 1st Sess. 2 (April 23, 1969).)

Organized crime bleeds those citizens in an insidious variety of ways. Its most obviously predatory method is the promotion of the use of "hard" narcotics, which, as the President's Crime Commission has documented, are imported and distributed wholesale by national crime syndicates.—President's Commission on Law Enforcement and Administration of Justice, "The Challenge of Crime in a Free Society" 218, 1967. The end points of that system of drug distribution are found primarily in the low-income neighborhoods of our major cities. The addicts themselves, of course, suffer untold agonies of body and mind. The New York Times has reported evidence that, in New York City, heroin use killed 700 persons, including 170 teenagers in the first 10 months of this year.—New York Times, October 23, 1969, page 51, column 2. Heroin now is the leading single cause of death among persons 15 to 35 in New York City.

The harm done in the ghettos by the promotion of hard drug use reaches beyond the addicts to the vast majority, the honest, decent citizens. One of the causes of violence in our major cities is the failure of the authorities to crack down on those who traffic in narcotics. Addicts, desperate for money to support their habits, commit a large proportion of all crimes against person and property and, as the President's Crime Commission stated:

> One of the most fully documented facts about crime is that the common serious crimes that worry people most—murder, forcible rape, robbery, aggravated assault, and burglary—happen most often in the slums of large cities. President's Commission on Law Enforcement and Administration of Justice, "The Challenge of Crime in a Free Society" 35 (1967).

Society as a whole cannot, in justice, close its eyes to that ghetto crime. We must recall the words of the National Advisory Commission on Civil Disorders:

> Two facts are crucial to an understanding of the effects of high crime in racial ghettos; most of these crimes are committed by a small minority of the residents, and the principal victims are the residents themselves. . . .
>
> As a result, the majority of law-abiding citizens who live in disadvantaged Negro areas face much higher probabilities of being victimized than residents of most higher income areas, including almost all suburbs. . . . (Report at 134-35 (1968).)

While the exploitation of disadvantaged groups may be most obvious where addiction and resulting street crimes are involved, that exploitation takes other forms, equally subversive, of the struggle of minorities for dignity and fulfillment. Ubiquitous numbers and booking offices, often operated directly by syndicates, drain the meager assets of the urban poor by cultivating the illusion of a chance for wealth. Furthermore, as President Nixon has stressed:

> Organized crime is increasing its enormous holdings and influence in the world of legitimate business. (Message from the President of the United States Relative to the Fight Against Organized Crime, H. Doc. No. 91-105, 91st Cong., 1st Sess. 1 (April 23, 1969).)

One of the principal means of that expansion is "foreclosure" on debts to loan sharks, and the small, marginal, local businessman in the concentrated areas of the urban poor is a primary victim of organized crime loan sharking. These and other organized criminal enterprises yearly take large sums from their direct victims and, by raising prices on necessary commodities and services, plunder the funds of all slum residents.

Organized crime views corruption of police and other officials, which the President's Crime Commission found to be common in areas marked by organized crime, as a means of protecting its profitable operations. The Congress, however, must recognize that corruption represents a distinct evil, one which is especially abhorrent to our national values. Police officials whose dedication to our laws has been sold out are ineffective not only in curbing organized crime; they have forfeited their initiative and opportunity to fairly and fully enforce laws involving all segments of society. Dr. Martin Luther King wrote in 1965:

> The most grevious charge against municipal police is not brutality, although it exists. Permissive crime in ghettos is the nightmare of the slum family. Permissive crime is the name for the organized crime that flourishes in the ghetto—designed, directed and cultivated by the white national crime syndicates operating numbers, narcotics, and prostitution rackets freely in the protected sanctuaries of the ghettos. Because no one, including the police, cares particularly about ghetto crime, it pervades every area of life. (King, *Beyond the Los Angeles Riots: Next Stop The North, Saturday Review*, vol. 48, p. 34 (Nov. 13, 1965).)

A society in which organized crime and corruption openly flourish cannot foster morality or order among its members. A pattern of "successful" organized rackets, with the lesson it teaches slum children who see hardworking and honest adults fail economically in the face of racial and educational barriers, is not uncommon in urban areas, according to the National Advisory Commission on Civil Disorders:

> With the father absent and the mother working, many ghetto children spend the bulk of their time on the streets—the streets of a crime-ridden, violence-prone, and poverty-stricken world. The image of success in this world is not that of the "solid citizen," the responsible husband and father, but rather that of the "hustler" who promotes his own interests by exploiting others. The dope sellers and the numbers runners are the "successful" men because their earnings far outstrip those men who try to climb the economic ladder in honest ways.
>
> Young people in the ghetto are acutely conscious of a system which appears to offer rewards to those who illegally exploit others, and failure to those who struggle under traditional responsibilities. Under these circumstances, many adopt exploitation and the "hustle" as a way of life. This pattern reinforces itself from one generation to the next, creating a "culture of poverty" and an ingrained cynicism about society and its institutions.
> (Report at 129-30 (1968).)

Among the most threatening implications of the failure of our actions to rebut that cynicism is the suggestion of the Riot Commission that the high ghetto crime rate "not only creates an atmosphere of insecurity and fear throughout Negro neighborhoods but also causes continuing attrition of the relationship between the Negro residents and police. This bears a direct relationship to civil disorder." Report of the National Advisory Commission on Civil Disorders 135, 1968. We must hear that warning. We must try to relieve the unfair burden upon slum residents, and the intolerable

strain upon the fabric of our society, imposed by organized crime and corruption.

Of course, to agree upon that goal is not the same as to reach it. In view of our imperfect knowledge of the factors in causation and prevention of crime and our complex procedures for identifying and dealing with criminals, it is difficult to formulate laws which will be effective against organized crime. Furthermore, the subject of criminal law is circumscribed by constitutional rules depending upon fine distinctions and subtle analysis. We have set no easy task for ourselves.

Nevertheless, the nature and urgency of this problem demand prompt action, whenever constructive proposals can be made. President Nixon sounded the call:

> As a matter of national "public policy," I must warn our citizens that the threat of organized crime cannot be ignored or tolerated any longer. It will not be eliminated by loud voices and good intentions. It will be eliminated by carefully conceived, well-funded and well-executed action plans. . . . Success also will require the help of Congress. . . . (Message from the President of the United States Relative to the Fight Against Organized Crime, H.R. Doc. No. 91-105, 91st Cong., 1st Sess. 2 (April 23, 1969).)

An example of such a constructive measure may be title IX of S. 30, on racketeer influenced and corrupt organizations. That title adapts the remedy of forfeiture, and the equitable remedies long used for economic ends in the antitrust laws, to the problem of organized crime infiltration of legitimate organizations. In urban ghettos where "black capitalism" offers hope for local self-advancement, title IX may be a means to excise syndicate-infiltrated businesses which use force to eliminate local competition and then charge extortionate prices for staple commodities and services.

While the other titles of S. 30 approach the organized crime problem in a variety of ways, each of them is the product of a long, painstaking process of bipartisan development by the subcommittee with the help and support of the Justice Department. I sincerely believe that the entire bill demands and deserves detailed and thoughtful consideration by the Judiciary Committee and then by the Senate. Areas for improvement may exist; but the bill as a whole is a careful attempt to accommodate the public interest in effective law enforcement with individual rights in a specific and complex area of criminal law. As we consider the bill, broad calls for "law and order," like bare invocations of "preferred rights" of individuals, would be inadequate guides for action. We must consider each of the 10 substantive titles with open minds as to possible improvements, while not losing sight of our broader mandate, challenge and opportunity to enact effective legislation in this area.

In view of this tragic and growing influence of organized and other crime upon our society, the welfare of all Americans—especially those most disadvantaged—requires that we seize every opportunity to improve the efficiency and fairness of our criminal laws. I believe that S. 30 is a thoughtful and sound vehicle for such action and urge that it be given prompt, sophisticated and constructive consideration. The people of our Nation deserve no less.

HEALTH BUDGET CRISIS—THE REGIONAL MEDICAL PROGRAM

Mr. KENNEDY. Mr. President, on several occasions in recent weeks I have spoken of the current health budget crisis in the Nation and of our need to provide greater funding for the variety of Federal health programs that are so crucial to the success of our efforts to meet this crisis. At this time, I should like to consider one of the most important of these programs, the regional medical program.

The regional medical program was established in 1965. In essence, the program was designed to achieve—through research, continuing education, and training—a marked improvement in the care of patients with heart disease, cancer, stroke, and related diseases. It was hoped that the program would develop better methods for the exchange of information among those involved in the delivery of health care in medical schools, medical centers, community hospitals, and other health institutions and organizations.

Since 1965, 55 regional medical programs covering the entire country have been established, and an unprecedented number of participating physicians, medical schools, medical centers, hospitals, State and city agencies, and voluntary health organizations have become involved.

I believe that this program represents one of the most potentially fruitful programs we now have to enlist the energies of all elements of the health community. Yet, just at the time when the program is getting well underway, it is encountering serious funding difficulties. In the fiscal year 1969, $83 million was appropriated for the program. In that year, as in several of the previous years, appropriations were somewhat greater than expenditures, because the administrators of the program understood that the program was in an infant stage. As a result, they funded only the most innovative proposals.

Now, however, the program is beginning to move rapidly. Taking into account the carryover funds, the administration has requested the sum of $100 million for fiscal 1970 under the open-end authorization, in spite of the current budget problems. The House, however, has appropriated only $76 million for the program. This $24 million cutback has severely shaken the confidence of all who have become involved in the program throughout the Nation. I believe that the cutback may cause the progress we have made in many regions to grind to a halt.

In recent weeks, a large number of letters have been written to Senators about the severe impact of the cutback upon particular regional medical programs. At the conclusion of my remarks, I will insert excerpts from 33 letters which have come to my attention. These letters, representing the views of the problem from all parts of the Nation, vividly demonstrate the severity of the present situation.

In my own region, the operation of the tri-State regional medical program in New Hampshire, Massachusetts, and Rhode Island may well be sharply curtailed. Dr. Robert P. Lawton, the Deputy Director of the program, has asked:

> What will be the effect of the low House appropriation on regions? Suffice to say that if this number is all that is is appropriated, the effect on tri-State will be devastating.
>
> It is my personal judgment, if RMP were to have no more appropriation for 1970 than the House approved for grants, that it would be necessary to shut down some regions in order to keep the bthers alive. This is my national view. New England is potentially too important as an example of interstate cooperation, including effective coordination of RMP and CHP [Comprehensive Health Planning], not to warrant every possible regionalization dollar.

I believe that these reports from across the country present an appalling picture. I strongly urge that we give full funding to the administration's request for the regional medical program.

In the Nation as a whole, we now have far more doctors and organizations working together cooperatively in regional medical programs than anyone expected several years ago. We cannot afford to disillusion these people, who have done so much and who have worked so hard for the success of the program.

Mr. President, because of the importance of this issue, I ask unanimous consent that the list of excerpts from letters on the regional medical program be printed in the RECORD.

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

EXCERPTS FROM LETTERS ON THE BUDGET CRISIS IN THE REGIONAL MEDICAL PROGRAM

ALABAMA

In Alabama, Dr. Benjamin B. Wells, Program Coordinator of the Alabama Regional Medical Program reports:

"The reduction of funds that would follow from the projected cuts in the Federal budget will emasculate the Regional Medical Program in Alabama.

"In pursuit of our original charge, we have mounted an all-out effort to secure the interest, support and active involvement of health care institutions, groups, individuals and the general public throughout this state. We have carefully avoided giving the notion that we were or should be a major source of funds for the improvement of health services, but we have encouraged a large number of cooperative ventures through the use of our core staff and the establishment of linkages to the University Medical Center in Birmingham. Unless we can press forward at this time, the momentum of two years will be quickly lost.

"Many similar efforts are at the most critical point in their evolution. Our failure to progress at this time may result in years of delay before similar multilateral commitments can be reformulated."

ARIZONA

The Arizona Regional Medical Program, coordinated by Dr. D. W. Melick, will be in severe difficulty:

"For the past two years we have been in the planning phase of our operation. The planning, in order to bring forth the best in grant applications, has been a tedious and time-consuming process.

We are now looking forward to a shift from planning to operational status. We have had approval of the National Advisory Council for certain of our project applications. We are awaiting funding. If this is forthcoming, we expect to go into the operational phase January 1, 1970.

"Failure to fund our program will undermine all of our efforts in careful and meticulous planning. Of more importance, it will disrupt the enthusiasm we have engendered. It will result in a good deal of frustration for the citizens of our State who have assisted us in getting our plans in presentable form. It will delay us from presenting to our citizens, visible evidence of action. Action is certainly necessary to pacify those individuals who may criticize us for a prolonged period of planning."

COLORADO, WYOMING

Dr. Howard W. Doan, who directs the Colorado-Wyoming Regional Medical Program, has also indicated the difficulties if low funding of RMP's occurs:

"At the present time we have nine operational projects. Most of them indicate a healthy growth anticipated for the next two years as a result of increased interest on the part of health professionals in the region and a growing awareness of the potential of the Program.

"In addition, we have six or seven developing projects, five of which are now under review by the National Advisory Council. If our funding is held at the present level, it will be difficult to implement any of these without placing current projects in jeopardy. We have, for example, a comprehensive project in heart disease which has been developed in collaboration with the Colorado and Wyoming Heart Associations. This project will be funded at a most austere level if our budget requests are not honored. I doubt the wisdom of beginning any major project if it cannot be operated properly. We have another project under review which is broad and covers almost the entire field of cancer in children. This project is one of the finest I have ever seen, and our failure to subsidize it will be a shame."

DELAWARE VALLEY

In New England's Greater Delaware Valley Regional Medical Program, Dr. George R. Clammer, its Executive Director, reports:

"We would anticipate that the major effect of the reduction will be to significantly curtail funding of new operational projects. This would occur at a time when we expect the growing involvement within our Region to result in more requests for operational projects. In addition, we already have several approved projects which have not been funded as yet and which may not get off the ground.

"It is likely that these effects will detract significantly from the interest in and enthusiasm for RMP which has developed in our Region as a result of extensive efforts during the past two years."

DISTRICT OF COLUMBIA

Here in Washington, D.C., the Metropolitan Washington Regional Medical Program will be prevented from attaining its potential. Dr. Arthur E. Wentz, Program Coordinator reports:

"With almost one and one-half million dollars of unfunded approved proposals for this small Region it is becoming increasingly difficult for the Planning and Program Committee to engender continued interest, much less enthusiasm, in the presentation of additional proposals to afford a comprehensive program defined in the objectives of the law. This is a Region which has capability of presenting such proposals but those sources are no longer willing to sponsor the cost in manpower and dollars to structure these proposals when those approved by the Council go unfunded."

HAWAII, AMERICAN SAMOA, GUAM, MICRONESIA

In Hawaii, Dr. Masato Hasegawa, who coordinates the Program for that state as well as American Samoa, Guam, and Micronesia, states:

"As you know, like other regions throughout the nation, we have been slowly developing a program which would stimulate creativity and the establishment of co-operative arrangements which would lead to better medical care for the region's inhabitants. The program has now reached a stage of development where it has achieved a level of acceptability that is second to no other similar agency in its field. Because of this, more proposals and ideas are coming into the office and more project applications are passing local review with subsequent submission for national review.

"Now, if the House action is indicative of what will eventually be the national funding policy for the near future it will directly affect the implementation of recent project applications, assuming that they pass national review, to the degree that there will be delays in attaining planned goals, or even worse that some goals may never be attained. Further any inability of the region to fund worthy projects will affect the credibility of the program and its representative officials. Lastly, a lot of the time and effort of the last three years devoted to getting people together, talking with one another, exchanging ideas with each other will have been wasted. Additional time and effort together with increased funds will have to be applied before the region once again reaches the present level of efficiency and acceptability."

ILLINOIS

The Illinois program, as Marilyn J. Voss, Public Information Assistant, indicates, has its share of funding problems:

"If RMP does not get a larger budget appropriation—namely that seven IRMP projects approved with a budget of $611,106, will not receive the funds to enable them to be initiated. Thus, the Illinois Regional Medical Program would be operational in name only."

In addition, 14 doctors who have worked extensively in the program all signed a letter stating:

"We regard the inability to support the seven community projects now approved both by the Division of Regional Medical Programs and by the Council of the Regional Medical Programs as nothing less than disastrous. This program was created by action of the Congress, and we as citizens in the State of Illinois were encouraged and urged to work together voluntarily and without compensation to create within the State a vigorous and strong organization capable of carrying the benefits of medical research to the patient. We have spent many hours and days in this undertaking. We are now faced with the prospect of having the Congress withdraw that support which it had assured us would be forthcoming. We should like to emphasize particularly that the seven projects approved are the first ones ever submitted by the Illinois Regional Medical Program to the Division of Regional Medical Programs for funding. Their preparation has involved many months of dedicated work by a large number of our finest citizens."

ILLINOIS AND MISSOURI (BI-STATE RMP)

The Missouri-Illinois Program, known as the Bi-State Regional Medical Program, has made great strides, and Dr. William Stoneman III, who coordinates the Program, reports:

"In two years a great deal of inertia has been overcome in St. Louis and the surrounding region. The two private medical schools are now working closely together. Both are making real community commitments beyond St. Louis which did not exist before. Southern Illinois University, which is in the process of developing a school of medicine, is participating. Project proposals have been approved and initiated to extend medical center capabilities to community hospitals and other groups throughout the region to improve the care available to the patient in his home community.

"At this critical point in time, a decision appears to have been made to cut back substantially on funding to the extent that essentially no funds for new activities will be available during the current fiscal year. The effect of such a policy on local initiative in our region will be very serious. Under those circumstances, the inability of this program to make any significant impact on the capacity of the health care system in the face of the massive federal infusions of money into health care demands (Medicare, Medicaid) is self evident."

INDIANA

Indiana would also suffer, as Dr. Robert B. Stonehill, its Regional Medical Program Coordinator indicates:

"Reductions in the Regional Medical Programs budget made by the House of Representatives, if carried over into actual appropriations legislation, will have a definite dampening effect on the Indiana Regional Medical Program.

"We now have a number of projects in various stages of development. All of them are aimed at regionalization of resources and services. If they are not funded, momentum toward further regionalization will be greatly slowed. Further, the excellent beginning we have made in developing cooperative efforts will deteriorate and the initiation and development of new, worthwhile projects will come to a halt."

IOWA

Dr. George Hegstrom, Chairman of the Iowa Regional Advisory Group, indicates:

"Here in Iowa we have had much success in convincing practicing physicians, hospitals and other health persons and institutions that through the Iowa Regional Medical Program they have an opportunity to effect meaningful changes in Iowa's health care system in a way that is particularly appropriate and acceptable to the Iowa Region.

"A true cooperative spirit has emerged. Smooth and effective mechanisms for making decisions greatly representative of both the medical center and the community level are reaching a high level of development. The stage has been set. What a loss to the people of Iowa if this system for improving the quality of care at the place where people live is left to rot away from its lack of use."

KANSAS

The cooperative effort of Kansas would be weakened, as Dr. Robert Brown, Coordinator of that State's Program shows:

"It is obviously disastrous to provide cooperative efforts for doing things at the Community Level only to have to report back to those groups that the Kansas Regional Medical Program will be unable to provide the financial assistance to carry out these Programs.

"Planning with a capability of doing has contributed greatly to the momentum of the Kansas Regional Medical Program. Fiscal restriction would undoubtedly dampen the enthusiasm of people at the Community Level to spend time and effort in a Program which cannot deliver the rewards for that effort expended."

LOUISIANA

Dr. J. A. Sabatier who directs the Louisiana Medical Program, has eloquently stated the problem of the Louisiana Regional Medical Program:

"The lack of full funding of our initial modest package of operational projects would probably have a devastating effect upon the future effectiveness of not only the Louisiana

Regional Medical Program but would probably also have an extremely deleterious effect upon future relationships between the public and private sectors in the health care delivery system. I seriously doubt whether it will be possible to ever again attract the degree of commitment and cooperative endeavor which has been accomplished thus far under RMP guidance. In short, I feel that the deleterious effects of the budget cut will be felt on a much wider base than the RMP Programs alone."

MAINE

In the State of Maine, Dr. Manu Chatterjee, Program Coordinator of the regional medical program reports:

"At the present time, the Core staff of Maine's Regional Medical Program numbers nineteen. Programs for the staff are formulated with the assistance of committees and task forces representing virtually all organizations to include hospital staffs. There is a major input into this program by both the providers and consumers of health services. The number actively involved in the planning process for this region is nearing 400.

"To date, we have been fortunate in having our programs approved; however, we are already feeling the pinch of the heavy financial constraints in the health care field. The following is a list of our present programs:

"Programs funded through September 30, 1970

Core staff grant	$578,807
Regional health agency (Upper Kennebec Valley)	241,745
Smoking control	48,626
Guest resident	36,391
Coronary care	198,462
Physicians' continuing education	76,285

"Programs approved by National Advisory Council, but not funded

Department of community medicine	$92,686
Directors of Medical Education	27,500
Regional cancer program	75,422
Regional library program	43,942

"(Plus appropriate indirect costs.)

"As we are progressing to a more efficient and experienced stage, it is anticipated that funding requirements for programs to increase the quality and distribution of medical care for the residents of Maine will more than double in the coming year.

"In order to maintain the impetus already gained in Maine, it is essential that programs approved by the Regional Advisory Council be funded within the next few months; otherwise, physicians, participating agencies, and all others assisting in the RMP effort will lose interest in project development since meaningful projects cannot be implemented due to lack of funds. We anticipate two more projects will be submitted for the December 1 deadline and would like to think that these projects will also be worthy of funding by the Division. You can see that already we need approximately $250,000 to implement the four programs that have been approved and the two other projects being developed for submission will require an additional $400,000. It is my personal opinion that Regional Medical Programs are just beginning to have an impact on the medical community at large and are making a major contribution to the health care of the nation and to this region in particular.

"Our particular program is presently funded through September 30, 1970, but it would be very helpful to have definite assurance that our present operations will be extended for a few years hence and that the present program will maintain enough flexibility to maintain 'an innovative approach' to health planning."

MARYLAND

The people of Maryland will also be hindered in their efforts to build a strong program, as Dr. William S. Spicer, Jr., the Coordinator reveals.

"We have numerous examples of this development in our Region, i.e., a central regional data and evaluation center, a coordinated development of comprehensive ambulatory care centers in our urban ghettos, which will assure all of the citizens of Baltimore of improved health care within the next 3–5 years, the change in community hospital structure to the corporate image, etc.

"Having established this base over the past three years, the Maryland RMP is now ready to provide solutions to the major health problems. This requires an expanded, not a reduced, budget. It would be a terrible mistake to have expended rather modest amounts of monies, to be ready to go, and then to doom the Program at the moment when it is ready to move into full gear in catalyzing major changes in the health care system. The whole process would have to be reinstituted through some other mechanism. To be frank, I see no other effective mechanism."

MASSACHUSETTS, NEW HAMPSHIRE, RHODE ISLAND (TRISTATE RMP)

The Tri-State Regional Medical Program of the States of New Hampshire, Massachusetts, and Rhode Island may well be severely restricted, according to Dr. Robert P. Lawton, the Deputy Director. As Dr. Lawton states:

"What will be the effect of the low House appropriation on regions? Suffice to say that if this number is all that is appropriated the effect on Tri-State will be devastating.

"It is my personal judgment, if RMP were to have no more appropriation for 1970 than the House approved for grants, that it would be necessary to shut down some regions in order to keep the others alive. This is my national view. New England is potentially too important as an example of interstate cooperation, including effective coordination of RMP and CHP, not to warrant every possible regionalization dollar."

MICHIGAN

The State of Michigan's regional medical program will also be in severe difficulty. Here is the report of Dr. Albert E. Heustis, Program Coordinator:

"If these reductions are sustained, it will mean that in Michigan the following programs providing for improved health of the people of the state and which are ready to go will not be funded:

"1. A Comprehensive Health Care Program to serve the "urban poor" with cancer, heart disease, stroke, and related diseases in the vicinity of the Wayne County General Hospital and operated by that institution.

"2. Five interrelated acute stroke projects, including Wayne State University, Detroit General Hospital, Detroit Osteopathic Hospital Corporation, Sparrow Hospital in Lansing and Michigan Heart Association.

"3. A training program for a new type of individual to assist nuclear physicians conducted by the Hackley Hospital in Muskegon.

"4. A program to provide continuing physician education for twelve smaller hospitals by the Blodgett Memorial Hospital in Grand Rapids.

"5. A cardiovascular educational program to improve patient care in the hospitals surrounding the Mercy Hospital at Benton Harbor, conducted by that institution with the cooperation of the University of Michigan through the Wayne County General Hospital.

"All of these proposals have been approved by the Regional Advisory Group as required by Public Law 89–239. Items 2 and 5 above have also been approved but not funded by the Federal Division of Regional Medical Programs. We are advised that the other items are in the process of receiving favorable federal consideration but that for them too, no funds would be available.

"This means that, if the figures recommended by the House of Representatives are enacted without change, the possibility of funding the projects listed above would be prohibited as would the development of additional new projects to provide Michigan people with the improved health envisioned by the Congress when they enacted this legislation. This shattering impact will come at a time when the initial inertia and suspicions surrounding the Regional Medical Program are being overcome, and when people are beginning to trust each other and work together for improved health as a result of the stimulation provided by federal funding."

MISSISSIPPI

In the South the problem is equally severe: Dr. Guy D. Campbell, Coordinator of the Mississippi Regional Program, says that the House action will have the following effects in that state:

"The reduction would cause the program to drop from its leadership position in the stimulation and implementation of new programs to meet old needs to a neutral or at best a "holding" position.

"The program will lose its hard won momentum and most significantly, the confidence of the medical community and others.

"The reduction will have a negative effect on core staff morale and will probably contribute to staff turnover.

"Due to the devastation of Hurricane Camille in southern Mississippi, the State Legislature appropriated ten million dollars for loans and grants to aid in the reconstruction of whole communities in that area of the state. This appropriation and a concurrent shift of funds by many state and private agencies to assist in this rebuilding program has significantly reduced the availability of monies that could have been used for participation in the Mississippi Regional Medical Program.

"If the trend of RMP is toward decategorization and primary care, any reduction in funding would threaten the achievement of this goal.

"Should the Division of Regional Medical Programs be required to make an across-the-board cut in funding for all regions, certain projects already funded at a base minimum could not sustain a reduction without severely compromising their primary objectives of patient care, continuing education, training, etc."

MISSOURI

The Regional Medical Program in Missouri will lose momentum, according to Dr. Arthur E. Rikli, Coordinator:

"The curtailment of funds at this time will result in a serious break in confidence with communities who have been earnestly working toward the development and expansion of services for heart, stroke and cancer patients. Communities such as Sikeston, Lebanon, Joplin and others were anticipating the technical and financial assistance from the Division of Regional Medical Programs to test improved cooperative arrangements leading to regionalization of health services. There will be a serious loss in our momentum to carry out this Program if the Senate does not restore funds cut from Regional Medical Program by the House."

NEBRASKA, SOUTH DAKOTA

Dr. Harold S. Morgan, Program Coordinator reports that the Nebraska-South Dakota Regional Medical Program probably "will not be able to survive":

"If the Regional Medical appropriation recommended by the House is sustained, the Nebraska-South Dakota Regional Medical Program will not become operational. Four projects have been approved by Council in the sum of $1,017,692. This sum together with the awards approved for 6 other regions will far exceed the amount of new money available.

"The result of the failure to fund our approved projects will be so disastrous to the Nebraska-South Dakota Regional Medical Program that it will not be able to survive, and without survival, the program will not do what PL 89–239 was intended to do when Congress passed the law."

NEW HAMPSHIRE

In New Hampshire, Hamilton S. Putnam, Executive Director of the Program states:

"There is cause for concern that, unless the Senate establishes a higher funding level for Regional Medical Programs above that voted by the House and a Committee of Conference concurs with this larger figure, the national effort of RMP—just now beginning to evidence its potential thrust—will be in jeopardy."

NEW JERSEY

Dr. Alvin A. Florin who coordinates the New Jersey Regional Medical Program says that the cooperative arrangements there will be discouraged:

"Specifically, a decrease or leveling of funding will delay the funding of an operational project already approved which provides for the development of health activities in ghetto areas through assignment of urban health planners to Model Cities programs. New Jersey has nine federally funded Model Cities programs, and the problem of supplying needed medical services to ghetto residents is acute both in quantity and quality of delivery.

"Generally, a decrease or leveling of funding will diminish the impetus of our program by discouraging the development of operational grant proposals. Further, it will discourage cooperative arrangements because of general pessimism regarding the future of the Program."

NEW MEXICO

New Mexico's Program would "suffer a subtle Program deterioration" as Dr. Reginald H. Fitz, its Director, reports:

"Beyond the identifiable or specific negative impact of a 'new funding freeze,' which is what would result if funds are not restored to the Division's budget and a reasonable competition for them re-established, I believe that there would be a more subtle Program deterioration. The New Mexico Program is, I believe, in a very strong growth position. It is receiving increasingly enthusiastic interest and support. The relationship with the University is excellent and cooperative recruiting has succeeded in attracting exceptionally well-qualified professional personnel to the Core Staff and operational projects. If the Program should lose the momentum that it has so recently achieved and were continued progress to be made impossible due to lack of funds, I am afraid that the Program would lose its ability to attract or retain able individuals and would fail to reach the level of significance in relation to the solution of health problems in New Mexico that lies within its conceptual capability. To use an obvious analogy, undernutrition at this point would seriously stunt the growth of what appears to be a very healthy child."

NEW YORK (CENTRAL)

The Central New York Program faces difficulties, as Dr. Richard H. Lyons, Coordinator of the Program, reports:

"The decrease in funds has not paralyzed our present operational approaches but has greatly decreased the enthusiasm that was beginning to be generated among members of the health professions for the Program. In fact, a number of projects which were under consideration have simply been side-tracked because of the lack of funds and others have been approved by the council and have not been developed for the same reason."

NEW YORK (METROPOLITAN)

The gloom surrounding project cutbacks in the Metropolitan New York RMP is reported by Dr. I. Jay Brightman:

"The NYMRMP was recently approved for operational status but cannot be funded as such, because of the cutback. When the applicants heard the news that their projects were approved but unfunded, their reaction was more serious than if the projects had been rejected. In the latter situation, they might have become indignant, but they also might have taken the attitude that a better application might be approved. In the present situation, they have been completely discouraged. It has been a long period since their applications were first drafted, processed through our staff reviews, our technical consulting panels and our RAG to begin the trek up to the National Site Visit, the study by the Review Committee and finally the action by the National Advisory Council on Regional Medical Programs. Having survived all this, they are little consoled with the moral victory and the less than certain chance for future funding.

"The same gloom has spread among all of our Associate Directors in the seven medical schools and the Regional Medical programs operating there. There is little incentive to actively pushing projects fairly well along the course of development when they feel that they do not have an even chance of having highly meritorious work adequately financed."

NEW YORK (WESTERN)

Dr. John R. F. Ingall, Program Coordinator for the Western New York program headquartered in the State University of New York at Buffalo reports:

"In the Western New York Regional Medical Program we already have in effect projects that have identified us highly favorably with the community, not only in our ability to provide continuing education for ALL facets of health allied personnel, but also to upgrade the standard of medical care by devising cooperative ventures.

"Let me be more specific than the foregoing: we have a coronary care training school for nurses, of 6 weeks' duration, which, in my view, is of the highest quality available in this country. It not only provides 6 weeks training for nurses from the didactic and practical point of view but serves as a consultation point and support center for nurses in the entire region. We are producing a caliber of nurse to whom the local physicians will delegate responsibility. The physicians of the region, in turn, enjoy the experience of training within this school and what was originally considered a doubtful training entity has now become one of the most popular of our continuing medical education courses. Nurses in our school have already saved life and in one case resusciated one of our own physicians! The value of this to the program's image alone is fantastic.

"This Program, as you know, has a very large Regional Advisory Group represented by a 24-man Board. The reduction of funds to a Program such as this, which has good identity and major cooperation from the region at large, would be disastrous.

"For the first time in the history of this region we have developed a true consortium of private, V.A., county and university affiliated hospitals that has never before existed.

"Our telephone lecture network links up all these units and permits conference discussion which is logistically impossible, certainly in winter months, and saves a great deal of money in time and human effort in that the entire region can come together through this conference mechanism without leaving their own particular hospital center.

"We have calculated that with the goodwill built up and the voluntary time donated to this Program, the region at large is currently giving 25 cents for every dollar contributed by the federal government, which is not a bad contribution. I anticipate that this will increase in its dimensions and would suggest that if federal monies continue, or indeed are increased, then ultimately we can structure ourselves as an independent and economically viable organization for which federal monies would be unnecessary. The money to bring this about, however, is vital and it behooves us to put the transition into a perspective of time. This cannot be just done in the incumbency of one administration.

"More briefly, should the funds be cut in this area I visualize the following:

"(a) The discontinuation of a superb coronary care training school;

"(b) The dissolution of the first inhalation therapy school for chronic respiratory diseases centered on a community college in this area; a system of true regional support in respiratory diseases available to all communities, small or large, on request which has been a singularly effective support entity to the practicing physicians;

"(c) The education groups in this paramedical sphere, namely dietitians, pharmacists, dentists, hospital administrators, medical record librarians, and a number of others will be unable to continue their accreditation programs via our telephone lecture network, and the upgrading of these groups in their standards and responsibilities will receive a very serious blow.

"If Comprehensive Health Planning is really to get off the ground in this region it needs the support of the Regional Medical Program, for the latter has predominantly been responsible for the surveys and data collection. We are able to perform the latter in that we have not only the university support and that of the local county and state Health Departments but an ever-increasing involvement of the voluntary agencies, the private sector and the hitherto poorly acknowledged consumer group."

OHIO (NORTHEAST)

In Northeast Ohio's RMP, Dr. Barry Decker indicated crippling of that Program:

"We are now functioning on a second year planning grant which expires June 30, 1970. As a result, there have been no immediate effects resulting from the present budget cuts. We are, however, bringing together a series of grant applications to be submitted to the Division, prior to December 1, which summarizes end results from eighteen months of hard work. These requests should include between two and three million dollars per year of grant applications including our subsequent core staff support. It would appear to me that, in the present situation, the Division will have funds for no more than our continuing core staff support, which in effect will cripple the Program in Northeast Ohio."

OHIO (NORTHWESTERN)

Northwestern Ohio's Regional Medical Program is not different, according to C. Robert Tittle, Jr., Coordinator:

"If the House reduction is maintained by the Senate we could expect that of the three proposals which we have now undergoing review, by the Division of Regional Medical Programs, and six (6) proposals which are to be submitted December 1, 1969, for funding, perhaps two of the nine might be funded, but at a greatly reduced rate; we anticipate these two (2) would be funded at a 50 to 60 percent rate. We, also, anticipate that our present six (6) operational proposals will not continue to be funded even at the 75% rate, but at a reduced rate of 60%. You can well understand that we cannot maintain participation or enthusiasm when projects are approved but no funds are available."

OHIO (STATE)

The Ohio State Regional Medical Program fares just as badly, as Dr. Neil C. Andrews reports:

"Much energy by our dedicated core staff has been expended among health professionals within the Ohio State Region in the development of cooperative arrangements. Continuous attempts have been made to indicate to physicians and other health professionals that this is not an attempt by the federal government to take over the practice of medicine. Workshops have been conducted for health professionals and interested citi-

zens; regular meetings have been held for Local Planning Chairmen and Committee Members to acquaint them more thoroughly with the goals and objectives of the Regional Medical Program. Multiple articles have been written and distributed along with newsletters to a wide audience in an attempt to gain better understanding of the Program. All of this patient, methodical, painstaking development of confidence and respectability for the Program is in danger if the Program is seriously retarded."

OKLAHOMA

Dr. Dale Groom, Director of the Oklahoma Regional Medical Program reports:

"As I see it, this major retrenchment in Regional Medical Programs on a national scale is not only a backward step but, more important, it undermines years of planning and effort on the local scene not only by RMP but by all the other health agencies with whom we try to work. There is no question but that Regional Medical Programs were over-sold in the flush of enthusiasm when Congress appropriated sums exceeding those which the infant organization could assimilate. One cannot simply turn on well-conceived and well-planned health programs overnight. Recruiting and training medical manpower requires more time than opening up new offices. At any rate, fledgling RMPs sought out leading citizens and educators to constitute their Advisory Boards; their staff went out to communities throughout their regions to solicit and organize cooperation of local health resources; surveys were made of health needs; medical associations, hospitals, nurses and paramedical personnel were brought into the councils of the brave new endeavor. And now because of cutbacks which could hardly be foreseen, we are unable to follow through on the collaboration and, in many cases, the promises which were extended in good faith. Really, this strikes at the integrity of the whole effort. If we fail now, it will be doubly hard to take up the cause again at the same high level. Moreover, I am sure we will begin to lose our greatest capital of all, namely the quality of leadership and the good name which Regional Medical Programs have built up in their brief ascendency.

"I believe that now it is evident to all of us in RMP that we are at a decisive crossroads, that this year is crucial, that we cannot stand still but must go one way or the other. Actually what we need for success in this health effort is only a tiny fraction of current non-health expenditures of our country. I am hopeful that our national sense of values will prevail and that the support necessary for the success of this most important national resource will be restored."

TENNESSEE

The Tennessee Mid South Program, as Dr. Paul E. Teschan, Director reports, will be in trouble if it does not receive needed funds:

"Five projects amounting to $274,000 are being held in abeyance and options for employment of key personnel are being lost. Since these projects will be activated in the *region* (as contrasted with projects located in or deriving principally from the university centers in Nashville) this major regional thrust is being blunted, with continuing serious injury to the image of the Program as a *regional* one.

"The budgetary restrictions coupled with the reports in the press and the speculations in the "Blue Sheet" of which we are all aware have raised an undercurrent of speculation in this region concerning the projected viability of RMP locally and nationally. Among practicing physicians, hospital administrators and the allied health professionals in the region, among whom the tide of interested acceptance of RMP is mounting, we perceive a damaging cynicism concerning the trustworthiness of even this federal program. For the more knowledgeable individuals, who perceive that there is no visible alternative to RMP in linking university centers and the provider structure, a sense of bitterness and incredulity can also be detected. The latter development is particularly underscored when approval for a nuclear aircraft carrier, multiple landings on the moon, and an antiballistic missile system of dubious workability seem to get by relatively easily.

VIRGINIA

For the State of Virginia, Dr. Eugene R. Perez, Director of the Program reports:

"Relative to the reduction of the Regional Medical Programs budget, I believe it is obvious that it will result in definitely curtailed activity of the Program in Virginia. With less money to operate, obviously one will be able to do less. Unfortunately, this will be a strain on all concerned, as it will be necessary to set strict priorities.

The most unfortunate aspect, I believe, is the timing of the budget cuts. I think that all regions have had pretty much the same experience, and I know that it has taken two to three years in Virginia to get the confidence of the various groups, and to establish the necessary cooperative arrangements. We have accomplished the foregoing in Virginia, and now that we are ready to spread out and make the Program effective it will be difficult because of less money. I am afraid that this will blunt the momentum of the Program.

In summary; less money, less Program, less interest, less participation, and less effect upon improved patient care of the citizens in the region."

WEST VIRGINIA

Charles D. Holland, acting Director of the Program in West Virginia reports:

"To answer the question in your recent memorandum of the effect on the West Virginia Regional Medical Program of the House cut in Regional Medical Program funds for 1970, I can only report that we have been recommended for operational status beginning January 1, 1970—but have not been funded. I believe that our entire Program is in jeopardy because of the House action."

WISCONSIN

In the State of Wisconsin, Dr. John S. Hirschboeck reports that:

"The Wisconsin Regional Medical Program has two proposals under review and awaiting funding by the Division of Regional Medical Programs. Each of these will have little chance of being funded if the appropriation bill is passed by the Congress at the level recommended by the House. One of these projects is budgeted at $664,374 for its first year. It is concerned with the development of a comprehensive approach to managing chronic renal disease. It includes support for home dialysis training for patients and their familes and the development of a transplant strategy to provde rapid matching and transplantation within a few hours. The second project will require a first-year budget of $999,229 for the operation of a health profession manpower improvement and expansion program in the Greater Milwaukee area. The purpose of this project is to provide a variety of in-service training experiences for physicians and others to learn new technology and to develop working skills for people who presently do not have them. Both projects have great implication for the improvement of health care in the Wisconsin region. With the limited funds which would be available under the appropriation recommended by the House, these obviously will have little chance of being funded.

The flexibility and readiness of Regional Medical Programs to deal with major health problems are, perhaps, their greatest asset. However, without funds to demonstrate their capability, Regional Medical Programs are apt to fall before they really have had a start."

THE TREATY TRAP—A BOOK BY LAURENCE WELLMAN BEILENSON

Mr. MURPHY. Mr. President, every once in a while a book comes along that I feel is of such paramount importance that I recommend it to Senators as "must" reading. Such a book is "The Treaty Trap," a comprehensive and definitive history of the performance of political treaties by the United States and European nations, written by Laurence Wellman Beilenson. I would also recommend this book with its unparalleled study of treaties to the representatives and delegates at both the Paris peace conference and the strategic arms limitation talks in Helsinki, since both are concerned with major treaties of our times.

The only book of its kind to recount the operations analysis and breach of treaties during the past 300 years—this documentation is long overdue.

Mr. Beilenson has three major themes. His first demonstrates that alliance treaties, treaties to keep the peace and international guarantees have been alike in their steady breach. Second, in scrutinizing actions to find motives, Mr. Beilenson widens his analysis to embrace the wellsprings of national action—including self-interest and glory of rulers and their supporters. The intriguing third theme shows that even cynical statesmen, while breaking their own promises, have succumbed to treaty-reliance.

"The Treaty Trap" shows that the modern pattern only repeats the ancient. As the story unfolds, the evidence piles up to prove that all major nations have been habitual treaty breakers.

How far should the United States rely on political treaties for aid in war or to keep the peace?

What assumptions about performance or breach of such treaties should the United States make in deciding whether to enter into future treaties?

With these fundamental questions chiefly in mind, Laurence W. Beilenson, a prominent Los Angeles attorney, examines the history of treaties since earliest times. The net result is a highly authoritative, readable, and perceptive work.

A word about the author, Laurence Wellman Beilenson, who brings to this book the benefit of extensive knowledge of history, law, and military science. He is a graduate of Phillips Andover Academy, Harvard College, and Harvard Law School. A veteran of two wars, he was during World War II a commanding American liaison officer with the Chinese Army. Long interested in international affairs and history, Mr. Beilenson devoted 8 years to research in preparing "The Treaty Trap."

REJECTING THE SIMPLE SOLUTION

Mr. RIBICOFF. Mr. President, I was impressed by a speech delivered recently by Mr. Joseph A. Califano, Jr., at Haverford College. Mr. Califano's experience and understanding of America today are complemented by his clarity of thought and fluency of expression.

Here we have a most perceptive analysis of the domestic situation:

Our Nation is now being presented a host of simple solutions for a series of problems so complex that it is difficult to be sure one is asking the right questions.

He continues:

Of greatest concern is that a large majority of our citizens will be unwittingly seduced by shrewd leaders in and out of government, to believe that simple solutions will work in a complicated society.

The temptation to look for the easy answer—to ignore causes in favor of symptoms, to pronounce rather than explain, to castigate one's opponents in lieu of listening to them, to use slogans in place of logic, to appeal to emotion instead of reason—is always greatest in a time of turbulence and doubt.

The time is already late for our Republic. We cannot afford a dark hour of division and recrimination.

The simple solutions of today will be the problems of tomorrow.

I hope all Americans will reject the simple solution, realizing it represents a shortsighted approach to the present and a disastrous road to the future.

I ask unanimous consent that Mr. Califano's speech be printed in the RECORD.

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

THE SIMPLE SOLUTION

(Address by Joseph A. Califano, Jr., to the Student Body at Haverford College, Haverford, Pa.)

In May 1964, at Ann Arbor, Michigan, Lyndon Johnson spoke of what, in his time as President, was to become a badly battered dream: his concept of The Great Society. For despite unprecedented legislative achievements at home, our nation was besieged by the Vietnam War and white bigotry, by militant blacks who found intolerable for another day what they had once considered inevitable for a lifetime, by the selfish indifference of an affluent majority and by students whose energetic determination to escape the profound emptiness they saw in their materially prosperous parents and professors was frustrated by the difficulty of putting lasting purpose in their own lives. These elements—with a big assist from modern communications and a skeptical questioning of the social, religious and political values of Western civilization—combined to limit the concept of a Great Society to a legislative reality rather than a human one.

The dramatic moment of this period occurred on March 31, 1968, when Lyndon Johnson, a proud Texan, announced that he would not run for reelection. Historians will argue for decades about the true motivations which drove him to that decision. They were undoubtedly as varied and complex as the man himself. While I am too close to the event to judge it without a large measure of subjectivity, I think there was one underlying factor: his increased and alarmed concern about the bitter divisions which were developing in American society—not just between dove and hawk, but between black and white, city mayor and rural governor, young American and adult establishmentarian.

Whatever the motivation, my desire this morning is not to linger on the reasons for Johnson's decision. My desire is to point out that he had a simple alternative, but one he rejected, quite consciously, as too dangerous in the long run for our country.

In its simplest form—and unhappily, a fashionable one today—Lyndon Johnson could have wrapped the Vietnam War in the Flag to handle his most severe foreign policy problem and he could have called for the silent white majority to quiet the ungrateful black minority for whom (they felt) they had done so much.

His failure to seek those alternatives was not an oversight. My own recollection is distinct in both areas, but before I spoke today I checked with others who were close to him during his Presidency.

On several occasions, there were those who urged the President to wrap the war in the American Flag; in effect, to make it unpatriotic to oppose U.S. involvement in Vietnam. The argument went along the following lines: In every war in this century, World Wars I and II and even in the Korean War, the Administration in power had made the issue almost entirely one of patriotism. The Vietnam War was a difficult, extended and particularly dirty war. Most important, it was being fought in American living rooms every night. The only way to counteract the natural human revulsion was to whip the country to a patriotic fervor and make the war an issue of patriotism.

Lyndon Johnson consistently refused to take that course of action. He was deeply concerned about the cruel injustices of the McCarthy era in the 1950's; some of his friends had been destroyed as human beings during that period. Equally important, he was deeply concerned that such demagoguery would unleash in our nation uncontrollable forces which could bring us to an even more extensive war than the one now being waged in Southeast Asia. In short, he rejected the simple solution.

Johnson reflected essentially the same attitude in dealing with the racial problem. I recall vividly his deep concern that the militant blacks would so offend the white majority that many of the gains in Civil Rights and Poverty legislation would be lost, just as similar gains were lost in the Reconstruction period after the Civil War. I also recall on more than one occasion his deep sense of perplexity and hurt at the apparent ingratitude of the cries for "more and faster now," when our domestic programs were already years ahead of most of the people whom we had been elected to govern. Yet in the end, Johnson chose to pursue the cause of justice for all and again, quite wittingly rejected the simple solution.

To be sure, on both these issues, the President evidenced some human frailty. We are all too familiar with his comment about "Nervous Nellies" and his remark about "cutting and running." That, however, is a far cry from a concerted Administration program to choose the currently fashionable simple solution for short run advantage.

It is this penchant for the simple solution that troubles me about our society today. Our nation is now being presented a host of simple solutions for a series of problems so complex that it is difficult to be sure one is asking the right questions.

Most of you are too young to remember the simple society of the late 40's and 50's. That was the society where Communism was monolithic Stalinism; where black children and teenagers knew their place in "separate but equal schools; where poverty and a full measure of unemployment were considered inevitable, if unfortunate, corollaries of prosperity for the majority; where freedom, and particularly free speech, was often professed but too rarely exercised, where money rather than talent screened students for our best universities.

It was then and is now human nature to seek the easy way out. Such is the kind of choice that all of us, black and white, student and adult, dove and hawk, radical anarchist and conservative are tempted to make every day of our lives. It is not the considered choice that should be made by our nation's leaders whether in government, in business or labor, in university administration, or in student council presidencies.

Let me give a few examples:

First, the war in Vietnam. There is now a concerted movement to wrap the war securely in the American Flag. This course is being pursued so shrewdly that those who oppose the war are in effect being denied the use of our Flag, as government officials and private, well-meaning, hawkish groups urge that the Flag be flown on National Holidays or during peace demonstrations to show support for the war. When a Republican leader of the Senate tells our citizens to fly the Flag that belongs to all of us to indicate support for the President that now happens to be in power, he is as grossly denegating our national symbol, as a radical student who sets it afire with a burning draft card.

The war provides another example of opting for the simple solution. Marshall McLuhan has pointed out that Vietnam is the first war fought not merely on American soil, but in the living rooms of our nation where all citizens can watch five or ten minutes of it every evening. The simple solution is to have high government officials attack the media for its coverage of the war under the charge of biased reporting or irresponsible commentary or photography.

Is not the real question (albeit it more complicated) what this world would be like if the citizens in North Vietnam, Soviet Russia and Red China could see war on their television screens every night? This is not an easy thing to achieve, but if the human revulsion of their citizens would be the same as the revulsion our citizens feel, isn't it a policy worth working toward?

We see the simple solution in other areas of our national life. Crime, for example, is a burning, if not the major, issue in every large city of the nation. Fighting crime is expensive and complicated. It will require not only more taxes, but substantially more sophisticated police, court techniques and prison operations. The simple solution is to propose legislation to overrule Supreme Court decisions protecting the accused. That is far easier than trying to get more taxes to pay for more and better trained policemen, taking on the gun lobby for stricter gun control laws, reforming penal institutions or dealing with some of the root causes like drug addiction and poverty.

It is complicated to reform a state or local court system so that criminals can be tried within a month or two of arrest. It is much easier to propose preventive detention legislation which denies the accused bail and in some cities can result in preventive confinement for months or even years before trial.

By almost any standard of recorded history, our nation is in the midst of a fantastic outpouring of erotic and pornographic literature, motion pictures and plays. It is difficult, as Art Buchwald has put it so well in one of his humorous columns, to find movies on Saturday afternoons to which your children can be admitted. There are more and more newsstands where the reader must plow through dozens of "girlie" or homosexual magazines in order to find Time and Newsweek.

The simple solution is to ban pornography—whatever that means under complicated Supreme Court decisions and First Amendment rights. Even if it is difficult to define pornography, at least tough legislation will scare off some publishers and movie makers in the interim.

It is much more complicated to deal with the question of the movie producer who says: "Nobody goes to see family movies any more. We are only producing what the American people will pay money to see." Isn't it more appropriate to ask why the American people have created an almost insatiable market for sex and violence? Why do erotic movies attract such large crowds? Why do sex-filled books consistently make the best seller list? Why do "girlie" magazines get

more and more advertising lines? In short, Americans are making pornography and eroticism a bigger and bigger business. Instead of asking why—an enormously difficult question—we opt for the simple solution: put the seller in jail.

Our economic policies, public and private, abound with simple solutions. The Secretary of the Treasury accepts significant increases in unemployment, now approaching a million, parroting the conventional wisdom that unemployment must go up if we are to stop inflation. Businessmen in concentrated industries, released from the fear of government action that hung over them for the past several years, have recently raced like survivors from a sinking ship to push their prices up and get their piece while there is still some action. Labor leaders quite naturally respond that a five or six percent wage increase means no increase at all. The government, turning to the comfort of traditional concepts of labor negotiations, encourages both by saying it will not interfere with either. Again, this is the simple solution.

Shouldn't we demand that our academic economists and government leaders seek new ways to fight inflation, or eliminate or at least ease the burdens of unemployment for the millions of Americans whom we hurt as we cool off the economy? Hasn't the time come when giant corporations and labor unions must recognize that they operate in a welfare-oriented free economy where the public interest is paramount; and not in the laissez-faire capitalism of the 19th Century where private gain was the basic standard.

Next, the race question, particularly as it affects our educational system. Schools are the current cutting edge of racial tensions in our nation. Here simple solutions abound on all sides. At the college level, some black militants argue for Afro-American Study Centers where students will be the teachers; at other levels they argue for return to segregated schools. The Supreme Court finally recognizing that "all deliberate speed" meant something less than two generations of elementary school children now calls for "immediate desegregation." The Executive Branch adopts a simple policy to appease the white majority by slowing desegregation, in their words "to protect the high standards of public education in the United States." Surrounded by simple solutions are millions of school children in totally inadequate elementary and secondary schools—black, white and integrated.

Finally, the university. An energetic, sophisticated and skeptical college generation has made the American university the focal point for many frustrations of our society. But here again we see simple solutions everywhere. We see militants, who don't like particular types of research, taking the simple route of destroying the facilities and files of professors conducting that research. Legislators propose laws to outlaw protest activities on campuses or to withdraw funds from students who engage in them. Some university professors are beginning to doubt their own legitimacy to teach, merely because their human nature with its inherent fallibility makes it impossible for them to live with unwavering consistency in accord with the precepts they are teaching.

The problems, of course, are much more complicated both in the area of desegregation for our schools and in terms of the function of universities and the relationships of students, teachers, trustees, and alumni in the academic environment. A book could be written on this subject, and since I have done one, I will not linger on it here.

My point—and the point of almost everything I have said this morning—is that America is complex and getting more so every day. I realize that all problems cannot be solved at once and most must be broken down into parts capable of productive action. I ask you to recognize the inherent complexity of our society, the institutions within it and the human beings who run those institutions.

What I see and what I fear about the current trend of our national life-style is not so much that simple solutions will lead to final solutions for some segments of our society, but that simple solutions will hide problems while those problems continue to fester or will lead to even more frustrating dead ends. I fear that crime rates will continue to rise because all of the lessons of history and experience are being ignored in simple-minded legislative proposals, that the Vietnam War will further sour our national life as it is packaged in patriotic oversimplifications, that blacks will turn increasingly to violence as they are told that their fever point of frustration must be endured for another generation or two.

Of greatest concern is that a large majority of our citizens will be unwittingly seduced by shrewd leaders in and out of government, to believe that simple solutions will work in a complicated society. Most disturbing is that these things are not just happening in America today. They appear to be part of a carefully orchestrated campaign which eventually may make many Americans look back with surprising nostalgia to the tumult of 1968.

If there is any message in my book on the Student Revolution it is that we are dealing with some complicated problems at a most critical time in our history. The concept of the Great Society was not one of a simple society. In the words of its author, The Great Society, like The New Frontier, was "not a safe harbor, a resting place, a final objective, a finished work. It is a challenge constantly renewed, beckoning us toward a destiny where the meaning of our lives matches the marvelous products of our labor."

RECLAMATION FOR THE 1970's

Mr. MOSS. Mr. President, the Assistant Secretary for Water and Power Development, Hon. James R. Smith, recently gave what I consider to be one of the best definitions of reclamation I have heard. Speaking at the National Reclamation Association Convention in Spokane, Wash., Secretary Smith took issue with those who believe that the task of reclamation in the West is virtually completed, and then said:

Reclamation is not merely putting water on otherwise arid lands, it is not merely providing municipal and industrial water to growing communities, it is not merely providing the benefits of recreation flood control, hydropower, navigation and the other so-called multiple-purpose uses.

Reclamation is the essential ingredient to a growing, expanding, and viable economy throughout the West. Reclamation is making the best possible use of the available precious water resources of the West in order to improve the quality of life in the West.

Secretary Smith further pointed out that if the West is to carry its share of the Nation's economic responsibilities in the decade of the 1970's water resource development there must be accelerated.

I ask unanimous consent that his excellent speech be printed in the RECORD. I would also point out that at the convention where it was made, the organization which has long been known as the National Reclamation Association changed its name to the National Water Resources Association—an acknowledgment of the broadened horizons of the reclamation movement—and selected my home State, Utah, as the appropriate site for its 1972 convention, which will commemorate the 40th anniversary of its founding. It was in Utah that irrigation was first practiced in America by Anglo-Saxons.

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

EXCERPTS FROM SPEECH GIVEN BY JAMES R. SMITH, ASSISTANT SECRETARY—WATER AND POWER DEVELOPMENT, U.S. DEPARTMENT OF THE INTERIOR, BEFORE THE NATIONAL RECLAMATION ASSOCIATION CONVENTION, SPOKANE, WASHINGTON, OCTOBER 22, 1969

The name of this talk is "Reclamation For The 70's." The title was not developed lightly. As the next few months unfold, you will see the development and the implementation of a program that will show that we are ready for the demands in the decade ahead.

Those of us who are familiar with the great progress that has been made by the Bureau of Reclamation recognize the important role the National Reclamation Association has played in helping to foster the development of the West through water resource development. The Bureau and the National Reclamation Association have for many years been a team in a working partnership that has helped to move water resource development at the community, state, and national levels. NRA has shown the flexibility needed to mature and grow with changing circumstances.

I see by your program that your theme this year is "Water . . . People . . . and National Goals." That must also be the theme for water resources development in the 70's.

The thrust of the Bureau of Reclamation in the past decades has been forceful in meeting the demands of those times.

But to many, Reclamation has virtually completed its original task of reclaiming the arid lands of the West. Those who believe the Reclamation Act of 1902 has served its purpose are looking at the number of arid acres reclaimed—we must look to the people served and to be served. That task has barely begun.

Much of the West is becoming urbanized and its problems are becoming more and more those of an urban society. While the irrigation of new lands and the delivery of supplemental water will continue to play a large role in the reclamation program, the thrust of reclamation for the 70's must meet the region's growing municipal and industrial water needs. This will require the establishment of new priorities—priorities which will identify the most urgent needs and bring maximum benefits to the people of each region in the West.

These priorities must recognize that 15 of the 25 urban areas having the highest projected rates of population growth are located in the reclamation West. In 1965 the experts predicted a 22 percent growth in population for the West by the year 1975. Today the growth rate is ahead of this forecast.

In establishing the priorities for reclamation of the 70's, some tough questions are being asked of supporters of the reclamation program. Critics are asking and deserve full and complete answers on several major questions.

They are asking whether or not we have a proper pricing system for water delivery.

They suggest there is a basic conflict between two of our national objectives: fostering irrigated agriculture and assisting farmers to maintain their incomes. Some recent Government studies suggest that as much as 40 percent of the 7 million acres of federally assisted irrigated cropland grow crops subject to price support and acreage diversion programs.

There are also those who suggest that we are not properly allocating the public investment in resources among the various regions

of the country, and even that water and related land resource development is not a suitable subject for the expenditure of Federal funds.

Critics are questioning the validity of interest-free payment of irrigation obligations and whether the interest rates on M&I water are sufficiently high.

Parenthetically, I might add that the nonreimbursable features of flood control and navigation projects are also beng challenged in certain quarters.

These questions are basic ones. They deserve answers. Unfortunately, those of us who have supported reclamation programs in the past have not adequately and completely answered these and similar questions. We *must* do so if the program is to be advanced.

Our first challenge is to define what reclamation *really* is. Reclamation—and I happen to think it is an antiquated world—is not merely putting water on otherwise arid lands, it is not merely providing municipal and industrial water to growing communities, it is not merely providing the benefits of receration, flood control, hydropower, navigation, and the other so-called multiple-purpose water uses.

Of course, reclamation is all these, but it is much more! Reclamation is the essential ingredient to a growing, expanding and viable economy throughout the West. Reclamation is making the best possible use of the available and precious water resources of the West in order to improve the quality of life in the West!

It must be sold in those terms and it must be sold to a bold, sophisticated, young, intellectual society.

Never before in the history of mankind has a society matured so rapidly and I predict that the rate of change will be even faster in the decade of the 70's.

The hard, tough questions which I earlier cited are being asked now and will be more vigorously pursued by those who will be tomorrow's national leaders.

An inherent part of the growing sophistication of our society is the recognition that man must manage his activities so that he complements and does not destroy his natural environment. Man is living in a natural environment created by God which is in balance and harmony. When we introduce and develop a civilized culture, we superimpose it upon the natural creation. Thus, in effect, we build a new environment within the natural one. There must be balance and harmony between the two. There need not be inconsistencies and continuing conflict on every proposed alteration of the natural surroundings. Man is a natural part of the ecology, and it is intended that the environment be for his benefit.

If we are realistic in our proposals and use imagination, we can design and develop projects which will supplement, assist, and enhance the natural environment without causing undue hardship.

There are those who call themselves conservationists who would oppose any development or any alteration of the natural environment. There are also those who call themselves conservationists who would develop and rape the land with little concern as to the side effects of their activities. Our job is to be realistic and to approach our assignments with a judgment that reflects a proper balance that will benefit man.

To me, conservation is the use of the earth's resources to produce the highest quality of living for mankind. This definition is not easy to supply.

But we can develop our water resources in a manner which will protect and preserve those waters that need to be preserved; utilize those waters that need to be utilized; and improve the environment for the benefit of mankind. That is what reclamation in the 70's must be. For the most part, that is what reclamation in the past has been. We who have supported reclamation have supported a program which has improved the natural environment of the West.

The contribution of the Bureau of Reclamation has been great. This has been made possible by dedicated men and women in the Federal service who have given the better part of their lives to the programs they helped to create and implement. This month a good friend of mine and yours, Floyd Dominy, is retiring from Federal service and as Commissioner of Reclamation. Many of the accomplishments of the Bureau during the last 10 years can be attributed to Floyd Dominy's dynamic and bold leadership.

Now we are moving into the decade of the 70's.

Let me, therefore, lay out for you some of the guidelines with which this Administration will implement an aggressive and dynamic reclamation program for the future. As a matter of fact, we have already begun to implement Reclamation for the 70's.

The Small Reclamation Project loan program has been limping along under the most restrictive ground rules. Those rules prohibited a loan if at the beginning of the loan period there was the remotest possibility that the primary use of the land involved would shift from agricultural to urban. Not only that, but if changing economics caused such a shift of land use, the entire loan came due immediately. This is diametrically opposed to a "people-oriented" reclamation program.

One of the first actions of this Administration was to broaden the ground rules to allow the granting of loans for the maximum multiple-purpose use of our water resources.

I am hopeful that the Small Reclamation Projects Act can be expanded so that more loans can be granted for well-justified projects.

In the next decade we must catch up on the backlog of authorized reclamation projects. There are roughly $5 billion in authorized, unfunded projects. In addition to authorized projects, there are a host of projects which were considered feasible at the time their reports were finalized. There are other projects which have not cleared the Commissioner's or my office.

It would be irrational to assume that all of these projects will be built. It is equally irrational to assume that by the time some of these projects are ready for funding, the economics of that time will dictate their construction as originally conceived. The Bureau of Reclamation must continually update its information. The Bureau must assure itself that project purposes, as well as project design, are accurately geared to the needs of a given project and of the people they are to serve.

Reclamation for the 70's must, therefore, include the word "flexibility" and the Bureau must continually reexamine its project proposals to incorporate changing economic and social conditions.

The Bureau of Reclamation has perhaps the most skilled hydraulic and design engineers in the world. It also has expertise in the fields of economics and planning. Its expertise in these latter two fields must be substantially expanded. If the Bureau does not develop the needed additional economic and planning skills so as to prove unequivocally that its projects are justifiable in the strictest sense of the word, many proposed future projects will probably fall by the wayside. They simply will not be able to stand the scrutiny of the sophisticated analyses by which they must be tested. At this very moment a test team is engaged in developing and testing a new approach to the complex subject of water resource evaluation techniques.

Let me conclude by emphasizing that as soon as the dangerous inflationary situation in this country is brought under control we must, and will, fund ongoing reclamation projects at an optimum rate. To do this, we must quit talking only about reclamation and irrigation and emphasize the value of Federal investment in controlling and developing our precious water resources.

In the decade of the 70's, we must broaden our base of support and convince those in other regions of the United States that if we in the West are to carry our share of this Nation's economic responsibilities, water resource development in the West must be accelerated.

In the decade of the 70's we must explore new methods of financing. We must be alert to the social needs of the region. We must provide new job opportunities. We must protect our precious resources for future generations. We must be concerned with ecological balance, with beautification, with conservation, with the demands of recreation. The Bureau of Reclamation must be more sophisticated in its analyses of benefits, financing, and allocating costs and repayments.

With the continued support of this great association, "Reclamation For the 70's" will succeed.

A SECOND INDEPENDENCE HALL

Mr. MURPHY. Mr. President, it is always a pleasure to hear of the good works of a modern day patriot and a great American, particularly when he is a good friend and a fellow Californian.

I am speaking of Mr. Walter Knott, founder of the famed Knott's Berry Farm, and the motivating spirit behind the creation of a second Independence Hall and Heritage House on the Knott grounds at Buena Park, Calif.

Ed Wimmer, president of Forward America Inc., of the National Federation of Independent Business, recently authored for his broadcast an excellent commentary on Walter Knott, a man of great self-determination and self-reliance.

I commend Mr. Wimmer for this essay, and I ask unanimous consent that it be printed in the RECORD.

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

WALTER KNOTT: HE BUILT A SECOND INDEPENDENCE HALL

(By Ed Wimmer)

In the 37 years I have been crusading for the principles set forth by the Founding Fathers, I have met many patriots who, I am sure, would have dedicated their "lives, fortunes and sacred honor" to protect and preserve those principles—in any time of crisis.

Tonight I am going to talk to you about one of these patriots, a man who has built a second Independence Hall to help make the first one live, and I approach this assignment with a feeling akin to what Abraham Lincoln must have felt when he addressed an audience from the steps of Independence Hall, 1861. On that occasion in Philadelphia, the great Emancipator declared:

"I have never had a feeling politically that did not spring from sentiments embodied in the Declaration of Independence, and I have pondered and pondered over the dangers incurred when they assembled here and framed and adopted and signed it.

"I have pondered over the toils that were endured by the officers and soldiers of the army who achieved that independence, and I have often inquired of myself what great principle or idea it was that kept this Confederacy together so long. . . . We know now that it was not a mere matter of the sepa-

ration of the Colonies from the motherland, but that sentiment in the Declaration of Independence which gave liberty not alone to the people of this country, but I hope to the world, for all future time."

The man we are honoring this week is Walter Knott, former tenant farmer and founder of the famed Knott's Berry Farm, and the motivating spirit behind the creation of a second Independence Hall and Heritage House on the Knott grounds at Buena Park, California.

If you have been a listener to these weekly discourses on what has been happening to the American Dream, and how we may keep it from perishing, you will understand the thrill I experienced last month when I spent a day with Walter Knott, and learned how this tenant farmer who lived in a log cabin with a dirt floor, and without subsidies or security guarantees, built one of the great enterprises of the nation.

I learned that Mrs. Knott, now 80 and still supervising the serving of up to 6,000 chicken dinners on Sundays, had eight customers the first day she opened her house to paid guests. I learned why Walter Knott would want to build America's second Independence Hall—down to the thumb and finger prints on 140-thousand specially made bricks, to the chipping of the huge block and crack of the Liberty Bell, and on up to the gold plated weather vane 168-feet above the street.

After admiring the craftsmanship that recreated the great bell, Mrs. Wimmer and I were ushered into a little theatre where we witnessed a cineramic presentation of great paintings that vividly portrayed the centuries of man's struggle for freedom and independence, which prepared us for the next event that was to take place in an Assembly Room, the exact duplicate in every detail of the Assembly Room in Independence Hall, Philadelphia, where the debate on the Declaration was held.

We took our seats on the same kind of backless benches on which spectators and the press of olden days viewed the debates of the Colonies, and after a brief lecture, the lights were turned off, and from each of the thirteen tables candles began to burn and voices rose from each table as arguments over the Declaration began.

From the sound track there rose also the noise of the storm outside, and the sound of rain beating upon the roof could be heard, and above it all the protests, challenges, compromises and fears that marked one of the most memorable days in the history of man.

Some of the voices were heated. There was pleading: Soft, Passionate, Convincing, Challenging, and as a delegate walked across the Hall, making his point, the sound of footsteps and the voice moved with him.

These men were reminded that they were sealing their death warrant if the Declaration were adopted; if the Revolutionary War was lost, or if they were captured, but as one of the delegates said: "We are also deciding the fate of the Thirteen Colonies, and maybe the fate of generations untold."

In the end, they signed the Declaration, pledging their lives, fortunes, and sacred honor; knowing, as someone remarked, they "would have to hang together or hang separately."

As we emerged from the Assembly Room, Mrs. Wimmer remarked in a hushed voice, "we were there when it happened," and I understood for the first time what must have burned in the heart of Walter Knott, and in the hearts of those whose inspired help created such a colossal enterprise.

Of special interest, I think, was the need of putting the voices of the Signers on one strip of tape, which technicians had declared was impossible. A new machine and a new process had to be invented, and it was. The cracking of the Bell presented another problem, and it is a story unto itself. The independent Lund Paint Company produced a paint formula the same as that used on the original Hall. Craftsmen at the Berry Farm performed the cabinet work and made the gorgeous chandeliers and the famed Rising Sun Chair used by the Speaker. Two 60-foot flag poles were donated by the Atlantic-Richfield Company before the company was taken over by the British. The four great clocks, with their ten-foot faces, were made by the skilled men of The American Sign & Indicator Corporation, and independent Don Koll Construction Company, builder of the great Hall, raised them to their lofty positions.

Yes, it was "We The People"—as Walter Knott would say it, who dug the raw materials from the earth; who molded them into bricks, copper and steel, and who fitted the work of hand and machine into place.

Listening to this unparalleled story of our rise as a free enterprise nation, and thinking back to those hours of indecision that must have haunted the Pilgrims, I recalled the words of William Bradford, the great Pilgrim Governor of the Colony of Massachusetts Bay, that "great and honorable actions are accompanied by great difficulties, and must be both enterprised and overcome with answerable courage."

According to historical accounts, the crew and captain of the Speedwell, sister ship of the Mayflower, must have gotten faint heart because they managed to create delays that ended in a final count of 102 strong hearts being put aboard the Mayflower, to begin a voyage as immortal as life itself.

What fears they must have suffered. The sickness and death. The storms and fog. The unknown dangers that awaited them if they ever reached land, yet all we hear today, it seems, is "give the people this and give them that;" welfare, welfare, welfare, and what welfare is there to life if man is to lose the enterprise to overcome? If he stands in his ghetto and blames everyone but himself for his plight? If he shall run his own farm or business and look not to the threats against his country or his family until trouble is on his own doorstep?

Lowell wrote that the American Republic will endure only so long as the ideas of the men who founded it remain dominant, but has any generation ever drifted so far afield from the ideas, the dreams of the American Revolution, as the present generation?

I say to everyone, everywhere in America, that Jefferson was either right or wrong when he warned "it is not to the advantage of a Republic that a few should control the many, when nature has scattered so much talent through the conditions of men;" and that James Madison was either right or wrong when he warned: "Hold fast to programs, both national and moral, that have as their central goal a constant diffusion of power."

Both these men feared too much power in too few hands. Both spoke constantly of moral values being basic to social, economic and political values, and they knew if safeguards were not erected that every step of the people would be away from a free Republic and toward great concentrations of power now seen in holding companies, conglomerates, giant labor unions, powerful chain store systems, and all-embracing government.

All trends today—everywhere—are away from the self-determination, self-reliance, independent enterprise, local control over local affairs in government that is basic to the philosophy upon which our nation was founded, but despite a clamor of voices raised against this change in our society, voices such as our own National Federation of Independent Business now reaching millions of people weekly, the task of turning the tide is shirked or ignored by so many who have so much to lose.

I believe there are people in this audience from all walks of life who see the America of yesterday as a kind of Messiah among the nations of the world, and our youth today are asking that she fulfill this role. They know little of how to fill their part of the role or what it really is. They ask only for a cause—not knowing that the TIMES are their cause, and it is so with older Americans, in all walks of life.

And so I say to all of you in radio land, the debate that took place in Independence Hall must begin all over again, for only on the battlefields of the minds of men will such great ideas as those which founded our nation be relived. We need to say My Country 'Tis of Thee, Sweet Land of Liberty in the way it ran through the minds of the poor, uneducated immigrants who knelt on the decks of ships that emerged from the fog and into sight of the Statue of Liberty, weeping when they saw the great Torch of Freedom held high in the heavens over New York harbor.

No other people in the world were ever so blessed with so many opportunities to serve their nation and the world, for what hopes would there be for people anywhere who love liberty, if America should lose her hold on the traditions and wealth with which she is now possessed?

George Washington wrote: "The fate of the Republic is in the hands of God," but he called upon all Americans, both then and now, to "raise a standard to which the good and wise can repair;" saying in effect that if God gives all things to man, if he neglects, forgets or misuses his freedom, all things will someday be taken from him.

Let us set our course with the zeal, courage and dreams which motivated those who took to pathless seas, to find a land where they could sow their seeds and reap their harvests, free from the tyrannies of the old world.

Their dreams came true, and later generations called it The American Dream . . . a dream that took Walter Knott from a humble tenant farm to the builder of a second Hall of American Independence, to help make the first one live.

From an address by Abraham Lincoln (Cincinnati, 1856) :"Let us appeal to the sense and patriotism of the people, not to their prejudices; let us spread the floods of enthusiasm here aroused all over these vast prairies so suggestive of freedom. There is both a power and a magic in popular opinion, To that let us now appeal."

TORTURE OF POLITICAL PRISONERS BY THE GREEK GOVERNMENT

Mr. PELL. Mr. President, the European Commission on Human Rights has been working for almost 2 years on a report accusing the Greek Government of torturing political prisoners as a matter of policy.

While this report must remain confidential until it has been fully considered by the Council, the London Sunday Times has secured a copy of it, an abstract of which appeared in the Washington Post of today.

I ask unanimous consent that this abstract be inserted in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. PELL. If this report of the European Commission on Human Rights does result in the expulsion or suspension of Greece from the Council of Europe I believe this would be a very good thing in that it might be the dash of cold water needed to jolt the Colonels' junta in putting its foot down on the use of torture and might even push them along on the road toward elections.

EXHIBIT 1

[From the Washington (D.C.) Post, Dec. 4, 1969]

GREEK REGIME SAID TO TORTURE JAILED OPPONENTS

LONDON.—A secret report prepared by the European Commission on Human Rights accuses the Greek government of torturing political prisoners as a matter of policy.

Almost certainly the findings of the report will lead to Greece being expelled from the Council of Europe this month.

The Sunday Times has examined a copy of the report, which lists 213 cases in which there is prima facie evidence of torture. And the report produces evidence suggesting that five men, all named, have died as a result of the policy of torture.

The chief method employed was beating on the soles of the feet, which is extremely painful but leaves little or no trace.

The report alleges that a member of the ruling junta, Ioannis Ladas, personally tortured one prisoner.

But perhaps more important than the details of brutality is the fact that the commission deals in detail with the defense which the Greek government has given for its admitted suspension of civil liberties.

The Greeks have always claimed that there was a Communist, or "Leftist" plan to seize power averted only by the colonel's own coup in 1967.

The 15 international lawyers of the Commission reject the Greek evidence that there was any such plot, and accuse the junta of producing forged evidence.

In September 1967, Sweden, Denmark, Norway and the Netherlands charged the Greek regime, fellow-member with themselves of the Council of Europe, with having violated certain fundamental rights of the Greek people. Six months later, the four protesting governments extended their indictment.

They accused the Greek government of torture—not merely random cases of arbitrary police brutality, but of a state of affairs where "high officials within the hierarchy of state authorities or with their permission or knowledge . . . permit or even systematically make use of torture."

A nation cannot remain a member of the Council unless it is a parliamentary democracy. So the charge made against Greece implied at once the sanction of expulsion.

The task of examining the case was given to the Commission on Human Rights, based like the council itself in Strasbourg. Eight international lawyers have spent the intervening two years on the investigation, interrogating eighty-seven witnesses, including officials of the Greek junta, political prisoners still in jail in Greece, politicians in exile, journalists, doctors, workers for Amnesty International, and even at one stage a waiter in Liverpool.

Another seven lawyers joined in the evaluation of the evidence. The result is that the Greek junta has been found guilty precisely as charged. Almost inevitably, this means that Greece will be expelled from the Council of Europe this month.

The 1,200-page report of the commission remains a secret document. There is no present official intention to publish it. However, The Sunday Times has been able to obtain a copy, and extracts are published on the grounds that it presents perhaps the nearest possible approach to a definitive account of the condition of liberty in Greece.

The commission mentions 213 cases in which there is prima facie evidence of torture—some can be more thoroughly documented than others. And it produces evidence to suggest that at least five people may have died as a result of torture inflicted.

These are named as Costas Paleogos, Ioannis Chalkidis, George Tsarouchas, Panaviotis Ellis and Nikiforos Mandilares.

Torture is only one aspect of the suspension of civil liberties laid to the junta's account. In defense, the Greek government claimed before the Commission that the suspension of civil liberties was justified by the existence of a danger to the State. The commission devotes about half its report to the matter of this defense; this is, perhaps, the most detailed examination of the well-known allegation that leftwing groups were planning violent revolution before the coup which brought the junta to power in 1967.

The commission finds that there is considerable evidence that no such plans existed for the overthrow of the state.

The junta also produced a letter which purported to show that the late George Papandreous, the leader of the Center Party, had been negotiating with the Communists. The commission found that one of the junta's own witnesses, a Dr. Kapsaskis, had proved this document to be a forgery five years previously.

In the 430-page section on torture, the Commission lists and analyzes the evidence it heard from 58 witnesses in Athens and Strasbourg. Sixteen of these claimed to be victims of torture; 25 were accused police officers and others in official positions under the regime.

Then the commission gives its conclusions—reached by majorities of 10 to 13. "The commission has found it established beyond doubt that torture or ill-treatment . . . has been inflicted in a number of cases."

This has been a sustained policy: "There has since April, 1967, been a practice of torture and ill-treatment by the Athens Security Police, in Bouboulinas Street, of persons arrested for political offenses. This torture and ill-treatment has most often consisted of the application of 'falanga,' or severe beatings to all parts of the body. Its purpose has been the extraction of information including confessions concerning the political activities and associations of the victims and other persons considered to be subversive."

Moreover, the junta has condoned this to the point at which torture has become "administrative practice." "The competent Greek authorities, confronted with numerous and substantial complaints and allegations of torture and ill-treatment, have failed to take any effective steps to investigate them or to ensure remedies for such complaints or allegations found to be true."

The Commission devotes one entire volume of its report simply to listing 213 people who are alleged to have been tortured, and the evidence available in each case.

This, the commission agrees, dos not provide proof. But the report points out: "The commission cannot ignore the sheer number of complaints . . . It is not able to reject the whole as a conspiracy by Communist and antigovernment groups to discredit the government and the police . . . It cannot but regard the actual number of complaints brought before it as strong indication that acts of torture or ill-treatment are not isolated or exceptional, nor limited to one place."

Faced with this mass of cases to examine the commission decided to take a sort of random sample and focus on selected cases throughout Greece. "The . . . commission has investigated 30 cases to a substantial degree and expressed some conclusion with regard to 28 of them. With regard to these cases the Commission finds it established that: torture or ill-treatment has been inflicted in 11 individual cases (it then lists the cases) . . . the evidence before the commission of torture or ill-treatment having been inflicted on 17 other individuals demands further investigation . . . the commission was in effect prevented directly or indirectly by the respondent government (Greece) from completing its investigation of these cases . . ."

The junta refused to allow the commission to see 21 witnesses. Among those 21 were the alleged victims most reliably reported to bear still the physical marks of their experiences.

In most cases, however, a method of torture, *falanga*, had been chosen which does not leave marks. The report describes it: "Falanga or bastinado has been a method of torture known for centuries. It is the beating of the feet with a wooden or metal stick or bar which, if skillfully done, breaks no bones, makes no skin lesions, and leaves no permanent and recognizable marks, but causes intense pain and swelling of the feet . . ."

Lacking simple medical evidence, the Commission spent months cross-checking witnesses' stories. The 30 cases the Commission examined in this detail are a recital of horror.

On one page are details of the beating which Ioannis Ladas, then Secretary-General of the Ministry of Public Order, personally gave to a journalist of whom he disapproved—"He struck me with his fist . . . and started pouring out insults . . .

" 'You are a pany, a Bulgar. You shall die. I shall kill you with my bare hands . . .' "

On other pages is the tragedy of Anastasia Tsirka—Police came to her house on the night of September 23, 1967 and found three leaflets of a banned organization. Tsirka was tortured to discover wo had given them to her. The beatings of the Security police in Boubulinas Street killed her unborn child. The doctors think she is now probably sterile.

The junta maintained it had conducted an inquiry into Mrs. Tsirka's allegations and disproved them. The commission found that the inquiry had omitted even to question doctors at the hospital to which she was taken after her miscarriage.

RANDOM DRAFT SELECTION—QUESTIONS AND ANSWERS

Mr. STENNIS. Mr. President, a great number of inquiries have come from Members of the Senate, as well as from the people of the Nation, about the drawing under the new Selective Service Act. Selective Service has prepared a number of questions and answers that are most commonly asked about this subject, and I ask unanimous consent that, for the information of the membership and the public, the questions and answers which have been prepared be inserted in the RECORD at this point.

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

RANDOM SELECTION QUESTIONS AND ANSWERS

Question. Explain the drawing under the recently amended Selective Service Act.

Answer. On December 1, there was a drawing in Washington of 366 closed capsules in each of which was a slip of paper on which was written a month and day of the year, for example, May 2, June 1, etc. The order in which these capsules were drawn determines the relative position in the national random sequence of registrants born on all the dates of the year including February 29. As September 14 was drawn first, all men born on September 14 are No. 1 in the national random sequence. As June 8 was drawn last, all men with that birthday are No. 366 in the national random sequence.

Question. How will this sequence be used by local boards?

Answer. Each local board will assign numbers to its registrants who are in I-A or who become I-A in accord with the national sequence. Some local boards may not have at any one time men with birthdays on every day. In such a case the local board

would go to the next number. For instance, it might call numbers 1 through 5, then 7 and 8 because it had no men whose birthdays were on the day drawn sixth in the drawing.

Question. Why is there a drawing of the alphabet?

Answer. This drawing randomized the alphabet so that in case a local board had two or more men with the same birthday and was required to order one but not all of them for a call, it has a way to determine which comes first, second, etc., by applying the random alphabet to the names. In the drawing of December 1, 1969, the letter "J" was drawn first. So men whose names begin with "J" would be called first by the local board among men with the same number from the birthday drawing.

Question. Does everybody get a number out of the first lottery?

Answer. No—the first drawing will determine the random sequence number only for those men who prior to January 1, 1970, had attained age 19, and not 26.

Besides that, the number in which his birthday is drawn will not mean anything until he is classified I–A or I–A–O. Some men in the group who eventually will get a number out of the first drawing may not become I–A until next year or later. In that case, his number will determine his order in the national sequence in use that year. For example, if his birthday is drawn No. 80, and he is now deferred for college, but loses his college deferment in June 1971, he will be No. 80 in the national random sequence in use that year.

Question. How do new 19-year-olds get a number?

Answer. Before the end of 1970, a drawing of the 366 days of the year will be held. This drawing will determine the national random sequence to be used in 1971. The only registrants who would look to that drawing to determine where they stand in the national random sequence are those who turned 19 during 1970.

Question. How do you use more than one drawing?

Answer. The date of November 9, was drawn No. 80 in the first lottery. This may be the number of a man who was in college during 1970, but graduated and lost his deferment in June 1971.

The date of September 11 may be drawn No. 80 in the next lottery. A man born on September 11 who was available in 1971 would be No. 80 in the random order. So would the first man whose birthday of November 9 was drawn No. 80 a year earlier. If both men were in the same local board they would be called on the same call or if one, but not both were required, the random alphabet would determine which one went first.

Question. Doesn't the registrant who is in college most of the year have an advantage over the one who can't go to college and is in I–A throughout the year?

Answer. No. The key in both cases is whether his random sequence number is reached in his local board. If the random sequence number has been reached in the case of a registrant who becomes I–A late in the year, he will be inducted as soon as appeals, examinations and so forth, are concluded, even though the year has ended. There is no way he can gain an advantage by delaying his actual induction through time required for personal appearance, appeals, examination and other processing *if his random sequence number has been reached.*

Question. What about the registrant who loses a deferment or exemption just before age 26?

Answer. This is like the case in the previous question. If his number has been or is reached, and he loses his deferment just before his 26th birthday, he will, if his deferment extended his liability to age 35 as most do, be inducted at the end of all the processing steps—if he remains in Class I–A or I–A–O and is qualified, even though he has turned 26 during this period of delay.

Question. How does this system help a registrant know with more certainty his chances of serving?

Answer. First of all, his period of greatest vulnerability is one year, rather than seven.

Second, the order in which his birthday is drawn will tell him where he stands in the national random selection sequence. If his birthday is drawn early he knows that when he is classified I–A and found acceptable, he is almost certain to be called. He can plan his career to accommodate that possibility.

If his birthday is drawn near the end, he has relative certainty he may not be called short of unusual circumstances.

He can plan accordingly.

For the registrant whose birthday is drawn in the middle range it is not so clear, but in any event the system will give much greater certainty than is possible under the former system.

Question. Will registrants now postponed be in the random selection?

Answer. No. The postponed registrant has already been ordered for induction under the old system and will be inducted when the postponement ends.

Question. Can a man whose birthday is drawn early in the drawing still join the Reserve?

Answer. Yes. Just as now, he can join a Reserve Unit any time before the induction order is issued.

Question. What about volunteering for active duty?

Answer. The policy is to authorize enlistment for active duty at any time up to the day of induction.

Question. What is the situation of a registrant who is in I–A for the first part of the year, but enters college in September and requests and gets a student deferment?

Answer. If his random sequence number has not been reached, he goes out of the group to return when no longer deferred to the current group. If his random sequence number *has* been reached, but he has not been issued an order to report for induction, the local board may defer him for college and he would then reenter the selection group in the year he again lost his deferment.

Question. Does the lottery affect existing deferment and exemption policies?

Answer. Existing deferment and exemption policies are not affected by virtue of the lottery system.

Question. How does the lottery affect the liability of those subject to call as physicians and dentists?

Answer. Physicians and dentists are called on special calls, normally after age 26, and have extended liability to age 35 because of previous deferment as a student. Their call to service under this special call would therefore not be different from what is under present policies.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

TAX REFORM ACT OF 1969

The Senate continued with the consideration of the bill (H.R. 13270), the Tax Reform Act of 1969.

AMENDMENT NO. 343

The PRESIDING OFFICER. The clerk will state the pending amendment.

The ASSISTANT LEGISLATIVE CLERK. The Senator from Nebraska (Mr. CURTIS) proposes an amendment identified as No. 343.

(The amendment is as follows:)

On page 79, after line 19, insert the following:

"(3) Annual report.—Part III of subchapter A of chapter 61 (relating to information returns) is amended by adding after subpart B (added by section 602(a) of this Act) the following new subpart:

"'SUBPART E—INFORMATION CONCERNING PRIVATE FOUNDATIONS

"'SEC. 6058. ANNUAL REPORTS BY PRIVATE FOUNDATIONS.

"'(a) General.—The foundation managers (within the meaning of section 4946(b)) of every organization which is a private foundation (within the meaning of section 509(a)) having at least $5,000 of assets at any time during a taxable year shall file an annual report as of the close of the taxable year at such time and in such manner as the Secretary or his delegate may by regulations prescribe.

"'(b) Contents.—The foundation managers of the private foundation shall set forth in the annual report required under subsection (a) the following information:

"'(1) its gross income for the year.

"'(2) its expenses attributable to such income and incurred within the year,

"'(3) its disbursements (including administrative expenses) within the year,

"'(4) a balance sheet showing its assets, liabilities, and net worth as of the beginning of the year,

"'(5) an itemized statement of its securities and all other assets at the close of the year, showing both book and market value,

"'(6) the total of the contributions and gifts received by it during the year,

"'(7) an itemized list of all grants and contributions made or approved for future payment during the year, showing the amount of each such grant or contribution, the name and address of the recipient, any relationship between the recipient and the foundation's managers of substantial contributors, and a concise statement of the purpose of each such grant or contribution,

"'(8) the address of the principal office of the foundation and (if different) of the place where its books and records are maintained.

"'(9) the names and addresses of its foundation managers (within the meaning of section 4946(b)), and

"'(10) a list of all persons described in paragraph (9) that are substantial contributors (within the meaning of section 507(d)(2)) or that own 10 percent or more of the stock of any corporation of which the foundation owns 10 percent or more of the stock, or corresponding interests in partnerships or other entities, in which the foundation has a 10 percent or greater interest.

"'(c) Form.—The annual report may be prepared in printed, typewritten, or any other legible form the foundation chooses. The Secretary or his delegate shall provide forms which may be used by a private foundation for purposes of the annual report if it wishes.

"'(d) Special Rules.—

"'(1) The annual report required to be filed under this section is in addition to and not in lieu of the information required to be filed under section 6033 (relating to returns by exempt organizations) and shall be filed at the same time as such information.

"'(2) A copy of the notice required by section 6104(d) (relating to public inspection of private foundations' annual reports), together with proof of publication thereof, shall be filed by the foundation managers together with the annual report.

"'(3) The foundation managers shall furnish copies of the annual report required by this section to such State officials and other persons, at such times and under such con-

ditions, as the Secretary or his delegate may by regulations prescribe.' "

On page 79, line 20, strike out "(3)" and insert in lieu thereof "(4)".

On page 81, after line 12, insert the following:

"(3) Annual reports.—In the case of a failure to file a report required under section 6058 (relating to annual reports by private foundations) or to comply with the requirements of section 6104(d) (relating to public inspection of private foundations' annual reports), on the date and in the manner prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause, there shall be paid (on notice and demand by the Secretary or his delegate and in the same manner as tax) by the person failing so to file or meet the publicity requirement, $10 for each day during which such failure continues, but the total amount imposed hereunder on all such persons for such failure to file or comply with the requirements of section 6104(d) with regard to any one annual report shall not exceed $5,000. If more than one person is liable under this paragraph for a failure to file or comply with the requirements of section 6104(d), all such persons shall be jointly and severally liable with respect to such failure. The term 'person' as used herein means any officer, director, trustee, employee, member, or other individual who is under a duty to perform the act in respect of which the violation occurs."

On page 83, line 7, insert the following:

"(3) Annual reports.—Section 6104 is amended by inserting immediately after subsection (c), as added by this bill, the following new subsection:

" '(d) Public Inspection of Private Foundations' Annual Reports.—The annual report required to be filed under section 6058 (relating to annual reports by private foundations) shall be made available by the foundation managers for inspection at the principal office of the foundation during regular business hours by any citizen on request made within 180 days after the publication of notice of its availability. Such notice shall be published, not later than the day prescribed for filing such annual report (determined with regard to any extension of time for filing), in a newspaper having general circulation in the country in which the principal office of the private foundation is located. The notice shall state that the annual report of the private foundation is available at its principal office for inspection during regular business hours by any citizen who request it within 180 days after the date of such publication, and shall state the address of the private foundation's principal office and the name of its principal manager."

"(4) Willful failure to provide information regarding private foundations.—Subchapter B of chapter 68 (relating to assessable penalties) is amended by adding after section 6685 (added by section 602(b) of this Act) the following new section:

" 'SEC. 6686. ASSESSABLE PENALTIES WITH RESPECT TO PRIVATE FOUNDATION ANNUAL REPORTS.

" 'In addition to the penalty imposed by section 7207 (relating to fraudulent returns, statements, or other documents), any person who is required to file the report and the notice required under section 6058 (relating to annual reports by private foundations) or to comply with the requirements of section 6104(d) (relating to public inspection of private foundations' annual reports) and who fails so to file or comply, if such failure is willful, shall pay a penalty of $1,000 with respect to each such report or notice.'

"(5) Section 7207 (relating to fraudulent returns, statements, or other documents) is amended by striking out 'section 5047(b) or (c)' and inserting in lieu thereof 'sections 6047 (b) or (c), 6058, or 6104(d)'."

On page 98, line 22, strike out "and 6034" and insert in lieu thereof ", 6034, and 6058".

On page 104, before line 17, insert the following: "and by adding after the item relating to section 6685 (added by section 602(c)(2) of this Act) the following new item:

" 'SEC. 6686. ASSESSABLE PENALTIES WITH RESPECT TO PRIVATE FOUNDATION ANNUAL REPORTS'."

On page 105, after line 6, insert the following:

"(64) The table of subparts for part III of subchapter A of chapter 61 is amended by adding after the item relating to subpart D (added by section 602(c)(1) of this Act) the following new item:

Mr. CURTIS. Mr. President, this amendment, No. 343, is nearly the same as a previous amendment that I had had printed. The changes in it are very minor. The new amendment, No. 343, which is now before Senators in printed form, is also printed in the CONGRESSIONAL RECORD of yesterday at page 36734.

Mr. President, reserving my right to the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, there will be a quorum call, and the able Senator from Nebraska will retain his right to the floor. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, this amendment requires an annual reporting by all private foundations. It also requires the publication of a notice. That notice will inform all persons where the report is available and where the books and records of the foundation are available, and will carry such other information as ought to be carried in such a notice.

I think this is one of the most important amendments relating to foundations that Congress could enact. May I say at the outset that it does not involve some of the controversial items concerning foundations that are covered in the bill or will be brought up in the discussion. It does not involve the question of taxing or not taxing foundations. It does not involve the question of requiring foundations to divest themselves of certain holdings. It does not involve the question of whether or not a foundation's life should expire at the end of 40 years. But it does provide for a method of requiring annual reports from each and every foundation, to the end that those foundations will act in the public interest, and also so that interested parties, the general public, the Internal Revenue Service, Congress, and the committees concerned, will have accurate information.

I have been critical of the bill that was sent to us by the House of Representatives as to its provisions on foundations; and one of my reasons for criticism is that, in many instances, we had to act in the dark. There are perhaps 30,000 foundations in this country. All of the studies that have been conducted concerning foundations have not touched more than 500.

What I am proposing here is not objected to by the vast majority of foundations. Many of them are making reports available, and are opening their books to the whole world all the time. But it is in order that this information be available, and that, when a situation arises that calls for legislation to regulate, or to prohibit, or to penalize, Congress be able to do so, and be able to make wise choices.

As I have stated, there are perhaps 30,000 foundations, and we have never read about more than 500 of them in the newspapers. All of the various piecemeal investigations that have been conducted in the past have been limited to those that the staff or one or two Senators became interested in, and the rest of us got whatever particular details were sifted up to us.

Mr. President, tax exemption is a high privilege. I believe that the operation of a tax exempt foundation is a public trust; and starting from that premise, I believe that all the business, all the transactions, all the receipts, all the investments, all the grants and contributions made by the foundation to individuals or to institutions, are of public concern.

A foundation has its tax-exempt status because it performs a function in the public good. And might I say here, Mr. President, that I hope I am a friend of the foundations. I opposed many sections of the House bill in committee. I shall oppose them on this floor. America is unique in its system of charity, benevolence, and giving. I have said on this floor many times before that in my own State of Nebraska, one-third of the cost of higher education is borne by the private colleges, which happen to be church colleges.

There is not one of those colleges that would not have serious financial trouble if it were not for the grants made by foundations.

Suppose we were to cripple foundations and enact laws so that as many foundations are not created in the future as have been created in the past. Suppose that some colleges close or, because of lack of funds, cannot expand their plants or compete for faculty, and dwindle away and shrink and do not make the fullest contributions to the educational and scientific world. Do the taxpayers gain? They do not. They suffer.

If it were not for tax-exempt foundations and the generosity of individuals, the cost of higher education to the taxpayers of my State of Nebraska would be increased by 33⅓ percent.

I am not unaware of the fact that out of the thousands and thousands of foundations, all of which are run by human beings, some practices may have sprung up in some few foundations that are not the wisest of practices.

I am not unaware of the fact that maybe there are foundations which are intended to do good but which are directed by a staff that makes errors in judgment.

I am not unmindful of the fact that there might be a tiny minority of foundations in which the donor to the foundation uses the foundation for his own gain, through self-dealing or otherwise. However, they are vastly in the minority.

I am acquainted with some foundations which have done wonderful work. I know of one foundation that has helped colleges and universities all across the land. Its overhead is very low.

I happen to know not only about how that foundation works now but how it came into being. It was never created for the purpose of avoiding taxes. One of the wealthy men of our country decided that his two sons were already possessed of enough wealth and that they should not have any more. He wanted to do good. He created a foundation to distribute his money.

Those who have been overcritical of foundations should remember that the earnings, before they come into the hands of the foundation, are taxed. If the foundation is the sole owner of a business, that business pays every tax that any other business pays. If the foundation possesses assets consisting of a portfolio of stocks that represents shares in companies and corporations, that income is fully taxed.

The foundation is merely a conduit for taking money and using it. It cannot be used for anyone's personal gain. It must be used to do good.

As I have said, many educational institutions would close their doors tomorrow if it were not for foundations.

I had my attention called to a foundation that operates in a certain city in the Southland. That foundation has a standing practice of picking up the deficit for a large hospital. And that hospital never turns away any patient who needs hospitalization.

Mr. President, if we proceed to enact legislation without the facts, if we proceed to tax and punish and prohibit and restrict foundations because a few of them may have done some things with which we disagree and which may not have been done in the public interest, we would destroy them all.

Mr. President, two things are, therefore, necessary. In the first place, we should postpone any harsh treatment of foundations until we do have some facts.

In the bill as written, if my amendment is agreed to, Congress and the public will have the facts. An auditing fee will be levied on the foundations under the pending bill. The provision is not intended for revenue. That was clearly established in the committee. An auditing fee based upon the size of the foundation is to be paid so that the Treasury and the Internal Revenue Service can regularly audit the tax-exempt foundations.

We have 30,000 of such foundations. Do Senators realize that some of them have never been audited?

The pending bill provides for auditing by the Government from the standpoint of taxes. That means that the Government will examine the books and records of the transactions and expenditures to see whether the foundation has lived up to the tax laws. They will examine them from the standpoint of taxation.

Mr. President, one additional thing is necessary. Foundations should make an annual report and publish a notice of that annual report.

Mr. President, that is where my amendment No. 343 comes in. I hope that the Senators who are on the floor will turn to that amendment. The amendment itself is the best argument that can be made for it.

It would require an annual report by each and every foundation. Foundations would be exempt if they had less than $5,000 in assets. They would have to be exempt in such a case.

There are some foundations perhaps that exist just on paper. There are some foundations that have been started without funds and it is expected and hoped that at a later time the foundations will have considerable assets. However, some foundations do not amount to very much in the beginning. We do not want to force them to consume the few assets they possess in order to hire lawyers and accountants to prepare an annual report and require them to spend more money to publish a notice.

I am sure that there is not much of a tax gimmick in a tax foundation that possesses less than $5,000 in assets anyway.

This is the information that report will require them to furnish:

> The foundation managers of the private foundation shall set forth in the annual report required under subsection (a) the following information:
>
> (1) Its gross income for the year.

Substantially, all of the foundations operate in the public interest. However, there are a few foundations that if one were to write and ask for their last report would either not answer the letter or would reply that they did not have any report.

The report must also supply the following information:

> (2) Its expenses attributable to such income and incurred within the year.
>
> (3) Its disbursements (including administrative expenses) within the year.

Mr. President, let us find out whether the overhead of the foundation is reasonable. Let us find out if some foundations are consuming their earnings in overhead and not serving the purposes of charity, education, and other good works.

The report shall also contain a balance sheet showing its assets, liabilities, and net worth at the beginning of the year; an itemized statement of its securities and other assets at the close of the year, showing both book and market value; the total contributions and gifts received by it during the year; an itemized statement of all grants and contributions made or approved for future payment during the year. If a foundation is making a grant for a questionable purpose, it will have to be publicized. It must show the amount of each such grant or contribution, the name and address of the recipient, any relationship between the recipient and the foundation's managers or substantial contributors, and a concise statement of the purpose of each such grant or contribution. It shall contain the address of the principal office of the foundation and the place where the books and records are maintained; the names and the addresses of its foundation managers; a list of all persons who are substantial contributors or who own 10 percent or more of any business in which the foundation has an interest.

Mr. President, this annual report has to be publicized. A notice has to be published in a newspaper stating where its head office is located and such other places as the Secretary or his delegate might direct, carrying a brief part of this information, but also advising the public where they can get a report. Anybody, any citizen, any congressional committee, can get the complete annual report by asking for it any time within 180 days. The 180 days is 6 months. I put that in the amendment. I did not think it was reasonable to have somebody write to a foundation and say, "Send me your report for 10 years ago," and then subject that foundation to a penalty because they do not have any copies. But this will bring it out in the open. They have 6 months in which to get the reports. There are many energetic people in the press. There are concerned people who want to get contributions and grants from the foundations. There is the taxing service; there are the committees of Congress. They will ask for these things. A notice has to be published that the report is available and where it can be obtained. If a foundation fails to make this report and to publish this notice, they are subject to penalties, reasonable penalties. However, if they persist and willfully violate, the penalties become more severe.

It is also provided in the amendment that if any foundation managers make a false or misleading statement, that is likewise prohibited by law.

I believe that the adoption of this amendment will add greatly to the value of this bill so far as the sections relating to foundations are concerned. It is not punitive. It subjects a tax-exempt institution to public inspection. Many of the foundations are doing everything that is required of them now. It will be a guideline to new foundations and the smaller foundations to know what is expected of them. It will be a guideline that will restrain a staff of a foundation that might be a little overanxious to do things because they know that what they are going to do will have to be disclosed. By that I do not mean doing things in the sense of something dishonest, but I mean in the way of extreme social action of some kind. Also, the small minority—and I am convinced it is very small—of situations in which the foundation is run in a manner not consistent with the public interest, in which the donor controls it and might use it for his own financial advantage, will be smoked out, and those things will not happen.

Mr. President, I feel that the harshest critics of foundations will want this amendment. It will give them the facts. I also feel that those of us who are profoundly interested in foundations and believe in them want this reporting done, because it will bring out the facts. It follows that, after this is operating for a couple of years or so and the IRS has done its auditing, Congress can act wisely. We will have the information before us. We can stop abuses. We can protect the rights of those people who are acting in the public good.

Mr. President, I hope this amendment will be adopted. I yield the floor.

Mr. LONG. Mr. President, I know of no objection to the amendment. It will be all right with me to accept it and take it to conference.

Mr. CURTIS. I ask for a voice vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment No. 343 was agreed to.

Mr. CURTIS. I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. I move to lay that motion on the table.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 336

Mr. YOUNG of Ohio. Mr. President, I call up my amendment No. 336 and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Ohio will be stated.

The bill clerk proceeded to read the amendment.

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 350, after the matter following line 22, insert the following new section:

SEC. 508. DENIAL OF PERCENTAGE DEPLETION FOR FOREIGN OIL AND GAS WELLS

(a) IN GENERAL.—Section 613(b)(1) (relating to percentage depletion rate for oil and gas wells) is amended by inserting after "oil and gas wells" the following: "located in the United States or in its possessions".

(b) TECHNICAL AMENDMENT.—Section 613 (b)(7) (relating to minerals, etc., entitled to 15 percent rate of percentage depletion) is amended—

(1) by striking out "or" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; or"; and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) oil and gas wells."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1969.

Mr. LONG. Mr. President, is the Senator willing to agree to a limitation of debate on this amendment?

Mr. YOUNG of Ohio. Yes.

Mr. LONG. Mr. President, I ask unanimous consent that the time on the pending amendment be limited to 40 minutes, to be equally divided between the sponsor of the amendment, the Senator from Ohio (Mr. YOUNG), and the manager of the bill, the Senator from Louisiana.

Mr. YOUNG of Ohio. That is agreeable.

Mr. GRIFFIN. Mr. President, for the time being, I must reluctantly object.

The PRESIDING OFFICER. The assistant Republican leader reluctantly objects.

Mr. YOUNG of Ohio. I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that I may yield to the Senator from Delaware without losing my right to the floor.

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

TREATMENT OF CAPITAL GAINS

Mr. WILLIAMS of Delaware. Mr. President, I have received quite a few calls from Members of the Senate who said they are getting calls from their constituents about what the Senate did yesterday in regard to capital gains. I thought we should straighten out this matter for the record.

Under the committee bill a person's taxable capital gains, which are 50 percent of one's long-term gains, would be taxed at the regular rates. Since under the committee bill the maximum rate would have been 65 percent, this would mean that an individual's capital gains would have been taxed at a rate equivalent to a 32.5-percent maximum, as compared with 25-percent maximum under the existing law. Under the Gore amendment, which struck out this committee provision which provided for a lower tax rate structure, capital gains in effect will be taxed now at 50 percent of the existing tax rates—50 percent of 70 percent—which means that as a result of the Gore amendment the tax on capital gains has been advanced to a 35-percent maximum ceiling, compared with 25 percent under existing law.

In addition, under the committee bill there is a tax of 5 percent on a person's preference income. Since 50 percent of capital gains are a preference item, this means another 5-percent tax is placed thereon. The mathematical result, if we retain the Gore amendment as agreed to, is that capital gains will be taxed at 37½ percent compared with the existing law maximum of 25 percent.

I thought this should be called to the attention of the Senate. We are getting quite a few inquiries. When the Senate accepted the Gore amendment and raised the exemption by a vote of 58 to 37, it also raised tax rates on capital gains by the same vote.

Whether I agree with the action of the Senate—or not is beside the point—but I thought it should be made clear what was done. I am sure that all Senators who voted for the Gore amendment realized what they were doing, but some persons on the outside were confused. My purpose today is to clarify the record that capital gains now are locked in at 37.5 percent.

AMENDMENT NO. 336

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. YOUNG of Ohio. Mr. President, my amendment, if agreed to, would bring at least $25 million in additional revenue to the Treasury of the United States. It would eliminate the oil depletion allowance on oil produced outside the United States. The tax reform bill passed by the House of Representatives entirely abolished the 27½-percent foreign oil depletion allowance. The Committee on Finance restored that unconscionable tax loophole to 23 percent. It is absolutely reprehensible to permit American investors in foreign oil to enjoy almost $2 billion in annual tax-free profits. That is what they will continue to do unless my amendment is agreed to.

In my judgment, the action of the Senate committee is totally unacceptable to those millions of Americans who have reasonable expectations and hope of meaningful income tax reform. There is no rational legislative reason for continuing the extension of the privilege of the depletion allowance to foreign produced oil. No national benefit is derived. The only ones who benefit are those American investors involved in the production of oil in other countries. The combination of the depletion allowance and the foreign tax credit has made most of these profits tax free.

Mr. LONG. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. YOUNG of Ohio. I yield for that purpose.

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG. Mr. President, I ask unanimous consent that further debate on the amendment be limited to 1 hour, to be equally divided between the Senator from Ohio and the Senator from Louisiana.

Mr. FULBRIGHT. Mr. President, reserving the right to object, I wish to ask the Senator from Louisiana what the amendment involves.

Mr. LONG. It deals with the oil depletion allowance.

The PRESIDING OFFICER. Is there objection to the request that there be a time limitation on the amendment of the Senator from Ohio, the time to be equally divided and limited to 1 hour? The Chair hears none, and it is so ordered. The able minority whip does not even reluctantly object.

Mr. YOUNG of Ohio. Mr. President, does the limitation commence at this time?

The PRESIDING OFFICER. The limitation begins now.

Mr. YOUNG of Ohio. Mr. President, the fact is it was never expected that the depletion allowance should extend to foreign development and production.

While the claim for some domestic depletion allowance may be arguable, to continue to extend the loophole to foreign production is absolutely indefensible. At least the domestic oil industry pays some State and local taxes and on occasion some Federal income taxes. Even then, oil and gas companies pay Federal taxes at a rate far below those paid by the great majority of heavily burdened taxpayers.

However, those receiving profits from foreign oil production pay no income taxes whatever. The combination of the 27½-percent depletion allowance combined with the foreign tax credit allowed under present tax laws completely washes out tax liability to the U.S. Government. In some cases, the American oil producer abroad also gets an additional tax depletion or other comparable incentive from the foreign government which further conceals the real income from foreign oil which is a highly guarded secret in our own Department of Commerce.

Furthermore, these tax-free profits of American investors in foreign oil have corrupted and misdirected American foreign policy in many oil-rich countries. This has resulted in a policy of costly military assistance in support of temporary rulers and feudal sheiks who will undoubtedly be ousted when their people some day find out how their national resources and treasury are being squandered. Not only is there no reason for American taxpayers to subsidize these activities, but to continue to do so actually works to the detriment of our best long-range national interests.

Mr. President, I frankly feel that the action of the Senate in refusing to go along with the other body in reducing the domestic oil depletion allowance to 20 percent was very unfortunate. However, the action of the Senate committee in maintaining the foreign oil depletion allowance at 23 percent—or at any rate, for that matter—makes a sham of real tax reform. We are hopeful of achieving real tax reform by the passage of a good reform bill before the Christmas season and thereby lessen somewhat the unduly heavy tax burden on American families in the earnings class of $5,000 to $14,000. The incredible tax-free income provided through this notorious loophole affronts the integrity of our system of taxation and is offensive to any citizen who pays his fair share of the tax burden.

The tax privileges enjoyed by the oil industry are unequaled in this country. The domestic oil depletion allowance remains intact at somewhere between 20 and 23 percent, depending upon the action which will eventually be taken by the conference committee. Nothing has been done about the intangible drilling costs, the accounting procedures and several other devices that save oil producing companies billions of dollars each year. Certainly, it is high time that the foreign oil depletion allowance, the most indefensible of all tax loopholes favoring the oil industry, should be eliminated. I urge the adoption of my amendment which is a meaningful step toward genuine income tax reform.

ORDER OF BUSINESS

Mr. LONG. Mr. President, at the time I asked for a limitation of debate, it occasioned inconvenience to the Senator from Arkansas (Mr. FULBRIGHT), who was willing to go along with the limitation on condition that we yield him some time.

I therefore should like to ask the Senator from Ohio (Mr. YOUNG) if he would join me in yielding 18 minutes to the Senator from Arkansas, the time to be equally shared between us.

Mr. YOUNG of Ohio. Yes, indeed. I am glad to yield to the Senator from Arkansas my share of 20 minutes.

Mr. LONG. Eighteen minutes, I am sure, is all the Senator will require. If he needs 20 minutes or more, we will give it to him.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 18 minutes.

Mr. FULBRIGHT. Mr. President, I appreciate very much the kindness of the Senator from Louisiana and the Senator from Ohio in yielding me this time.

THE DEFENSE DEPARTMENT'S PUBLIC AFFAIRS OFFICE

Mr. FULBRIGHT. Mr. President, there may not be many issues involving Pentagon spending in which I would find myself in complete agreement with the chairman of the House Armed Services Committee, Mr. RIVERS. When such a situation arises, however, I am most happy to proclaim it.

All this is by way of calling attention to a statement by Mr. RIVERS which appeared in the CONGRESSIONAL RECORD last June 12. At that time he said:

> Recently, in an article that criticized the Congress for the swollen expenditures within the Pentagon, I found that one of the sins blamed on Congress was that the Defense Department Public Affairs Office budget was three times as large as that of the State Department Public Affairs Office. I just want to say that if any Member of Congress wants to introduce a motion to cut the budget of the Defense Department Public Affairs Office by two-thirds, he will have my wholehearted support.

Mr. RIVERS may have the opportunity to provide his support in the House and I will welcome it if the Senate will accept amendments to the Defense appropriation bill which I plan to offer.

THE PUBLIC AFFAIRS PROGRAM OF THE AIR FORCE

Mr. FULBRIGHT. Mr. President, in 1947, Congress, in passing the National Security Act, voted to end the rampant rivalry between the military services and require each to subordinate its parochial interests to those of the Military Establishment as a whole. The purpose, the Senate committee report stated, was to provide "unity of military concept" and "unity of purpose and effort" for our military forces. But 20 years later the Army, Navy, and Air Force each spend millions of tax dollars annually in an effort to persuade the public that its particular brand of weaponry is the finger in the dike holding back the enemy hordes. The competition within the armed services for the public's affections, and their representatives' votes in the Congress, is like the hucksterism of rival auto manufacturers; hardly the character the public deserves from an organization which consumes half of all Federal revenues each year.

The current information directive for the Air Force states that "in view of current events and notable diverse public views concerning our Nation's defense" the Air Force's information objectives "must make clear that aerospace power is uniquely important in meeting these demands through both its support for the employment of other forces and its own striking power." Commanders were instructed to "promote awareness, understanding, and appreciation" of the fact that "clearly superior U.S. aerospace forces capable of defeating the enemy offer the surest means of deterring global war." Countering the "aerospace threat to our security," the directive stated, can only be through "maintaining superiority" of our own aerospace forces. Sufficiency may be enough for President Nixon but it is not for the Air Force.

I ask unanimous consent that the 1968 Information Objectives be printed in the RECORD at this point.

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

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE CHIEF OF STAFF,
U.S. AIR FORCE,
Washington, D.C., March 16, 1966.

Subject: 1968 Information objectives.

To: AAC ACIC, ADC, AFAFC, AFCS, AFLC, AFSC, ATC, AU, CAC, HQ COMD USAF, MAC, OAR, PACAF, SAC, TAC, USAFA, USAFE, USAFSO, USAFSS.
(Commander.)

1. The 1967 Information Objectives as set forth in the enclosure to my letter of 6 December 1966 remain valid for 1968 and are appropriate long range objectives. I would like commanders at all levels to review these objectives. Additionally, in view of current events and notable diverse public views concerning our nation's defense, I consider it timely to emphasize and place in clear perspective certain objectives that tend to become obscure.

2. Our Information efforts must make clear that this changing and increasingly complex world demands that our nation's military power be superior, adaptive to change, and capable of rapid application. We must make clear that aerospace power is uniquely important in meeting these demands through both its support for the employment of other forces and its own striking power.

3. Specifically, during 1968, and within the context of stated Information objectives, commanders should promote awareness, understanding and appreciation of the fact that:

a. The potentially most dangerous military threat to the security of the United States is that aerospace force which the Soviet Union can employ against our nation;

b. It is United States aerospace forces which constitute our capability to counter that threat;

c. Clearly superior United States aerospace forces capable of defeating the enemy offer the surest means of deterring global war;

d. With unmistakable strategic superiority, the difficult but essential burden of assisting our allies and friends in their defense against aggression becomes more manageable, meaningful, and credible;

e. While superior assured destruction and damage limiting forces promise our nation reasonable protection from a direct nuclear attack, they are not in themselves sufficient to insure that we have the ability to control to our advantage the escalation of the various types and levels of conflict. Additional strategic capabilities and obviously superior tactical and airlift forces also are required. Such forces provide the US effective and relevant alternatives to attain our objectives while controlling the intensity of the conflict.

4. In summary, we must clearly recognize the aerospace threat to our security and that our aerospace forces must have the capability to successfully counter that threat by maintaining superiority. The success of our 1968 efforts depends upon the quality and effective implementation of your plans to keep the public and Air Force people informed. Your personal attention is requested.

J. P. MCCONNELL,
General, USAF, Chief of Staff.

Mr. FULBRIGHT. Mr. President, in promoting its public relations objectives, the Air Force in fiscal year 1969 report they spent $9,424,000 and engaged the full-time services of a staff of 944. This does not include the hundreds throughout the Air Force who work at public relations on a part-time basis, as a collateral responsibility to other duties. The Office of Information, with a staff of 202,

and a 1969 budget of $3,532,432 is the focal point for the Air Force's public relations effort. I will have printed in the RECORD certain informative material concerning a number of Air Force programs, but I wish to mention in particular several which struck me as especially interesting.

I ask unanimous consent that statistical and other data on Air Force public affairs activities be printed in the RECORD at this point.

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

STATISTICAL AND OTHER DATA ON AIR FORCE PUBLIC AFFAIRS ACTIVITIES

Q. 1. Please submit the overall costs of the Air Force Public Affairs Program. Include within your estimate the costs of personnel as well as the costs of operation and maintenance.

Answer: Fiscal Year 1969—$9,424,000.

Public Affairs is defined as all functions and activities performed for the purpose of providing official information about the U.S. Air Force through the public media and activities and functions performed for the purpose of contributing to good relations between the USAF installations and their local and regional civilian communities. The above amount includes military and civilian salaries and allowances of professional and clerical personnel, worldwide, performing public affairs activities on a full-time basis, and non-personnel operating costs.

Q. 2. Please estimate the number of officers, enlisted men and civilians who work full-time in support of the Air Force Public Affairs Program.

Answer:

Personnel engaged in public affairs

(Includes public information and community relations)

Officers	169
Enlisted men	339
Total military	508
U.S. civilians	380
Foreign nationals	56
Total civilians	436
Total personnel	944

Q. 3. With regard to the Office of Information, Department of the Air Force, please supply the following:

(a) How many officers, enlisted men, and civilians work for the Office of Information in Washington? Elsewhere?

Answer:

Washington	105
Elsewhere	97

	Total	Officer	Enlisted	Civilian
Washington (Pentagon):				
Public affairs	54	30	4	20
Internal information	20	9	2	9
Plans and programs	13	8	0	5
Other [1]	18	8	3	7
Total	105	55	9	41
Elsewhere:				
Public affairs (New York, Chicago, Los Angeles)	36	18	9	9
Internal information (Bolling AFB)	61	10	18	33
Total	97	28	27	42
Combined total	202	83	36	83

[1] Other, includes Director's Office, Security Review, and Reserve forces liaison.

Q. 3. With regard to the Office of Information, Department of the Air Force, please supply the following:

(b) What is the approximate cost, including personnel costs, for this activity?

Answer: $3,532,432.

	Total	Personnel	Travel
Washington (Pentagon):			
Public affairs		$772,376	
Internal information		289,169	
Plans and programs		203,868	
Other [1]		300,648	
Total	1,603,998	1,566,061	$37,937
			Travel and O. & M.
Elsewhere:			
Public affairs (New York, Chicago, Los Angeles)	525,253	480,579	44,674
Internal information (Bolling AFB)	1,403,181	715,821	687,360
Total	1,928,434	1,196,400	732,034
Combined total	3,532,432	2,762,461	769,971

[1] Other, includes Director's Office, Security Review, and Reserve forces liaison.

Q. 3. With regard to the Office of Information, Department of the Air Force, please supply the following:

(c) Please supply details and specific examples within the last twelve months of the activities of the following divisions and associated branches: . . . Public Information Division.

Answer:

PUBLIC INFORMATION DIVISION

The Public Information Division develops and disseminates information about the United States Air Force of interest to the public. It supervises and provides policy guidance for home and regional office activities, interpreting policy within parameters set at Department of Defense and Secretary of the Air Force level, and directing implementation on a regional basis. Also recommends command implementation through prescribed channels. All information plans and annexes are reviewed and coordinated. This overall mission is accomplished through specific actions of the three branches reported below.

INFORMATION DEVELOPMENT BRANCH

The Information Development Branch develops short and long range story ideas and places them with all types of communication media through liaison with field extension offices, regional communication media, and other division branches. It acquires photography from Aerospace Audio-Visual Service (AAVS) in support of the USAF public information program; coordinates Air Force participation with national television, radio, and film industries with Office, Secretary of Defense authorities; and coordinates and clears all Air Force films and scripts intended for public exhibition. It is the coordinating agency for all proposed motion picture scripts either by the Air Force for internal training or informational purposes or by an Air Force contractor. Specific example of projects undertaken during the last twelve months include the following:

1. Arrangements were made, with approval obtained from OASD(PA), for the use of Air Force Eastern Test Range facilities and equipment to support the Columbia Pictures film production, "Marooned." Cooperation consisted of the use of a CH-3E helicopter for three days to film the rescue spacecraft being carried up the Banana River and across Merritt Island to launch complex 41; clearance and operational coordination through the Director of Range Operations for a civilian photography helicopter to operate from Cape Kennedy Air Force Station; and use of from one to three Air Force vehicles for ten days. Accounting and documentation procedures were worked out with the Range Contract Management Office, the Staff Judge Advocate, and the Base Comptroller. Columbia was billed $8,868.81 for Air Force support.

2. A weekly film clip program was started to provide service to 450 commercial television stations which requested the service. They are sent a color, television clip, approximately one minute long, featuring Air Force people and things. American Forces Television Stations also receive this service. Total annual budget is $100,000.

3. The "Pro Sports Report" recorded radio program is produced weekly for about 150 commercial radio stations. It carries an Air Force promotional spot announcement. Total annual cost is $4,680.

SPECIAL PROJECTS BRANCH

The Special Projects Branch conducts the Air Force books and magazine features program. It maintains the Air Force story book and recommends marketing procedures for these themes and performs liaison with industry concerning public information programs of mutual interest. Specific examples of projects undertaken during the last twelve months include the following:

1. During July to December 1968 the branch assisted authors and publishers in 46 book projects and 109 magazine projects. Much of this work is long range: some books have been three years in production; editors may delay or cancel publication of authorized articles.

2. The branch gathered detailed background information, prepared biographical data and the citation for Medal of Honor presentation to Lt. Col. Joe M. Jackson. The President made the presentation in a Joint Service Ceremony at the Pentagon, January 16, 1969.

3. Arranged for a photo story about Miss Leilani Bauzon, a Philippine national who the Military Airlift Command flew from the Philippines to Houston, Texas for heart surgery. Photo story materials were sent to Clark AB Office of Information for coordination with USIS and possible local release.

MEDIA INFORMATION BRANCH

The Media Information Branch acquires, prepares, staffs, and releases current printed news material about U.S. Air Force operations intended for public dissemination either voluntarily or in response to inquiry. The branch releases information to printed news media through OASD(PA); acquires pictorial and audio materials as needed; and

monitors Air Staff offices for public information developments. It organizes, conducts, and monitors, in coordination with OASD (PA), national media tours of major commands and bases, and arranges media interviews and news conferences for members of the Air Staff and Office of the Secretary. It provides press guidance for public appearances of senior Department of the Air Force officials and furnishes current information materials and policy to field extension offices. Specific examples of projects undertaken during the last twelve months include the following:

1. The branch proposed routine releases to OASD(PA) during FY 69 on topics such as general officer promotions and reassignments, change of command actions, activation and deactivation of Reserve units, AFROTC unit changes, etc.

2. High interest news projects, both proposed releases and answers to news media queries, covered topics such as the F-111 aircraft system, Alaskan Communications System, alleged fuel thefts in Thailand, Minuteman II missile system, Israeli and Jordanian pilot training, and the B-1 (formerly AMSA).

3. One hundred and ten requests for newsmen to accompany airlift flights were staffed and forwarded to OASD(PA) for consideration.

4. The branch arranged and/or took part in 85 news media interviews with Air Force officials during FY 69.

Q. 3. With regard to the Office of Information, Department of the Air Force, please supply the following:

In the above requested information, it is expected that you will include a listing of all radio, television, and film production undertaken in whole or in part with support from the Department of the Air Force, along with the funds allocated to each specific production.

Answer:

AIR FORCE RADIO, TELEVISION, AND FILM PRODUCTION

1. *Air Force News Review.*—Monthly. Fifteen minute, black-and-white film report on Air Force missions and people designed primarily to inform Air Force people. Each month 725 prints are sent to Air Force installations for use in Commander's Call programs and American Forces Television broadcasts. Annual cost is about $343,000.

2. *American Forces Radio and Television Service TV Spots.*—Twelve information and news feature TV spots are produced each year in 50 copies for all AFRTS studio originator TV studios to retain. Annual cost is about $7,000.

3. *Khesanh, Victory for Air Power, Special Film Report FR 1009.*—Fifteen minute, color film on the battle of Khesanh primarily for internal showings. 325 prints. Cost was about $21,000.

4. *Christmas Television Show.*—Thirty minute, color video tape production. Twenty-two tapes produced and circulated for use. AFRTS produced black-and-white film versions for distribution to their TV stations. Air Force Recruiting Service and Information Officers distributed the video tapes on a rotation basis to 204 CONUS commercial television stations. Cost was about $5,200.

5. *Pro Sports Report.*—Weekly. Recorded five minute radio sports feature containing an Air Force feature spot announcement. Distributed to 150 major market commercial radio stations. Annual cost is about $4,680.

6. *Profile Radio Service.*—Monthly. Recorded radio program of Air Force feature material designed for three times a week programming. Each record contains 12 to 15 feature segments up to 90 seconds in duration. Broadcast by 1,139 commercial and AFRTS stations. Annual cost is about $9,300.

7. *Serenade in Blue.*—Weekly. Thirty minute recorded radio series featuring units of the United States Air Force Band and guest talent; primarily for recruiting purposes. Broadcast by approximately 4,000 commercial and AFRTS stations. Annual cost is about $10,000.

8. *Christmas Radio Show.*—Recorded annual production distributed the same as the Serenade in Blue program, above. Voice of America has also broadcast the musical variety program since 1964. Program consists of one record containing two individual 25 minute programs. Cost was about $3,400.

Q. 3. With regard to the Office of Information, Department of the Air Force, please supply the following:

(d) Please supply reports on public affairs activities produced by subordinate commands and forwarded to the Office of Information during the past twelve months.

Answer:

PUBLIC AFFAIRS REPORT

There are three public affairs reports that are either submitted by subordinate commands or compiled by the Office of Information, Office, Secretary of the Air Force (SAFOI) from data furnished, wholly or in part, by subordinate commands. Each of these is described below and copies are supplied, as indicated, in the reports file that accompanies this reply.

1. *Schedule of Significant Events, Appearances, and Speeches.*—Published monthly and distributed to field organizations. Lists data for USAF Band engagements, Air Force Air Demonstration Team (Thunderbirds) schedule, and Air Force Orientation Group exhibits. Twelve reports supplied.

2. *Community Relations Report.*—Reports Control Symbol (RCS): DD-PA (SA) 65. Semiannual report required by Office, Assistant Secretary of Defense (Public Affairs). Subordinate Air Force commands report data are used by SAFOI to compile the consolidated Department of the Air Force report. Command reports are disposed of after six months. The consolidated Department of the Air Force report for January-June 1968 is supplied. Subordinate command reports covering July-December 1968 are also supplied. U.S. Air Forces in Europe and Pacific Air Forces report through the Unified Commands directly to the Office of the Assistant Secretary of Defense (Public Affairs) in accordance with Department of Defense Directive 5410.18, "Community Relations."

3. *Use of Military Carriers for Public Affairs Purposes,* RCS: DD-PA (M) 591.—Monthly report required by OASD(PA). Forty-one command reports received during Fiscal Year 1969 contained details about military carriers used for public affairs purposes, as required, and have been supplied. Other monthly command reports received for FY 1969 stated that military carriers had not been used for public affairs purposes during the reporting period.

Q. 4. Please supply information on the activities of the USAF TV Center under the Management Division of Secretary of the Air Force. List, in this connection, every center available for viewing either directly or indirectly manned by service personnel. Please supply a list of each production for the past twelve months, a brief synopsis of its contents, and its costs. Also describe the manner of its distribution.

Answer:

HQ USAF TV CENTER

1. *Mission.*—The mission of the HQ USAF TV Center, as approved by the Air Council, is to apply closed circuit television (CCTV) as a management tool to communicate current information and data to the Secretariat and Air Staff.

2. *Activities and functions.*—The mission is accomplished by direct video feed to selected staff agencies and production of video tape briefings for presentation to key officials "on demand" to fit their schedules. The Center maintains a capability for off-the-air television distribution to the viewing centers within its CCTV system. It can produce color and black-and-white video tape recordings of briefings and presentations in its studio as well as present them "live" to Pentagon CCTV circuit users. Video taped briefings or kinescope recordings can be made available to the requesting staff agency for additional distribution.

3. *Viewing centers.*—All HQ USAF TV Center viewing centers are located in the Pentagon. They consist of the TV Center, seven Air Force conference rooms, and the offices of eight officials: Secretary of the Air Force, Chief of Staff, Vice Chief of Staff, Deputy Chiefs of Staff for Systems and Logistics, Plans and Operations, Research and Development, the Comptroller of the Air Force, and the Director of Operations.

4. *Products, fiscal year 1969.*—A list of the 38 productions of the HQ USAF TV Center during Fiscal Year 1969 is contained in the following five pages, including synopsis, costs, and distribution.

Title	Cost	Synopsis	Distribution
Southeast Asia TV Briefing	[1] $43,150	Used by Air staff to keep current in operations, intelligence, and special items of interest in SEAsia. SECRET/NOFORN.	Videotape playback to Air staff plus 5 videotape copies to Air Force installations.
Prime 69	1,100	Assistant Secretary of Defense (Comptroller) discussion on evolutionary step in DOD budget/account system.	1 film copy to DSA, 7 videotape copies to AF installations, videotape playback to Air staff.
MILSCAP	1,200	The mechanical interchange, via autodin of logistics and financial info contained in a contract.	Videotape playback to Air staff, 21 film copies to major air commands.
GUTENBERG 20th century	1,400	Describes the purpose and use of the lexical graphical composer printer.	Videotape playback to Air staff, film copies to major air commands and separate operating agencies.
Airman promotions new look	1,150	Describes improvements made in airman promotion system including weighted factor selection system.	Videotape playback to Air staff, Air Force-wide film distribution.
F-12/F-106	700	Operational comparison of the two aircraft. SECRET/NOFORN	Videotape playback to Air staff.
Humanitarian reassignment	750	Describes humanitarian reassignments in the Air Force and its guidelines.	Videotape playback to Air staff, Air Force-wide film distribution.
Date of rank promotion	750	Explanation of the officer promotion system versus the service system.	Videotape playback to Air staff, Air Force-wide film distribution.
Chief Chaplain of the Air Force	350	Orientation and welcome by Major General Chess for new chaplains.	Air Force Chaplain School, Maxwell AFB, Ala.
Introduction to AF EOD	1,700	Introduction to Air Force ordnance for Air Force students at the basic E.O.D. course.	Videotape copy to Navy E.O.D. School.
Regular Air Force appointments	600	This subject covers background of how the program was established and the legal basis for its existence.	Videotape playback to Air staff, one-inch videotape copy to USAF MPC, Air Force-wide film distribution.
Army civil disturbance	1,500	Used by the Army to brief new personnel on the functions of the Civil Disturbance Center plus school training.	Videotape playbacks for Army, film copies in Pentagon and in selected Army schools.
Microwave demonstration	500	Explanation of the uses of secure microwave system	Videotape playback to Air staff.

Footnote at end of table.

Title	Cost	Synopsis	Distribution
Basic security	$650	Describes common causes of security deviations and actions necessary to avoid violations.	Videotape playback to Air staff for security training.
Weapon systems acquisition	2,350	Explains present DOD management views regarding the weapon systems acquisition processes.	Videotape playback for OSD, DOD, and Air staff.
N. E. Monsoon interdiction campaign	2,900	Briefing emphasizes force management and application in accomplishing interdiction objectives. Program is classified Secret/NOFORN.	Triservice staff level viewing.
Fiscal briefing	2,000	Hq Marine Corps Deputy Fiscal Director briefing by Gen. Edwing H. Simmons.	One videotape loaned to Marine Corps for their use in briefings.
LITE	2,350	An introduction to the legal information through electronics computerized legal research for military services.	Videotape playbacks to Air staff.
Children have a potential (CHAP)	550	Briefing by the Surgeon General outlining responsibilities of the director of base medical services in the CHAP program.	Videotape playback to Air staff, Air Force-wide film distribution by the film library.
CMSgt of the Air Force top 3 program	400	Describes ways the top 3 noncommissioned officers can aid in retaining the most desirable airmen.	Air Force-wide film distribution, videotape playback to Air staff.
NCO control and office career management	1,150	Describes ways personnel in transportation fields are controlled for assignment after tours overseas.	3 film copies for use during briefings overseas.
Fast-Val	900	Forward air strike evaluation briefing presents a Rand method of computing the amount of close air support required to produce a desired influence on fire fight. Program is classified SECRET/NOFORN.	Videotape playback to Air staff and Army staff.
Deputy for strike support	2,700	Summarizes the year's accomplishments and goals to be reached—used to brief incoming personnel.	Videotape playbacks to Air staff.
Trial tips and trial techniques	1,700	Effective techniques and principles for trial and defense counsel before courts martial, designed to assist lawyers new to military trial work.	Videotape viewing by Air staff, Air Force film distribution (circuit).
HQ Command	1,300	Headquarters command orientation briefing on their mission	Three film copies to HQ Command.
War games	6,750	Classified war games (4 games during fiscal year 1969). Program is classified SECRET/NOFORN.	Joint war games agency cleared videotape playbacks only.
Government value	1,700	This tape identifies and describes methods for the determination of value to the Government as related to the structuring of multiple incentive contracts.	Triservice selected film distribution.
Organization and maintenance of defense communications.	2,350	Covers trends toward centralized control of military communications.	Videotape playback to Air staff only.
Chief of Chaplains	250	Welcome and orientation for senior and advanced chaplains' classes.	Film copy sent to Maxwell AFB for chaplains' school courses.
DINFOS	1,900	Public affairs responsibilities in civil disturbances	Videotape sent to DINFOS for their use in school training.
ASDC transition briefing	11,150	Describes operations and functions of the various offices under the ASD (Comptroller).	Videotape playbacks to Air staff.
Underwater TV	1,350	Composite of several videotapes taken underwater, used by IG nuclear safety.	Film sent to Kirtland AFB, N. Mex.
During the past year, 5 video tapes were produced and made available for possible public release by SAFOI and other Government agencies:			
Marketing crafts	200	A discussion of value of cooperative craft guilds to raising economy of the Appalachian area.	Released by the Department of Agriculture to Appalachian area TV stations.
Pentagon forum "Joint Chiefs of Staff"	1,500	A discussion on the functions and responsibilities of the Joint Chiefs of Staff.	Released by AFRTS for their distribution to Armed Forces Radio and TV stations.
Welcome home	100	General Ryan welcomes home the Colorado Air National Guard after their year in Vietnam.	One videotape to SAFOI for their required distribution.
None	50	A film-to-videotape dubbing to be used by a TV station in Atlanta, Ga., on the life of Senator Russell.	One videotape to SAFOI for their required distribution.
Pentagon forum "General McConnell"	300	General McConnell, Air Force Chief of Staff, answered questions on current Air Force topics.	Videotape copy to AFRTS.

[1] For 28 briefings.

Q. 5. Also supply in detail the activities of the Air Force Audio-Visual Service. Include within that report the costs of operating the service (which I understand is carried under Airlift Command), its products for the last twelve months that were made available, directly or indirectly, to civilian audiences. Please supply a catalog of films produced and available for distribution to the public by the Air Force Audio-Visual Service.

Answer:

AEROSPACE AUDIO-VISUAL SERVICE (AAVS)

1. *Organization and mission.*

a. The Aerospace Audio-Visual Service (AAVS), under the Military Airlift Command (MAC), is equivalent to a numbered Air Force. Its headquarters location is Norton AFB, California. AAVS is responsible for providing audio-visual products and services to the Air Force.

b. The mission of AAVS encompasses still photo and motion picture documentation, optical instrumentation, still and motion picture production, still and motion picture depository services, motion picture distribution, and television.

2. *Activities and functions.*

a. Documentation. This program provides the Air Force an enduring audio-visual account of significant events, current operations, and training exercises. Documentation is accomplished by recording these activities on motion picture film, video tape, and still film. Coverage includes combat activities in Southeast Asia.

b. Optical Instrumentation. This is the art and science of using a camera to observe and record physical events and, at the same time, recording precise time signals on the film which can be used to correlate the event with time. AAVS furnishes these services to the Air Force Western Test Range, headquarters at Vandenberg AFB, Calif., in support of Strategic Air Command and Air Force Systems Command requirements and to the nuclear test sites in the Pacific Ocean and Nevada in support of Defense Atomic Support Agency requirements.

c. Audio-Visual Productions AAVS is the single agency responsible for production and procurement of Air Force motion picture films. The Air Force uses the productions primarily for education and training, recruiting, and airmen motivation purposes.

d. Depositories. AAVS operates and maintains depositories that acquire, preserve, and store Air Force audio-visual products, principally original photography, video tapes, and sound recordings of contemporary and enduring historical value. They range from films of the early developments in aviation to the latest combat documentaries from South-east Asia.

e. Distribution. AAVS manages a central film library at Norton AFB and eight overseas regional libraries to distribute audio-visual products to authorized users.

f. Television. There are two fixed TV facilities installed at Los Angeles AFS and Hill AFB, Utah to support management and training requirements, respectively. In addition there are two mobile television facilities, each consisting of a trailer truck van containing a four-camera production studio. The mobile facilities currently support training of Air Materiel depots civilian work force. The vans are air transportable.

3. *Budget.*—The AAVS operating budget for FY 70 is $10.9 million.

4. *Film production.*—During FY 69 AAVS produced 148 films and 36 TV film clips. Twenty-four films were cleared for public viewing. The TV film clips were released to the public. Production by categories was as follows:

	Productions	TV film clips	Cleared for public showing
Special film projects	28		10
Film reports	76		14
Training films	44		0
TV film clips		36	36
Total	148	36	60

5. *Films for public exhibition.*

a. Air Force films which are cleared for public showing are listed in AF Manual 95–2, Air Force Film Directory, which is supplied with this reply.

b. Civilian agencies may obtain cleared film by:

(1) Mailing a request to:

Air Force Audio-Visual Center.

USAF Central Audio-Visual Library.

Norton AFB, CA 92409.

(2) Personally contacting the Information Officer at a local Air Force Base.

c. Requests for films are filled in the following order of priority:

(1) Active Air Force organizations.

(b) Air Force Reserve, Air National Guard, and AFROTC.

(3) Army and Navy.

(4) Air Force contractors.

(5) Other government agencies.

(6) Civil Air Patrol and Boy Scouts (Air Explorers).

(7) Authorized non-government activities such as schools, religious organizations, TV stations, civic, fraternal, and social organizations, and professional interest groups.

Mr. FULBRIGHT. Mr. President, the Information Development Branch of the Office of Information, the Air Force states:

. . . develops short- and long-range story ideas and places them with all types of communication media through liaison with field extension offices, regional communication media, and other division branches.

One of its services last year was to supply a weekly 5-minute "Pro Sports Report," which carries "Air Force promotional spot announcements," to about 150 commercial radio stations. The Special Projects Branch—

conducts the Air Force books and magazine features program. It maintains the Air Force story book and recommends marketing procedures for these themes and performs liaison with industry concerning public information programs of mutual interst.

Perhaps I am not properly attuned to the terminology of Madison Avenue but it strikes me as somewhat unseemly for a military organization to refer to its public selling effort as "marketing procedures." Other productions, aimed at radio audiences, were—

Profile Radio Service.—a short radio spot feature planned for use three times each week; it is used by 1,139 commercial and armed services radio stations.

Serenade in Blue.—a weekly 30-minute radio show broadcast by about 4,000 commercial and military radio stations.

Film production in the Air Force for public showing, was big business, as it is in all of the armed services. In the last fiscal year the Air Force film facility had a budget of $10.9 million, and produced 148 films and 36 TV film clips. Twenty-four of the films were cleared for public showing. The list of films added in the last fiscal year to the Air Force film libraries is intriguing. One film is "Exercise Pathfinder Express," described as follows:

Depicts largest airborne training exercise in Europe. Demonstrates USAF, U.S. Army, and Spanish troops in hypothetical combat situation. Pictures Morón, Spain, center of activity, where men, equipment and supplies are dropped in enemy territory. Portrays paratroopers in mass assault to secure airfield. Shows effective tactical air power with Spanish-American cooperation. Closes with proud forces marching before commanders. Depicts bullfight and reception given by Spanish people in honor of participants.

Mr. GORE. Mr. President, will the Senator from Arkansas yield at that point?

Mr. FULBRIGHT. I yield.

Mr. GORE. Is that in the name of American security?

Mr. FULBRIGHT. That is an official quotation described as "Exercise Pathfinder Express," carried on by the Air Force.

Mr. GORE. Is this expenditure for the purpose of making this Nation secure?

Mr. FULBRIGHT. It is to glorify the Air Force and procure larger appropriations from the public. That is what the ultimate objective of this whole public relations program is for, as distinguished from internal information.

Mr. GORE. I do not quite get how closing a movie with a bullfight will get more money out of Congress. That might be the purpose, but how does it operate?

Mr. FULBRIGHT. I do not justify this program. The purpose of my comments is to show that they are not justified in the public interest, nor are they justified by, or even relevant to, the security of the United States. I am only relating here what the Air Force actually does.

Mr. GORE. Will the Senator identify for whom the troops were parading? Was that before Franco?

Mr. FULBRIGHT. This was in Spain. Morón is one of the largest air bases in Spain. It is not the largest; I believe it is the second largest.

I may say this matter was discussed in a little different context before the committee, with regard to the renewal of the Spanish bases, in which we then had information with regard to the cooperative exercises between our forces and the Spanish forces.

Mr. GORE. Does the Senator think that we could dispense with this kind of expenditure without injuring the security of the country?

Mr. FULBRIGHT. I most certainly do. That is the whole purpose of these comments.

In view of the concern of many members of the Foreign Relations Committee over U.S. military involvement in Spain, I am sure that this film, showing our servicemen fighting alongside the Spanish forces in quelling a rebellion, will be of considerable interest to a number of Senators. I have obtained a print of this film from the Air Force.

Another 1968 addition is "The Other Side of the World" which:

Documents civic action programs conducted in Thailand's rural areas by Air Force's 606th Air Commando Squadron. Shows operation of medical and dental clinics and construction of sanitation facilities. Also depicts educational programs for children.

Until seeing this listing I had not realized that our military forces in Thailand were engaged in what would appear to be a Vietnam-style pacification program. Perhaps the committee might learn more about the American presence around the world in watching Defense Department movies than it does in briefing by executive branch officials. This particular Air Force program in Thailand is now being phased out.

I ask unanmous consent that the list of Air Force films be printed at this point in the RECORD.

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

LIST OF AIR FORCE FILMS

(Cleared Since June 10, 1968, Issue of AFM 95-2, Vol. II, Air Force Film Directory)

AUGUST 1, 1969.

AFIF 164—THE UNITED STATES STRIKE COMMAND

Depicts mission, organization and worldwide areas of responsibility of U.S. Strike Command (USSTRICOM), a composite of Army ground forces and Air Force tactical units. Shows how USSTRICOM's highly flexible, fast operating methods support normal Middle East operations and provide instant response to world-wide trouble spots and disaster areas. Depicts large and small scale maneuvers and exercises that keep USSTRICOM in constant readiness. 21 Min. Color. 1967. PE, TV, PS.

AFIF 171—THE FIRST TUESDAY AFTER THE FIRST MONDAY

Traces history and evolution of presidential voting in this country from election of George Washington. Depicts creation of the two-party system, the caucus, absentee ballot and women's voting rights. Shows how cross-country campaigning has grown from whistle stops and motor calvacades to modern air travel and television debates. Stresses importance of every eligible person exercising the right to vote. 20 Min. B & W. 1967. PE, TV.

AFIF 172—KNOW YOUR ENEMY—THE VIETCONG

Presents captured Viet Cong (VC) films produced as propaganda to promote the VC cause but which reveal how the VC operates. Footage includes combat briefings and operations, logistics, modes of transportation, sabotage activities, hospital facilities, printing activities, VIP visits, and recreational functions. 22 Min. B & W. 1968. PE, TV.

AFIF 177—TRIP—TRIP TO WHERE?

Shows effects of unauthorized use of drugs such as barbiturates, amphetamines, marijuana and LSD. Depicts the "bad trip" experience that can result from using LSD. Points out how the operational effectiveness of personnel with vital missions can break down because of an experience recurring without warning. 50 Min. Color. 1968. PE, TV, TH, PS.

AFIF 182—COUNTERINSURGENCY

Spotlights subversive insurgency and action that can be taken by troubled nations to meet problem. Defines counterinsurgency and its many-faceted elements. Explains how subversive elements develop and shows responsibility of nation involved. Introduces main objective of counterinsurgency and what makes up a balanced, effective effort. 29 Min. Color. 1969. PE, TV.

AFNR 145—AIR FORCE HIGHLIGHTS 1967

Highlights significant Air Force events and achievements: Southeast Asia combat and support documentation; transatlantic helicopter flights; participation in exercises in Spain and Norway; civic activities and military training in South America; reserve—82nd Airborne exercise; award highlights; a tribute from Col. Robin Olds, Viet-nam ace; and introductions to the F-111A SR-71, Navy A-7, and the C-5. 26 Min. Color. 1967. AF. PE, TV, TH, PS.

AFNR 146—AIR FORCE NEWS REVIEW NO. 146

Cost reduction awards at Air Force Academy; enlisted man's career conference at Scott AFB; and Southeast-Asia highlights of Khe Sanh air drops, medical civic action, B-52 bomb loading in Thailand, and airstrikes. 14 Min. B&W. 1968. AF. PE, TV, TH, PS.

AFNR 147—AIR FORCE NEWS REVIEW NO. 147

Medal of Honor awarded posthumously to Capt. Hilliard A. Wilbanks, F-111A demonstrates combat potential, F-106 Delta Darts (ADC) simulate combat sortie, Air Force aids snowbound Navajo Indians, 12th Air Force gets Minuteman flag, troops and equipment airlifted to Vietnam in Eagle Thrust, HH-53 helicopter arrives in SEA, and General McConnell visits SEA units. 14 Min. B&W. March 1968. AF. PE, TV, TH, PS.

AFNR 148—AIR FORCE NEWS REVIEW NO. 148

Covers the following subjects; Medal of Honor awarded to Maj. Merlyn H. Dethlefsen, F-111 tested for combat readiness, Freedoms Foundation awards include three Air Force officers, reserves and guardsmen activated, and in Southeast Asia B-52s support ground forces in Kontum province and air power supports Marines at Khe Sanh. 14 Min. B&W. April 1968. AF, PE, TV, TH, PS.

AFNR 149—AIR FORCE NEWS REVIEW NO. 149

Lockheed rolls out C–5 aircraft, F–111 tested at Fort Worth, 317th Fighter Intercepter Squadron at Elmendorf wins Hughes Trophy, AF civic action helps Vietnamese, Operation San Angelo airlifts men and equipment to Song Be, C–123s airlift Vietnamese paratroopers in Operation Van Kiep paradrop, 12th Tactical Fighter Wing marks 50,000th sortie at Cam Ranh Bay and Skypoint air-strikes highlighted. 14 Min. B&W. 1968. AF. PE, TV, TH, PS.

AFNR 150—AIR FORCE NEWS REVIEW NO. 150

WAF marks 20 years' service; C–9A, newest aeromed aircraft unveiled; Air Force Association convenes; OV–10A Broncos tested for forward air controller; Vietnamese Air Force operates helicopter squadron; flight nurse at Tan Son Nhut describes work; and airdrop supports Khe Sanh. 14 Min. B&W. 1968. AF. PE, TV, TH, PS.

AFNR 151—AIR FORCE NEWS REVIEW NO. 151

Bunker Hill AFB renamed after astronaut Grissom, F–103s deployed to Korea, Secretary Brown tours SEA, C–7A Caribou resupplies Special Forces camps, Operation Hi-Drink (ship-to-helicopter refueling) proves worthwhile, O–2A crew rescued, AC–47 (Spooky) loads up at Da Nang, and SEA air-strikes highlighted. 14 Min. B&W. 1968. AF. PE, TV, TH, PS.

AFNR 152—AIR FORCE NEWS REVIEW NO. 152

Air Force Academy's largest graduation class; 8th Infantry Division at Rhein-Main in first para-drop from C–141s in Europe; 120th Tactical Fighter Squadron, first ANG unit to SEA; Hennessy trophy for dining hall at Phu Cat AB; flight line vignettes, SEA; and Gen. Westmoreland's farewell to SEA. 14 Min. B&W. 1968. AF. PE, TV, TH, PS.

AFNR 153—AIR FORCE NEWS REVIEW NO. 153

C–5 Galaxy completes maiden flight, SAC KC–135 crew receives MacKay Trophy, NATO nations compete in air reconnaissance, Inter-American Air Forces Academy marks 25th year, Vietnamese pilots switch to A–37 fighters under USAF instruction, and Cam Ranh Bay squadron commander describes airpower mission in South Vietnam. 13 Min. B&W. 1968. AF. PE, TV, TH, PS.

AFNR 154—AIR FORCE NEWS REVIEW NO. 154

Gen. John P. McConnell starts new term as Air Force Chief of Staff, AF crews from ARRC (Atlantic) compete in NATO helicopter meet, CAC succeeded by AF Reserve, Maintenance men of 35th TFW (SEA) receive Daedalian trophy, and tactical airlift crews in SEA transport three-millionth ton of cargo. 14 Min. B&W. 1968. AF. PE, TV, TH, PS.

AFNR 155—AIR FORCE NEWS REVIEW NO. 155

6555th Aerospace Test Wing launches minute-man III, F–111C is delivered to Royal Australian Air Force, USAFE munitions crews compete in "Loadeo" contest, C–119 becomes flying gunship, 37th Security Police Squadron provides perimeter security at Phu Cat, and F–4's and F–100's strike enemy targets. 14 Min. B&W. 1968. AF. PE, TV, TH, PS.

AFNR 156—AIR FORCE NEWS REVIEW NO. 156

AF Academy/Navy football game; Project Deep Furrow tests airpower readiness of NATO units, F–102s and F–5s strengthen air defense of South Korea; and SEA highlights cover effectiveness of manpack radar in aircraft control, super FACs over enemy territory, VNAF Academy training, and AF nurse cited for heroism. 13 Min. B&W. 1968. AF. PE, TV, TH, PS.

AFNR 157—AIR FORCE NEWS REVIEW NO. 157—HIGHLIGHTS OF 1968

Chief of Staff Gen. J. P. McConnell salutes USAF personnel for 1968 accomplishments and pays tribute to air and ground crews in Southeast Asia; C–141s airdrop troops in Germany; Inter-American AF Academy at Albrook marks 25th year; AFA honors 22 outstanding airmen; SAC crew receives MacKay trophy; 35th TFW wins Daedalian trophy; OV–10, F–111, C–9, C–5 and Minuteman III ICB make debuts; President Johnson calls up ANG and reserves; HQ AFR replaces CAC at Robins; AF flies supplies to stranded Navajos; and Southeast Asia highlights include TAC airlifts, chopper rescues, aeromedical evacuations, civic action programs, Khe Sanh support, B–52 operations, and tactical operations. 30 Min. Color. 1969. AF. PE, TV, TH, PS.

AFNR 158—AIR FORCE NEWS REVIEW NO. 158

Chief of Staff Gen. John P. McConnell pays tribute to all American fighting men on Veterans Day, U.S. Marines and Air Force participate in joint airlift exercise, AF photojournalists recognized for ADC activities coverage, 64th Fighter Squadron wins Hughes Trophy, and Vietnam highlights include SAC and TAC strike missions. 15 Min. B&W. 1969. AF. PE, TV, TH, PS.

AFNR 159—AIR FORCE NEWS REVIEW NO. 159

Major William J. Knight receives Harmon International Trophy for 1968's most outstanding pilot performance; 512th Military Airlift Wing earns MAC recognition for 100,000 accident-free flying hours; aerospace rescue and recovery crews evacuate sick and injured seamen from carrier USS Enterprise; USAF pilots instruct Vietnamese in C–119 operations; Air Force airmen serve as foster fathers to South Korean orphans. 14 Min. B&W. 1969. AF. PE, TV, TH, PS.

AFNR 160—AIR FORCE NEWS REVIEW NO. 160

Airlift starts REFORGER/CRESTED CAP exercise to Europe; parachute landings at Aerospace Defense Command Life Support Training School; training of sentry dogs; activities of 14th Aerial Port Squadron at Cam Ranh Bay; South Vietnam crews blast to make helicopter landing zone; downed aircrew members in Southeast Asia are brought back from combat by HH–53 helicopter; jets in South Vietnam support ground missions. 15 Min. B&W. 1969. AF. PE, TV, TH, PS.

AFNR 161—AIR FORCE NEWS REVIEW NO. 161

Robert C. Seamans, Jr. becomes Secretary of AF; arctic AF men get survival training; C–9 simulator-trainer flight nurses graduate; Easter services in South Vietnam; royal Thai Air Force crews join USAF's 19th Special Operations Squadron in airlift at Tan Son Nhut; security is assignment of 377th Security Police Squadron at Tan Son Nhut AB; combat missions of 6th Special Operations Squadron at Pleiku. 15 Min. B&W. 1969. PE, TV, TH, PS.

AFNR 162—AIR FORCE NEWS REVIEW NO. 162

Apollo 8 astronauts receive H. H. Arnold trophy at AF Association convention; USAF Pilot Training School provides pilot training to foreign military students; chimps stand in for man-in-space at Aerospace Medical Research Laboratory; Tactical Air Command wins AF Worldwide Wrestling tournament; rapid medical evacuation and medical care in Southeast Asia. 14 Min. B&W. 1969. PE, TV, TH, PS.

AFNR 163—AIR FORCE NEWS REVIEW NO. 163

Test flight of X–24A lifting body; training in professional services at AF Medical Service School; military aircraft become sleeping fleet at aircraft storage and disposition center; Clark AB perimeter patrolled by horse patrol; concrete and steel protect fighter-bomber aircraft in Vietnam; Vietnamese fighter squadron flies A–37 jets. 11 Min. B&W. 1969. PE, TV, TH, PS.

AFNR 164—AIR FORCE NEWS REVIEW NO. 164

Tribute to retiring Chief of Staff, General J. P. McConnell; training under way for A–7D Corsair II, newest tactical close air support aircraft; flying performance and environmental control begins on C–5 Galaxy at Edwards AFB; sixteenth AF personnel in Spain celebrate annual western style rodeo at Seville; profile of Reserve unit recalled to Southeast Asia and their AC–119 gunships; President Nixon honors 675 cadets on USAF Academy's 11th graduating class. 13 Min. B&W. 1969. PE, TV, TH, PS.

FR 851—BIRD/AIRCRAFT STRIKE HAZARDS

Reviews bird strike hazards to aircraft and aircrews. Shows canopy and fuselage damage to several aircraft and cites loss of several lives. Discusses ratios of given bird weights, aircraft speeds, and pounds of impact pressure. Cites critical geographical areas during migrating seasons and at certain times of day. Offers helpful suggestions for avoiding strikes. 11 Min. Color. 1967. PE, TV, TH, PS.

FR 878—LANDING WEATHER MINIMUMS INVESTIGATION

Studies problems facing pilots making approaches under low visibility conditions. Depicts landings in deep, shallow and cloud base fog; in drizzle with and without windshield wipers; and with misaligned instruments. 22 Min. Color. 1967. PE. (Professionally interested groups)

FR 885—USAF COMBAT PHOTOGRAPHY—SOUTHEAST ASIA

Highlights advance of photography since Civil War. Shows how it serves as link between policy makers, major command heads, and men in field. Explains functions of combat photo groups such as 600th Photographic Squadron in Saigon. Stresses importance of historical documentation. Shows airstrikes filmed under direct enemy attack and films rushed to laboratory nerve centers for automatic processing and evaluating. Shows Aerospace Audio Visual Service (AAVS) pod installation and development program. 27 Min. Color. 1968. PE, TV, TH, PS.

FR 906—THE SPARROW HAWKS

Pays tribute to forward air controllers who fly hazardous spotting missions in Southeast Asia. Shows how pilots plan and carry out their task of searching for and marking enemy positions for immediate air strikes. 9 Min. Color. 1968. PE, TV, TH, PS.

FR 941—EXERCISE PATHFINDER EXPRESS

Depicts largest airborne training exercise in Europe. Demonstrates USAF, U.S. Army, and Spanish troops in hypothetical combat situation. Pictures Morón, Spain, center of activity, where men, equipment and supplies are dropped in enemy territory. Portrays paratroopers in mass assault to secure airfield. Shows effective tactical air power with Spanish-American cooperation. Closes with proud forces marching before commanders. Depicts bull fight and reception given by Spanish people in honor of participants. 17 Mi. Color. 1968. PE, TV, TH, PS.

FR 990—THE OTHER SIDE OF THE WORLD

Documents civic action programs conducted in Thailand's rural areas by Air Force's 606th Air Comando Squadron. Shows operation of medical and dental clinics and construction of sanitation facilities. Also depicts educational programs for children. 15 Min. Color. 1968. PE, TV.

FR 1002—UNITED STATES AIR FORCE IN SOUTHEAST ASIA—1967

Presents a general documentary on Air Force operations in Southeast Asia during 1967. Highlights include air rescue, reconnaissance, airstrikes, security, crash and rescue, assault airlift, night operations, forward air control, and airborne command post activities. 28 Min. Color. 1968. PE, TV.

FR 1016—101 CRITICAL DAYS

Launches Air Force summer accident prevention campaign. Cites interval from Memorial Day through Labor Day as critical period for accidents. Urges strict observance of safety rules by swimmers, boaters and motorists. Explains need for common sense, courtesy and respect for potential accidents. 6 Min. Color. 1968. PE, TV, TH, PS.

SFP 1542—THE CHALLENGE OF THE UNKNOWN

Depicts Air Force scientific research activities on matter, energy, life and the atom. Shows sophisticated telescopic, photographic, electronic and spectographic equipment used in advancement of research and technology. Points out some of the wonders of science such as development of crystals, LASER research, plasma studies, observance of solar activity, and development of sources of energy. Describes progress in missiles, aircraft and space projects. Defines role of Air Force Office of Aerospace Research in providing man with an endless source of knowledge in these areas. 25 Min. Color. 1967. PE, TV, TH, PS.

SFP 1544B—MEDAL OF HONOR—TWENTY-FIVE YEARS LATER

Maj. General Pierpoint M. Hamilton, in a personal interview, recalls his dangerous mission in the daring invasion of North Africa in 1943. 7 Min. B&W. 1968. PE, TV, TH, PS.

SFP 1544E—MEDAL OF HONOR—CAPT. JAY ZEAMER

Cites Captain Zeamer, bomber pilot, for heroism during WW II reconnaissance mission. 5 Min. B&W. 1967. PE, TV, TH, PS.

SFP 1544I—MEDAL OF HONOR—TRY, TRY AGAIN

Pays tribute to Lt. Edward S. Michael who, though severely wounded, managed to bring his damaged aircraft back from a fierce air battle during WW II. 5 Min. B&W. 1967. PE, TV, TH, PS.

SFP 1544P—MEDAL OF HONOR—ONE FOR ONE

Pays tribute to Maj. Bernard Fisher, first Vietnam hero to receive the Medal of Honor, for saving a fellow pilot's life in the Battle of A Shau. 5 Min. B&W. 1957. PE, TV, TH, PS.

SEP 1544Q—MEDAL OF HONOR—CAPT. HILLIARD A. WILBANKS

Cites the late Capt. Wilbanks, a forward air control pilot, for saving the lives of many Americans by using his small plane to divert enemy fire in Vietnam combat. 10 Min. Color. 1968. PE, TV.

SFP 1571—MEN OF MAINTENANCE—SOUTHEAST ASIA

Highlights aircraft maintenance operations in Southeast Asia and presents an insight into the life of the maintenance man there. Depicts specialized personnel using sophisticated electronic equipment to check out complex aircraft systems. Shows how the men work against time and under adverse weather and combat conditions. Interviews maintenance specialists who explain their jobs and attitudes toward their work. Also takes a look at some of the living conditions. 15 Min. Color. 1968. PE, TH, TV, PS.

SFP 1586—AIR FORCE LOGISTICS IN SOUTHEAST ASIA

Shows how Air Force Logistics Command employs modern technology, automation, and airlift in supplying materiel and services to Southeast Asia. Illustrates magnitude of providing everything needed to build and maintain Air Force installations, feed and house personnel, and keep parts, equipment and supplies moving through a 10,000 mile pipeline. 20-½ Min. Color. 1968. PE, TV, TH, PS.

SFP 1652—BUT HOW DOES IT FLY?

Documents test engineering activities at Air Force Systems Command (AFSC) Flight Test Center. Explains operations of various branches which plan, conduct and evaluate all phases of testing. Shows in-house capabilities such as flight simulator. Illustrates use of telemetry and closed circuit television. Analyzes aircraft performance, capabilities and limitations. Demonstrates how to detect malfunctions and to test equipment against design limitations. Shows how flight characteristics are determined by monitoring every phase of flight. Covers technical reports, guide manuals, and operational handbooks. 25 Min. Color. 1969. PE, PS. (Limited to professionally interested groups only.)

SFP 1680—THE AIR UNIVERSITY

Depicts the Air University mission. Outlines AU's curricula, objectives and methods of instruction in its Air War College, Air Command and Staff College, Officers' Squadron School, Institute of Technology, and extension courses. Explains how the university's wide field of teaching is designed to advance officers and airmen in their careers. Depicts courses in engineering, electronics, nuclear physics, logistics, advance weapon systems, missilery, language, leadership, etc. Also explains the AFROTC two and four-year programs. 28 Min. Color. 1968. PE, TV, TH, PS.

SFP 1684—AIR FORCE ROTC COMES OF AGE

Marks 21st Anniversary of Air Force ROTC. Traces AFROTC history, traditions and growth. Emphasizes its role in the training of future Air Force officers. Explains provisions of the scholarship program. Shows flight training, aerospace studies, and field trips to Air Force installations. Also reviews history of military training in schools and colleges during the past two centuries. 28 Min. Color. 1967. PE, TV, TH, PS.

SFP 1696—THE STORY OF AN ACCIDENT REPORT—THE PAPER TIGER

Portrays mission of the Directorate of Aerospace Safety which investigates aircraft, missile, and ground accidents. Explains how the directorate's board members initiate an investigation, collect and process data, and compile a report citing causes and recommendations for prevention of similar accidents. Points out how an effective report triggers corrective action through directives, films, and printed media. 25 Min. Color. 1968. PE professionally interested groups.

SFP 1754—THE WEAPONS CONTROLLER—KEY TO EFFECTIVE AIR DEFENSE

Portrays global role of weapons controller in ADC and NORAD and describes advantageous career opportunities in this field. Depicts formal training of controllers who can advance as high as a commander at a SAGE site. Explains how our widespread air defense network enables the controller to pick a tour duty anywhere from the Arctic to the tropics. Also stresses the military importance of his position in identifying aircraft, scrambling interceptors and guiding to target. 22 Min. Color. 1968. PE, PS professionally interested groups.

SFP 1762—THE HANGUP

Shows effects of unauthorized use of drugs including barbiturates, amphetamines, marijuana and LSD. Depicts a "bad trip" experience from using LSD and shows how its sudden recurrence can jeopardize a vital mission and lives of others. Also points out how a serviceman's career is permanently damaged because of a conviction on narcotics charges. 32 Min. Color. 1968. PE, TH.

SFP 1788—A PATH TO WINGS—THE AIR FORCE ROTC FLIGHT INSTRUCTION PROGRAM

Encourages Air Force ROTC cadets to pursue a career as Air Force pilots through the flight instruction program. Shows how program determines a cadet's potential for formal Air Force training. Cites benefits of learning to fly and of possessing a pilot's license regardless of future plans. 15 Min. Color. 1968. PE, TV, TH, PS. For AFROTC use only.

SFP 1862—SPEAKING OF EXPLOSIONS

Cites hazards of unauthorized entry to test areas at Eglin AFB. Warns public against handling objects found on land and in waters surounding reservation. Explains danger of a dud and tells what action to take should certain pieces be found. Shows how ordnance drops are planned for practice and testing. Gives precise safety steps by detonation experts. Explains duties of explosion ordnance disposal unit. Shows function of certain pieces of ordnance such as bombs, flares, grenades, igniters, missiles, rockets and blasting caps. 15 Min. Color. 1969. PE, TV, TH, PS.

SFP 1864—WHY SPACE

Traces history of man's efforts to explore outer space. Discusses overall significance of the space challenge and its present and future effect on man. 7 Min. Color. 1957. PE, TV, TH, PS.

SFP 1870—BUILDING A NATION

Depicts civil action programs conducted by Air Force in Vietnam to help the people of that country raise their standard of living. Shows educational, medical and recreational activities and construction projects. 9 Min. Color. 1968. PE, TV, TH, PS.

SFP 1876—AAAARK—SOMETHING ABOUT COMMUNICATION

Defines communication and elaborates on art of communicating. Shows communications as giving purpose and meaning to life. Highlights ways of getting ideas across to others. Covers personal problems involved in communicating to others. Shows individual involvement as key to opening new vistas. Recognizes vast field of human knowledge and cites communications as only means of narrowing information gap. Shows advancement in audiovisual field and calls attention to communication media influencing the world. Challenges viewer to unlock his potential. 18 Min. Color. 1969. PE, TV, TH, PS.

TF 5992—THE UNKNOWN 36 SECONDS—AIRCRAFT ACCIDENT INVESTIGATION BOARD

Describes organization and mission of aircraft accident investigation board. Depicts its painstaking inspection of plane wreckage to determine possible electrical, mechanical, structural or hydraulic failure. Probes likelihood of crew's showing symptoms of physical or mental disability prior to crash. Concludes with findings and recommendations. 35 Min. Color. 1968. PE, TV, TH, PS.

TF 6047—FIRE PREVENTION AND THE HOME

Discusses individual responsibilities in observing fire safety in daily living. Illustrates such hazards as overloaded wiring and electric cords running under rugs. Outlines fire survival rules. Shows how carelessness and panic bring tragedy to a family. 25 Min. Color. 1968. PE, TV, TH, PS.

TF 6195—RECURRENT ANTERIOR DISLOCATION OF THE SHOULDER—SIMPLIFIED SURGICAL REPAIR

Shows surgical techniques for repairing anterior dislocation of the shoulder. Explains advantages of this operation over previous methods used. Also shows postoperative recovery of patient. 13 Min. Color. 1968. PE, PS professionally interested groups.

TF 6301—SPACE NAVIGATION

Shows techniques and equipment used in lunar missions. Summarizes accuracy achieved in interplanetary trajectory. Cites methods used in target positioning, precise ways of determining target course, and the 20th century tools in measuring. Demonstrates base tracking techniques and new optical techniques in measuring velocities. Explains how to determine current position and correct course. Stresses importance of gathering experience for more complex missions. 21 Min. Color. 1968. PE, TV, TH.

Mr. FULBRIGHT. Like the other services, the Air Force maintains an active speech bureau. The July speaking engagement bulletin lists 109 speeches and appearances by top Air Force officials. But this is only the tip of the iceberg. Throughout the Air Force, personnel are encouraged to go out and sell the Air Force program. For example, the semi-

annual Community Relations Report of the Air University, Maxwell Air Force Base, noted that:

Air University personnel made 1,574 speeches, radio broadcasts, and television appearances. Live audiences totaled almost 185,000, while the 86 television appearances and 17 radio broadcasts expanded the total audience to well into the millions. Lt. Gen. A. P. Clark, the Air University Commander, spoke on 23 different occasions.

I ask unanimous consent that the list of speakers and the Community Relations Report be printed in the RECORD at this point.

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

U.S. AIR FORCE—SCHEDULE OF SIGNIFICANT EVENTS, APPEARANCES, AND SPEECHES, JULY 23, 1969

This report is a monthly series of bulletins listing events of interest to Air Force units. This report includes major speeches and appearances, engagements of the USAF Band, Air Force Thunderbirds, and Air Force exhibits.

The report projects a schedule for a six-month period. IO's should utilize this schedule as a means of stimulating interest and participation in scheduled events. You are requested to forward to the appropriate SAFOIC Branch, through your major command, any events which should be included in future reports.

SPEECHES AND PUBLIC APPEARANCES (SAFOICD)

AFR 190-2 and HOI 190-7 require that speaking engagements and public appearances be reported to SAFOICD, ext: 76205/72769. (A) indicates "Appearance Only." (Date, speaker, event, and place.)

1 Aug. (A) Dr. T. C. Marrs, Visit Navy OCS, Newport, RI.

1 Aug. BGen. R. Olds, Pilot Training Grad, Vance AFB, OK.

1-3 Aug. MGen. O. B. Johnson, Air Force Association, Toledo, OH.

5-6 Aug. Gen. B. K. Holloway, Civic Leaders of Ft. Worth, Texas, Offutt AFB, NB.

6-10 Aug. MGen. P. K. Carlton, Old Fiesta Days, Santa Barbara, CA.

7 Aug. Hon. P. N. Whittaker, Workshop Sponsored by Nat Contract Mgmt. Asso., Wash., DC.

7 Aug. BGen. J. W. Hoff, Kiwanis Club, Fort Worth, TX.

7 Aug. (A) LGen. A. P. Clark, Squadron Off School, Awards Night, Maxwell AFB, AL.

7 Aug. MGen. W. C. Garland, Old Fiesta Days, Santa Barbara, CA.

7 Aug. BGen. M. Menter, JA Staff Officer Course, Maxwell AFB, AL.

7-8 Aug. (A) Dr. T. C. Marrs, Visit Air Nat Guard/AFRes Units, Ellington AFB, TX., Carswell AFB, TX., Little Rock AFB, AR., McGee-Tyson Aprt, TN.

8 Aug. MGen. W. B. Putnam, Cadet Leadership School Graduation, Reno, NV.

8 Aug. (A) LGen. A. P. Clark, Squadron Off School Graduation, Maxwell AFB, AL.

8 Aug. LGen. A. C. Agan, Squadron Off School Graduation, Maxwell AFB, AL.

10 Aug. (A) MGen W. B. Putnam, International Air Cadet Exchange Ball, Wash, DC.

11 Aug. LGen A. P. Clark, Opening of Air War College, Maxwell AFB, AL.

12 Aug. LGen. D. C. Jones, Waterloo, Iowa Civic Leaders, Barksdale AFB, LA.

12 Aug. Gen. B. K. Holloway, AFA, Dallas, TX.

13 Aug. Gen. B. K. Holloway, Civic Leaders of Lincoln, Nebraska, Offutt AFB, NB.

14 Aug. MGen. H. A. Davis, ROTC Cadets, Plattsburgh AFB, NY.

14 Aug. MGen. L. F. Miller, Personnel Prof Mgmt Crse, Maxwell AFB, AL.

14-15 Aug. (A) Dr. T. C. Marrs, Visit ANG AFRes, McGuire AFB, NJ., The Greater Pittsburg Aprt, PA., Clinton County AFB, OH., Bakalar AFB, IN., Hulman Field, IN.

15-22 Aug. (A) MGen A. A. Towner, Am Hospital Asso Mtng., Chicago, IL.

18 Aug. Dr. T. C. Marrs, Personnel Mgmt Crse, Maxwell AFB, AL.

18-21 Aug. (A) BGen F. A. Heimstra, Am Hospital Asso Mtng, Chicago, IL.

19 Aug. LGen M. L. McNickle, Armed Forces Mgmt Asso Conf, Wash, DC.

19 Aug. BGen J. L. Blank, ACSC Class of 1970, Maxwell AFB, AL.

20 Aug. (A) LGen A. P. Clark, Graduation Ceremony AF Institute of Technology, W-P AFB, OH.

21 Aug. Hon. P. N. Whittaker, International Symposium on Air Transportation, Nashville, TN.

21 Aug. LGen S Maddux, Jr. UNT Grad Class of 70-4, Mather AFB, CA.

22 Aug. Gen B. K. Holloway, Bell Telephone Executives, Offutt AFB, NB.

23 Aug. LGen M. L. McNickle, National Security Conv of American Legion, Atlanta, GA.

25 Aug. BGen J. L. Blank, ACSC Class of 1970, Maxwell AFB, AL.

27 Aug. Gen J. D. Ryan, American Legion, Atlanta, GA.

27 Aug. BGen R. Olds, Fighter Weapons School Graduation, Nellis AFB, NV.

27-28 Aug. Gen B. K. Holloway, Civic Leaders of Knoxville, Tennessee, Offutt AFB, NB.

28 Aug. Hon. R. C. Seamans, Jr., Dining-In, W-P AFB, OH.

28-29 Aug. LGen A. P. Clark, Boy Scouts of America Meeting, Fort Collins, CO.

29-31 Aug. MGen O. B. Johnson, 14th AF Association Conv, Toledo, OH.

30 Aug. Gen B. K. Holloway, 14th AF Flying Tigers Asso, Toledo, OH.

3 Sep. LGen K. E. Pletcher, Dining-In, W-P AFB, OH.

3 Sep. BGen R. N. Ginsburgh, Army War College, Carlisle, PA.

4 Sep. BGen T. J. Dacey, Jr., Univ of ND Graduation, Grand Forks, ND.

4-5 Sep. MGen W. B. Putnam, National Executive Comm, CAP, Maxwell AFB, AL.

5 Sep. MGen R. W. Burns, ADC NCO Academy, Hamilton AFB, CA.

6 Sep. BGen R. W. Maloy, UPT Dining-In, Williams AFB, AZ.

6 Sep. BGen P. R. Stoney, Dining-In, St. Louis, MO.

9 Sep. LGen D. C. Jones, Tallahassee, Florida, Civic Leaders, Barksdale AFB, LA.

9 Sep. LGen A. P. Clark, Maxwell Officer's Wives, Club Meeting, Maxwell AFB, AL.

9 Sep. LGen W. B. Kieffer, Civic Leaders of Philadelphia, PA, Westover AFB, MA.

9 Sep. Dr. C. W. Tarr, World-Wide Personnel Conference, Randolph AFB, TX.

10-12 Sep. (A) MGen W. B. Putnam, Great Lakes Region Conf, CAP, Milwaukee, WI.

11 Sep. Hon R. C. Seamans, Jr., Board of Trustees of Nat Geographic Society, Wash, DC.

12-14 Sep. (A) MGen W. B. Putnam, Rocky Mountain Region Conf, CAP, Milwaukee, WI.

17 Sep. LGen P. K. Carlton, Civic Leaders of Santa Barbara, CA, March AFB, CA.

17 Sep. BGen R. Olds, JOC Dining-Out, Travis AFB, CA.

18 Sep. Hon R. C. Seamans, Jr., 26th Annual Dinner and Cele of Silver Anniv of Nat Security Ind Asso, Wash, DC.

18-21 Sep. (A) BGen R. N. Ginsburgh, Institute for Strategic Studies, The Netherlands.

19 Sep. Hon H. L. McLucas, Air War College, Maxwell AFB, AL.

19 Sep. LGen J. W. O'Neill, American Institute of Technology of Am, Santa Maria, CA.

22 Sep. LGen A. P. Clark, Boy Scouts of America Tukabatchee Council Mtng, Maxwell AFB, AL.

22-23 Sep. Hon R. C. Seamans, Jr., AFA Annual Fall Mtng, Wash, DC.

22-24 Sep. (A) MGen T. H. Crouch, Society of Military Orthopedic Surgeons, Bethesda, MD.

24 Sep. Hon J. L. McLucas, AOA, Eglin AFB, FL.

24 Sep. LGen A. P. Clark, Thomas D. White Lecture Series, Maxwell AFB, AL.

29 Sep. BGen R. Olds, Squadron Off School Graduation, Maxwell AFB, AL.

30 Sep. Hon R. C. Seamans, Jr., AFA Town Hall of CA, Los Angeles, CA.

30 Sep. LGen W. B. Kieffer, Civic Leaders of New Hampshire, Westover AFB, MA.

1 Oct. Hon R. C. Seamans, Jr., Gen W. W. Momyer, AOA 51st Defense Preparedness Meeting, Las Vegas, NV.

1 Oct. Hon P. N. Whittaker, AFIT-Industry Mgmt Symposium, Newport Beach, CA.

1 Oct. BGen R. N. Ginsburgh, Air War College Lecture, Maxwell AFB, AL.

2 Oct. BGen R. W. Maloy, UPT Graduation, Laughlin AFB, TX.

3 Oct. (A) MGen J. N. Donahew, Annual Field Trip of Air War College Student Body, Fort Bragg, NC.

6-10 Oct. (A) MGen T. H. Crouch, 55th Annual College, San Francisco, CA.

8 Oct. Hon R. C. Seamans, Jr., USAFA Science and Engineering Awards Banquet, San Antonio, TX.

8-10 Oct. (A) LGen A. P. Clark, American Council on Education, Wash., DC.

8-10 Oct. (A) MGen J. N. Donohew, UN Hqs, Field Trip of Air War College Student Body, New York, NY.

9 Oct. MGen G. F. Keeling, Education w/Industry Symposium, Seattle, WA.

9 Oct. MGen G. T. Gould, Joint Eng Mgmt Conf, Montreal, Canada.

10 Oct. (A) Hon R. C. Seamans, Jr., 1969 Art Presentation, Bolling AFB, DC.

13 Oct. (A) LGen J. W. O'Neill, CA Inst of Tech, Inauguration of Harold Brown, Pasadena, CA.

13 Oct. (A) Mr. J. P. Goode, Federal Executive Institute, Charlottesville, VA.

13 Oct. BGen R. Olds, State-Wide Veterinarians, Colorado Springs, CO.

13 Oct. BGen R. N. Ginsburgh, Air War College, Maxwell AFB, AL.

14 Oct. LGen D. C. Jones, Civic Leaders, Lubbock, Texas, Barksdale AFB, LA.

14 Oct. Hon P. N. Whittaker, Symposium and Education Conference, Wash., DC.

14-16 Oct. Dr. T. C. Marrs, Conf of Nat Guard Asso, Mobile, AL.

16 Oct. Hon. R. C. Seamans, Jr., AF Cost Reduction Awards Ceremony, Scott AFB, IL.

16 Oct. Hon. R. C. Seamans, Jr., Executives Club of Chicago, Chicago, IL.

16 Oct. MGen R. H. McCutcheon, AFLC NCO Academy, McClellan AFB, CA.

21 Oct, BGen M. F. Casey, American University's 23rd Air Transport Mgmt Institute, Wash, DC.

23 Oct. LGen E. C. Hedlund, Defense Supply Asso Conference, Chicago, IL.

23 Oct. MGen G. F. Keeling, AOA, Andrews AFB, MD.

24 Oct. BGen R. H. Dettre, Jr., ADC NCO Academy, Hamilton AFB, CA.

25 Oct. MGen W. G. Moore, Jr., AIAA, Anaheim, CA.

29-31 Oct. MGen T. H. Crouch, Constantinian Society, Santa Fe, NM.

31 Oct. LGen K. E. Pletcher, Constantinian Society, Santa Fe, NM.

31 Oct. LGen A. P. Clark, Squadron Off School, Maxwell AFB, AL.

5 Nov. MGen A. A. Towner, Far East Chapter of Asso of Mil Surgeons, Tachikawa, Japan.

5 Nov. LGen M. L. McNickle, AOA, Andrews AFB, MD.

14-22 Nov. (A) BGen C. H. Snider, USAFE Med Training Conf, Weisbaden, Germany.

18 Nov. Gen J. G. Merrell, AOA, Cincinnati, OH.

18 Nov. LGen D. C. Jones, Civic Leaders of Baton Rouge, La., Barksdale AFB, LA.

18 Nov. LGen K. E. Pletcher, USAFE Med Services Tng Conf, Weisbaden, Germany.

23–24 Nov. (A) MGen T. H. Crouch, Society of Medical Consultants to the Armed Forces, Wash, DC.

4 Dec. MGen G. M. Johnson, AFLC NCO Academy, McClellan AFB, CA.

12 Dec. BGen W. S. Harrell, ADC NCO Academy, Hamilton AFB, CA.

U.S. AIR FORCE BAND AND COMPONENTS

10 Aug., USAF Band and Singing Sergeants, Public Concert, Valley Forge Freedom Foundation, Valley Forge, Pa.

3 Sep., Strolling Strings, Hospital Dining-In, Wright-Patterson AFB, Oh.

23 Sep., Strolling Strings, Formal Dinner, Transportation Forum, Atlanta, Ga.

1 Oct., Strolling Strings, Formal Dinner, American Ordnance Association, Las Vegas, Nv.

14 Oct., Pipe Band, Public Performance, Shaler Junior High School, Glenshaw, Pa.

18 Oct., Pipe Band, Highland Games, Austin, Tex.

22 Oct., Pipe Band, Patriotic Opening, International Horse Show, Harrisburg, Pa.

1 Nov., Singing Sergeants, Formal Dinner, Veterans of Foreign Wars, New York City, NY.

6 Nov., USAF Band and Singing Sergeants, Public Concert, Missouri State Teachers Association, St. Louis, Mo.

28 Jan., USAF Band and Singing Sergeants, Public Concerts, All-South Band Clinic, Jekyll Island, Ga.

The above does not reflect commitments in the Washington, D.C. area.

USAF 1969 THUNDERBIRDS SCHEDULE *

2 Aug., Grand Haven, MI.
3 Aug., Grand Forks AFB, ND.
8–10 Aug., Abbotsford, B.C.
16–17 Aug., Chicago, IL.
18–25 Aug., Alaskan Tour.
30 Aug., Escanaba, MI.
31 Aug./ 1 Sept., Cleveland, OH.
5–7 Sept., Detroit, MI.
13–14 Sept. Richards-Gebaur AFB, MO.
16 Sept., Mather AFB, CA.
17 Sept., Kingsley Field, OR.
19–21 Sept., Reno, NV.
22 Sept., Reese AFB, TX.
27 Sept., Nellis AFB, NV.
28 Sept., McConnell AFB, KS.
30 Sept., Langley AFB, VA.
2 Oct., Indian Springs AF Auxiliary Field, NV.
4 Oct., Shaw AFB, SC.
5 Oct., Charlotte, NC.
7 Oct., Blytheville AFB, AR.
9 Oct., Seymour Johnson AFB, NC.
11 Oct., Niagara Falls International Airport,, NY.
12 Oct., Staten Island, NY.
18 Oct., Ft. Worth, TX.
19 Oct., Tulsa, OK.
24 Oct., Laughlin AFB, TX.
25 Oct., Laredo AFB, TX.
26 Oct., Randolph AFB, TX.
1 Nov., Beale AFB, CA.
2 Nov., Santa Maria, CA.
8 Nov., Homestead AFB, FL.
9 Nov., Patrick AFB, FL.
11 Nov., Forbes AFB, KS.
13 Nov., Altus AFB, OK.
15 Nov., Dyess AFB, TX.
16 Nov., Kirtland AFB, NM.
22 Nov., Nellis AFB, NV.

ORIENTATION GP EXHIBITS

1–9 Aug. 69, Greater Allentown Fair, Allentown PA.
2–9 Aug., Greater Mississippi Valley Fair, Davenport IA.
3–7 Aug., Nat. Fraternal Order of Police Conv., Louisville KY.
4–9 Aug., Logan County Fair, Lincoln IL.
4–10 Aug., Midland Empire Fair, Billings MT.
5–7 Aug., New Hartford Shopping Center, Utica NY.
5–10 Aug., Carlisle Mall, Carlisle PA.
5–12 Aug., Parkington SC, Arlington VA.
6–9 Aug., Shopping Center, Ogden UT.
6–10 Aug., Lima Mall, Lima OH.
6–10 Aug., Shopping Center, Salem OR.
7–11 Aug., Sioux Empire Fair, Sioux Falls SD.
8–17 Aug., Illinois State Fair, Springfield IL.
8–17 Aug., Wisconsin State Fair, Milwaukee WI.
9–10 Aug., CAP Open House, Glendora CA.
10–17 Aug., AMVETS Convention, Detroit MI.
11–16 Aug., Altamont Fair, Altamont NY.
12–13 Aug., Shopping Center, Palo Alto CA.
12–14 Aug., Pottsville Plaza, Pottsville PA.
12–16 Aug., Shopping Center, Provo UT.
12–16 Aug., Clark County Fair, Springfield OH.
12–17 Aug., Dubuque County Fair, Dubuque IA.
12–17 Aug., Clackamas County Fair, Canby OR.
14–23 Aug., Kentucky State Fair, Louisville KY.
15–21 Aug., Red River Valley Fair, Fargo ND.
15–22 Aug., VFW Convention, Philadelphia PA.
15–24 Aug., Iowa State Fair, Des Moines IA.
15–24 Aug., Santa Clara County Fair, San Jose CA.
16–17 Aug., National Air Expo, Washington DC.
16–23 Aug., Erie County Fair, Hamburg NY.
16 Aug./1 Sep., Pacific National Exhibition, Vancouver BC.
18–20 Aug., Shopping Center, Grand Junction CO.
19–21 Aug., Parade of Hills, Nelsonville OH.
19–23 Aug., Jones County Fair, Monticello IA.
19–24 Aug., Duchess County Fair, Rhinebeck NY.
19–24 Aug., Lane County Fair, Eugene OR.
21 Aug./1 Sep., Ohio State Fair, Columbus OH.
22–28 Aug., American Legion Convention, Atlanta GA.
22 Aug./1 Sep., Indiana State Fair, Indianapolis IN.
22 Aug/1 Sep., Michigan State Fair, Detroit MI.
23-24 Aug., Beaver County Air Show, Beaver Falls PA
23 Aug/1 Sep., Minnesota State Fair, St. Paul MN.
23 Aug/1 Sep., Colorado State Fair, Pueblo CO.
26–28 Aug., Colonial Plaza, Waterbury CT.
26-30 Aug., Obion County Fair, Union City TN.
26 Aug/1 Sep., New York State Expo, Syracuse NY
26 Aug/1 Sep., Evergreen State Fair, Monroe WA.
26 Aug/1 Sep., Neshaminy Mall, Trevose PA.
28 Aug/1 Sep., Antelope Valley Fair, Lancaster CA.
29 Aug/1 Sep., South Dakota State Fair, Huron SD.
29 Aug/4 Sep., Nebraska State Fair, Lincoln NB.
30 Aug/1 Sep., Community Days, Forest Park OH.
30 Aug/1 Sep., Air Festival, Waterville, ME.
30 Aug/4 Sep., Pineville Shopping Center, Spartanburg SC.
2-4 Sep., Green Village Shopping Center, Dyersburg TN.
3 Sep., Maine Shopping Center, Augusta ME.
3-4 Sep., Shopping Center, Wenatchee WA.
3-4 Sep., Skyline Mall., Albert Lea MN.
3-6 Sep., Concord Mall, Wilmington DE.
4-7 Sep., Garfield County Fair, Rifle CO.
5-8 Sep., Tulake Butte Valley Fair, Tulake CA.
5-9 Sep., Colonie Mall, Albany NY.
5-13 Sep., Tennessee Valley A&I Fair, Knoxville TN.
6-10 Sep., Mid-Valley Mall, Newburg NY.
6-10 Sep., West Loop Shopping Center, Manhattan KS.
6-10 Sep., Fremont Shopping Center, Freemont NB.
6-13 Sep., Allegan County Fair, Allegan MI.
6-13 Sep., Clay County Fair, Spencer, IA.
6-14 Sep., Interstate Fair, Spokane, WA.
8-13 Sep., Eastern Idaho State Fair, Blackfoot ID.
8-13 Sep., West Tennessee State Fair, Jackson TN.
8-13 Sep., Cabarrus County Fair, Concord NC.
9-13 Sep., York Fair, York PA.
11-21 Sep., New Mexico State Fair, Albuquerque NM.
12-21 Sep., Eastern States Expo, W. Springfield MA.
12-21 Sep. New Jersey State Fair, Trenton NJ.
12-28 Sep., L. A. County Fair, Pomona CA.
13-14 Sep., 200th Anniv. Air Show, San Diego CA.
13–21 Sep., Kansas State Fair, Hutchinson KS.
15–20 Sep., Tri-State Fair, Amarillo TX.
16–17 Sep., Crossroads Shopping Center, Omaha NB.
16–20 Sep., N. Alabama State Fair, Florence AL.
16–20 Sep., St. Joseph Grange Fair, Centreville MI.
16–21 Sep., Tennessee State Fair, Nashville TN.
16–23 Sep., Tysons Corner Mall, Fairfax, VA.
17–21 Sep., Shopping Center, Walla Walla WA.
19–21 Sep., Reno Air Races, Reno NV.
20 Sep., Air Races, Richmond IN.
20–21 Sep., Day in the Sky, Santa Barbara CA.
20–28 Sep., Oklahoma State Fair, Oklahoma City OK.
22–24 Sep., AFA Fall Meeting, Washington DC.
2–27 Sep., West Alabama Fair, Tuscaloosa AL.
2–27 Sep., Panhandle-South Plains Fair, Lubbock TX.
24–27 Sep., Ephrata Fair, Ephrata PA.
24–27 Sep., Logan Valley Mall, Altoona PA.
24–28 Sep., Shopping Center, Flagstaff AZ.
24–28 Sep., Central Washington Fair, Yakima WA.
25–28 Sep., Madera Dist. Fair, Madera CA.
25 Sep/4 Oct., Southeastern Fair, Atlanta GA.
26 Sep/4 Oct., Greater Tidewater Fair, Virginia Beach VA.
26 Sep/5 Oct., Tulsa State Fair, Tulsa OK.
30 Sep/4 Oct., Central Alabama Fair, Selma AL.
30 Sep/4 Oct., Cleveland Co. Fair, Shelby NC.
30 Sep/5 Oct., Eastland Plaza, McKeesport PA.
30 Sep/5 Oct., Heart of Texas Fair, Waco TX.
1–5 Oct., Ventura County Fair, Ventura CA.
1–5 Oct., Clark County Fair, Las Vegas NV.
15 Oct., Shopping Center, Grants Pass OR.
2–12 Oct., District Fair, Fresno CA.
3–4 Oct., Home & Farm Show, Columbia City IN.
4–19 Oct., Texas State Fair, Dallas TX.
7–11 Oct., Dixie Classic Fair, Winston-Salem NC.
7–11 Oct., South Alabama Fair, Montgomery AL.
8–12 Oct., Community Event, Canton OH.
8–14 Oct., Mississippi State Fair, Jackson MS.
9–12 Oct., Santa Cruz County Fair, Watsonville GA.
10–19 Oct., South Texas State Fair, Beaumont TX.

* Schedule is subject to change.

14–16 Oct., Rock Hill Mall, Rock Hill SC.
14–16 Oct., Nat. Guard Assoc. Convention, Mobile AL.
14–16 Oct., Bay Fair, Shopping Center, San Leandro CA.
16–19 Oct., Pima County Fair, Casa Grande AZ.
17–25 Oct., N.C. State Fair, Raleigh NC.
17–26 Oct., State Fair of Louisiana Shreveport LA.
18–21 Oct., District Fair, Caruthers CA.
20–25 Oct., South Carolina State Fair, Columbia SC.
20–25 Oct., Greater Gulf States Fair, Mobile AL.
22–25 Oct., Newolah Celebration, Independence KS.
22–25 Oct., Tracetown Shopping Center, Natchez MS.
22–28 Oct., El Con Shopping Center, Tucson AZ.
23–25 Oct., Pumpkin Festival, Circleville OH.
23–26 Oct., Shopping Center, Mt. View CA.
28 Oct./1 Nov., Pinehaven Shopping Center, Charleston SC.
28 Oct./1 Nov., Exchange Club Fair, Augusta GA.
28 Oct./1 Nov., Shopping Center, Salinas CA.
28 Oct./1 Nov., Crestwood Plaza, St. Louis Mo.
28 Oct./2 Nov., Thomas Shopping Center, Greenville MS.
31 Oct./10 Nov., Arizona State Fair, Phoenix AZ.
2 Nov., Vandenberg AFB Appreciation Week, Santa Maria CA.
3–6 Nov., Shopping Center, Santa Maria CA.
5–8 Nov., Mayfield Plaza, Mayfield KY.
5–10 Nov., Florence Mall, Florence SC.
8–9 Nov., Space Fair, Point Mugu CA.
12–16 Nov., Newport Shopping Center, Newport KY.
13–15 Nov., Columbus Co. Expo, Whiteville NC.
13–16 Nov., Flagstaff Mall, Flagstaff AZ.
19–23 Nov., Mesa Shopping Center, Yuma AZ.

USAF ART EXHIBITS

Art III

6–9 Aug., Valley North Center, Wenatchee, WA.
13–16 Aug., University City Shopping Center, Spokane WA.
20–23 Aug., Capital Hill Shopping Center, Helena MT.
28–30 Aug., Cottonwood Mall, Salt Lake City UT.
4–7 Sep., Villa Italia, Denver CO.
10–13 Sep., Cinderella City Shopping Center, Englewood CO.
16–20 Sep., Air Force Academy, Colorado Springs, CO.
24–27 Sep., The Village Square, Dodge City KS.
1–4 Oct., Twin Lakes Center, Wichita KS.
8–11 Oct. White Lakes Center, Topeka KS.
14–18 Oct., Metcalf South Shopping Center, Overland Park KS.
21–25 Oct., Leavenworth Plaza, Leavenworth, KS.
28 Oct./1 Nov., East Hills Shopping Center, St. Joseph MO.
5–8 Nov., Parkade Plaza, Columbia MO.
11–15 Nov., River Road Shopping Center, Jennings MO.
18–22 Nov., South County Center, St. Louis MO.

Art IV

7–10 Aug., Brookfield Square, Milwaukee WI.
14–17 Aug. Mid-City Mall, Manitowoc WI.
21–24 Aug., Belvedere Mall, Waukegan IL.
28–31 Aug., Randhurst Mall, Chicago IL.
4–7 Sep., Yorktown Mall, Chicago IL.
11–14 Sep., Evergreen Plaza, Evergreen Park, IL.
18–21 Sep., Lincoln Square Mall, Champaign IL.
25–28 Sep., Lafayette Square Mall, Indianapolis IN.

WILLIAM P. DENT,
Colonel, USAF, Chief, Community Relations Division Office of Information.

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS AIR UNIVERSITY
Maxwell Air Force Base, Ala., February 11, 1969.

Reply to Attn. of: AU (AUOI).
Subject: Semiannual Community Relations Report (RCS: DP–PA(SA)65).
SECRETARY OF THE AIR FORCE,
Washington, D.C.

1. EXCEPTIONAL ACCOMPLISHMENTS AND RESULTS

a. *Speakers' Program.* Air University personnel made 1574 speeches, radio broadcasts, and television appearances. Live audiences totaled almost 185,000, while the 86 television appearances and 17 radio broadcasts expanded the total audience well into the millions. Lt. Gen. A. P. Clark, the Air University Commander, spoke on 23 different occasions

Through programs to civilian groups, Air University made a significant contribution to public understanding; letters, telephone calls, and newspaper publicity indicated enthusiastic response to messages given by our people

(1) *The Air University Aerospace Presentations Team.* Members of the team made 512 presentations to civilian groups. At the invitation of the American Chamber of Commerce of Mexico, team members visited Mexico City, Mexico, 24–26 July. During this time, they presented four programs to schools and civic organizations. They also took part in a radio interview, which reached approximately 250,000 persons. During 24–30 November, a team visited Puerto Rico, where they made six presentations to live audiences. In addition, they participated on four radio and television programs, which reached approximate audiences of 735,000.

(2) *Allied Officer Activities.* In addition to speaking at civic clubs and schools, Allied students participated on the Pat Barnes television interview show, WSFA–TV, on a biweekly basis. Sixteen officers from 13 different countries discussed their homelands on this show. The officers represented Ethiopia, Vietnam, Ceylon, Malaysia, Pakistan, China, Indonesia, Germany, Brazil, Portugal, Colombia, Ghana, and Japan.

Increased understanding of Free World nations undoubtedly resulted from our Allied officers' activities in the civilian community.

(3) *Safety Education.* The State of Alabama has been plagued with an ever-mounting number of highway fatalities. Consequently, the Alabama Department of Public Safety has taken positive action to combat these disasters by launching an all out safety drive. Air University has cooperated fully with the State of Alabama in this endeavor.

In September, the Director of Security, Office of the Inspector General, Headquarters Air University, delivered a speech to 43 officers of the State Police Academy, explaining the new speed detection device, VASCAR (visual average speed computer and recorder). In December, one member of the AU Office of Information and two members of the Wing Information Office conducted a four-hour seminar at the academy. They discussed information and public safety techniques and showed a film on traffic safety. Also in December, four instructors from the Academic Instructor and Allied Officer School presented a half-day workshop on effective oral communication for Alabama troopers who have been selected to speak on safety to groups throughout the state.

Through working with the police academy, increasing the knowledge of safety officials, and improving the communicative abilities of safety speakers, Air University personnel have made a definite contribution to prevention of fatalities on Alabama highways.

(4) *Community Service by Air War College Student.* Following the sudden resignation of the pastor of Our Redeemer Lutheran Church, the congregation asked an Air War College student, who is a chaplain, for assistance. In his service as "supply" pastor, he did an outstanding job. He also devoted many hours to counseling sessions with congregation members and worked with the church's youth groups. The president of the congregation, in a letter to the Air War College Commandant, stated, in part:

"Each of these services was far beyond what the congregation asked or expected of him. He, his wife, and his children have set superior Christian examples of an Air Force family. We have deeply appreciated their contributions to the life and spirit of the congregation."

b. *Charity Activities.* For the tenth consecutive year, the Dean of Curriculum, Academic Instructor and Allied Officer School (AIAOS), planned, coordinated, and led the Executive Action Seminar (8–12 July) in training 40 loaned executives for the United Appeal. As Dean of this one-week seminar, he not only coordinated the activities of Montgomery leaders but participated actively throughout the training period as teacher, supervisor, problem solving leader, and keynote speaker. The graduates of the seminar are directly responsible for the ever-increasing participation of business, industry, and government agencies in the annual United Appeal Campaign.

Having spoken on "Motivating the Volunteer" at the 18th Annual Campaign Leaders Conference, United Community Funds and Councils of America, the AIAOS Dean of Curriculum was invited to give keynote addresses for United Fund Campaigns in several communities. During September and October, he gave "kick-off" talks in Johnson City, Tenn.; Grand Forks, Wahpeton, and Fargo, N.D.; Lima, Ohio; and Decatur, Ala. In connection with these engagements, he also made radio broadcasts and television appearances.

c. *Activities with International Implications.*

(1) *Course in Cross-Cultural Relations.* AIAOS conducted a pilot course designed to train persons going overseas in cross-cultural relations. Its mission was to develop within selected U.S. Air Force officers cross-cultural awareness in order to increase their effectiveness in a different cultural environment. The evaluation of the course disclosed that it was extremely effective. The techniques, methodology, content, and design are highly effective in helping USAF personnel to communicate and interact more effectively with their overseas host counterparts and can be adopted by other services and commands.

(2) *Second USAF International Conference on Matrix Methods in Structural Mechanics.* The Air Force Institute of Technology (AFIT) co-sponsored this conference with the Air Force Flight Dynamics Laboratory, 15–17 October, at Wright-Patterson AFB. More than 250 engineers and scientists attended from Belgium, Canada, France, Germany, Holland, India, Ireland, Japan, Norway, United Kingdom, and the United States. They reviewed the state-of-the-art, the latest developments in matrix methods, and areas of future research.

(3) *Seminars for Turkish Armed Forces.* Four AFIT personnel conducted a series of Resources Management Seminars for the Turkish Armed Forces, 2–22 November. The seminars, which were attended by representatives of the Turkish Armed Forces and governmental ministries, and State Depart-

ment personnel, were sponsored by the Military Assistance Program in conjunction with the Military Assistance Group in Ankara, Turkey.

(4) *Reception for Foreign Personnel.* Minister Sterling Cottrell, State Department Advisor to the Air University Commander, represented the State Department and Air University as guest of honor at a reception for foreign personnel presently residing in or visiting the State of Alabama. The City of Birmingham and the Birmingham Business and Professional Women's Club sponsor this annual affair, started in 1962. Approximately 500 people attended the 1968 reception.

(5) *Research Project in England.* An AFIT associate professor of electrical engineering served during July-September with the University of Aston, Birmingham, England. Part of his research work dealt with brain damage which involved brain mapping work with spastic or brain-damaged children referred by the Birmingham Regional Hospital Board.

d. *Cultural Activities.* The office of Minister Cottrell was instrumental in securing the Ecuadoran Ambassador to the United States to open the Montgomery Museum of Fine Arts exhibit of colonial art of Ecuador on 21 September. Minister Cottrell's office worked closely with the museum's exhibit chairman and with the Ecuadoran Embassy. The opening of this exhibit drew crowds of art enthusiasts in this area. It received wide publicity in Montgomery and surrounding areas.

A member of the Arts and Graphics Department of AFIT was instrumental in organizing the first annual Wright-Patterson AFB Art Fair, held on 13 October. The fair was open to the public and was devoted to the artistic efforts of military and civilian personnel. It offered a medium whereby community people and base personnel could interact in a cordial and friendly atmosphere. It also furthered the cultural interests of both groups.

e. *Special Programs.* From December 16 until December 20, the Air War College provided a one-week course of instruction to 50 Reserve and Air National Guard colonels, representing areas throughout the United States. This course provided information to nonactive duty officers which brought them up-to-date on the military aspects of our national security policy. Also, Air Force plans, programs, and problem areas were discussed.

Five seminars were conducted by AFIT personnel as part of the Honor Seminars of Metropolitan Dayton, Inc. This program provides an opportunity for outstanding area high school students to attend a series of seminars, laboratory sessions, and field trips under the guidance of outstanding scientists and educators.

As President of the Montgomery Chapter, Air Force Association, the AIAOS Dean of Curriculum, worked with over 200 civilian members of the community, along with over 400 military members of all service components. At the 2d Annual State AFA Convention, he was elected President of AFA (Alabama).

2. PROBLEM AREAS

a. Lack of TDY funds prevented AU personnel from filling some speaking engagements out of the local area. Two Vietnam returnees have traveled considerable distances on several occasions, at their own expense, to speak on their personal experiences in Southeast Asia.

b. Funding constraints preclude further development of the cross-cultural relations courses conducted by AIAOS.

c. The community relations report received from Detachment 755, University of Puerto Rico, listed as a problem area: "We continue to get the impression that Air Force personnel who are Stateside continue to think of Puerto Rico as a foreign country."

Under "solutions" and "recommendations for improvement," the Professor of Aerospace Studies stated:

"1. Recommend Hq AFROTC publish briefings on Puerto Rico and the status of Air Force ROTC and of Puerto Rican Air Force officers.

"2. Recommend Hq. AFROTC contact SAFOI and Hq USAF Advertising Division and inform them of the status of AFROTC in Puerto Rico and seek direct support from them for the AFROTC mission at the University of Puerto Rico. We feel that the mission here is unique for two main reasons. First of all, the official language is Spanish, but most of the Island is bilingual. Secondly, there is no influence of USAF Recruiting Service here and so the Air Force image, which might otherwise be enhanced, is blurred; at least in the San Juan area where no active duty AF units exist except AFROTC. Therefore, we have taken the challenge of promoting the entire Air Force and not just the AFROTC."

3. FORECAST

a. *Speakers' Program.* We anticipate an exceptionally active speakers' program during the first half of 1969. We have already filled numerous speaking engagements. The Aerospace Presentations Team is heavily booked until summer. Allied officers will continue their bi-weekly television appearances, as well as speeches to civilian groups.

Air University personnel plan to continue working with the Alabama Public Safety Department and other officials in an effort to decrease the heavy toll of traffic fatalities. The Advisor to the Governor on Traffic Safety has been invited to brief Air University and Alabama officials on the status of safety conditions. Additionally, we plan to invite the Governor, the Director of Public Safety, and other state officials to visit Air University for a briefing on operations and plans concerning military actions in this area.

b. *City-to-City Project.* During April, AFIT will sponsor a two-day orientation tour for the Chamber of Commerce of Montgomery, Ala. Members of the Montgomery Chamber will receive tours and briefings on AFIT and other parts of Wright-Patterson AFB. AFIT will maintain close liaison with the Dayton Chamber of Commerce and will sponsor joint sessions for the two chambers.

c. *National Security Forum.* The major community relations event scheduled for Air War College during the first half of 1969 is the 16th annual National Security Forum, 12–16 May. Approximately 55 distinguished civilian guests from areas throughout the United States will attend. They will represent executive-level, professional, industrial, business, and labor sectors. They will hear lectures by outstanding speakers from military, governmental, and educational fields. They will also participate in seminars, along with Air War College students.

M. A. ROTH,
Colonel, USAF, Director, Office of Information.
(For the Commander).

Mr. FULBRIGHT. Mr. President, another interesting aspect of the Air Force public relations effort is the "distinguished visitor program" which provides free trips for local opinion makers to Air Force installations. Popular spots to visit were Las Vegas, Hawaii, and Florida. Some of the trip objectives, as stated in routine reports of local commands, were:

First. A trip by Texas attorneys to the Air Force Museum in Wright Patterson Air Force Base, Ohio: "Give prominent members of the civilian bar throughout the State of Texas" an opportunity "to become more familiar with the Air Force's history and mission."

Second. On a trip by Ogden and Salt Lake City civic officials to the Lockheed plant in Marietta, Ga.: "Community leaders received a briefing on the C–5A and its meaning to future Air Force logistics."

Third. A trip by Kansas City newsmen to Cape Kennedy was "scheduled to build rapport and improve media relationships between this headquarters and greater Kansas City news media."

SAC Headquarter's last community relations report lists five groups of "distinguished visitors"—from Boston, Minneapolis-St. Paul, New York City, Los Angeles, and San Antonio—and 12 "specialized groups," ranging from the Smaller Business Association of New England to New York artists, as visitors over a 6-month period. The Aerospace Defense Command reported that its 3-day distinguished visitor program, of "18 to 20 trips annually exposes 450 to 500 key community leaders from all parts of the United States to aerospace defense." The list of those who have received the Air Force's favors in the last year is long, varied, and interesting.

I ask unanimous consent that the Air Force list of civilians traveling on Air Force planes be printed in the RECORD at this point.

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

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, AIR FORCE SYSTEMS COMMAND, ANDREWS AIR FORCE BASE,
Washington, D.C., July 18, 1968.

Subject: Reporting non-local travel for public affairs purposes.

To: Secretary of the Air Force.

Non-local travel for AFSC activities for the month of June 1968 were as follows:

a. Air Force Missile Development Center, Holloman AFB, New Mexico.

(1) AFSC Orientation Tour for dignitaries from the El Paso, Texas, Alamogordo-Las Cruces, New Mexico area (19 including escorts) from Holloman AFB, to Nellis AFB, Nev.; Vandenberg AFB, Calif.; Space and Missile Systems Organization, Los Angeles, Calif.; and Kirtland AFB, New Mexico. An AFMDC aircraft (C–54) was used for this tour. Approval was received from this Headquarters and SAFOIC.

b. Air Force Special Weapons Center, Kirtland AFB, New Mexico.

(1) The information officer, 1st Lt. Joe A. Davis accompanied two displays airlifted from Kirtland AFB, to Santa Rosa, New Mexico in a C–47. These displays were used in the dedication ceremonies of Santa Rosa's new municipal airport.

HAROLD M. HELFMAN,
Deputy Director, Office of Information
(For the Commander.)

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, MILITARY AIRLIFT COMMAND,
Scott Air Force Base, Ill.

Subject: Use of military carriers for public affairs purposes.

To: Secretary of the Air Force.

1. This report of non-local airlift is submitted in compliance with AFR 190–13.

2. On 12 Jun 1968, Al Muenchen and Harry J. Schaare, Artists, The Society of Illustrators (New York), departed Dover AFB, DE, by C–141, to Ft Campbell, Ky, and returned to Dover AFB 13 Jun 1968. Purpose

of Travel: To photograph different phases of Air Force operations for the Air Force Art Collection.

Lieutenant Colonel ORLO F. DUKER,
Deputy Director of Information
(For the Commander).

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS, AIR FORCE LOGISTICS COMMAND, WRIGHT-PATTERSON AIR FORCE BASE, OHIO,
July 24, 1968.

Subject: Use of military carriers for public affairs purposes.

1. Reference para 6d, AFR 190–13.

2. This report covers the period 1 May–30 June 1968.

3. On 1–3 May 1968, the Ogden Air Materiel Area, Hill AFB, Utah hosted a group of civic leaders from Ogden and Salt Lake City, Utah on an orientation tour of Lockheed-Marietta, Marietta, Ga., and the Special Air Warfare Center, Eglin AFB, Florida. The following information is reported:

a. Names, affiliations, and positions of persons transported (Atch #1).

b. Points of origin and destination (Date, local time, and place):

1 May 1968: 0800, Departed Hill AFB, Utah; 1800, Arrived Robins AFB, Ga.

2 May 1968: 1120, Departed Robins AFB, Ga.; 1300, Arrived Eglin AFB, Fla.

3 May 1968: 1015, Departed Eglin AFB, Fla.; 1230, Arrived Tinker AFB, Okla.; 1335, Departed Tinker AFB, Okla.; 1840, Arrived Hill AFB, Utah.

c. Mode of Transportation: C–54 aircraft.

d. Public Affairs Purpose Accomplished: Community leaders received a briefing on the C–5A and its meaning to future Air Force logistics. The Special Air Warfare demonstration increased their understanding of the Air Force mission and responsibilities in the Vietnam war. Increased interest and understanding of the Ogden Air Materiel Area mission and sounder community relations was achieved through this visit.

HARRY A. HABERER,
Chief, Information Division
(For the Commander).

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS, 2849TH AIR BASE GROUP (AFLC),
Hill Air Force Base, Utah,
April 29, 1968.

SPECIAL ORDER

The following individuals are authorized to travel on or about 1 May 68 by military aircraft from Hill AFB, UT to Dobbins AFB, GA, and Eglin AFB, FL, for approximately three days to observe a Special Air Warfare Center (SAWC) exercise and, upon completion, return to Hill AFB, UT. Travel is necessary in the military service and authorized per AFR 190–13 and AFLC ltr (MCK) 16 Apr 68.

Mr. Scharf S. Sumner, President, Salt Lake Area Chamber of Commerce; President, Western Savings & Loan Company.

Mr. Louis Latham, Beehive State Bank, Salt Lake City, Utah.

Mr. John Krier, Intermountain Theaters, Salt Lake City, Utah.

Mr. Ralph B. Wright, Treasurer, Salt Lake Area Chamber of Commerce; First Security State Bank, Salt Lake City, Utah.

Mr. Harrison Brothers, American National Bank, Salt Lake City, Utah.

Dr. Dello G. Dayton, Dean, Arts, Science & Letters, Weber State College, Ogden, Utah.

Mr. Paul H. Lambert, First Security Bank, Ogden, Utah.

Mr. Thomas D. Dee, Vice President, First Security Bank, Ogden, Utah.

Mr. Alan Nye, 1st Vice President, Greater Ogden Chamber of Commerce; Manager, Fred M. Nye Company, Ogden, Utah.

Mr. Robert L. West, Chairman, Armed Forces Committee, Greater Ogden Chamber of Commerce; Owner, West Jewelers, Ogden, Utah.

Mr. Leroy Anderson, Treasurer, Greater Ogden Chamber of Commerce; Owner, Anderson Lumber Company, Ogden, Utah.

Mr. Gene Simpson, Member, Armed Forces Committee, Greater Ogden Chamber of Commerce; Owned, Ogden Auto Parts, Ogden, Utah.

Mr. John Lindquist, Member, Armed Forces Committee, Greater Ogden Chamber of Commerce; Lindquist & Sons Mortuary, Ogden, Utah.

Mr. William E. Eccles, Member, Armed Forces Committee, Greater Ogden Chamber of Commerce; Gibbons & Reed Contractors, Ogden Utah.

Mr. Wayne Goddard, Member, Armed Forces Committee, Greater Ogden Chamber of Commerce; Owner, Supersonic Car Wash, Ogden, Utah.

Mr. Hal R. Harmon, Chairman, Membership Committee, Salt Lake Area Chamber of Commerce; Harmon Advertising, Salt Lake City, Utah.

Mr. Russell G. Hales, Administrator of Evening Classes, Division of Continuing Education, University of Utah, Salt Lake City, Utah.

BYRON F. CHRISTIANSON,
Chief, Administrative Services
(For the Commander).

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS, STRATEGIC AIR COMMAND,
Offutt Air Force Base, Nebr.

Subject: Nonlocal transportation.

To: Secretary of Defense.

During June 1968, Strategic Air Command provided non-local transportation in support of public affairs as follows:

Name: 4 Nebraska officials.

Date: 4 June 1968.

Affiliation: Dr. Clayton K. Yeutter, Executive Assistant to the Governor of Nebraska; Mr. Melvin O. Steen, Director, Nebraska Game and Parks Commission; Mr. Jack D. Strain, Chief, Division of Nebraska State Parks; Mr. Calvin E. Robinson, Assistant Attorney General, State of Nebraska.

Point of origin: Offutt AFB, Nebraska.

Destination: Andrews AFB, Maryland.

Mode: C131.

Purpose: To discuss plans for the State of Nebraska to operate the Strategic Aerospace Museum at Offutt AFB as a state park under the Game and Parks Commission.

Authority: OSAF msg, 28/2143Z, May 1968.

Lt. Col. GEORGE N. KENT,
Deputy Director of Information,
(For the Commander in Chief).

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS MILITARY AIRLIFT COMMAND,
Scott Air Force Base, Ill.

Subject: Use of military carriers for public affairs purposes.

To: Secretary of the Air Force.

1. This report of non-local airlift of news media representatives is submitted in compliance with AFR 190–13.

2. On 17 May 1968, Jack F. DeMann, Public Relations Supervisor, and Ted H. Olsen, Public Relations Representative, both with Hercules, Inc., Magna, Utah, departed Hill AFB, Utah, by C–118, to Norton AFB, Calif., and return to Hill AFB on 19 May 1968. Purpose of travel: Support Armed Forces Day Program at Norton AFB.

3. On 20 May 1968, Wallace Mitchell, Military Writer for the Honolulu Advertiser, departed Hickam AFB, Hawaii, by C–141 cargo mission, Clark AB, P.I., and return via C–141 aeromedical evacuation flight 23 May 1968. Purpose of Travel: News coverage of cargo mission and aeromedical airlift flight.

4. The following individuals were airlifted by C–141 from Travis AFB, Calif., to Nellis AFB, Nevada, on 22 May 1968, to Scott AFB, Illinois, 23 and 24 May 1968, and return to Travis AFB 24 May 1968:

FAIRFIELD, CALIF.

Virgil Baker, Vice President, Fairfield-Suisun Chamber of Commerce.

Curtis A. Burgan, Exec Secretary, Solano County Armed Forces Committee.

Arne Digerud, City Councilman, Member Armed Forces Committee.

Sam Fortner, President, Merchants Association.

Joe Greer, Vice President, Fairfield-Suisun Chamber of Commerce.

Loyal Hanson, City Councilman.

Hausam, E. W., Member, Board of Directors, Chamber.

Don Jordan, President, Fairfield-Suisun Chamber of Commerce.

Eugene Lightfoot, Vice Mayor.

George Olson, Board of Directors, Fairfield-Suisun Chamber of Commerce.

Donald F. Pinkerton, Mayor.

Leslie L. Riddell, Manager, Fairfield-Suisun Chamber of Commerce.

Robert Rubin, Treasurer, Solano County Armed Forces Committee.

Lyle Showalter, Chairman, Military Affairs Committee.

Allan Witt, City Councilman.

SUISUN CITY, CALIF.

Manuel Baracosa, Mayor Pro Tem.

Robert Bounds, City Administrator.

Edwin Coleman, City Councilman.

Guido Colla, City Councilman.

VACAVILLE, CALIF.

Roy E. Brown, Vice Mayor.

Theodore Chancellor, Mayor.

Mike Gonzalez, Chamber Manager, Board of Directors; Chairman, Military Affairs Committee.

Walter Graham, City Administrator.

Jack Guthrie, Vice President, Chamber Board of Directors.

Jim Lehman, Chief of Police.

Tom McNunn, Manager, Chamber of Commerce.

Richard Rico, Asst. Publisher, Vacaville Reporter; Chairman, Municipal Airport Committee.

Richard Ronketti, Chairman, Transportation Committee.

Wally Seidell, Member, Chamber Board of Directors.

Bill Steiner, President, Chamber of Commerce.

Lee Stith, Member, Chamber Board of Directors.

Doug Thompson, Member, Board of Directors, Chamber of Commerce.

ALSO

Del Sturm and George Gammon, Travis Unified School District.

Mike Shubin, Travis Unified School District.

Edwin Powers, Nut Tree Restaurant, Nut Tree, Calif.

Obie Ladd, Manager, West Coast Federal Savings & Loan.

Cliff Day, Businessman.

Gordon Gojkovich, Former State Appraiser.

Bill Vucurevich, Sheriff's Office.

Norman Todd, Former Mayor of Suisun City.

Raymond Church, County Board of Supervisors.

Purpose of travel: Orientation visit of military installations for members of Chamber of Commerce, local area dignitaries and civic leaders.

5. On 24 May 1968, Bill Halpin and Tony Sandone of the Scranton Tribune, departed Dover AFB, Delaware, by C–141, to Elmendorf AFB, Alaska, and return to McGuire AFB. Purpose of travel: Accompanied crew on typical aeromedical evacuation aircraft flight to obtain background material.

6. On 27 May 1968, Mr. Vern Hawkins, cameraman-producer, KCRA–TV, Sacra-

mento, Calif., departed Travis AFB, Calif., by C–141, to Forbes AFB, Kansas, and return to Travis AFB 28 May 1968. Purpose of travel: To cover exercise Cold Mass II.

7. On 27 May 1968, Donald Spering, a free-lance writer who resides in Pemberton, NJ, departed McGuire AFB, NJ, by C–141, to Robins AFB, Georgia, and return to McGuire AFB, 28 May 1968. Purpose of travel: To photograph and write a story on a tactical training flight.

8. On 28 May 1968, Ronald N. Childers of WQSN Radio (Charleston SC), H. Richard DeWitt of the North Charleston Banner, and Charles H. Hunter of the Charleston Evening Post, departed Charleston AFB, SC, by C–141, to Fort Riley, Kansas, and return the same day. Purpose of travel: To cover exercise Cold Mass II.

Lt. Col. M. G. STEELE,
Director of Information
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, AIR FORCE LOGISTIC COMMAND, WRIGHT-PATTERSON AIR FORCE BASE, OHIO,
September 20, 1968.

Subject: Use of military carriers for public affairs purposes.

1. Reference para 6d, AFR 190–13.

2. On 30–31 August 1968, the Oklahoma City Air Materiel Area hosted a group of Oklahoma City community leaders on an orientation visit to Kelly AFB, Texas. The following information is reported:

a. Names, affiliations, and positions of persons transported (atch #1).

b. Points of Origin and Destination. Date, local time, and place):

30 Aug 1968: 0830, Departed Tinker AFB, Okla; 1100, Arrived Kelly AFB, Texas.

31 Aug 1968: 0930, Departed Kelly AFB, Texas; 1200, Arrived Tinker AFB, Okla.

c. Mode of Transportation: C–118 aircraft.

d. Public Affairs Purpose Accomplished: This trip provided a group of Oklahoma City community leaders—who serve on various community programs beneficial to the Air Force—with an insight into the operation and programs of another AFLC installation. It provided first-hand knowledge of Kelly's base community council operations and of the San Antonio Air Materiel Area's civic promotional activities.

DEAN E. HESS, Col.,
Director, Office of Information
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, OKLAHOMA CITY AIR MATERIEL AREA, TINKER AIR FORCE BASE, OKLA.,
August 29, 1968.

SPECIAL ORDERS

The following named Community Leaders, Oklahoma City Area, Oklahoma, are invited to proceed on or about 30 August 1968, via military aircraft from Tinker AFB, Oklahoma, to Kelly AFB, Texas, for the purpose of an orientation tour of San Antonio Air Materiel Area. Upon completion of visit individuals will return to Tinker AFB Okla. Visitation will be for the duration of two days. Travel is necessary in the public service and is authorized by AFR 190–13. Travel is at no expense to the United States Government. Non-revenue traffic. Approved by Headquarters AFLC and the OCAMA Commander.

Mr. Henry W. Browne, Vice President, Oklahoma Coca-Cola Bottling Company.

Mr. Wayne Parker, President, Oklahoma Gas & Electric Company.

Mr. Larry Wolf, Wolf Advertising Agency, President, Oklahoma City Press Club.

Mr. Clayton Fondren, President, Better Business Bureau.

Mr. Gene Campbell, Public Relations.

Mr. Ed Terrell, Public Relations Director, Bell Telephone Company.

Mr. Ray J. Dyer, Publisher, El Reno Daily Tribune.

Mr. Bain Fisher, Santa Fe Railroads.

Mr. Cliff Bryson, Area Representative, Southwest Dailies.

Mr. H. E. Stewart, Stewart Investments.

Mr. Felix N. Porter, Executive Vice President, First National Bank & Trust Company.

Mr. L. G. Cummings, Public Relations Director, Safeway Executive Offices.

Mr. Laverne Carleton, Board of Directors, Oklahoma City Press Club.

Mr. Kenneth C. Woodward, Attorney-at-Law.

Major General Fred S. Borum (USAF Ret), Vice President, Liberty National Bank & Trust Company.

Mr. Paul Strasbaugh, Managing Director, Oklahoma City Chamber of Commerce.

Mr. David B. Benham, Benham Engineering Company.

Mr. Norman Morse, Home State Life Insurance Company.

Mr. Raymond Crump, State Employment Service.

BERNARD HESTER,
Chief, Administration Division
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, MILITARY AIRLIFT COMMAND,
Scott Air Force Base, Ill.

Subject: Use of military carriers for public affairs purposes.

To: Secretary of the Air Force.

1. This report of non-local airlift of news media representatives is submitted in compliance with AFR 190–13.

2. On 7 Aug. 1968, *Larry Fields, correspondent, St. Louis Globe Democrat, St. Louis MO,* departed Dover AFB DE by C–141 to Elmendorf AFB AK, and returned to Andrews AFB MD. Purpose of travel: To prepare features on MAC whole blood shipments and aeromedical evacuation missions.

3. On 14 Aug 1968, Bruce Callander, Correspondent, Army Times Publishing Company, Washington DC, departed Dover AFB DE by C–141 to Elmendorf AFB AK and returned to Andrews AFB MD. Purpose of travel: To prepare features on MAC whole blood shipments and aeromedical evacuation missions.

COLONEL JACK L. GIANNINI,
Director of Information.
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, TACTICAL AIR COMMAND,
Langley Air Force Base, Va.

Subject: Report of nonlocal airlift for public affairs purposes.

To: Secretary of the Air Force.

In accordance with AFR 190–13, the attached report on public affairs airlift is forwarded for June 1968.

COLONEL WILLIAM R. EDGAR,
Deputy Director of Information
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, 64TH TACTICAL AIRLIFT WING, SEWART AIR FORCE BASE, TENN.
July 1, 1968.

Subject: Nonlocal travel and transportation for public affairs purposes.

In accordance with paragraph 6d, AFR 190–13, the following report is submitted on travel and transportation for public affairs for the month of June 1968.

a. Names, affiliations and positions of persons transported or types of cargo; points of origin and destination; and mode of transport used:

One hundred teachers (see attached list) from Tennessee participating in the Aerospace Workshop this summer at Middle Tennessee State University in Murfreesboro were airlifted from Sewart AFB to Wright-Patterson AFB on 20 June in two C–130E Hercules aircraft. After a brief visit there, they were airlifted back to Sewart on the afternoon of the 20th. Four Air Force buses were used to transport the group from MTSU to Sewart, and on the return to MTSU.

b. Public affairs purpose accomplished:

As a public affairs function, this airlift accomplished a two-fold purpose. It gave us an opportunity to "show and tell" the teachers about Sewart's tactical airlift mission. Two rated officers served as escort officers on the flight and answered questions about Sewart, C–130's and the Air Force. It also gave the teachers an opportunity to visit Wright-Patterson AFB and the USAF Museum.

1st Lt. MICHAEL W. SHUMAKE,
Information Officer.

REGULAR AERO-SPACE WORKSHOP PARTICIPANTS
AS OF MAY 6, 1968

Mr. James W. Anderson, Jr., Route 4, Box 280, Westmoreland.

Mrs. Sandra Lynn Ashburn, 520–B, East College, Murfreesboro.

Mr. Herschel Killebrew Bailey III, Route 2, Box 69–A, Cleveland.

Mrs. Mable P. Ballard, 200 Carolyn Street, Franklin.

Miss Elizabeth Ann Baker, 233 West Jackson, Callatin.

Mrs. Margie M. Barber, Oak Street, Whitwell.

Mrs. Ina Ruth W. Bess, Dearman Street, Smithville.

Miss Martha A. Blanchard, 1914 Young Avenue, Memphis.

Mr. George Otis Bowers, P.O. Box 467, 617 Watauga Avenue, Elizabethton.

Mrs. Lydia Branch, Route 2, Camden.

Mr. Odell Braswell, 2113 Paula Drive, Madison.

Miss Mary E. Bryan, 410 Lynn Street, Murfreesboro.

Mrs. Ione Calhoun, Bright Hill Street, Smithville.

Miss Elizabeth Carothers, Route 1, Franklin.

Mr. Ed Carson, Route 5, Shelbyville.

Mrs. Jessie Lee Cathey, 1109 Locust Street, Fayetteville.

Miss Molly C. Chandler, 107 East Ward Street, Centerville.

Mrs. Gwen W. Cole, 2720 Donna Hill Drive, Nashville.

Mrs. Patricia M. Cooper, 95 Lester Avenue, Nashville.

Mr. Johnnie B. Corbitt, 2109 Pinewood Road, Nashville.

Mr. Ross Crutchfield, 2421 Melbourne Drive, Nashville.

Mrs. Loraine J. Cunningham, 715 Shawnee, Murfreesboro.

Mrs. Sarah H. Denton, Route 6, Fayetteville.

Mrs. Paulette F. Dorris, 314 Richland Avenue, Watertown.

Mr. Clyd T. Dowell, Jr., Route 1, Celina.

Mr. Charles Whitfield Duckett, 2203 Cabin Hill Road, Nashville.

Mrs. Marian Starr Watson Driver, Commerce Road, Watertown.

Miss Geraldine Eskew, 306 East Spring Street, Lebanon.

Mrs. Mary Elizabeth Farris, Route 5, Hickory Ridge Road, Lebanon.

Mrs. Shirley A. Forbus, Route 1, Bell Buckle.

Miss Cecelia Kearn Foster, 4916 Spring Valley Drive, Knoxville.

Miss Anne Gaby, Route 2, Greeneville.

Mr. Doyle Gaines, Macon County Board of Education, Lafayette.

Miss Anne Gordon, J–26 Executive House, 860 Murfreesboro Road, Nashville.

Mrs. Juanita Grandstaff, 102 Bartonwood Drive, Lebanon.

Miss Martha V. Grant, 119 Woodlawn Drive, Knoxville.

Mrs. Marie S. Greenhalgh, 429 South Chamberlain Avenue, Rockwood.
Mrs. Eula Grace Hackney, 2827 Twin Lawn Drive, Nashville.
Mrs. Rita Harbin Hagy, 120 Oceloa Avenue, Nashville.
Miss Bettye Sue Hancock, 1034 Trinity Lane, Nashville.
Mrs. Pauline D. Hardaway, 328 McClain Avenue, Lebanon.
Mr. Thomas F. Hardaway, 328 McClain Avenue, Lebanon.
Mrs. Ann Hargis, 1022 Joyce Lane, Nashville.
Mr. Jerry Mack Hargis, 1022 Joyce Lane, Nashville.
Mrs. Ruth Gill Herrell, Box 13, Powell.
Mrs. Nora S. Hinton, 1815 Oxford Drive, Murfreesboro.
Miss Mary Ann Holt, 501 Fairfax Avenue, Nashville.
Mrs. Helen Ray Jennings, 1802 Susan Drive, Murfreesboro.
Miss Geraldine G. Johnson, Route 3, Morristown.
Mrs. Fannie Jones, Route 1, Whitwell.
Mrs. Irene S. Kirby, 714 Capitol Towers Apartments, Nashville.
Mrs. Dorothy B. Kious, 1619 Jones Boulevard, Murfreesboro.
Mrs. Pamela O. Kolbe, 102 Bartonwood, Lebanon.
Mrs. Freda Kuhnert, 127 Maple Drive, Hendersonville.
Mr. Joe L. Leycock, 223-A Jackson Street, S. E., Athens.
Mrs. Bonnie Harmon Loyd, Country Club Lane, Hendersonville.
Mrs. Betty Stewart Lumpkin, 3714 Rosalee Terrace, Chattanooga.
Mrs. Johnie G. Lunsford, Tallassee, Tennessee.
Mr. Joe Lynn, Route 2, Celina.
Mrs. Edith Emory McCord, Coalfield, Tennessee.
Miss Sadie Mai McMahan, Route 2, Manchester.
Mrs. Ted R. Masters, Route 3, Box 178, Erwin.
Mrs. Pauline Hicks Maupin, 2522 Elm Road, Nashville.
Miss Ponnie R. Meadors, 60 Fairfield Avenue, Nashville.
Mrs. Jewel Medley, Bright Hill Road, Smithville.
Mrs. Richard Melton, 1507 Stratford Avenue, Nashville.
Mr. Norman E. Mendell, Route 2, Decatur.
Mrs. Alma M. Moore, 5027 Tazewell Pike, Knoxville.
Mrs. Jean H. Moores, 211 E. Maple Street, Fayetteville.
Miss Wanda Morell, 200 Henard Street, Rogersville.
Mrs. Wilma C. Moss, Route 4, Smithville.
Mr. Stuart E. Nicholson, 4205 Aberdeen Road, Nashville.
Mrs. Paulina J. Ogle, 220 Shivel Drive, Hendersonville.
Miss Katie Parks, B-105, k900 Richard Jones Road, Nashville.
Miss Judy Pease, 1441 Greenwood Road, Chattanooga.
Mrs. Margaret J. Perry, 205 Second Avenue South, Murfreesboro.
Mr. Paul David Phillips, Oneida, Tennessee.
Mrs. Edna Rebecca Pickett, Route 1, Whitwell.
Mrs. Eunice C. Rose, Route 2, Decherd.
Mrs. Levana Safley, 406 Sharondale Drive, Columbia.
Mrs. Bruce Sartor, 2804 Glenoaks, Nashville.
Mrs. Linda Shadel, 441 Harding Place, Apt. E-5, Nashville.
Miss Freda Short, P.O. Box 564, Monteagle.
Mrs. Trula I. Smith, 5404 Paula Drive, Knoxville.
Miss Sandra Sneed, Route 8, McMinnville.
Mr. John A. Sorko, 7520 Scenic View Drive, Knoxville.
Mr. James Wayne Stephens, 2229 Dearborn Drive, Nashville.
Mr. Charles R. Storie, 427 W. Main, Apt. B, McMinnville.
Mrs. Margaret E. Taylor, 716 Whitthorne Street, Shelbyville.
Mrs. Margaret Terry, 4113 Albert Drive, Nashville.
Mr. Gene R. Trevathan, Route 1, Box 249, Gleason.
Miss Gloria Jean Trewhitt, 2685 Bates Pike, Cleveland.
Mrs. Anna F. Trotter, Route 2, Concord Road, Concord.
Miss Margaret Iantha Wallace, Route 4, Box 174, Pikeville.
Mrs. Sue B. Weeks, Lebanon, Tennessee.
Mrs. Verna G. Wells, Granville Conner Road, P. O. Box 49, Powell.
Mrs. Sybil White, 1418 Sherrill Boulevard, Murfreesboro.
Mrs. Anna Lou Wilson, Route 1, Greenback.
Mrs. Lois Marie Wilson, Box 2244, Donelson.
Mr. Roy Womack, Doyle, Tennessee.

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS TACTICAL AIR COMMAND,
Langley Air Force Base, Va., Oct. 23, 1968.

Subject: Report of Non-local Airlift for Public Affairs Purposes, RCS: DD-PA (M) 591.
To: Secretary of the Air Force (SAFOIC).

In accordance with AFR 190-13, the attached report on public affairs airlift is submitted.

Col. WILLIAM R. EDGAR,
Director of Information,
(For the Commander).

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS 464TH TACTICAL AIRLIFT WING (TAC),
Pope Air Force Base, N.C., Oct. 23, 1969.

Subject: RCS: DD-PA(M) 591 Report.
To: TAC(OIC).

1. Reference AFR 190-13, Paragraph 3b, Airlift for Community Leaders to Colorado and Nellis AFB, Nev., attached are copies of the guest list, travel orders and letter giving complete itinerary.

2. Airlift was provided by C-130 aircraft, 464th Tactical Airlift Wing. Point of origin was Pope AFB, N.C., with stop at Douglas Airport, Charlotte, N.C., and termination at Pope AFB, N.C.

3. The purpose of the trip was to provide a better understanding of the mission and scope of the USAF and its current operational capabilities.

Capt. JOSEPH T. CROWN, Jr.,
Chief, Information Division.
(For the Commander).

GUEST LIST

Lt. Gen. Edward H. Underhill, USAF Retired, Whispering Pines, N.C.
R. R. Allen, D. R. Allen Construction Co., Fayetteville, N.C.
Joe Barr, Bloom Furniture Company, Fayetteville, N.C.
George Blackwelder, Blackwelder Oil Company, Hickory, N.C.
Robert H. Butler, Attorney, Fayetteville, N.C.
Charles C. Clark, Exec. Vice Pres., Chamber of Commerce, Fayetteville, N.C.
William G. Clark, Sheriff of Cumberland County, Fayetteville, N.C.
John L. Creed, Realtor and Insurance, Fayetteville, N.C.
Julian C. Greene, Greene Brothers Lumber, Elizabethtown, N.C.
L. Sneed High, State Representative, Fayetteville, N.C.
Sam Hutaff, Coca-Cola Bottling Co., Fayetteville, N.C.
Israel Bloom, Bloom Furniture, High Point, N.C.
James Hutchinson, Wholesale Distributor, Fayetteville, N.C.
William P. Brady, Pepsi-Cola Bottling Co., Hickory, N.C.
Alexander Bernhardt, Bernhardt Furniture Company, Lenoir, N.C.
Robert Curtis, Jeweler, Fayetteville, N.C.
W. A. Dickinson, Dickinson Buick Co., Fayetteville, N.C.
William Ford, Black and Decker Company, Fayetteville, N.C.
Lee Garrison, Coca-Cola Bottling Company, Gastonia, N.C.
John T. Henley, State Representative, Fayetteville, N.C.
Clyde Sullivan, Sullivan Wholesale, Fayetteville, N.C.
George Hutton, Hutton and Bourbonnais Co., Hickory, N.C.
Marvin Little, Queen City Bus Co., Fayetteville, N.C.
Gilbert Ray, City Manager, Fayetteville, N.C.
Thornton Rose, Carolina Tel. and Tel. Co., Fayetteville, N.C.
Roger Simmons, Publisher, Hamlet Messenger, Hamlet, N.C.
Willard Slappey, Veterinarian, Fayetteville, N.C.
George Tinnin, Texaco Representative, Fayetteville, N.C.
Wilson Yarborough, Yarborough Motors, Fayetteville, N.C.
Jackson F. Lee, Owner, WFAI Radio Station, Fayetteville, N.C.
Ernie Massei, President, Chamber of Commerce, Fayetteville, N.C.
C. C. Powers, Powers-Swain Chevrolet, Inc., Fayetteville, N.C.
Al Rummans, Sears, Roebuck and Co., Fayetteville, N.C.
Rudolph Singleton, Attorney, Mayor's Public Relations, Fayetteville, N.C.
John H. Swope, Executive Director, FAIDC, Fayetteville, N.C.
L. F. Worrell, Chief of Police, Fayetteville, N.C.
Sherman Young, Military Affairs Committee, Fayetteville, N.C.

MILITARY ESCORTS

Colonel C. B. Slaughter, Jr., Commander, 464th Tactical Airlift Wing, Pope AFB, N.C.
Colonel Harry L. Rothman, Director of Materiel, 464th Tactical Airlift Wing, Pope AFB, N.C.
Colonel W. L. Spencer, Commander, 464th Combat Sup Gp, Pope AFB, N.C.
Major John W. Surprise, Jr., Chief, Information Division, 464th Tactical Airlift Wing, Pope AFB, N.C.

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS 464TH COMBAT SUPPORT GROUP (TAC),
Pope Air Force Base, N.C.,
September 5, 1968.

Following civilian personnel, as indicated, are authorized to travel on or about 10 Sep 68 by military acft from Pope AFB, NC to Douglas Municipal Arpt, Charlotte, NC; Peterson Fld, Colorado Springs, Colo; Nellis AFB, Nev, and return to Douglas Fld, Charlotte, NC, and Pope AFB, NC, for approximately 3 days, for purpose of community relations, public affairs tour of ADC Hq, NORAD, USAF Academy and Nellis AFB. Flt release forms will be accomplished by each civilian in accordance with AFR 76-6. Travel is necessary in the mil svc and authorized per AFR 76-6. Non-revenue traffic. Authority: AFR 190-13 and Hq USAF Ltr, 28 May 68.

Lt. Gen. Edward H. Underhill (ret.), Whispering Pines, N.C.
R. R. Allen, Fayetteville, N.C.
Joe Barr, Fayetteville, N.C.
George Blackwelder, Hickory, N.C.
Robert H. Butler, Fayetteville, N.C.
Charles C. Clark, Fayetteville, N.C.
William G. Clark, Fayetteville, N.C.
John L. Creed, Fayetteville, N.C.
Julian C. Greene, Elizabethtown, N.C.

L. Sneed High, Fayetteville, N.C.
Sam Hutaff, Fayetteville, N.C.
Monroe E. Evans, Fayetteville, N.C.
Israel Bloom, High Point, N.C.
James Hutchinson, Fayetteville, N.C.
William P. Brady, Hickory, N.C.
Alexander Bernhardt, Lenoir, N.C.
Robert Curtis, Fayetteville, N.C.
W. A. Dickinson, Fayetteville, N.C.
Willian Ford, Fayetteville, N.C.
Lee Garrison, Gastonia, N.C.
John T. Henley, Fayetteville, N.C.
Clyde Sullivan, Fayetteville, N.C.
George Hutton, Hickory, N.C.
Marvin Little, Fayetteville, N.C.
Gilbert Ray, Fayetteville, N.C.
Thornton Rose, Fayetteville, N.C.
Roger Simmons, Hamlet, N.C.
Willard Slappey, Fayetteville, N.C.
George Tinnin, Fayetteville, N.C.
Wilson Yarborough, Fayetteville, N.C.
Jackson F. Lee, Fayetteville, N.C.
Ernie Massei, Fayetteville, N.C.
C. C. Powers, Fayetteville, N.C.
Al Rummans, Fayetteville, N.C.
Rudolph Singleton, Fayetteville, N.C.
John H. Swope, Fayetteville, N.C.
L. F. Worrell, Fayetteville, N.C.
Sherman Young, Fayetteville, N.C.

2d Lt. GWENDOLYN A. MORRIS,
Assistant Chief of Administrative Service
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR FORCE SYSTEMS COMMAND, ANDREWS AIR FORCE BASE, WASHINGTON, D.C.,
October 18, 1968.

Subject: Reporting Non-Local Travel for Public Affairs Purposes (RCS: DD–PA (M)591).
To: Secretary of the Air Force (SAFOICC), Washington, D.C. 20330.

Non-local travel for AFSC activities for the month of September 1968 were as follows:

a. Aeronautical Systems Division, Wright-Patterson AFB, Ohio.

(1) A group of 12 Radio/TV and Newspaper men were airlifted from Glenview Naval Air Station, Ill., to General Dynamics, Fort Worth, Tex., and returned to Glenview NAS by an AFLC C–118 aircraft. Press personnel travel was approved by OASD to attend the turnover ceremony at the General Dynamics Plant of the F–111C to the Australian Government.

b. Electronic Systems Division, L. G. Hanscom Field, Mass.

(1) AFSC Orientation Tour for dignitaries from the New England area (26 including escorts) from Hanscom Field to Ent AFB, Colo., Offutt AFB, Neb., and Wright-Patterson AFB, Ohio. An ESD aircraft (C–118) was used for this tour. Approval was received from this Headquarters and SAFOIC.

HAROLD M. HELFMAN,
Deputy Director, Office of Information
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR FORCE LOGISTICS COMMAND, WRIGHT-PATTERSON AIR FORCE BASE, OHIO,
October 22, 1968.

Subject: Use of Military Carriers for Public Affairs Purposes (RCS: DD–PA(M)591).
To: OSAF (SAFOI), Washington, D.C. 20330.

1. Reference para 6d, AFR 190–13.

2. The Sacramento Air Materiel Area, McClellan AFB, Calif., hosted a group of civic leaders on an orientation visit to General Dynamics/Ft. Worth and to Kelly AFB, Texas during the period 11–13 September 1968. The following information is reported:

a. Names, affiliations, and positions of persons transported (atch No. 1)

b. Points of origin and destination (date, local time, and place):

11 Sep 68, 0600, 1310, Departed McClellan AFB, Calif.; Arrived Carswell AFB (GD/FW).

12 Sep 68, 0740, 0900, Departed Carswell AFB; Arrived Kelly AFB, Texas.

13 Sep 68, 1440, 1850, Departed Kelly AFB, Texas; Arrived McClellan AFB, Calif.

c. Mode of transportation: C–118 aircraft.

d. Public Affairs purpose accomplished: This trip was the first of its kind for all but three of the guests. The group was impressed by the complexities and importance of Air Force Logistics Command operations from the standpoint of interface and cooperation between air materiel areas. More depth of understanding between manufacturer and the people responsible for maintenance and support of new aircraft was also achieved. The image of the Sacramento Air Materiel Area as being a vital and important part of the overall AFLC operation and support of the Air Force was enhanced.

Col. DEAN E. HESS,
Director, Office of Information
(For the Commander).

PERSONS MAKING TRIP TO GENERAL DYNAMICS/FORT WORTH AND KELLY AFB

William A. Deagling, Vice Pres, Crocker-Citizens National Bank.
John S. Gill, Rancher.
Glenn H. Hall, Chairman, Aviation Committee, Chamber of Commerce.
John C. Haulman, Pres, Suburban Ford.
William H. Kershaw, Pres, Glenbrook Lumber Co.
J. W. Kipper, Manager, Sears.
J. R. Liske, Architect.
Harry Moore, Partner, Moore Brothers Real Estate.
Henry M. Moss, Realtor.
Frank J. O'Brien, Member Sacramento County Board of Supervisors.
Eugene Ragle, General Manager, Radio KPOP.
J. Sheldon Robinson, Manager, Macy's.
Dr. Herbert C. Sanderson, Surgeon.
Dr. F. A. Schroeder, Physician.
Jack W. Sellers, Pres, Coca-Cola Bottling Co.
Hardie C. Setzer, Owner, Glenco Forest Products.
Glenn W. Sorensen, Pres, California Liquid Gas.
Carl Spilman, Pres, Spilman Printing.
Salvin Swanson, Pres & Owner, Swanson Cleaners.
Elwood F. Maleville, Pres, Sacramento Inn Corp.
Robert E. Daft, Orthodontist.
Major General William W. Veal.
Colonel Richard J. White, Base Commander.
Colonel Eric W. Rood, Director of Personnel.
Lt. Colonel Donald M. Bell, Chief, Office of Information.
Mr. Frank Delmar, Protocol Officer.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR FORCE LOGISTICS COMMAND, WRIGHT-PATTERSON AIR FORCE BASE, OHIO
November 21, 1968.

Subject: Use of Military Carriers for Public Affairs Purposes (RCS: DD–PA(M)591).
To: OSAF (SAFOI), Washington, D.C.

1. Reference para 5e, AFR 190–13.

2. The San Antonio Air Materiel Area, Kelly AFB, Texas, hosted a group of 12 local businessmen and civilian dignitaries on a trip to Ent AFB, Vandenberg AFB, and Nellis AFB during the period 15–18 October 1968. The following information is reported:

a. Report Month—October 1968

b. Public Affairs Objective Accomplished—The purpose of this tour was to increase the knowledge and understanding of the San Antonio community leaders in USAF training activities and aerospace facilities and the role of the San Antonio Air Materiel Area in support of these programs.

c. Point of Origin and Destination(s)—The tour originated and terminated at Kelly AFB, Texas. Stops were made at Colorado Springs (Peterson Field); Vandenberg AFB, Calif.; and Nellis AFB, Nevada.

d. Mode of Transportation Used—T–29 aircraft.

e. Name, Position, and Affiliation of Persons Transported—See Atch #1.

HARRY A. HABERER,
Chief, Information Division
(For the Commander).

PERSONS MAKING TRIP TO ENT, VANDENBERG, AND NELLIS AIR FORCE BASES

SAAMA HOST

Major General Frank E. Rouse, Commander, San Antonio Air Materiel Area.

SAAMA ESCORTS

Captain David Wilder.
Mr. A. D. McCall, Jr.

GUESTS

Mr. Stanley Campbell, Publisher, Kelly Observer.
Judge Solomon Casseb, Judge, 57th District Court.
Mr. Ray Ellison, Liaison Officer, Chamber of Commerce.
Mr. Lonnie R. Griffin, Div. Manager, Southwestern Bell Telephone.
Mr. Robert C. Jones, Member, San Antonio City Council.
Mr. John McSween, District Manager, IBM Corporation.
Mr. John Monfrey, Chairman, 1968 PGA Tournament.
Mr. Charles M. Sawtelle, Sawtelle, McAllister, and Friedrich Co.
Mr. Robert Sawtelle, Attorney, San Antonio.
Mr. Forrest Smith, President, National Bank of Commerce.
Mr. C. Linden Sledge, San Antonio Chamber of Commerce.
Mr. H. B. Zachry, Chairman of the Board, HemisFair 1968.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS MILITARY AIRLIFT COMMAND,
Scott Air Force Base, Ill.,
November 22, 1968.

Subject: Use of Military Carriers for Public Affairs Purposes RCS: DD–PA(M)591.
To: Secretary of the Air Force (SAFOIC), Washington DC 20330.

The attached report of non-local airlift of news media representatives and civic leaders is submitted in compliance with AFR 190–13.

Col. JACK L. GIANNINI,
Director of Information
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS 437TH MILITARY AIRLIFT WING (MAC), CHARLESTON AIR FORCE BASE, S.C.
October 21, 1968.

The following news media representatives are invited by the Secretary of the Air Force to proceed on or about 21 October 1968 from Charleston AFB, S.C. to Seymour Johnson AFB, N.C. on C–141 Aircraft and return to Charleston AFB the same day for public information coverage of exercise "Linebacker". Travel is on a space available basis and will be at no expense to the government. Individuals will not be granted access to classified information. Authority: SAFOIPC UNCLAS MSG 071906Z Feb. 68, AFR 190–13.

Mr. Ronald Brinson, Charleston Evening Post, Charleston, S.C.
Mr. Robert T. Townsend, WUSN–TV, Mt. Pleasant, S.C.
Mr. H. H. Bailey, WCIV–TV, Mt. Pleasant, S.C.
Mr. Wayne Long, WQSN Radio, Charleston, S.C.

Lt. Col. J. R. WYATT,
Chief Administrative Services
(For the Commander).

REQUEST AND AUTHORIZATION FOR CHANGE OF ADMINISTRATIVE ORDERS

To: G437DASO.

From: 437F.

Orders pertaining to the individual(s) listed in item 3 are amended as shown in item 4.

1. Identification of order being changed: A. Paragraph, 1. B. Order (*Type and No.*), TA-2807. C. Date, 21 Oct 1968. E. Relating to TDY to Seymore Johnson.

3. Identification of individual(s) to whom change action pertains: A. Grade, CIV. B. Last name, first, middle initial, Walker, Elizabeth. C. AFSN or posiiton title (*Civilian*), Charleston News and Courier, Charleston, S.C.

4. Amendment: B. Item is amended to include Walker, Elizabeth, Charleston News and Courier, Charleston, S.C.

6. Date: 21 Oct 68.

7. Approving official: Thomas J. Kirwin, III, 2nd Lt. Asst. Information Officer.

8. Signature: Thomas J. Kirwin, III.

9. Phone No.: 2453.

10. Designation and location of headquarters: Department of the Air Force, HQ 437th MAWg (MAC), Charleston AFB, SC 29404.

11. Order: TA-2809.

12. Date: 21 Oct 68.

13. TDN: For the Commander.

14. Distribution: "C", TA-2809.

15. Signature element of orders authenticating official: J. R. WATT, Lt. Colonel, USAF, Chief, Administrative Services.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS 63D MILITARY AIRLIFT WING (MAC), NORTON AIR FORCE BASE, CALIF.

October 24, 1968.

The following civilians are authorized to proceed on or about 27 to 29 October 1968 from Norton Air Force Base, Calif. or El Toro Marine Corps Air Station, Calif. to Fallon Naval Auxiliary Air Station, Nev. and return to Norton Air Force Base, Calif. or El Toro Marine Corps Air Station, Calif. Purpose of the trip is to cover Exercise Rancher Corral II. Travel by military aircraft is authorized. Travel authorized by this order does not entitle traveler to expense of travel. Authority is granted under the provisions of AFR 190-13. Variations in itinerary authorized.

Karl Edgerton, Military Editor, San Bernardino Sun-Telegram, San Bernardino, Calif.

Reggie Sellas, Chief Photographer, San Bernardino Sun-Telegram, San Bernardino, Calif.

Milt Cook, News Director, KAGE Radio, Riverside, Calif.

Buck Lanier, Military Editor, Long Beach Press-Telegram, Long Beach, Calif.

Bob Shumway, Photographer, Long Beach Press-Telegram, Long Beach, Calif.

B. W. DECLARK,
Chief of Administrative Services
(For the Commander).

ALTUS CIVIC LEADERS VISIT TO LOCKHEED-GEORGIA, OCTOBER 1-2, 1968

(Name, position and affiliation)

Weaver Creed, Dobbs & Creed Real Estate, National Bank of Commerce.

Howard Cotner, President, Industrial Group, Jackson Company Abstract.

Wayne Stice, Manager, Public Service Co., National Bank of Commerce.

Hatton McMahan, President, First National Bank.

R. W. Moore, Vice-President, ARK-LA Gas Co.

John Gover, President, National Bank of Commerce.

Fred Mains, Manager, Pepsi Company.

John Badger, Badger Oil Co.

Ryan Kerr, Mayor, Altus Attorney, National Bank of Commerce.

Clifford Peterson, Superintendent, Altus Schools.

Dwight Corley, Manager, Chamber of Commerce.

Harold Doughty, President, First State Bank.

Jim Click, Owner, Click Chevy Company.

Larry Derryberry, Attorney.

Herschal Crow, Agriculturist.

Dr. E. A. Allgood, Physician and Vice President, Water District, Snyder, OK.

Maurice Willis, Manager, Central Pharmacy.

Jack Weaver, Member, City Planning Commission.

Robert Harbison, President, Jackson County Industrial Trust, National Bank of Commerce.

Stansell Whiteside, Attorney.

Darill Leverett, Vice President, First National Bank.

John Kerr, Attorney, National Bank of Commerce.

Walter Hinton, Wright Lumber Co.

Dr. Ben Wray, Optometrist.

Ivan Roberson, Gregg-Buck-Roberson Insurance.

Ray Holsey, Vice President, National Bank of Commerce.

Ted Roberts, Association District Attorney.

John Davis, John Davis Enterprise.

John Biggs, Waggener Ranch, Vernon, Texas.

Jack Colville, Colville and Walson, Inc.

Frank Wimberly, Manager, KWHW.

Jim Hale, Managing Editor, Times-Democrat.

Preston Jameson, News Director, KAUZ-TV, Wichita Falls, Texas.

Bill Richey, News Director, KFDX-TV, Wichita Falls, Texas.

Charles Darling, News Director, KSWO-TV, Lawton OK.

Subject: DD-PA (M) 591 (non-local transportation). During October 1968, Strategic Air Command provided non-local transportation in support of public affairs as follows:

Name: Four State officials from Nebraska.

Date: 22 October 1968.

Affiliation: State of Nebraska government officials.

Point of origin: Offutt AFB, Nebraska.

Destination. Wright-Patterson AFB, Ohio.

Mode: T-29.

Purpose: State of Nebraska officials negotiated the leasing of SAC's aerospace museum for operation as a State park. Final terms for the loan of artifacts to the State of Nebraska were completed.

Authority: SAFOIC ITR, 8 Oct. 68 to SAC DXI.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS ALASKAN AIR COMMAND,

APO Seattle, December 9, 1968.

Subject: Use of Military Carriers for Public Affairs Purposes, DD-PA(M)591.

To: Secretary of the Air Force (SAFOI). Washington, D.C. 20330.

Report for November is as follows:

1. The National Geographic Society is compiling material for a book on Alaska. A writer and a photographer have been in the state in excess of 60 days. The photographer, Mr. George Mobley, requested support from the Alaskan Air Command to get many of his photos. Mr. Mobley's travel, although within Alaska is in support of a publication which will be distributed internationally. His military travel is as follows:

a. An H-21 helicopter was used to transport Mr. Mobley from Eielson AFB, near Fairbanks, to the site of the Alaskan Command Arctic Survival School, and return on 14 November. His purpose was aerial photos.

b. Mr. Mobley was aboard a T-33 aircraft on a training flight to photograph F-102's in flight. The flight originated and terminated at Elmendorf AFB on 27 November.

c. Mr. Mobley was transported from Elmendorf AFB to Iliamna, Alaska, and return on a C-130 aircraft on 2 December. The flight was made to support search and rescue efforts for a civilian crash on that date.

2. Mr. James Finnell of the Los Angeles Society of Illustrators, was transported from Eielson AFB to old crash site and return on an H-21 helicopter on 13 November. Mr. Finnell was also given an orientation flight in a T-33, originating and ending at Eielson AFB on 13 November. Both flights were made so Mr. Finnell could gain insight into Alaskan Air Command air operations. He is painting for the Air Force Art Collection.

Lt. Col. WILLIAM M. MACK,
Director of Information
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, MILITARY AIRLIFT COMMAND, SCOTT AIR FORCE BASE, ILL.,

December 23, 1968.

Subject: Use of Military Carriers for Public Affairs Purposes, RCS: DD-PA(M) 591.

To: Secretary of the Air Force (SAFOIC), Washington, DC 20330

The attached report of non-local airlift of news media representatives and civic leaders is submitted in compliance with AFR 190-13.

Col. JACK L. GIANNINI,
Director of Information
(For the Commander).

MILITARY AIRLIFT COMMAND—USE OF MILITARY CARRIERS FOR PUBLIC AFFAIRS PURPOSES (RCS: DD-PA(M) 591)

Dates	Evaluation of public affairs objectives	Point of origin/destination	Type of aircraft	Name and position	Clippings, TDY orders
Oct. 6, 1968	Extensive coverage in midway magazine	Scott AFB, Ill., Travis AFB, Calif., Clark AB, Philippines, Yokota AB, Japan, Elmendorf AFB, Alaska.	C-141	Gene Smith, reporter; Bern Ketchum, photographer; Topeka Capital-Journal.	Attachment 1.
Dec. 2, 1968	Furthered civic leaders' understanding of the Air Force and MAC.	Glenview NAS, Scott AFB, Ill.	C-141	See attached list (Atch 2)	N/A.
Dec. 15, 1968	Feature article on domestic aeromedical evacuation missions will appear in Globe Democrat on Christmas Day.	Scott AFB, Ill., McChord AFB, Wash., Elmendorf AFB, Alaska.	C-141 and C-124	Larry Fields, reporter, St. Louis Globe-Democrat.	Orders (Atch. 3). Clippings to accompany next report.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR FORCE SYSTEMS COMMAND, ANDREWS AIR FORCE BASE,
Washington D.C., December 27, 1968.

Reply to attn of: SCEI.

Subject: Reporting Non-Local Travel for Public Affairs Purposes (RCS: DD-PA (M)591).

To: Secretary of the Air Force (SAFOICC), Washington, D.C. 20330.

Non-local travel for AFSC activities for the month of November 1968 were as follows:

(a) Headquarters, Air Force Systems Command

(1) A group of 18 civic leaders were taken on an AFSC Orientation Tour from Portland, Oregon to Vandenberg AFB, Calif., Edwards AFB, Calif., and Nellis AFB, Nev. An AFSC aircraft (C-118) was used for this tour. Approval was received by SAFOIC.

For the commander:

HAROLD M. HELFMAN,
Deputy Director, Office of Information.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, HEADQUARTERS COMMAND, USAF, BOLLING AIR FORCE BASE,
Washington, D.C., November 13, 1968.

Reply to attn of: OIN.

Subject: Use of Military Carriers for Public Affairs Purposes (DD-PA(M)591).

To: Hq USAF (SAFOIC).

The following report is submitted from HQ CAP-USAF, Maxwell, AFB, Alabama:

Date of airlift: October 2-3, 1963.

Name: Mayor Paul Grady—Mayor, Hattiesburg, Miss.

Origin of airlift: Berry Field, Nashville, Tenn. & Hattiesburg, Miss.

Destination: Wright-Patterson AFB, Ohio.

Type of aircraft: C-47.

Unit of assignment of aircraft: Southeast Region, USAF-CAP, Berry Field, Nashville, Tenn.

Public affairs purpose accomplished: To accompany members of CAP's Mockingbird Senior Sqdn of Hattiesburg on a field training trip to Wright-Patterson and the AF Museum.

For the commander:

HEBERT ROSENTHAL,
Colonel, USAF, Director of Information.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, HEADQUARTERS COMMAND USAF, BOLLING AIR FORCE BASE,
Washington, D.C., January 22, 1969.

Reply to attn. of: OIN.

Subject: Travel in and Use of Military Carrier for Public Affairs Purposes (DD-PA(M)591).

To: Hq USAF (SAFOIC).

The following report is submitted for the month of December 1968:

Date: December 17, 1968.

Origin: Andrews AFB, Maryland.

Destination: Kitty Hawk, North Carolina via Elizabeth City, N.C.

Passengers: See attached list.

Type of carrier: C-131 from Andrews to Elizabeth City—CH21B(2) from Elizabeth City to Kill Devil Hill.

Purpose of trip: The event is designed to celebrate the 65th Annual observance of the first powered flight by the Wright Brothers at Kitty Hawk, North Carolina. The event is hosted by the National Aeronautic Association.

The airlift support provided by this Command for the 65th Anniversary of powered flight at Kill Devil Hill, N.C., produced an occasion for numerous contacts between the Office of Information and the Air Force Association. The close association between this Command and the several sponsoring agencies improved rapport and established the Command as an organization responsive to needs of the Washington area aviation community.

For the commander:

HERBERT ROSENTHAL,
Colonel, USAF, Director of Information.

LIST OF PASSENGERS

Mr. A. H. Duda, Program Director, Air Force Association, Washington, D.C.

Mr. L. Famiglietti, Air Force Times, Washington, D.C.

Mr. F. Jerdone, Manufacturers' Representative, Washington, D.C.

Mr. M. L. Lien, Director of Information, Air Force Association, Washington, D.C.

Mr. R. Whitener, President, Ralph Whitener & Co., Washington, D.C.

Mr. Clifford Dougherty, President, Arlington Chapter, AFA.

Major General Nils O. Ohman, Commander, HQ COMD USAF.

Capt. Charles Markline, Aide to General Ohman.

Colonel Herbert Rosenthal, Director of Information, HQ COMD USAF.

TSG Jack Lebo, NCOIC, Office of Information, HQ COMD USAF.

SSG I. Smith, Photographer, 1100 AB Wg, Bolling AFB, D.C.

Major Jack (OASD) (PA).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS MILITARY AIRLIFT COMMAND, SCOTT AIR FORCE BASE,
Illinois, January 23, 1969.

MAFOIC.

Use of Military Carriers for Public Affairs Purposes

RCS. DD-PA(M) 591.

Secretary of the Air Force (SAFOIC)

Washington, D.C. 20330.

The attached report of non-local airlift of news media representatives and civid leaders is submitted in compliance with AFR 190-13.

ORLO F. DUKER,
Lieutenant Colonel, USAF, Deputy Director of Information.
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR FORCE LOGISTICS COMMAND, WRIGHT-PATTERSON AIR FORCE BASE,
Ohio, January 23, 1969.

Reply to attn of: MCK.

Subject: Use of Military Carriers for Public Affairs Purposes (RCS: DD-PA(M)591).

To: OSAF (SAFOI) Washington, D.C. 20330.

1. Reference para 6d, AFR 190-13.

2. The San Antonio Air Materiel Area, Kelly AFB, Texas, hosted a small group of San Antonio Chamber of Commerce members on a visit to Tinker AFB and Oklahoma City, Oklahoma. The trip was made on December 16-17, 1968, and the following information is reported:

(a) All civilian persons transported were members of the San Antonio Chamber of Commerce. Names and titles follow:

(1) John T. Steen, President.

(2) C. L. Sledge, Chairman, Armed Forces Committee.

(3) Melvin Sisk, Executive Vice President.

(4) Stan Kealhofer, Assistant General Manager.

(5) Ray Ellison, Chairman, SAAMA Sub Committee.

(6) Frank Rosson, Chairman, Armed Forces Committee for Kelly AFB.

(b) Points of Origin and Destination: Date, local time, place:

December 16, 1968, 0925, departed Kelly AFB, Texas.

December 16, 1968, 1120, arrived Tinker AFB, Okla.

December 17, 1968, 1230, departed Tinker AFB, Okla.

December 17, 1968, 1436, arrived Kelly AFB, Texas.

(c) Mode of Transportation: T-29 Aircraft.

(d) Public Affairs Purpose Accomplished: During this trip, information was obtained on the legal, legislative, and community relations methodology used by officials of Tinker AFB and Oklahoma City to preclude residential encroachment on a long term basis. A study is currently underway by an Action Committee of the San Antonio Chamber of Commerce to prevent encroachment at Kelly AFB as the base looks 15-20 years in the future.

For the commander:

DEAN E. HESS,
Colonel, USAF, Director, Office of Information.

[SPECIAL ORDER TA-2766]

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS 62D MILITARY AIRLIFT WING (MAC), MCCHORD AIR FORCE BASE,
Washington, November 15, 1968.

The following named personnel, position and home address indicated, are invited by the Secretary of the Air Force to proceed on or about 16 November 1968 from McChord AFB, Washington to Hickman AFB, Hawaii for the purpose of News Media Orientation Flight on temporary duty for approximately 2 days, and upon completion return to McChord AFB, Washington. Travel by military aircraft is authorized. No per diem authorized. 5793400 3096525 101010 4079 4089 4099 S669100. CIC: 4 4 965 1113 S669100. Authority: Telecon HQ MAC (MAFOIP), Mr. Bill Johnston, Chief Public Information; AFR 36-41 and AFR 76-15.

Name, position, home address:

Leverett G. Richards, Portland Oregonian; Aviation and Military, Editor, 6305 E. Buena Vista Dr., Vancouver, Wash.

Dave Falconer, Portland Oregonian; Photographer, 2722 SW Huber, Portland, Oregon.

Philip S. Kipper, Seattle Post-Intelligencer, Aerospace Editor, 571½ Newton St., Seattle, Wash.

Dave Helm, KTNT TV, Tacoma, 10808 Glenwood Dr., Tacoma, Wash. JU4-1050.

Doyal Gudgel, KTNT TV, Tacoma, Photographer, 3314 NE 182d, Seattle, Wash. EM 3-4272.

Herbert L. Pollock, KTAC Radio, Tacoma, Assistant Manager, 4210 N. Stevens, Tacoma, Wash.

Winston F. McCracken, KMO Radio, Tacoma, News Director, 1127 North Lawrence, Tacoma, Wash. SK 2-5541.

Gene E. Wike, KING TV, Seattle, Night News Editor, 817 Puget Way, Edmonds, Wash.

Wayne Earl Kosbau, KING TV, Seattle, Cameraman, 7103 Linden Ave. N., Seattle, Wash.

Jack B. Williams, KIRO TV, Seattle, Night News Editor, 12211 SE 59th, Apt 66, Bellevue, Wash.

Jer Reeves, KIRO TV, Seattle, Cameraman, 10021 NE 22nd, Bellevue, Wash.

John C. Eddy, KOMO TV, Seattle, 15327 SE 24th, Bellevue, Wash.

Mahlon Brosseau, KOMO-TV, Seattle, Cameraman, 3934 Eastern Ave N., Seattle, Wash.

GEORGE R. DAVENPORT,
Major, USAF, Chief of Administrative Service
(For the Commander).

MILITARY AIRLIFT COMMAND—USE OF MILITARY CARRIERS FOR PUBLIC AFFAIRS PURPOSES (RCS: DD-PA(M) 591)

Dates	Evaluation of public affairs objectives	Point of origin/destination	Type of aircraft	Name and position	Clippings, TDY orders
Dec. 14-23, 1968	Features on aeromed evacuation mission during Christmas season.	McChord AB, Wash., Elemendorf ZFB Alaska, Yokota AB, Japan.	C-141, C-9	Mr. Stanton H. Patty, writer, Seattle Times Newspaper.	Attachment 1.
Dec 21	Story and picture coverage of Operation Chirstmas Drop 68.	Andersen AFB, Guam	54WRS, WC-130E	Mrs. Ginger Sinnigen, UPI correspondent; Dick Williams, Stars and Stripes correspondent; Dora Williams, Stars and Stripes correspondent; Rev. Arnold Bendowski, Guide.	Orders and clippings to accompany next report.
November 16-17	News media familiarization with the reserve associate program in three major markets.	McCord AFB, Wash., Hickam AFB, Hawaii	C-141	Leverett G. Richards, Aviation and Military Editor, Portland Olegonian; Dave Falconer, photographer, Poltland Oregonian; Philip S. Kipper, aerospace editor, Seattle Post-Intelligencer; Dave Helm, Doyal Gudgel, KTNT TV, Tacoma; Herbert L. Pollock, assistant manager, KTAC radio, Tacoma; Winston F. McCracken, KMO Radio, Tacoma News Director; Gene E. Wike, KING TV, Seattle night news editor; Wayne Earl Kosbau, KING TV, Seattle Cameraman.	Attachment 2.
	Details on Dec. 15, 1968 airlift of Larry Fields reported in December report (minus clippings) with notation that clippings would follow. The feature article appeared in the St. Louis-Globe Democrat on Christmas Day.				Attachment 3.

[Special Order TA-3019]

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS 62D MILITARY AIRLIFT WING (MAC), MCCHORD AIR FORCE BASE,

Washington, December 12, 1968.

The following named personnel, position and home address indicated, is invited by the Secretary of the Air Force to proceed on or about 14 December 1968, from McChord AFB, Washington; to include flights between Continental United States and Alaska, within Alaska and from Alaska to DEWline sites in Greenland. From Continental United States or Alaska to Yokota AB, Japan and return upon completion to McChord AFB, Washington. Purpose is to accompany MAC cargo and aeromedical evacuation flights, domestically and overseas, for the purpose of coverage of airlift activities. Further, prior to entering Japan, he will have necessary inoculations. If individual is to fly into Greenland he is to obtain entry permit from the Danish Government prior to the flight. Airlift authorized by these orders will be accomplished on a space available, non-interference with mission basis. Travel by Military aircraft is authorized. Approximate number of days, 10. Individual is not authorized access to classified information or areas. For portion of trip aboard air evac flights patient permission is required prior to their being interviewed cr photographed. No per diem authorized. 5793400 3096525 101040 40910 40710 S669100. CIC: 4 4 965 1220 S669100. Travel is necessary in the public service. Auth: AFRs 36-41 and 76-15 and rds OSAF message R 092246Z Dec. 68. Issue of Arctic clothing authorized.

Mr. Stanton H. Patty, Seattle Times Newspaper Writer, 7309 46th Ave. NE., Seattle Wa. 98115.

For the commander:

GEORGE R. DAVENPORT,
Major, USAF,
Chief of Administrative Services.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR TRAINING COMMAND, RANDOLPH AIR FORCE BASE,

Texas, January 3, 1969.

Reply to attn of: ATCOI-C.

Subject: Report on Non-Local Travel and Transportation for Public Affairs Purposes (RCS: DD-PA(M)591).

To: Secretary of the Air Force (SAFOIC).

In compliance with AFR 190-13, subject report for the month of December 1968 is attached.

For the commander:

WILLIAM J. BECK,
Colonel, USAF,
Deputy Chief of Information.

REPORT ON NONLOCAL TRAVEL AND TRANSPORTATION FOR PUBLIC AFFAIRS PURPOSES (RCS: DD-PA(M)591) HEADQUARTERS AIR TRAINING COMMAND DEC. 1-31, 1968

Date	Names and positions	Points of origin and destination	Type of aircraft	Purpose
Dec. 18-20	See attached list (TAB A)	Webb AFB, Tex. to Patrick AFB, Fla. and return	C-131	Webb AFB community relations are excellent but this tour further cemented relations between the civilian community and Webb AFB and acquainted the civilians with other phases and activities of the Air Force.

GUEST LIST

1. Bob Bradbury, Civic Leader.
2. Bill Pollard, New Car Dealers Association.
3. Jerry Worthy, City Council.
4. Winston Wrinkle, Civic Leader.
5. Jim Baum, Civic Leader.
6. Dr. Carl Marcum, Surgeon and Past Co-chairman, Base-Community Council.
7. J. Arnold Marshall, Mayor.
8. Joe Pickle, Editor, The Big Spring Daily Herald.
9. Clyde McMahon, Chairman, Chamber of Commerce Aviation Committee.
10. Marvin M. Miller, Co-chairman, Base Community Council Steering Committee.
11. Adolph Swartz, Civic Leader; Chamber of Commerce Past President.
12. Dr. Milton Talbot, President, Chamber of Commerce.
13. John L. Taylor, Civic Leader; Director, Chamber of Commerce.
14. Jeff Brown, President, Big Spring Chapter, AFA.
15. Paul Meek, President, Cosden Oil and Chemical Company.
16. Don Womack, Manager, Texas-Electric; Vice Pres., Chamber of Commerce.
17. Larry Crow, City Manager.
18. R. J. (Dick) Ream, Vice Pres., First National Bank; Civic Leader.
19. K. H. (Chub) McGibbon, Civic Leader.
20. Colonel W. C. McGlothlin, Jr., Wing Commander, Webb AFB.
21. Colonel C. B. Estes, Base Commander, Webb AFB.
22. Captain J. H. K. Buchholz, Base Services Officer, Webb AFB.
23. Captain Owen H. Wormser, Information Officer, Webb AFB.
24. Captain Robert Gobble, Training Officer, Webb AFB.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS TENTH AIR FORCE (ADC), RICHARDS-GEBAUR AIR FORCE BASE,

Missouri, January 7, 1969.

Reply to Attn. of: 10CIO.

Subject: Use of Military Airlift for Public Affairs Purposes (RCS: DD-PA(M)591).

To: SAFOIC.

The following report is submitted for military airlift provided Kansas City News Media for trip to Air Force Eastern Test Range, Patrick AFB, Florida from 4-7 Dec. 1968, as required by AFR 190-13, para 5e.

(1) Report Month: December 1968.

(2) Evaluation of the Public Affairs Objectives Accomplished: This trip was scheduled to build rapport and improve media relationships between this headquarters and greater Kansas City News media and provide background information on aerospace defense matters and the nations space projects.

(3) Point of Origin: Richards-Gebaur AFB, Mo. Destination: Patrick AFB, Fla.

(4) Mode of Transportation:

December 4, C-118.

December 7, T-29.

(5) Newsmen Participating:

L. L. Edge, Reporter, Johnson County Herald.

James Brown, Editor-Publisher, Cass County Democrat.

Jack Bernet, Editor, Sky Lines Magazine

Webster Hawkins, Editor-Publisher, Osawatomie Graphic.

Tom Eblen, Reporter, Kansas City Star.

R. E. McDonald, Reporter, Town & Country Leader.

Tom McAllen, Editor-Publisher, Cameron News Observer.

Leonard McCalla, Reporter, Garnett Review.

R. W. Bricker, Editor-Publisher, Waverly Times.

Larry Fowler, Reporter, Kansas City Star.
C. Patrick Bills, Reporter, Liberty Tribune.
Ben Weir, Managing Editor, Independence Examiner.
Clarence A. Johnson, Reporter, Associated Press.
Paul Massey, Editor, Bonner Springs Chieftain.
John McDermott, Editor, National Appliances & Electronic News.
Tom Cauley, Reporter, VFW Magazine.
Steve Rose, Reporter, Sun Publications.
Ben Ward, News Director, KEXS.
Harold Glazer, Reporter, WDAF-TV.
Roger Miller, Reporter, Ottawa Times.
(6) Attached are clippings, photos, itinerary, and travel orders.

For the commander:

GEORGE A. CARTER,
Colonel, USAF Director of Information.

ITINERARY

(Kansas City Press, December 4–7, 1968)

December 4, 1968: 1030, ETD—Richards-Gebaur AFB, Mo.; 1530 approximately, arrive Patrick AFB Via C–118, and 1545, depart for Sheraton Cape Colony.

December 5, 1968: 0900, depart for Kennedy Space Center; 1000, arrive KSC; 1000–1130, briefing and tour; 1130–1230, lunch; 1245, depart for Press Site No. 1; 1400, witness launch of Thor Delta boosting EROS Satellite HEOS; 1600, post-launch news conference, and evening free.

December 6, 1968: 0900, depart motel for Cape Kennedy Air Force Station, and 1000–1300, briefing and tour of Cape Kennedy Air Force Station.

December 7, 1968: 0230, depart motel for press site No. 1; 0340, witness launch of Atlas Centaur boosting the Orbiting Astronomical Observatory into orbit; 0500, post-launch news conference, and 1300, depart for Richards-Gebaur AFB, Mo.

[Special Order TA-1738]

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS TENTH AIR FORCE (ADC), RICHARDS-GEBAUR AIR FORCE BASE,
Missouri, December 3, 1969.

The following individuals are invited by the Secretary of the Air Force to proceed on or about 4 December 1968 from Richards-Gebaur AFB, Missouri, to Patrick AFB, Florida, for approximately three days to receive briefings on the Air Force Eastern Test Range, and upon completion will return to Richards-Gebaur AFB, Missouri. Travel is authorized in accordance with AFR 190–13, as supplemented, and is necessary in the public service.

L. L. Edge, Reporter, Johnson County Herald, Shawnee Mission, Kansas.
James Brown, Editor-Publisher, Cass County Democrat, Harrisonville, Mo.
Jack Bernet, Editor, Sky Lines Magazine, Kansas City, Missouri.
Webster Hawkins, Editor-Publisher, Osawatomie Graphic, Osawatomie, Kans.
Tom Ablen, Reporter, Kansas City Star, Kansas City, Mo.
R. E. McDonald, Reporter, Town & Country Leader, Excelsior Springs, Mo.
Tom McAllen, Editor-Publisher, Cameron News Observer, Cameron, Mo.
Leonard McCalla, Reporter, Garnett Review, Garnett, Kansas.
R. W. Bricker, Editor-Publisher, Waverly Times, Waverly, Missouri.
Larry Fowler, Reporter, Kansas City Star, Kansas City, Mo.
C. Patrick Bills, Report, Liberty Tribune, Liberty, Missouri.
Ben Weir, Managing Editor, Independence Examiner, Independence, Mo.
Clarence A. Johnson, Reporter, Associated Press, Kansas City, Mo.
Paul Massey, Editor, Bonner Springs Chieftain, Bonner Springs, Kans.
John McDermott, Editor, National Appliances & Electronic News, K.C., Mo.
Tom Cauley, Reporter, VFW Magazine, Kansas City, Mo.
Steve Rose, Reporter, Sun Publications, Shawnee Mission, Kansas.
Ben Ward, News Director, KEXS, Excelsior Springs, Missouri.
Harold Glazer, Reporter, WDAF-TV, Kansas City, Missouri.
Roger Miller, Reporter, Ottawa Times, Ottawa, Kansas.

For the commander:

BENJAMIN O. NEWTON,
Captain, USAF, Assistant Director of Administrative Services.

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS AIR TRAINING COMMAND, RANDOLPH AIR FORCE BASE,
Texas, February 4, 1969.

Reply to attn of: ATCOI–C.
Subject: Report on Nonlocal Travel and Transportation for Public Affairs Purposes (RCS: DD–PA(M)591).
To: Secretary of the Air Force (SAFOIC), Washington, D.C. 20300.

In compliance with AFR 190–13, subject report for the month of January 1969 is attached.

For the commander:

WILLIAM J. BECK,
Colonel, USAF, Deputy Chief of Information.

REPORT ON NONLOCAL TRAVEL AND TRANSPORTATION FOR PUBLIC AFFAIRS PURPOSES (RCS: DD-PA(M)591) HEADQUARTERS AIR TRAINING COMMAND, JAN. 1-31, 1969

Date	Names and positions	Points of origin and destination	Type of aircraft	Purpose
Jan. 16-17	See attached list (TAB A)	La Guardia Airport, N.Y. to Chanute AFB and return.	T-29	The New York area civic leaders joined Chicago area civic leaders in touring Chanute AFB's technical training center thereby promoting greater civilian understanding of Air Force and ATC missions.
Jan. 26-28	See attached list (TAB B)	Laredo AFB to Patrick AFB and Moody AFB and return.	C-131	Laredo AFB community relations are excellent with both the cities of Laredo, Tex. and Nuevo Laredo, Mexico. This civic leader tour further strengthened goodwill between both civilian communities and Laredo AFB plus acquainting tour participants with other phases and activities of the Air Force.

GUEST LIST—LAGUARDIA AIRPORT CIVIC LEADER TOUR TO CHANUTE AFB, ILL., JANUARY 16–17, 1969

1. Robert J. Beckwith, Director, Connecticut Veteran Home & Hospital, Rocky Hill, Connecticut.
2. Richard H. Bullwinkel, Vice President, County National Bank, Newburgh, New York.
3. Jack Doyle, President, Newburgh Junior Chamber of Commerce, Newburgh, New York.
4. Andrew Ferreiro, Director, Enfield Company, Enfield, Connecticut.
5. William J. Johnston, Staff Assistant, Contact Division, Veterans' Administration, Hartford, Connecticut.
6. Eugene Kelly, Insurance Executive, Manchester, Connecticut.
7. J. Russell LeBeau, President, Bo Bernstein & Company, Providence, Rhode Island.
8. John Lovell, Associate Professor, Political Science, Vassar College, Poughkeepsie, New York.
9. Dr. David R. Shapiro, Board of Education, Newburgh, New York.
10. John Sherman, President, Orange County Philharmonic Society, Newburgh, New York.
11. Richard Stover, President, County National Bank, Middletown, New York.

GUEST LIST—LAREDO AFB, TEXAS CIVIC LEADER TOUR TO PATRICK AFB, FLA., AND MOODY AFB, GA., JANUARY 26–28, 1969

1. Porfirio Flores, Sheriff, Webb County.
2. Alberto Santos, Judge, Webb County.
3. Harry Sames, President, Laredo Chamber of Commerce.
4. W. R. Powell, Vice President, Laredo Chamber of Commerce.
5. Rudy Guerrero, Vice President, Laredo Chamber of Commerce.
6. George Ballard, Treasurer, Laredo Chamber of Commerce.
7. G. R. Peck, Chairman, Laredo C of C Military Affairs Committee.
8. Carlos Zuniga, Chairman, Laredo C of C Port Commission.
9. Joe Guerra, Chairman, Laredo C of C Civic Division.
10. Fred Galo, Chairman, Laredo C of C Commercial Division.
11. Ray Keck, Chairman, Laredo C of C Trade Development Division.
12. Ed Phelps, Executive Vice President, Laredo Chamber of Commerce.
13. Henry Jackson, Laredo C of C Military Affairs Committee.
14. Bob G. Freeman, Laredo C of C Military Affairs Committee.
15. J. A. Slaughter, Past President, Laredo Chamber of Commerce.
16. Clayton Kirk, Chairman, Laredo C of C Business & Industry Committee.
17. Max Mandel, Board of Directors, Laredo Chamber of Commerce.
18. Renato Zapata, Board of Directors, Laredo Chamber of Commerce.
19. Colonel Harold F. Knowles, Commander, Laredo AFB.
20. Lt. Colonel William F. Voight, Executive Officer, Laredo AFB.

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS MILITARY AIRLIFT COMMAND, SCOTT AIR FORCE BASE, ILL.,
February 24, 1969.

Subject: Use of Military Carriers for Public Affairs Purposes, RCS: DD–PA(M) 591.
To: Secretary of the Air Force (SAFOIC), Washington, D.C. 20330.

The attached report of non-local airlift of news media representatives and civic leaders is submitted in compliance with AFR 190–13.

COL. JACK L. GIANNINI,
Director of Information
(For the Commander)

MILITARY AIRLIFT COMMAND—USE OF MILITARY CARRIERS FOR PUBLIC AFFAIRS PURPOSES (RCS: DD-PA(M)591)

Dates	Evaluation of public affairs objectives	Point of origin and destination	Type of aircraft	Name and position	Clippings, TDY orders
Jan. 16	Coverage of reforger, crested cap training exercise.	Holloman AFB, N. Mex., Spangdahlem AB, Germany.	C-141	Mr. Karl R. Edgerton, military editor, Sun Telegram, San Bernardino, Calif. Mr. Reginos P. Sellas, photographer, Sun Telegram, San Bernardino, Calif. Mr. Fred Bauman, photographer, Press Enterprise, Riverside, Calif.	Atch 1.

1132ND USAF FIELD EXTENSION SQUADRON, 1100TH AIR BASE WING (HQ COMD), BOLLING AIR FORCE BASE, D.C.

January 14, 1969.

Subject: Invitational Travel Orders No. T-69-5.

To: Persons concerned.

1. The following-named individuals are authorized to proceed from Holloman Air Force Base, New Mexico to Spangdahlem Air Base, Germany by military air on a space-available basis on/about 16 January 1969 and return to the United States. Purpose of travel is to provide coverage of Reforger/Crested Cap Training Exercise. Auth: Confidential SecDef (OASD/PA) msg 9086N 091447Z. Jan. 69.

Charles I. Coombs, free-lance book author, Los Angeles

Ernest Reshovsky, PIX, Inc., Los Angeles

Tony Kent, KPOL Radio and Capitol Cities Broadcasting Corp., Los Angeles

Ray Cullin, Bureau Chief, NBC Sacramento

Dick Black, Cameraman, NBC Sacramento

Ernest St. Germaine, Soundman, NBC Sacramento

Karl R. Edgerton, Military Editor, San Bernardino Sun Telegram

Reginos P. Sellas, Photographer, San Bernardino Sun Telegram

Fred Bauman, Riverside Press Enterprise

2. Variations in itinerary are authorized.

3. Immunizations per AFR 161-13 will be accomplished as soon as practicable prior to commencing travel and may be obtained at nearest Armed Services hospital or dispensary.

4. While traveling by aircraft, a total of 66 pounds baggage, including excess, is authorized.

5. Flight waivers will be properly executed prior to flight.

6. Access to classified information or areas is not authorized.

7. Travel is authorized under provisions of AFR 76-6 or AFR 190-13 as applicable, at no expense to the U.S. Government. Non-revenue traffic.

Lt. Col. ARTHUR S. RAGEN,
USAF, Assistant Chief, Administrative Services.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR FORCE, SYSTEMS COMMAND, ANDREWS AIR FORCE BASE,

Washington, D.C., March 26, 1969.

Subject: Reporting Non-Local Travel for Public Affairs Purposes (RCS: DD-PA (M) 591).

To: Secretary of the Air Force (SAFOICC), Washington DC 20330.

Non-local travel for AFSC activities for the month of February 1969 was as follows:

a. Aeronautical Systems Division, Wright-Patterson AFB, Ohio. A group of 38 Radio/TV and Newspaper men was airlifted from Wright-Patterson AFB, Ohio, to North American-Rockwell, Los Angeles, Calif.; Air Force Western Test Range, Vandenberg AFB, Calif.; and Aerospace Medical Division, Brooks AFB, Texas, and returned to Wright-Patterson AFB, Ohio by an AFLC C-118 aircraft for an orientation tour of facilities. Approval was received from this Headquarters and SAFOIPC.

HAROLD M. HELFMAN,
Deputy Director, Office of Information,
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS MILITARY AIRLIFT COMMAND, SCOTT AIR FORCE BASE, ILL.

March 19, 1969.

Subject: Use of Military Carriers for Public Affairs Purposes, RCS: DD-PA(M) 591.

To: Secretary of the Air Force (SAFOIC), Washington DC 20330.

The attached report of non-local airlift of news media representatives and civic leaders is submitted in compliance with AFR 190-13.

Lt. Col. ORLO F. DUKER,
USAF Deputy Director of Information,
(For the Commander).

MILITARY AIRLIFT COMMAND—USE OF MILITARY CARRIERS FOR PUBLIC AFFAIRS PURPOSES (RCS: DD-PA(M)591)

Dates	Evaluation of public affairs objectives	Point of origin/destination	Type aircraft	Name and position	Clippings, TDY orders
Jan./Feb. 1969	Well read story, and picture coverage of Reforger/Crested Cap Training Exercise.	McGuire AFB, N.J./Nurnberg, Germany	C-141	William W. Smoak, Walterboro Press and Standard, Walterboro, S.C.	Attachment 1.
Jan./Feb. 1969	Very good radio and TV coverage in St. Louis area of Reforger/Crested Cap Training Exercise.	Forbes AFB, Kans./Nurnberg-Rhein Main, Germany.	C-141	Bob Chase, newsman, KSD-TV, St. Louis; Robert Shea, newsman, KXOK Radio, St. Louis, Barry Serafin, Charles Bohm, Elmer Jameson, newsmen, KMOX-TV, St. Louis.	Attachment 2.
	Outstanding feature story and picture coverage in St. Louis Globe-Democrat.			Larry Fields, reporter, St. Louis Globe-Democrat.	

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS MILITARY AIRLIFT COMMAND, SCOTT AIR FORCE BASE, ILL.

January 15, 1969.

SPECIAL ORDER T-227

The following named individuals, business addresses indicated, are authorized to proceed from Forbes AFB, KS 66620 to Nuremburg and Rhein Main, Germany, by military air on space available basis on or about 2C Jan 69 and return to the US on/about 4 Feb. 69. Purpose of travel is to provide coverage of Reforger/Crested Cap Field Training Exercise. Variations in itinerary are authorized. Immunizations per AFR 161-13 will be accomplished as soon as practicable prior to commencing travel and may be obtained at nearest Armed Services Hospital or dispensary. While traveling by acft, a total of 66 pounds of baggage, including excess, is authorized. Travel will be on a non-reimbursable basis. Access to classified information is not authorized. Authority: AFR 190-13 and CSAW Msg SAFOIPC 101735Z Jan 69.

MR BOB CHASE, KSD-TV, 1111 Olive St, St Louis, MO 63101.

MR ROBERT SHEA (ROBERT E. SCHOENEBERG), KXOK Radio 1600 N. Kingshighway, St Louis, MO 63101.

MR LARRY FIELDS, St Louis Globe-Democrat, 710 N 12th St, St Louis, MO 63101.

MR BARRY SERAFIN, KMOX-TV, 1 S Memorial Drive, St Louis, MO 63101.

MR CHARLES BOHM, KMOX-TV, 1 S Memorial Drive, St Louis, MO 63101.

MR ELMER JAMESON, KMOX-TV, 1 S Memorial Drive, St Louis, MO 63101.

JACK N. STOVALL,
Col, USAF, Director of Administration
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR FORCE LOGISTICS COMMAND WRIGHT-PATTERSON AIR FORCE BASE, OHIO,

March 21, 1969.

Subject: Use of Military Carriers for Public Affairs Purposes. (RCS: DD-PA(M) 591).

To: OSAF (SAFOI).

1. Reference para 6d, AFR 190-13.

2. The Ground Electronics Enineering Installation Agency hosted a group of community leaders from the Rome-Utica, New York area on a trip to the Air Force Eastern Test Range and the Air Force Special Operations Force, Eglin AFB, Florida. The following information is reported:

a. Names, affiliations, and positions of persons transported (see atch #1).

b. Points of origin and destination (date and place):

4 March 1969, 1030, Departed Griffiss AFB, N.Y.; 1545, Arrived Patrick AFB, Fla.

5 March 1969, 1700, Departed Patrick AFB, Fla.; 1710, Arrived Hurlburt AFB, Fla.

6 March 1969, 1630, Departed Hurlburt AFB, Fla.; 2130, Arrived Griffiss AFB, N.Y.

c. Mode of transportation: C-131 aircraft.

d. Public Affairs Purpose Accomplished: This trip provided the municipal government officials and other community leaders with a comprehensive indoctrination in the value of GEEIA to the Air Force and to the nation's space program. It demonstrated the AFLC and GEEIA effort in supporting missile launches and tactical warfare effort. Further, it encouraged these community leaders in the permanence and future of GEEIA and Griffiss AFB.

Col. DEAN E. HESS,
USAF, Director, Office of Information
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS GROUND ELECTRONICS ENGINEERING INSTALLATION AGENCY (AFLC), GRIFFISS AIR FORCE BASE, N.Y.,

February 18, 1969.

SPECIAL ORDER TA-310

Each of the following personnel, residence indicated, is invited by the Secretary of the Air Force to proceed on or about 4 Mar 1969 from Rome, NY to Patrick AFB, FL and Eglin AFB, FL for approximately 3 days to participate in an orientation visit and, upon completion, return to Rome, NY. Travel by military aircraft authorized. No per diem authorized.

Name and residence

Mr. Dominick Assaro, 629 Pleasant St, Utica, NY.

Mr. Curry Bartlett, 4 Ballantyne Brae, Utica, NY.

Mr. Richard Baynes, 906 N. Madison St, Rome, NY.

Mr. Robert Bidwell, 8243 Phillips Road, Rome, NY.

Mr. Joseph L. Bogar, 26 Smithport Road, Utica, NY.

Mr. C. A. Christopher, 60 Woodberry Road, New Hartford, NY.

Mr. Gerald Commerford, 403 W. Sycamore St, Rome, NY.

Mr. Harry Daniels, 83 New Hartford St, New York Mills, NY.

Mr. William Flinchbaugh, 804 Amherst Drive, Rome, NY.

Mr. Charles George, 42 Lynacres Boulevard, Fayetteville, NY.

Mr. Emlyn Griffin, Golf Course Road, Rome, NY.

Mr. Alfred F. Johnson, 509 Turin St, Rome, NY.

Mr. Eiddon Jones, 143 Eastwood Ave, Utica, NY.

Mr. Jack Kennelty, 23 Clarion Drive, Whitesboro, NY.

Mr. Walter Lowerre, 7778 Turin Road, Rome, NY.

Mr. Robert Morris, 1413 N. George St, Rome, NY.

Mr. Theodore Robak, 9 Gilbert Road, Whitesboro, NY.

Mr. William Rundle, 1509 Bedford St, Rome, NY.

Mr. Andrew Ryan, 906 Franklyn St, Rome, NY.

Mr. Russell Stephenson, 17 Hoffman Road, New Hartford, NY.

Mr. Frank Tomaino, 783 Mary St, Utica, NY.

Mr. Fritz S. Updike, 710 Turin Road, Rome, NY.

Mr. William A. Valentine, 916 W. Thomas St, Rome, NY.

IVAN T. YOST,
Chief of Administration
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR UNIVERSITY, MAXWELL AIR FORCE BASE, ALA.,

March 26, 1969.

Subject: Use of Military Carriers for Public Affairs Purposes, RCS: DD-PA(M) 591.

To: Secretary of the Air Force (SAFOICC), Washington, D.C. 20330.

Attached report identifies Mr. Philip C. Kidd, Jr., airlifted in conjunction with a scheduled AFROTC public affairs tour. This trip was approved by your office 7 February 1969.

Col. M. A. ROTH,
USAF, Director, Office of Information
(For the Commander).

Name	Position	Type aircraft	Date	Points of origin/destination	Purpose
Mr. Philip C. Kidd, Jr.	President, First National Bank of Norman, Okla.	T-29	Feb.13-15,1969	Tinker AFB, Okla./Dobbins AFB, Ga., and Patrick AFB, Fla.	Community relations.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS TACTICAL AIR COMMAND, LANGLEY AIR FORCE BASE, VA.,

April 18,1969.

Subject: Report of Non-Local Airlift for Public Affairs Purposes, RCS: DD-PA (M)591.

To: Secretary of the Air Force (SAFOIC).

In accordance with AFR 190-13, the attached report on public affairs airlift is submitted.

RICHARD M. MANSFIELD,
Deputy Director of Information,
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, 64TH TACTICAL AIRLIFT WING (TAC) SEWART AIR FORCE BASE, TENN.,

April 11, 1969.

Subject: Use of Military Carriers for Public Affairs Purposes, RCS: DD-PA(M) 591.

To: TAC (OIC).

1. February, 1969.

2. The purpose of this airlift was to acquaint the participants first with the C-130 airlift operations at Sewart AFB and secondly with the Sea Survival School and Cape Kennedy, Florida. The trip also was an opportunity to meet and mix with area civic leaders so vital to the base community relations program. These public affairs airlifts over the years have proven to be one of the more valuable parts of our community relations program. In terms of accomplished objectives this trip has to be classified a success.

3. Sewart AFB, Tenn.; Homestead AFB, Florida and RON; Patrick AFB, Florida and RON; return Sewart AFB, Tenn.

4. C-130E Hercules of the 61st Tactical Airlift Squadron.

5. Invitational orders from the participants are attached.

1st Lt. HARMON T. LYNN,
USAF, Information Officer.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, 314TH COMBAT SUPPORT GROUP (TAC), SEWART AIR FORCE BASE, TENN.,

March 7, 1969.

SPECIAL ORDER T-558

The following personnel are invited by the Secretary of the Air Force to proceed on or about 9 March 1969 from Sewart AFB, Tenn. to Miami, Florida to tour the Sea Survival School and to Cocoa Beach, Florida to tour Cape Kennedy and upon completion return to Stewart AFB, Tenn. Travel by military aircraft authorized. Travel at no expense to the Government. Security clearances not required. Authority: AFRs 190-13, 76-6, Ltr SAF (OIC), 10 Feb 69 and Ltr TAC (OIC), 13 Feb 69.

Baldridge, Thomas E., Pres. Sports Industries, Nashville, Tenn.

Barton, Donald, Asst Chief of Police, Nashville.

Berry, Frank A. Jr., Attorney, Nashville.

Carson, T. A., Mgr, American Electric Co., Murfreesboro.

Davis, W. Lipscomb Jr., Pres. Davis Cabinet Co., Nashville.

Douglas, William R. Maj. Gen., Asst Adjutant General, Tennessee, Nashville.

Durham, Al, Pres. Rutherford County Chamber of Commerce, Murfreesboro.

Earls, Arthur C., Pres. Tenn. Lumber Co., Nashville.

Favier, Jack, Mgr, Silver Wings Restaurant, Nashville.

Force, William W., Vice-Chan., Vanderbilt University, Nashville.

Griffin, Patrick, Keith-Simmons Co., Nashville.

Gunnels, Durwood F., Mgr, Sears, Nashville.

Harvey, Frank W., Sr. Vice-Pres. Cain-Sloan Co., Nashville.

Hawkins, Charles W., Exec. Director, Urban Renewal, Nashville.

Hein, Harrison P., Comptroller, Ford Glass, Nashville.

Ivie, Joe, Physician, Nashville.

Leonard, Charles, Mgr, Alton Box Board Co., Murfreesboro.

Lusky, Monnie P., Exec. V/Pres. Francis & Lusky, Nashville.

McCoy, Frank T. Jr., Chairman of the Board, Hardi/Gardens Inc., Nashville.

Nipper, Walter, Nashville Sporting Goods.

Osborne, Thomas D., Mgr, Greer Stop Nut Co., Smyrna.

Owen, Ralph Sr., Pres. Equitable Securities, Nashville.

Perryman, Tom, Owner, WMTS Radio, Murfreesboro.

Pilkerton, Ken, Mgr, Western Auto, Smyrna.

Pittard, Homer, Dept Education, MTSU, Murfreesboro.

Schklar, Leon, Pres. Standard Auto Parts, Murfreesboro.

Shea, Ed, Director, ASCAP, Nashville.

Sloan, John, Pres. Cain-Sloan, Nashville.

Smith, Bill, Plant Mgr, Cummings Sign, Murfreesboro.

Tucker, Mason, Editor, Rutherford Courier, Smyrna.

CHARLES A. SMITHSON,
MSGT, USAF,
Assistant Chief of Administration
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS MILITARY AIRLIFT COMMAND, SCOTT AIR FORCE BASE, ILL.,

Subject: Use of Military Carriers for Public Affairs Purposes, RCS: DD-PA(M)591.

To: Secretary of the Air Force (SAFOIC), Washington, D.C. 20330.

The attached report of non-local airlift of news media representatives and civic leaders is submitted in compliance with AFR 190-13.

JACK L. GIANNINI,
Colonel, USAF, Director of Information.
(For the Commander).

MILITARY AIRLIFT COMMAND—USE OF MILITARY CARRIERS FOR PUBLIC AFFAIRS PURPOSES (RCS: DD-PA(M)591)

Dates	Evaluation of public affairs objectives	Point of origin/destination	Type aircraft	Name and position	Clippings, TDY orders
March 1969	Well read story, and picture coverage of Focus Retina Training Exercise.	Norton AFB, Calif./Pope AFB, N.C. (Proceed on exercise via invitational orders of STRICOM).	C-141	Karl R. Edgerton, Military editor, Sun Telegram, San Bernardino, Calif.	Attachment 1.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS 63D MILITARY AIRLIFT WING (MAC), NORTON AIRLIFT BASE, CALIF.

March 6, 1969.

The following civilians are authorized to proceed on or about 9 Mar 1969 by military aircraft from Norton AFB, Calif to Pope AFB, NC. Purpose of the trip is to provide media coverage of Focus Retina. Airlift to Pope is an integral part of the overall deployment with emphasis on aircraft positioning. Authority: MAC (MAFOIP) P 051917Z Mar 69.

Charles I Coombs, Free Lance Author, 10266 Kilrenney Ave, Los Angeles, CA 90064.

Karl R Edgerton, The Sun Telegram, 399 North "D" St, San Bernardino, CA 92401, 25931 20th St, San Bernardino, CA.

B. W. DECLARK,
Chief of Administration Division
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR TRAINING COMMAND, RANDOLPH AIR FORCE BASE, TEX.

March 5, 1969.

Subject: Report on Nonlocal Travel and Transportation for Public Affairs Purposes (RCS: DD-PA(M)591).

To: Secretary of the Air Force (SAFOIC), Washington, D.C. 20300.

In compliance with AFR 190-13, subject report for the month of February 1969 is attached.

Col. WILLIAM J. BECK,
Deputy Chief of Information
(For the Commander).

REPORT ON NONLOCAL TRAVEL AND TRANSPORTATION FOR PUBLIC AFFAIRS PURPOSES, RCS: DD-PA(M)591, HEADQUARTERS AIR TRAINING COMMAND, FEB. 1-28, 1969

Date	Names and positions	Points of origin and destination	Type aircraft	Purpose
Feb. 23-25	See attached list (TAB A)	Reese AFB, Tex., to Patrick AFB, Fla., and Keesler AFB, Miss., and return.	C-131	Although Reese AFB enjoys excellent community relations with the City of Lubbock, Tex., this civic leader tour further strengthened this goodwill and acquainted tour participants with other activities of the Air Force.

GUEST LIST

Reese AFB, Texas to Patrick AFB, Florida and Keesler AFB, Mississippi and return, 23-25 February 1969.

1. W. M. Blackwell, City Manager, Lubbock, Texas.
2. J. T. Alley, Jr., Police Chief, Lubbock, Texas.
3. John A. Logan, Executive Vice President, Lubbock Chamber of Commerce.
4. Dick Moseley, Assistant Manager, Lubbock Chambers of Commerce.
5. Rev. O. A. McBrayer, President, Ministerial Alliance, Lubbock, Texas.
6. Dr. C. L. Kay, Vice President, Lubbock Christian College, Lubbock, Texas.
7. L. E. Davis, Davis-Colson Insurance, Lubbock, Texas.
8. O. W. English, M.D., Physician, Lubbock, Texas.
9. W. D. Rogers, Jr., Rogers Enterprises, Lubbock, Texas.
10. Eugene Brown, D.O., Osteopath, Lubbock, Texas.
11. W. G. McMillan, Jr., McMillan Construction Company, Lubbock, Texas.
12. Carl Stillman, South Plains Wholesale Company, Lubbock, Texas.
13. James Granberry, D.D.S., Lubbock, Texas.
14. J. T. Talkington, Owner, Margaret's Dress Shop.
15. E. H. Phillips, Vice President, Bell Dairy Company, Lubbock, Texas.
16. Alex Miller, Miller-Howard Office Supply, Lubbock, Texas.
17. Chester Banks, Owner, Varsity Book Store, Lubbock, Texas.
18. Dr. J. C. Hart, Hart Animal Hospital, Lubbock, Texas.
19. Charles Waters, Attorney, Lubbock, Texas.
20. Charles Watson, Managing Editor, Avalanche-Journal, Lubbock, Texas.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR UNIVERSITY, MAXWELL AIR FORCE BASE, ALA.

May 20, 1969.

Subject: Use of Military Carriers for Public Affairs Purposes, RCS: DD-PA(M) 591.

To: Secretary of the Air Force (SAFOICC), Washington, D.C. 20330.

Attached report identifies Colonel William Bowers, airlifted in conjunction with the Arnold Air Society/Angel Flight National Conclave. This trip was approved by your office on 28 January 1969.

LINWOOD P. SMITH,
Acting Director, Office of Information
(For the Commander).

Name	Position	Type aircraft	Date	Points of origin/destination	Purpose
Col. William Bowers	Military coordinator, University of Nebraska	C-118	Mar. 30-Apr. 3, 1969	Offutt AFB to New Orleans, La.	Community relations.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR FORCE ACCOUNTING AND FINANCE CENTER,

Denver, Colo., May 13, 1969.

Subject: Public Affairs Airlift.

To: SAFOIC.

1. Of the eight guests who traveled to Ellington AFB on 17 March, the following information may clarify the status of four of them: Mr. Walter Englert, Lt. Col. USAF (Ret.); Mr. Barry Trader, Captain, AFRes.; Mr. Noel Bullock, CPO, UNS (Ret); and Mr. Chester Ted Beattie, Major, USAF (Ret).

2. The aircraft, scheduled to carry USAF military and civilian personnel on valid orders, had additional space available even after the above-named personnel were considered. Four additional persons were manifested, all of whom qualified for transportation under the provisions of AFR 190-13. These men and their affiliations were:

Mr. Roy Haug, Denver AFA Chapter President and Defense Communications Manager, Mountain States Telephone Company.

Mr. Dan Partner, Military Editor, The Denver Post.

Mr. Bill Hinkley, Member, International Aerospace Education Federation and former Superintendent, Aurora Public Schools.

Mr. Larry Smith, Boulder AFA Chapter President, and newspaper representative, Boulder Daily Camera.

3. Our error was one of not requesting clearance for these last four men through OASD/PA and SAFOIP under paragraphs 3b(2)(a) and (c) of AFR 190-13.

4. The use of this airlift, although not authorized in advance through OASD/PA, further cemented the fine public and community relations support of an influential segment of the local press, radio, TV and civilian leaders in the community. Exceptionally good coverage of the five Outstanding Airmen of the Year from Colorado resulted from this trip. Additionally, many inches and minutes of publicity on the speeches of Secretary Seamans, General McConnell, the Apollo astronauts and many other facets of the Air Force, were produced as a result of this airlift.

THEODORE J. STELL,
Acting Director, Directorate of information
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR FORCE SYSTEMS COMMAND, ANDREWS AIR FORCE BASE, WASHINGTON, D.C.

May 23, 1969.

Subject: Reporting Non-Local Travel for Public Affairs Purposes (RCS: DD-PA (M) 591).

To: Secretary of the Air Force (SAFOICC), Washington, D.C. 20330.

Non-local travel for AFSC activities for the month of April 1969 was as follows:

a. Aeronautical Systems Division, Wright-Patterson AFB, Ohio. A group of 47 members of the Presidents Club of Dayton was airlifted from Wright-Patterson AFB, Ohio, to North American-Rockwell Aerospace Division, Los Angeles, Calif.; Kirtland AFB, New Mexico, Brooks AFB, Tex., and returned to Wright-Paterson AFB, Ohio, by an AFLC C-118 aircraft for an orientation tour of facilities.

HAROLD M. HELFMAN,
Deputy Director, Office of Information,
(For the Commander)

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR FORCE SYSTEMS COMMAND, ANDREWS AIR FORCE BASE, WASHINGTON, D.C.

April 25, 1969.

Subject: Reporting Non-local Travel for Public Affairs Purposes (RCS: DD-PA (M) 591).

To: Secretary of the Air Force (SAFOICC), Washington, D.C. 20330.

Non-local travel for AFSC activities for the month of March 1969 was as follows:

a. Air Force Special Weapons Center, Kirtland AFB, New Mexico. A group of 16 Radio/TV and Newspaper men was airlifted from Kirtland AFB, New Mexico, to SAMSO, Los Angeles, Calif.; Vandenberg AFB, Calif.; Ed-

wards AFB, Calif.; Nellis AFB, Nevada, and returned to Kirtland AFB, New Mexico, by a Kirtland AFB C-118 aircraft for an orientation tour of facilities. Approval was received by this headquarters and SAFOIPC.

HAROLD M. HELFMAN,
Deputy Director, Office of Information.
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS AIR TRAINING COMMAND, RANDOLPH AIR FORCE BASE, TEX.

April 1, 1969.

Subject: Report on Nonlocal Travel and Transportation for Public Affairs Purposes (RCS: DD-PA(M)591).

To: Secretary of the Air Force (SAFOIC), Washington, D.C. 20330.

In compliance with AFR 190-13, subject report for the month of March 1969 is attached.

COL. WILLIAM J. BECK,
Deputy Chief of Information.
(For the Commander).

REPORT ON NONLOCAL TRAVEL AND TRANSPORTATION FOR PUBLIC AFFAIRS PURPOSES (RCS: DD-PA(M)591) HEADQUARTERS AIR TRAINING COMMAND, MAR. 1-31, 1969

Date	Names and positions	Points of origin and destination	Type of aircraft	Purpose
Mar. 14-15, 1969	See attached list	Randolph AFB, Tex., to Wright Patterson AFB, Ohio, via Ellington AFB, Tex., and the naval air station, Dallas, Tex., and return by the same route to Randolph AFB, Tex.	C-131	The tour participants are prominent members of the civilian bar throughout the State of Texas as well as the senior staff judge advocates of various Texas military installations. The group toured the Air Force Museum at Wright Patterson AFB to become more familiar with the Air Force's history and mission.

PARTICIPANTS, STATE BAR OF TEXAS TOUR TO WRIGHT PATTERSON AIR FORCE BASE, OHIO, MARCH 14-15, 1969

Ford W. Hall, Private Practice, Dallas, Texas.

W. L. Storey, Private Practice, Dallas, Texas.

Frank W. Elliott, Jr., Private Practice, Austin, Texas.

John C. Ford, Private Practice, Dallas, Texas.

Phillip Wilson, Private Practice, Dallas, Texas.

Robert M. Martin, Private Practice, Dallas, Texas.

Ted E. Bailey, Jr., Private Practice, Houston, Texas.

C. B. Guy, Private Practice, Dallas, Texas.

S. Mitchell Glassman, Private Practice, Houston, Texas.

Harvey O. Paine, Private Practice, San Antonio, Texas.

William E. Pool, Private Practice, Dallas, Texas.

Julius Freeman, Private Practice, Houston, Texas.

Herman Gaskamp, Private Practice, Houston, Texas.

James E. Cowles, Private Practice, Dallas, Texas.

J. Harvey Lewis, Private Practice, Dallas, Texas.

Steven G. Condos, Private Practice, Dallas, Texas.

Colonel Eugene B. Sisk, Staff Judge Advocate, Headquarters Air Training Command, Randolph AFB, Texas.

Colonel Arnold C. Castle, Staff Judge Advocate, Headquarters USAF Security Service, Kelly AFB, Texas.

Captain Donald L. Garver, US Navy, Corpus Christi, Texas.

Colonel Howard Husband, US Army Ret, San Antonio, Texas.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS MILITARY AIRLIFT COMMAND,

Scott Air Force Base, Ill., May 21, 1969.

Subject: Use of Military Carriers for Public Affairs Purposes, RCS: DD-PA(M) 591.

To: Secretary of the Air Force (SAFOIC), Washington, D.C. 20330.

The attached report of non-local airlift of news media representatives and civic leaders is submitted in compliance with AFR 190-13.

2d Lt. EDWARD J. BASH, Jr.,
Executive Officer
(For the Commander).

MILITARY AIRLIFT COMMAND, USE OF MILITARY CARRIERS FOR PUBLIC AFFAIRS PURPOSES (RCS: DD-PA(M)591)

Date	Evaluation of public affairs objectives	Point of origin/destination	Type of aircraft	Name and position	Clippings/TDY orders
Apr. 13, 1969	Received orientation and briefing of MAC's mission for national publication.	Norton AFB, Calif./Scott AFB, Ill	C-141	Francis A. Burnham, writer, American Aviation Publications, Palos Verdes, Calif.	Attachment 1.
Apr. 15, 1969	C-5 orientation. To further base-community relations.	Charleston AFB, S.C./Dobbins AFB, Ga	C-141	See attached list	Attachment 2.
Apr. 17-19, 1969	To further civic leaders' understanding of MAC and the Air Force.	Scott AFB, Ill./Colorado Springs, Colo/ Laughlin AFB, Tex.	C-54	See attached list	Attachment 3.

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS 63D MILITARY AIRLIFT WING (MAC),

Norton Air Force Base, Calif., April 9, 1969.

The following named information media representative is authorized to proceed on or about 13 April 1969 by military aircraft from Norton AFB, Calif. to Scott AFB, Ill. and return. Purpose of the trip is to interview Commander, Military Airlift Command and Staff Officers, receive briefings and orientation on MAC mission, for national publication. Travel is primarily in the interest of the Department of Defense. Travel authorized on this order does not entitle traveler to expenses of travel. Authority: AFR 190-13 and verbal instructions from Hq MAC (MAFOI).

FRANCIS A. BURNHAM, 26942 Fond-du-lac Road, Palos Verdes, Calif 90274, Writer, American Aviation Publications, 9301 Wilshire Blvd, Beverly Hills, Calif 90210.

B. W. DECLARK,
Chief of Administration Division
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS 437TH MILITARY AIRLIFT WING (MAC), CHARLESTON AIR FORCE BASE, S.C.

April 14, 1969.

The following named individuals are invited by the Secretary of the Air Force to proceed on or about 15 April 1969 from Charleston AFB, S.C. to Dobbins AFB, Ga. on C-141 aircraft and return to Charleston AFB the same day for an orientation visit of the Lockheed C-5 assembly plant. Travel is on a space available basis and will be at no expense to the government. Individuals will not be granted access to classified information. Authority: SAFOIC letter of 8 January 1969 and AFR 190-13.

Walter H. Andrews, John E. Bourne, Jr., Joe Brown, Howard F. Burky, J. W. Coulbourn, J. R. Deans, C. L. Dreher, J. Heyward Furman, Jr., Zacharia Gellman, C. H. Goodwyn, Charles J. Heffron, J. T. Hiers, Charles R. Hipp, Joseph H. Hutchinson, Joseph L. Johnson, Sidney B. Jones, Jr., Lee Landrum, Robert J. Lang, J. C. Lipham, Lonnie L. Long, Allan L. Luke, Jr., W. L. Madden, Jack L. Matthews, Burnet R. Maybank, Edwin McKinley, G. C. Miler, Gerald E. Moore, Jr., John H. Pratt.

Paul Quattlebaum, B. M. Queen, John M. Rivers, Robert B. Santos, H. C. Shackelford, R. C. Thomas, Raymond A. Thomas, George P. Thorne, Charles S. Way, Jr., Glenn K. Williamson, Hugh W. Wilson, Beverly Howard, E. K. Burdette, Jr., Kenneth Renken, O. R. Conklin, Jr., F. Bur Cramer, Jr., Paul H. Pow, Jr., David F. Berry, Robert W. Rogers, A. G. Burney, C. V. Esslinger, J. Palmer Gaillard, Kenneth A. Person, Jake Beard.

Capt. H. H. STONE, Jr.,
Chief, Administration
(For the Commander).

DEPARTMENT OF THE AIR FORCE, HEADQUARTERS, 1400 AIR BASE WING (MAC), SCOTT AIR FORCE BASE, ILL.,

April 7, 1969.

The following individuals, civic officials and community leaders, are invited by the Secretary of the Air Force to proceed on or about 17 April 1969 from Scott AFB, Ill. to Ent AFB Colo., and Laughlin AFB, Tex., for approximately 3 days, for Air Force orientation visits and briefings, and upon completion return to Scott AFB, Ill. Travel by military aircraft is authorized. Individuals are not cleared for access to classified material during this period. Travel will be at govt convenience. Incidental and personal expenses will be borne by the travelers and travel will be performed at no expense to the Government. Travel is necessary in the public service. Authority: Ltr, this Hq, 28 Feb 69, Subj: "Public Affairs Airlift, Ltr, SAFOIC, 7 Mar 69, same subj, and 1st Ind thereto by Hq MAC (MAFOIC), 11 Mar 69, and AFR 190-13.

Mayor Edgar Brockhahn, O'Fallon, Ill.

Mayor Cleve Weyenberg, Lebanon, Ill.

Eugene H. Brauer, 606 S. Missouri, Belleville, Ill.

Thomas E. Dye, 112 E. Main St., Belleville, Ill.

Chief Paul J. Klincar, Police Dept., Belleville, Ill.

John A. Hunt, 9 N. High St., Belleville, Ill.

J. Ray Donlon, 15 E. Washington, Belleville, Ill.
H. Thomas Dunck, 100 E. Washington, Belleville, Ill.
B. L. Hantle, 1050 West Boulevard, Belleville, Ill.
John L. Wellinghoff, Chamber of Commerce, Belleville, Ill.
Lester F. Baum, 13 Westgate, Belleville, Ill.
Leslie Schrader, 22 N. Illinois St., Belleville, Ill.
Jack R. Wall, 106 W. "A" St., Belleville, Ill.
James E. Moeller, Southwestern Bell Tel. Co., Belleville, Ill.
Ferd C. Goewert, Chamber of Commerce, Belleville, Ill.
Reese Dobson, 411 S. 19th St., Belleville, Ill.
Sidney Katz, 526 Garden Blvd, Belleville, Ill.
Sheriff Dan Costello, Court House, Belleville, Ill.
Francis J. Goley, Court House, Belleville, Ill.
William Badgley, First National Bank, Belleville, Ill.
Mayor Thomas Kinsella, Swansea, Ill.
Vic Geolat, City Hall, Belleville, Ill.
Lt. Col. HENRY W. CHERRINGTON,
Chief of Administration
(For the Commander).

MILITARY AIRLIFT COMMAND, USE OF MILITARY CARRIERS FOR PUBLIC AFFAIRS PURPOSES (RCS: DD-PA(M)591)

Dates	Evaluation of public affairs objectives	Point of origin/destination	Type of aircraft	Name and position	Clippings, TDY orders
Apr. 13, 1969	Received orientation and briefing of MAC's mission for national publication.	Norton AFB, Calif./Scott AFB, Ill.	C-141	Francis A. Burnham, writer, American Aviation Publications, Palos Verdes, Calif.	Attachment 1
Apr. 15, 1969	C-5 orientation. To further base-community relations.	Charleston AFB, S.C./Dobbins AFB, Ga.	C-141	See attached list	Attachment 2.
Apr. 17-19, 1969	To further civic leaders' understanding of MAC and the Air Force.	Scott AFB, Ill./Colorado Springs, Colo./Laughlin AFB, Tex.	C-54	See attached list	Attachment 3.

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS 63D MILITARY AIRLIFT WING (MAC), NORTON AIR FORCE BASE, CALIF.

April 9, 1969.

The following named information media representative is authorized to proceed on or about 13 April 1969 by military aircraft from Norton AFB, Calif to Scott AFB, Ill and return. Purpose of the trip is to interview Commander, Military Airlift Command and Staff Officers, receive briefings and orientation on MAC mission, for national publication. Travel is primarily in the interest of the Department of Defense. Travel authorized on this order does not entitle traveler to expenses of travel. Authority: AFR 190-13 and verbal instructions from Hq MAC (MAFOI).

Francis A. Burnham, 26942 Fond-du-lac Road, Palos Verdes, Calif.

Writer, American Aviation Publications, 9301 Wilshire Blvd., Beverly Hills, Calif.

B. W. DECLARK,
Chief of Administration Division
(For the Commander).

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS 1400 AIR BASE WING (MAC), SCOTT AIR FORCE BASE, ILL.

April 7, 1969.

The following individuals, civic officials and community leaders, are invited by the Secretary of the Air Force to proceed on or about 17 April 1969 from Scott AFB, IL to Ent AFB, CO, and Laughlin AFB, TX for approximately 3 days, for Air Force orientation visits and briefings, and upon completion return to Scott AFB, IL. Travel by military aircraft is authorized. Individuals are not cleared for access to classified material during this period. Travel will be at govt convenience. Incidental and personal expenses will be borne by the travelers and travel will be performed at no expense to the Government. Travel is necessary in the public service. Authority: Ltr, this Hq, 28 Feb 69, Subj: "Public Affairs Airlift, Ltr, SAFOIC, 7 Mar 69, same subj, and 1st Ind thereto by Hq MAC (MAFOIC), 11 Mar 69, and AFR 190-13.

Mayor Edgar Brockhahn, O'Fallon, IL.
Mayor Cleve Weyenberg, Lebanon, IL.
Eugene H. Brauer, 606 S. Missouri, Belleville, IL.
Thomas E. Dye, 112 E. Main St., Belleville, IL.
Chief Paul J. Klincar, Police Dept., Belleville, IL.
John A. Hunt, 9 N. High St., Belleville, IL.
J. Ray Donlon, 15 E. Washington, Belleville, IL.
H. Thomas Dunck, 100 E. Washington, Belleville, IL.
B. L. Hantle, 1050 West Boulevard, Belleville, IL.
John L. Wellinghoff, Chamber of Commerce, Belleville, IL.
Lester F. Baum, 13 Westgate, Belleville, IL.
Leslie Schrader, 22 N. Illinois St., Belleville, IL.
Jack R. Wall, 106 W. "A" St., Belleville, IL.
James E. Moeller, Southwestern Bell Tel. Co., Belleville, IL.
Ferd C. Goewert, Chamber of Commerce, Belleville, IL.
Reese Dobson, 411 S. 19th St., Belleville, IL.
Sidney Katz, 526 Garden Blvd., Belleville, IL.
Sheriff Dan Costello, Court House, Belleville, IL.
Francis J. Goley, Court House, Belleville, IL.
William Badgley, First National Bank, Belleville, IL.
Mayor Thomas Kinsella, Swansea, IL.
Vic Geolat, City Hall, Belleville, IL.

HENRY W. CHERRINGTON,
LTCOL., USAF,
Chief of Administration Division
(For the Commander).

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS AIR FORCE RESERVE, ROBINS AIR FORCE BASE, GA.

May 28, 1969.

Reply to attn of OFROIC
Subject: Use of Military Carriers for Public Affairs Purposes, RCS: DD-PA(M)591
To: Secretary of the Air Force (SAFOIC)

The following report is submitted in accordance with AFR 190-13, 18 Oct. 1968:

a. *434th Tactical Airlift Wing, Bakalar AFB, Indiana.*

(1) *Report Month:* April 1969.

(2) *Evaluation of the public affairs objectives accomplished:* Tour members were briefed on the Forward Air Control mission, training and mission aircraft.

(3) *Point of origin and destination:* Bakalar AFB, Indiana, to Hurlburt Field, Florida, and return to Bakalar AFB, Indiana (17-19 Apr. 1969).

(4) *Mode of transportation used:* C-119G aircraft.

(5) *Name, position, and affiliation of persons transported:*

Mr. Al Stein, Chairman, Benzol Company, Inc.
Mr. Harold Voelz, Member, Voelz Motors.
Mr. Austin Miller, Member, Miller Bowling Lanes.
Mr. Murry McKee, Member, McKee Industries.
Mr. James Dunn, Member, Carr-Dunn Construction Company.
Mr. Wayne Nyffeler, Member, Nyffeler Appliances.
Mr. Michael T. Bova, Member, Advertising Sales, WCSI Radio.
Mr. Joe Cunningham, Cunningham Patterns.
Mr. William Daniel, Member, Daniel Electric Company.
Mr. Darryl Foster, Member, Union Sales Corporation.
Mr. Marvin Wright, Member, School Teacher.
Mr. Joseph Piccione, Member, Accountant.
Mr. Joe Holwager, Member, The Republic, Ind.
Mr. Ernest R. Arterburn, Member, Bakalar AFB.
Mr. Darryl Denny, Member, South Central Company.
Mr. Robert Muckler, Chamber Manager, Chamber of Commerce.
Mr. Arnold Huju, Member, Home Builder.
Mr. Claude Prichard, Member, Arvin Industries.
Mr. Floyd Epperson, County Commissioner.
Mr. Charles E. Scalf, Member, Chamber of Commerce.
Mr. Edward H. Fowler, Col., AFRes, Bakalar AFB.

b. *940th Military Airlift Group, McClellan AFB, California.*

(1) *Report Month:* April 1969.

(2) *Evaluation of the public affairs objectives accomplished:* Covered Air Force Reserve C-124 by-product airlift as result of aircrew training on flight from McClellan AFB, California to Tachikawa AFB, Japan. Produced full-page picture spread and three articles on this phase of Air Force Reserve activity. Plans to extend this publicity into a series of articles.

(3) *Point of origin and destination:* McClellan AFB, California to Tachikawa AB, Japan and return to McClellan AFB, California (19-27 Apr 1969).

(4) *Mode of transportation used:* C-124 aircraft.

(5) *Name, position, and affiliation of persons transported:* Mr. John W. Ternus, publisher and owner, Carmichael (California) Courier.

(6) Resume of trip, clippings, itinerary, and travel orders are attached.

GEORGE W. FRANKLIN,
Colonel, USAF,
Chief, Office of Information,
(For the Commander.)

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS, 940TH MILITARY AIRLIFT GROUP (AFRES), McCLELLAN AIR FORCE BASE, CALIF.

May 26, 1969.

IO.
After Action Report. Overseas Travel of Mr. John W. Ternus.
AFRES (AFROIP).

1. Reference OSAF Msg R101841Z Apr 69, authorization for Carmichael Courier Publisher, Mr. John W. Ternus for overseas travel. A report on this mission follows.

2. The actual itinerary of the mission was slightly different than it was planned. There was an additional stopover at Iwo Jima due to a cargo delivery to that island. The actual itinerary was:

Departed, 1310, 19 Apr 69, McClellan AFB, Ca.

Arrived, 1630, 19 Apr 69, McChord AFB, Wa.

Departed, 0800, 20 Apr 69, McChord AFB, Wa.

Arrived, 1910, 20 Apr 69, Hickam AFB, Hawaii.

Departed, 1120, 21 Apr 69, Hickam AFB, Hawaii.

Arrived, 1920, 22 Apr 69, Wake Island.

Departed, 1125, 23 Apr 69, Wake Island.

Arrived, 1755, 23 Apr 69, Tachikawa AB.

Departed, 0835, 25 Apr 69, Tachikawa AB.

Arrived, 1215, 25 Apr 69, Iwo Jima.

Departed, 1440, 25 Apr 69, Iwo Jima.

Arrived, 0100, 26 Apr 69, Wake Island.

Departed, 1730, 26 Apr 69, Wake Island.

Arrived, 0540, 26 Apr 69, Hickam AFB, Hawaii.

Departed, 2140, 26 Apr 69, Hickam AFB, Hawaii.

Arrived, 1140, 27 Apr 69, Travis AFB, Ca.

Departed, 1315, 27 Apr 69, Travis AFB, Ca.

Arrived, 1345, 27 Apr 69, McClellan AFB, Ca.

3. Mr. Ternus was met and briefed by the local IO's at McChord AFB, Wake Island, A.S., and Tachikawa AB. Mr. Ternus was very impressed by the professional support given to him by Sgt. James Kennedy, the NCOIC of the AP section and acting IO at Wake Island and also the support given to him at Tachikawa AB by the OI of 6100 SPTWg. He has gathered valuable briefing material at these bases and eventually should be using many of them.

4. Due to the change of the itinerary, the unexpected landing at Iwo Jima was a delightful treat for Mr. Ternus. He was a naval officer during WW II and was stationed in a destroyer during the Iwo Jima conflict.

5. The U.S. Coast Guard personnel stationed there, drove Mr. Ternus and the reserve crew from the Japanese Air Base to their station and the aircrew had a few hours of very interesting rest, observing the Japanese Shrines and American Memorials. The Commander of the Japanese base who was an ex-Kamikaze Pilot and his personnel were also very courteous and hospitable. They took their time and chatted with the reserve crew and Mr. Ternus.

6. Due to the Carmichael Courier being a weekly issue, Mr. Ternus has not finished the complete story yet and he is not expecting to finish them until the end of next month. However please refer to the enclosed clippings which were already printed.

7. Mr. Ternus indicated he was very impressed with the treatment he had received by the AFRes crew and by the local IO's. LtCol William G. Emmon and Maj John J. Donahue, the aircraft commanders and their crew gave outstanding assistance to our guest throughout the trip. Some members of the crew even accompanied Mr. Ternus during the crew's rest at every location.

8. This information officer feels that the mission was an unqualified success. It left a favorable impression on Mr. Ternus, as reflected in his stories and his enclosed letter of appreciation to the Group Commander. During these days, more close contact with the news media such as this and allowing them to become a part of the various missions as a first hand witness, would certainly make them realize that the US Air Force and AFRes is their own organization and they are here to serve the public.

Signed

JOHN Y. KARAPINAR,
Capt, AFRes,
Information Officer
(For the Commander).

CARMICHAEL COURIER,
May 5, 1969.

Col. SIDNEY NOVARESI,
Commander, 940th Military Airlift Group, McClellan Air Force Base, Sacramento, Calif.

DEAR COLONEL NOVARESI: This is to express my profound thanks to you and the crew members of the C-124, No. 0112, for the recent most rewarding trip to Japan.

Lt. Col. William G. Enmon and his men accorded me every courtesy and made the trip a most pleasant one.

It is not often that one is privileged to gain such an experience and I am very grateful. Please also extend my thanks to Capt. John Y. Karapinar, whose courtesy, consideration and expertise with the Japanese language made his presence very valuable and congenial.

Sincerely,

JOHN W. TERNUS,
Publisher.

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS SIXTH AIR FORCE RESERVE REGION (AFRES),
HAMILTON AIR FORCE BASE, CALIF.
April 14, 1969.

Mr. John W. Ternus, the publisher of Carmichael Courier (Carmichael), residing at 5131 Melvin Drive, Carmichael, CA 95608, is invited by the Secretary of the Air Force to proceed on or about 19 April 1969 from McClellan AFB, via McChord AFB, Washington, Hickam AFB, Hawaii, and Wake Island AS, to Tachikawa AB, Japan for approximately nine (9) days to obtain material for a news feature about the Air Force Reserve and upon completion return to McClellan AFB, Calif with the same crew on or about 27 Apr 69. No additional airlift to any other points is authorized and travel into and out of South East Asia in connection with this trip is not authorized. Travel by a Military Aircraft on a space available—non interference basis is authorized. The trip will be unclassified throughout, with responsibility for assuring security at the source. No per Diem authorized. Travel authorized by AFR 190-13 and TWX UNCLAS OSAF (SAFOIPC) 101841Z. Apr 69. Mission Identifier is 2BP 6F83/110.

D. L. CLENDENIN,
Air Reserve Technician, Asst. Director of Admin. Services
(For the Commander.)

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS AIR TRAINING COMMAND, RANDOLPH AIR FORCE BASE, TEX.
April 30, 1969.

Reply to attn of: ATCOI-C.

Subject: Report on Nonlocal Travel and Transportation for Public Affairs Purposes (RCS: DD-PA(M)591).

To: Secretary of the Air Force (SAFOIC), Washington, D.C.

In compliance with AFR 190-13, subject report for the month of April 1969 is attached.

WILLIAM J. BECK,
Colonel, USAF,
Deputy Chief of Information
(For the Commander).

REPORT ON NONLOCAL TRAVEL AND TRANSPORTATION FOR PUBLIC AFFAIRS PURPOSES RCS: DD-PA(M)591 HEADQUARTERS AIR TRAINING COMMAND APR. 1-30, 1969

Date	Names and positions	Points of origin and destination	Type aircraft	Purpose
Apr. 7-10, 1969	See attachment 1	Moody AFB, Ga., to Lowry AFB, Colo.; Northern Air Defense Command, Colorado; Air Force Academy, Colorado; Nellis AFB, Nev.; Vance AFB, Okla.; and return to Moody AFB, Ga.	C-131	Moody AFB enjoys good community relations with area civi leaders. This tour, an opportunity for the participants to view other types of Air Force operations, strengthened this basic goodwill and understanding.
Apr. 24-26, 1969	See attachment 2	Laughlin AFB, Tex., to Homestead AFB, Fla.; and return to Laughlin AFB, Tex.	C-131	Laughlin AFB area civic leaders were given the opportunity to view other facets of the Air Force operation. These tour participants gained increased insight into the importance and complexity of the Air Force mission.
Apr. 27-28, 1969	See attachment 3	Chanute AFB, Ill., to Patrick AFB, Fla., and return to Chanute AFB, Ill.	C-131	The tour participants opinion molders in the Chanute AFB area, strongly support Air Force activities. Seeing the complex technology at Patrick AFB pointed out the necessity of ATC's technical training centers such as Chanute AFB.
Apr. 28-30, 1969	See attachment 4	Webb AFB, Tex., to Hurlburt Field and Eglin AFB, Fla., and return to Webb AFB, Tex.	T-29	These tour participants who work in cooperation with Webb AFB were given a broader view of Air Force functions on this trip to Eglin AFB and Hurlburt Field.

TOUR GUEST LIST—MOODY AFB, GA., AREA TOUR, APRIL 7-10, 1969

1. James M. Beck, Mayor, Valdosta, Ga.
2. Billy Langdale, Langdale Company, Valdosta, Georgia.
3. Courtney Foy, Lerio Corporation, Valdosta, Georgia.
4. Roger Budd, Budd Chevrolet Company, Valdosta, Georgia.
5. Bob Hall, Hall's Children's Shop, Valdosta, Georgia.
6. Walton Carter, Roberts Insurance Agency, Valdosta, Georgia.
7. Joe Taylor, Rhodes, Inc., Valdosta, Georgia.
8. Hal McCranie, Holiday Minit Marts, Valdosta, Georgia.
9. Rea Steele, First State Bank, Valdosta, Georgia.
10. Wilbur Perkerson, Police Chief, Valdosta, Georgia.
11. Jewell Futch, Lowndes County Sheriff, Valdosta, Georgia.
12. Tenney Griffin, Daily Times, Valdosta, Georgia.
13. Joe Lee, Lee Office Equipment, Valdosta, Georgia.
14. Al Dean, Marbut Company, Valdosta, Georgia.
15. T. J. Luke, Luke Realty, Valdosta, Georgia.
16. Henry Tart, Warlick-Tart Supply Company, Valdosta, Georgia.
17. W. C. Banks, C & S National Bank, Valdosta, Georgia.
18. A. B. Martin, School Superintendent, Lowndes County, Georgia.
19. George Smith, First National Bank, Valdosta, Georgia.
20. Larry Bob Montague, Pepsi Cola, Valdosta, Georgia.

21. Colonel Clarence Parker, Comdr, 3550 Pilot Training Wing, Moody AFB, Ga.
22. Lt. Alan E. Diamond, IO, 3550 Pilot Training Wing, Moody AFB, Georgia.

GUEST LIST—LAUGHLIN AFB AREA TOUR, APRIL 24–26, 1969

1. J. B. Phillips, President, AFA Chapter, Del Rio, Texas.
2. Leonard Monroe, Businessman, Del Rio, Texas.
3. Jim Long, Chamber of Commerce, Del Rio, Texas.
4. Fred Brien, Businessman, Del Rio, Texas.
5. James Koog, Chief of Police, Del Rio, Texas.
6. John Dickehut, Businessman, Del Rio, Texas.
7. Don Summar, Businessman, Del Rio, Texas.
8. Jim Lindsey, County Judge, Del Rio, Texas.
9. Don Turner, Businessman, Del Rio, Texas.
10. Jack Rhone, Businessman, Del Rio, Texas.
11. Douglas Smith, Tax Assessor-Collector, Del Rio, Texas.
12. Beverly Tabor, Businessman, Del Rio, Texas.
13. Val Cadena, County Commissioner, Del Rio, Texas.
14. Johnny Martinez, City Commissioner, Del Rio, Texas.
15. David Brewton, Businessman, Del Rio, Texas.
16. Robert Martinez, Businessman, Del Rio, Texas.
17. John Keyes Finnegan, Rancher, Del Rio, Texas.
18. Castulo Hernandez, Tax Collector, San Felipe School District, Del Rio, Texas.
19. Colonel William Goade, Comdr, 3646 Pilot Training Wing, Laughlin AFB, Texas.
20. Harry Carroll, Information Office Laughlin AFB, Texas.

GUEST LIST—CHANUTE AFB, ILL., AREA TOUR, APRIL 27–28, 1969

1. Donald Skadden, Mayor Pro-tem, Urbana, Illinois.
2. Joe E. Frank, President, Champaign Chamber of Commerce and new member of Base Community Council.
3. Harold Oberwortmann, President, Second National Bank, Danville, Illinois.
4. Robert Parker, Vice President & Director of Public Relations, Bank of Rantoul, Rantoul, Illinois.
5. Jack McJilton, Mayor Pro-tem, Rantoul, Illinois.
6. Dave Shaul, News Director, Midwest Television Inc., Champaign, Illinois.
7. Arlan McPherson, President, Champaign County Bank, Urbana, Illinois.
8. John McKinney, Supt. of Schools, Ford County, Gibson City, Illinois.
9. Glenn Hansen, Publisher, Rantoul Press, Rantoul, Illinois.
10. Arnold Klinskey, News Director, WICD Television, Champaign, Illinois.
11. Bob Reid, Owner, Reid Travel Agency, Rantoul, Illinois.
12. Dr. Jack Peltason, Chancellor, University of Illinois, Urbana, Illinois.
13. Richard Jones, President, IGA International, Chicago, Illinois.
14. Dr. Leslie Bryan, Professor Emeritus, University of Illinois College of Aeronautical Science, Urbana, Illinois.
15. Philip Hundley, General Manager, The News Gazette, Champaign, Illinois.
16. Dr. Wm. Staerkel, President, Parkland College, Champaign, Illinois.
17. H. Y. Gelvin, President, Champaign County Park District, and President, Cap & Gown, Inc., Champaign, Illinois.
18. Dr. David Dodd Henry, President, University of Illinois, Urbana, Illinois.
19. Major General M. C. Demler, Commander, Chanute Technical Tng Center.
20. Captain Charles L. McFatridge, Chief, Office of Information, CTTC.
21. William H. Hansen, GS–10, Information Specialist, CTTC.

GUEST LIST—WEBB AFB AREA TOUR, APRIL 28–30, 1969

1. Dr. Milton Talbot, Chamber of Commerce, Big Spring, Texas.
2. A. J. Statser, AFA Officer, Big Spring, Texas.
3. W. C. Edwards, Rancher, Big Spring, Texas.
4. R. J. Ream, Base Community Council, Big Spring, Texas.
5. Jim Corbell, Businessman, Big Spring, Texas.
6. Tom Eastland, Manager, Chamber of Commerce, Big Spring, Texas.
7. M. R. Koger, President, Chamber of Commerce, Big Spring, Texas.
8. R. H. Weaver, AFA Vice President, Big Spring, Texas.
9. Wade Choate, Businessman, Big Spring, Texas.
10. Lester Morton, Vice President, Chamber of Commerce, Big Spring, Texas.
11. James R. Perry, Vice President, Chamber of Commerce, Odessa, Texas.
12. Ed Barham, City Council, Odessa, Texas.
13. Bill Ransey, Businessman, San Angelo, Texas.
14. L. A. Patterson, City Manager, Snyder, Texas.
15. Winston Barclay, Vice President, Chamber of Commerce, Midland, Texas.
16. J. D. Dyer, Businessman, Lamesa, Texas.
17. Lloyd Cline, Mayor, Lamesa, Texas.
18. Don Benson, President, Chamber of Commerce, Colorado City, Texas.
19. John Chinn, Mayor, Colorado City, Texas.
20. Jack Cook, AFA Member, Big Spring, Texas.
21. W. P. Edwards, Rancher, Big Spring, Texas.
22. Jerry Worthy, AFA Member, Big Spring, Texas.
23. Bill Pollard, Chamber of Commerce Board, Big Spring, Texas.
24. J. Arnold Marshall, Mayor, Big Spring, Texas.
25. Lloyd Larson, Banker, Big Spring, Texas.
26. Ike Robb, AFA Member, Big Spring, Texas.
27. Dr. P. W. Malone, Physician, Big Spring, Texas.
28. Ben Faulkner, AFA Member, Big Spring, Texas.
29. Deen Booth, AFA Member, Big Spring, Texas.
30. Jim Zack, AFA Member, Big Spring, Texas.
31. Pete Stone, Police Department, Big Spring, Texas.
32. E. C. Robison, AFA Member, Big Spring, Texas.
33. Clyde McMahon, Businessman, Big Spring, Texas.
34. Dr. R. G. D. Cowper, Physician, Big Spring, Texas.
35. Gilbert Webb, Businessman, Big Spring, Texas.
36. O. C. Shapland, Businessman, Big Spring, Texas.
37. Col W. C. McGlothlin, Comdr, 3560 Pilot Training Wing, Webb AFB, Texas.
38. Col Donald A. Jones, Webb AFB, Texas.
39. Capt Arnold Friedman, Webb AFB, Texas.
40. Capt W. F. Hoadley, Webb AFB, Texas.
41. 1 Lt Ted G. Tilma, Information Officer, Webb AFB, Texas.
42. S/MSgt R. C. Carter, Webb AFB, Texas.
43. M/Sgt Charles R. Aggen, Webb AFB, Texas.

Mr. FULBRIGHT. Mr. President, the Air Force, the Army, and the Navy are all engaged in intense competition for public support of their particular weapons systems. The Department of Defense, the purpose of the National Security Act notwithstanding, does not speak to the public with one voice but with at least four; one seeking a larger slice of the Federal Government's pie and the other three seeking a larger share of the Department of Defense pie; and all of them urgently demanding more money for war. Measured in dollars, the term that matters most, with one-third of the total military budget going to the Air Force, its public relations program must be termed a resounding success.

This concludes my third statement on this subject. Friday, December 5, I will discuss the public relations activities of the Army.

I thank the Senator for yielding.

TAX REFORM OF 1969

The Senate continued with the consideration of the bill (H.R. 13270), the Tax Reform Act of 1969.

The PRESIDING OFFICER. Who yields time?

Mr. YOUNG of Ohio. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state his parliamentary inquiry.

Mr. YOUNG of Ohio. May I inquire as to the time remaining to my side?

The PRESIDING OFFICER. The Senator from Ohio has 16 minutes. The Senator from Louisiana has 22 minutes.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Louisiana yield me 5 minutes?

Mr. LONG. I yield 5 minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, the purpose of the amendment of the Senator from Ohio is to eliminate entirely the depletion allowance on oil and gas produced overseas. Over the years I have tried to get the oil depletion rate lowered. I was unsuccessful in trying to get the rate reduced to 20 percent, as provided in the bill passed by the House. I am hopeful that when the bill goes to conference we can get the conferees to accept the House figure.

On the other hand, I do not believe this is the proper way to approach such a change, because, if we adopted the amendment of the Senator from Ohio, we would be establishing a dual tax structure as relates to domestic income and foreign income.

Based on the best information submitted to the committee by the Treasury Department and by the staff, the revenue which would go to the Treasury Department the first year, as a result of the amendment, would be $25 million. After that, however, the foreign countries in which the oil is produced could easily adjust their laws so that the revenue coming to the U.S. Treasury would

be zero from then on. Not only would it be zero as far as the result of this amendment is concerned, but in fact we would lose revenue, because as the foreign countries adjusted their revenue laws, there would be less income coming back to this country for us to tax.

I have tried for years to reduce the depletion rate, and will continue trying to change it later if we fail to hold the rate at 20 percent. But, I still think this rate should apply across the board. I do not think the pending amendment is the proper way to do it. Therefore, I shall not be supporting the amendment of the Senator from Ohio.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. LONG. The figures show that the oil companies are bringing back to this country virtually all of the profits they are making in their averages of operations. They then are declaring as much of that out in dividends as they can. If this amendment is adopted, it is likely that the foreign countries will proceed to increase their taxes. As a result of those additional foreign taxes, the profits of these companies available for dividend payments in this country will be reduced.

Because of this it is estimated that after the first year, the Treasury would lose between $5 million and $15 million a year, because the Treasury would not collect taxes on the profits that would have been declared as dividends but which would now be paid as taxes to the foreign countries. So while the Treasury might be making $25 million the first year, from that time on it would be losing at least $10 million a year as a result of the amendment.

Mr. WILLIAMS of Delaware. The Senator is correct. I might say that the amendment offered yesterday by the Senator from Wisconsin (Mr. PROXMIRE), which I supported, would have corrected the problem that I think the Senator from Ohio is seeking to correct here. Not debating the Proxmire amendment over again, since the Senate has made its decision, but had the Proxmire amendment been adopted, it would have corrected the problem in a manner by which the revenue picked up would have accrued to the U.S. Government to the extent that it would have been an additional tax on the corporations.

What I fear in this situation is that if we adopt the amendment of the Senator from Ohio we would only be taking money away from the companies and passing it on to the foreign governments. At least we know that could be the result and past experience indicates the foreign countries would take advantage of the opportunity to get the additional revenue.

So I do not approve of this amendment, and shall not support it, although, as I say, I wish we had been successful with the Proxmire amendment, which I think would have accomplished the purpose.

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

Mr. LONG. I yield.

Mr. HANSEN. Mr. President, I, too, support our distinguished chairman in his position on this amendment. In addition to what has already been called to our attention by the distinguished Senator from Delaware, which spells out the fallacy of this type of approach, it should not go unnoticed that the Department of Defense has stated certain objectives that it feels are vital in support of national security considerations. Following closely behind the development of mineral resources within this country and within the hemisphere, it places the control and ownership of oil in foreign countries as next in importance; is that not correct?

Mr. LONG. Yes, the Senator is correct about that.

Mr. HANSEN. I think it has also been pointed out previously that the balance of payments that has helped to support our Treasury, which comes from this ownership of foreign oil, is an important item. That, coupled with the petroleum in the hands of American companies that can help supply other friendly nations throughout the world, has added to the ability of Americans to contribute to the kind of steady international development that we also recognize as being important. The amendment after a year or two will produce no extra revenue for the Treasury. It will make more difficult the desirable ownership, development and operation of foreign oil properties by American companies.

Mr. LONG. The Senator is correct. As I pointed out yesterday in the debate—as shown at page 36684 of the RECORD—under this bill, the oil companies are taxed an additional $155 million because of the reduction in their depletion allowance, and they are taxed another $200 million under the 5-percent minimum tax on their depletion and their intangibles.

The PRESIDING OFFICER. The Senator's time has expired. Does the Senator yield himself additional time?

Mr. LONG. Yes, I yield myself such additional time as I may require.

They are also taxed an additional $200 million on production payments. This is $555 million of additional taxes on the oil companies as such. In addition to that, they are being hit by the increase in the capital gains tax, and they are also hit by the elimination of the investment tax credit and by what we are doing with regard to accelerated depreciation.

So they are being hit in this bill in six different ways, the way it stands right now. But at least one can say that, insofar as striking at this meritorious industry, which is essential to national defense, is concerned, at least those things will gain his Government some revenue. But, on the contrary, the Senator's proposal would lose us money. In the statement of the Secretary of the Treasury before the Finance Committee, he pointed this out exactly as the Senator from Delaware has pointed it out and I might note that the Senator from Delaware is certainly not to be regarded as an advocate for the oil industry. I ask unanimous consent that Secretary Cohen's statement be printed in the RECORD at this point.

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

Finally, the bill eliminates percentage depletion with respect to foreign oil and gas production. Our analysis of this provision indicates, in the light of our foreign tax credit provisions, that after a brief period it will probably result in foreign countries increasing their effective tax rates on income from oil and gas production to "sponge up" any additional tax revenue otherwise accruing to the United States. Thus the denial of foreign depletion will increase the effective U.S. rate of tax on such income, which tax the foreign governments will then offset by increasing their rates. The end result will be that the U.S. taxpayer will pay additional tax to those countries, but no additional tax to the United States.

For these reasons, the elimination of percentage depletion on foreign deposits of oil and gas is unlikely to increase U.S. revenues significantly, and will merely increase the burden of foreign taxes on U.S. businesses. We recommend, therefore, that this provision be deleted from the bill. Our proposal with respect to the foreign tax credit, previously described, adequately deals with percentage depletion on foreign deposits by preventing the depletion allowance on foreign mineral production from being used to reduce U.S. tax on other income and will not induce the foreign country to raise its tax on the American company.

Mr. LONG. What the statement says, essentially, is that the amendment amounts to a tax increase on all companies doing business overseas. Some of those foreign countries have their laws written so that, automatically, the moment we increase our taxes on our companies operating abroad, the foreign countries increase their taxes, so that they can recoup for their countries the same amount that we increase the tax on those companies. The foreign countries' treasuries will get the money rather than our Treasury, because the company is entitled to a foreign tax credit against their U.S. taxes for taxes paid to foreign countries.

So, all the Senator's amendment would achieve is that those foreign countries that do not already automatically raise their taxes would change their laws or modify their procedures to do so very quickly. The Senator would simply take the money that would otherwise go to American citizens, American investors, and the American Government, and direct it to the treasury of some foreign potentate or foreign nation.

Mr. President, I think we are doing enough for those foreign countries now, without subsidizing the Sheik of Kuwait or the Government of Venezuela, and thereby penalizing American investors and the American Treasury.

Even the Senator from Wisconsin (Mr. PROXMIRE) admitted yesterday that he agreed that if you reduce the depletion allowance overseas, it will just result in the foreign countries raising their taxes. Our Government would get nothing, and the money that would be brought back here and declared out in dividends and result in taxes being paid into this Treas-

ury to the tune of $10 million, would not come in to our Treasury. An equal amount of money or perhaps twice that much now going to American investors, will simply be directed into foreign treasuries. It makes no sense whatsoever, and it tends to kill the goose that laid the golden egg.

Here is an industry that brings back $2 billion a year that it is making abroad in foreign countries by foreign investments with foreign labor—more than a billion dollars above what they send abroad for investment. This is one of the largest single favorable items we have in trying to offset our unfavorable balance of trade, and the industry is doing perhaps more than any other industry to offset our unfavorable balance of payments.

Of that money they bring back in, $455 million a year of it is paid out in dividends with the taxes on those dividends going into the U.S. Treasury; but some people just cannot be satisfied with that, apparently, because some folks in this country do not like the oil industry—an industry essential to our defense—and want to give it bad publicity. They propose to eliminate the depletion allowance and put the oil companies out of business overseas, while other countries are subsidizing their oil companies which are doing the same thing for those countries that American-owned companies are doing for ours. The effect is that they would be unable to continue to advance our national interest.

I guess people can vote to kill the goose that laid the golden egg. But if they do so, they are not doing it with the support of the Treasury, they are not doing it with the support of the Committee on Finance, and they are not doing it with the support of a lot of Senators who would vote for everything against the oil industry except this. They realize it does nothing to help our Government, does nothing to help our position anywhere in the world, defeats its own purpose, and for that reason, achieves nothing in the national interest. Anything it could achieve would be against the interests of American investors, American taxpayers, and the American Government—it would be a totally negative amendment, frustrating itself and achieving nothing. I hope, Mr. President, the amendment will not be agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. YOUNG of Ohio. Mr. President, I yield such time as he may require to the distinguished junior Senator from New Hampshire.

Mr. McINTYRE. May I inquire, Mr. President, as to how much time remains to the distinguished Senator from Ohio?

The PRESIDING OFFICER. Sixteen minutes.

Mr. McINTYRE. Mr. President, I rise today to propose that we eliminate the oil depletion allowance on oil from foreign sources. I have an amendment at the desk, numbered 335, which is very similar to the amendment offered by my distinguished friend from Ohio (Mr. YOUNG). So I join with the Senator from Ohio in proposing to the Members of the Senate that we eliminate the oil depletion allowance on oil from foreign countries. This step has already been taken by the House in its own deliberations on this tax reform bill. If there is to be any logic at all to our tax policies governing the oil industry, it is imperative that we today follow the action of the House.

We have long been told that the purpose of the oil depletion allowance is to foster a strong domestic oil industry by promoting the exploration and development of oil here in the United States. Such an industry, we have been told, is essential to our national security.

Yet for many years there have existed in our tax laws a number of incentives which encourage also the exploration and development of oil from foreign sources. Indeed when the foreign depletion allowance is considered in conjunction with the system of foreign tax credits now enshrined in our tax structure, there are even greater tax incentives to explore for oil outside rather than within the United States. What a farce!

This basic anomaly is further heightened by the effects of the oil import quota system. We got stuck with that back in 1959. Not only are American taxpayers—counter to all recognized principles of national security—subsidizing the production of low-cost foreign oil, but they are also then prevented by the oil import program from ever getting that oil into the United States where it can be of benefit to American consumers. No wonder that I call the oil industry the secret government of the United States. Instead, this oil goes to Europe, Japan, and other foreign countries, whose own consumers derive the benefit of our subsidies.

Mr. President, this really strikes me as a most ridiculous situation. It is illogical and self-defeating. It uses American tax dollars to lower the costs of foreign consumers. And it is destructive of the very national security which the depletion allowance was designed to protect in the first place. I hope we will allow this absurdity to continue no longer and will act today to eliminate the foreign depletion allowance.

The need to do so is obvious to me. The Ways and Means Committee of the House thought so also in its own deliberations on the tax reform bill. It said:

> Present law also extends . . . percentage depletion allowances to income from oil and gas wells located in foreign countries. Insofar as percentage depletion is intended primarily to encourage the exploration and development of new wells, the granting of percentage depletion to income from foreign deposits results in a large loss of revenue without commensurate advantages.
>
> [Our] bill provides that percentage depletion is not to be allowed for foreign oil and gas wells. This permits percentage depletion for these items to be confined to areas where it will achieve its objective of stimulating exploration and discovery of domestic reserves.

Some, however, will urge specious arguments against our following the lead of the House. It might be worthwhile to take a moment and to examine how little merit there is in such arguments.

First, it may be alleged, the activities of our international oil companies are beneficial to our balance of payments. If we eliminate the foreign depletion allowance, this argument runs, we will diminish the contribution they have made to our international monetary position.

The answer to this argument is simple. I pointed out earlier that all foreign oil produced abroad with a subsidy from our Treasury must go to foreign consumers. Many of these are industrial consumers, who use this low-cost foreign oil to turn out a wide range of products at prices our own companies at home cannot match.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. McINTYRE. I thank the Chair.

Let me digress for a second and say that if we really want to help the balance of payments, let us do away with some part of the mandatory oil import quota program and allow the petrochemical industry to have a chance to operate with the benefit of low-cost foreign oil. Then we will see our balance of payments make a real improvement.

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

Mr. McINTYRE. Mr. President, we have a tacit agreement that the Senator will help us with the time problem. However, I yield to the Senator on my time.

Mr. LONG. Mr. President, is the Senator aware of the fact that if we permit foreign oil to capture 50 percent of the U.S. market for oil, it would create an enormous balance-of-payments problem?

How does the Senator propose we would earn enough foreign exchange, if 50 percent of the oil we consume in this country were foreign oil?

Mr. McINTYRE. Mr. President, the Senator is talking about a situation that is a long way off. He says that the mandatory oil import program might be so affected that 50 percent of the oil consumed here would be foreign oil in competition with our domestic oil. We have not a chance of that. The Senator is talking of a nebulous fantasy.

Mr. LONG. That is what the Senator advocates.

Mr. McINTYRE. It is not.

Mr. LONG. Mr. President, I hope the Senator will contemplate what he is advocating. He should not advocate it unless he is willing to live with it.

I hope that the Senator will conceive of the possibility that if we have no mandatory oil import quota system, 50 percent of the oil in a short time would be foreign oil.

That would mean an enormous additional burden on our already unfavorable balance of payments.

Mr. McINTYRE. Mr. President, at the present time only about 12.2 percent of the oil we are consuming is foreign oil as opposed to domestic production.

Mr. LONG. If the Senator includes everything, it is about 25 percent.

Mr. McINTYRE. The Senator is now including Canada and Mexico?

Mr. LONG. And the west coast.

Mr. McINTYRE. In our effort to see this mandatory oil import program worn down and liberalized a little, we may at times indicate that perhaps the whole thing ought to be scrapped, but we are really trying only to reach the point where some important oil redounds to the benefit of the consumers in the area of the country from which I come, from the cold region of New England. At present this is not the case.

Mr. LONG. The Senator knows it does not apply to residual fuel oil.

Mr. McINTYRE. No. 2 fuel oil is not residual fuel oil. And it is No. 2 fuel oil with which we heat our homes in New England.

Mr. LONG. But it is coming in.

Mr. McINTYRE. Mr. President, I do not want to be characterized as one who says that he wants to see the oil import program scrapped entirely without any offsetting protection for our national security.

To return, however, to my argument regarding the balance-of-payments effects of the foreign depletion allowance, I say what I said before, that if we really want to help the balance-of-payments, we should liberalize the mandatory oil import program and let the petrochemical people really get to work.

Mr. LONG. Mr. President, it would be easy enough to give them a ton of imports for every ton of exports so that they would have the benefit of the world market price on oil. However, they do not want that. They want something more advantageous. And insofar as they want more than they should have, it seems to me that they are demanding too much. That is why they cannot get it.

Mr. McINTYRE. Mr. President, if we want to improve our balance of payments, we will eliminate the foreign depletion allowance and we will do something more as well. We will modify our oil import program to allow a certain amount of foreign produced oil into the United States.

Mrs. SMITH of Maine. Mr. President, will the Senator yield for a question?

Mr. McINTYRE. I am happy to yield to the distinguished Senator from Maine.

Mrs. SMITH of Maine. I thank the Senator.

Mr. President, would the Senator, the author of this amendment, tell me how this amendment would affect companies like the Occidental Petroleum Corp. in connection with the proposed Machiasport project, under which it seeks to bring in foreign oil for refining at a proposed refinery at Machiasport, Maine.

Mr. McINTYRE. How would the Libyan deposits of oil, which the Occidental Oil Co. currently controls, be affected pricewise?

Mrs. SMITH of Maine. That is correct.

Mr. McINTYRE. My best information is that there might be a slight increase in the cost of that foreign oil but not enough to affect what both the distinguished Senator from Maine and I hope to see as a result of the Machiasport project, and that is some No. 2 fuel oil at reasonable prices in New England.

Mrs. SMITH of Maine. I thank the Senator.

Mr. McINTYRE. I might add that possibly it would raise the price of Libyan oil about 5 cents a barrel. But the current cost of a foreign barrel of oil is $1.30 cheaper than our domestic oil, so there would still be tremendous benefits for New England consumers if the Machiasport project were approved.

Mr. President, I do accept the basic national security justification underlying our policies toward the petroleum industry. But there can certainly be a significant increase over present levels. If this occurs, and cheap foreign oil is made available to our petrochemical industry, its competitive position in foreign markets will be vastly improved. With its costs lowered, it will be able to reduce its prices abroad. Then we will see a real improvement in our balance of payments.

Another specious argument which has been urged on behalf of the foreign depletion allowance is closely related to the argument just discussed. It has been said that repeal of the foreign depletion allowance would interfere with the ability of our international oil companies to compete with companies of other nations.

I have no qualms about the ability of our international oil companies to compete in world markets. As a quick check of their operations in recent years makes clear, they have been eminently successful competitors. Between 1964 and 1968 the profits of the 12 largest companies in the industry rose $1.3 billion, or 33 percent. They will have little trouble adjusting to repeal of the foreign depletion allowance.

One reason the adjustment will be easy is that it will represent not a discrimination against them, but an equalization of their tax burden with the tax burden faced by companies of other nations. No other country in the world has an oil depletion allowance as liberal as our own, and many have none at all. Repeal of the foreign depletion allowance will put our international oil companies on an equal footing with those of other nations. I am sure they will do well in such an environment.

The PRESIDING OFFICER (Mr. HUGHES in the chair). The time of the Senator has expired.

Mr. McINTYRE. Mr. President, will the Senator from Louisiana yield me 3 minutes?

Mr. LONG. I yield 3 minutes to the Senator from New Hampshire.

Mr. McINTYRE. Finally, I might say a word about the revenue consequences of my proposal. The revenue gains will in fact be minimal. The Ways and Means Committee of the House has estimated them at a total of $35 million, $25 million in 1970 and $10 million in 1971. They will not be larger because the oil industry will still have available to it excessive amounts of foreign tax credits with which to offset any increases in its U.S. tax which might otherwise occur. Many of these tax credits arise, of course, not because of legitimate tax payments to foreign governments, but because what are really royalty payments can under our present tax laws still be treated as taxes. If we really want revenue consequences—if we really want to raise the funds which will make it possible to give low- and middle-income taxpayers the relief they want and so sorely deserve—we could accompany our repeal of the foreign depletion allowance with an overhaul of the industry's foreign tax credits.

All I ask today, however, is that we repeal the depletion allowance on oil from foreign sources. It would be a sound first step on the road to a more rational tax policy as regards the petroleum industry.

In conclusion, I want to say again, Mr. President, that if the rationale for a substantial oil depletion allowance is to better our national security, to give it a greater bulwark of strength by encouraging the exploration and development of domestic sources of oil, it is impossible for me to understand why we pursue a policy of encouraging the development of foreign sources of oil, by giving this depletion allowance on oil from foreign sources. It runs counter to the very purpose for which the oil depletion allowance is given domestically in the first place.

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

Mr. McINTYRE. I am happy to yield to the distinguished Senator from Maine.

Mr. MUSKIE. Mr. President, I compliment the distinguished Senator from New Hampshire on his remarks and join in them.

As the Senator knows, I submitted an amendment to the same effect to the Finance Committee, for its consideration. not only because of the irrationality which the Senator from New Hampshire has identified, but also for another——

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

Mr. LONG. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Louisiana has 9 minutes remaining, and the proponent has no time remaining.

Mr. LONG. I yield 1 minute to the Senator from New Hampshire.

Mr. MUSKIE. It is said that the foreign depletion allowance is justified on national security grounds, the reason being that we need it in order to explore new sources of oil overseas; but, at the same time, we impose limitations upon the importation of this oil, and that policy is based upon the same argument—national security. I do not see how we can, at one and the same time, in the name of national security, explore and develop oil overseas and then prevent its importation into this country. It is for that irrational fact that I support the distinguished Senator from New Hampshire.

Mr. McINTYRE. I could not agree more with the Senator from Maine.

Mr. LONG. Mr. President, I yield 3 minutes to the distinguished Senator from Georgia (Mr. RUSSELL).

CONTINUING APPROPRIATIONS, 1970

Mr. RUSSELL. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 557, House Joint Resolution 1017, continuing resolution that will enable the departments for which appropriations bills have not been enacted to stay in business after this weekend.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A joint resolution (H.J. Res. 1017) making further continuing appropriations for the fiscal year 1970, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. RUSSELL. Mr. President, this is a continuing resolution, in the commonly accepted form, which extends until the end of the present session of Congress the authority of the agencies whose appropriation bills have not yet been enacted to continue operation at the same tempo and under the same conditions as were prescribed in Public Law 91-117 signed November 14, 1969. I do not see any alternative we have.

The Committee on Appropriations met yesterday and ordered reported to the Senate the military construction and District of Columbia appropriation bills and House Joint Resolution 1017, making further continuing appropriations for fiscal year 1970. The current continuing resolution will expire this Saturday night, December 6.

House Joint Resolution 1017, which passed the House of Representatives December 1, extends the expiration date of the current resolution from December 6 to the sine die adjournment day of the present session of Congress. Passage of this resolution will enable any department or agency of the Government, whose annual appropriation bill for fiscal year 1970 has not become law, to operate until the sine die adjournment.

As of today, four of the appropriation bills have been signed into law—the Treasury-Post Office, Department of the Interior, independent offices, and the Department of Agriculture appropriation bills. There are three appropriation bills in conference—the State-Justice-Commerce, the legislative, and the public works appropriation bills. On the public works appropriation bill, the conference report has been signed and is expected to be cleared for the President's signature shortly. As indicated earlier, the District of Columbia and the military construction appropriation bills were reported by the committee yesterday and are now on the Senate Calendar. The Subcommittee on the Department of Transportation is meeting this afternoon to mark up that appropriation bill, and the present plan is for the Labor-Health, Education, and Welfare appropriation bill to be marked up in subcommittee on Tuesday, December 9, or Wednesday, December 10.

There are three appropriation bills still in the House—the Department of Defense, foreign aid, and supplemental appropriation bills. Hearings on all three of these bills are virtually completed or are in progress in the Senate committee.

Mr. President, it seems to me to be imperative that if those departments or agencies of the Government which have not yet received their funds for fiscal year 1970 are to continue functioning, the joint resolution should be passed. I therefore urge the passage of House Joint Resolution 1017.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I am glad to yield.

Mr. CURTIS. Where seems to be the slowup? Is it on the Senate side?

Mr. RUSSELL. Well, I do not like to undertake to assess the blame. I think it goes all the way around. In the first place, the President did not get his revisions in the budget here until April 15 of this year. That threw Congress off stride.

Then, without casting aspersions on the House, they have been very slow in getting the bills over here. For example, the Defense Department appropriation bill, which carries about one-half of the total expenditures, has not yet been taken up in the House and it will not be until next week. My committee has had extensive hearings. We have compiled several volumes of hearings.

But under this constitutional fiction, and that is all it is, that only the House can originate appropriation bills, we are compelled to wait until they get to us from the House.

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

Mr. CURTIS. Mr. President, I ask unanimous consent that we may proceed for 5 additional minutes.

Mr. LONG. Mr. President, I ask unanimous consent that the time on the resolution not count on the pending amendment.

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

Mr. CURTIS. It was not my purpose to cast any reflection on the House. I have great admiration and affection for that body. But I think we, as Senators, are responsible for the operation of the Senate.

Is it not true that as bills have come over here they have been processed with considerable dispatch by the Committee on Appropriations?

Mr. RUSSELL. With a few possible exceptions they have been considered and dispatched more expeditiously than in all the time I have been a member of the Committee on Appropriations, which has been more than 35 years. I regret very much that the Senate, by implication, has been made somewhat responsible. If the Senate has done anything that is wrong it is because we have not lived up to our responsibility as a coequal body and given more exhaustive and painstaking consideration to these bills. If we had done so we would only have aggravated the already bad condition.

Mr. CURTIS. I remember the long time it took to enact the military authorization bill. That was not the fault of the committee. The Senator from Mississippi (Mr. STENNIS) was in the Chamber and he and other Members pushed as fast as possible. Bills undoubtedly are delayed in conference. There is always some time taken to iron out differences.

Mr. RUSSELL. There have been delays in two or three of them in conference but not undue delays. As a matter of fact, there are three appropriations bills still in the House that have never come over, and they are the Department of Defense, foreign aid, and the supplemental appropriation bills. We have already practically completed hearings on those three bills in the Senate, although they are still in the House committee.

Mr. CURTIS. There is nothing to do but to pass the continuing resolution for the essential functions of Government but I am sure we all agree this is not a wise budgeting, appropriating, or spending process.

Mr. RUSSELL. It is a very unfortunate situation that the departments of Government have to operate in this manner for 6 months, as they do in some cases. It is very unfortunate. I hope we are never confronted with this situation again.

Mr. CURTIS. I thank the Senator.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield so that I may ask a question of the distinguished Senator?

Mr. RUSSELL. I yield.

Mr. BYRD of West Virginia. Is it not also true that appropriation bills must await passage of the authorization measures, and that in several instances the fact that the appropriation bills have had to be delayed can be explained by the fact that the authorization measures have not been passed?

Mr. RUSSELL. In at least two instances that is markedly true.

Mr. BYRD of West Virginia. I thank the Senator.

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

Mr. RUSSELL. I yield.

Mr. JAVITS. Mr. President, I am sorry to detain the Senator. My question, I hope, will not be troublesome to him.

We had quite a dispute about education in the last continuing resolution. I gather that what this does is to carry on whatever we achieved.

Mr. RUSSELL. That is my construction. I do not see how any other interpretation could be placed on it.

Mr. JAVITS. Bearing in mind what the Senator from West Virginia said, that authorization legislation is a problem, I am wondering if any thought has been given to what might happen if even by sine die adjournment any area should not have authorizing legislation.

Mr. RUSSELL. That situation has not arisen yet but I assume Congress would not adjourn sine die without taking ap-

propriate action. I am hopeful this situation will straighten itself out. We are working diligently. I think we will get the bills through before the end of this session.

Mr. JAVITS. Will the Senator yield so that I may ask one other question?

Mr. RUSSELL. Yes, I yield.

Mr. JAVITS. Would it not be desirable, so that Senators will know what the situation is, to have a memorandum placed in the RECORD as to the parliamentary situation which would exist if we have appropriation bills before us but no authorization bills?

Mr. RUSSELL. I am sorry. Will the Senator repeat his suggestion.

Mr. JAVITS. I was suggesting a memorandum as to the parliamentary situation which would exist if the House sent us an appropriation bill, and we had no authorization law; if they did that, for example, in foreign aid.

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

Mr. RUSSELL. I yield.

Mr. AIKEN. I was thinking of the foreign aid bill. The authorizing legislation has not been passed. I think it could be passed very shortly if we confine our attention in the Senate committee to the amounts of appropriations only. I understand the Committee on Appropriations has already had hearings an the appropriation bill for foreign aid.

Mr. RUSSELL. The Subcommittee on Foreign Aid Appropriations is having hearings at the present time.

Mr. AIKEN. How long after the authorization bill has been approved would it take the Committee on Appropriations?

Mr. RUSSELL. That varies so greatly it would be impossible to make a categorical response. But I think it could be handled rapidly if the authorizing legislation were passed. As a matter of fact, if the House sends us an appropriation bill even without an authorization, we could still take it up in the Senate.

Mr. AIKEN. The committee had planned to have a meeting this morning. I am speaking of the Committee on Foreign Relations. However, it was stopped by the objection to any committees meeting. We hope to have a meeting tomorrow morning if there is no objection.

Mr. RUSSELL. The subcommittee had been holding hearings on the appropriation bill.

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

Mr. RUSSELL. I yield.

Mr. McGEE. Mr. President, the subcommittee has completed its hearings on foreign aid, except for appeals. The House bill will be over here, I was told last night by the chairman of the House committee, on Tuesday, and this subcommittee will be ready to deal with appeals at that time. The jurisdiction is another factor.

Mr. AIKEN. I think there is a way to get authorization bills through promptly by the early part of next week, but whether we will do it remains to be seen.

Mr. McGEE. Through which device; the continuing resolution?

Mr. AIKEN. No, we have had continuing resolutions several times.

Mr. RUSSELL. If the House passes an appropriation bill based on an authorization bill they passed, that bill would be in order here?

Mr. McGEE. Yes. We will have the House bill on appropriations next Tuesday.

Mr. RUSSELL. I yield to the distinguished ranking minority member of the Committee on Appropriations.

Mr. YOUNG of North Dakota. Mr. President, I see no alternative except to pass this continuing resolution. This is a sorry way to do business though. It is nearly Christmas and several appropriation bills remain to be passed. I think the Senate could get these bills through if Senators would limit themselves in debate and in the number of amendments they offer.

The one big hurdle that I see is the Defense appropriation bill. If we take 2 months on the appropriation bill as we did on the authorization bill, the appropriation bill would not clear until spring. But this morning the President said if Congress adjourns without passing the appropriation bills, he will immediately call us back into session. I think he would be right in doing that.

I agree with the statement made by the distinguished chairman of the committee.

Mr. RUSSELL. We have a saying in my part of the country: "He spoke himself out." I hope we have about spoken ourselves out on the military authorization bill and that we would not have lengthy debate when we reach the appropriation bill. I think it should be fully debated. But I would not like to see a week or two of repetitious statements, repeating what was said when the authorization was here.

Mr. YOUNG of North Dakota. May I say this, and I hope I shall not be thought critical of any of my colleagues, but during my service here in the Senate, some of its most effective Members were men like Senator George, from the Senator's own State, and Senators Taft and Vandenberg, who usually confined themselves to 30-minute speeches, some of them only 15; but now many speeches are 2 to 3 hours in length. I hope I am not hurting anyone's feelings when I say that. I am only trying to expedite most important legislation that must be passed before we adjourn.

Mr. RUSSELL. The Senator from North Dakota is certainly not hurting my feelings. In the past, I have often spoken at great length, but the time has come when I now confine my remarks to a great extent. The causes for which I fought in the past have vanished.

Mr. GRIFFIN. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. GRIFFIN. The distinguished Senator from Georgia made reference to the fact that the new administration took a brief time at the beginning of the year to revise the budget——

Mr. RUSSELL. I did not say that in a critical sense. I understand their reasons, but that was one of the causes of delay.

Mr. GRIFFIN. I realize that. As we look toward the next session of Congress, to begin shortly after the New Year, I am sure we expect and want the administration, in accordance with its constitutional responsibility, to have a new budget ready to submit shortly after the next Congress convenes. Would the Senator agree with me, as the end of this year approaches with a number of appropriation bills not yet passed, and as we operate the Government on the basis of a continuing resolution, that it would be very difficult for the Bureau of the Budget and the administration to prepare a budget to meet that deadline?

Mr. RUSSELL. It would add to their difficulties. I do not think it would make it impossible because they could base the new budget on the old budget and the bills as passed by the two Houses. But, certainly, it would add to their difficulties. I think the President's urgency is completely justified. Insofar as the Senate Appropriations Committee is concerned, we are doing everything in our power to obviate the necessity for any such action. We cannot take up bills until they are brought over here.

Mr. GRIFFIN. I thank the Senator from Georgia. I join him in urging that the joint resolution be passed.

The PRESIDING OFFICER. The question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 1017) was ordered to a third reading, was read the third time, and passed.

TAX REFORM ACT OF 1969

The Senate continued with the consideration of the bill (H.R. 13270), the Tax Reform Act of 1969.

The PRESIDING OFFICER. The Chair would state that the Senator from Louisiana (Mr. LONG) has 5 minutes remaining.

Mr. LONG. Mr. President, I will be glad to allow other Senators, speaking in opposition, to make comments at this time if they wish; otherwise, I think I have made my position clear with regard to the proposed amendment. The Treasury recognizes that adoption of the amendment would mean the Government would make no money in the long run. Only in the first year would it make any money. By increasing the tax on American oil companies, it would be an incentive for foreign nations to increase their taxes on the companies doing business there. Foreign countries have done so in the past. Some of them do so most drastically, having drafted laws so that they automatically increase taxes, even without their parliaments meeting. The result is that foreign countries would gain from any tax increase involved here, merely by raising their taxes.

The companies would be entitled to a credit for the additional foreign tax paid against the tax paid to this country, with the result that the companies would pay the tax not to our Treasury but to some foreign treasury and this Government would lose money rather than make it. Our Treasury would make money only for a few months to a year—only for the

time it would take the foreign countries to change their laws in order to scoop into their treasuries the money which otherwise would go into ours. Starting the second year, this Nation would lose about $10 million in taxes on dividends that would have been paid except for the increase in foreign taxes which reduces the companies' earnings.

The amendment also would hurt our balance of payments. Even the Senator from Delaware (Mr. WILLIAMS), who has made strong arguments for cutting the depletion allowance, and who has been one of the most consistent opponents of the depletion allowance, took the floor, when there were not many Senators in the Chamber, to say that he felt certain that this amendment would defeat its own purpose at a cost to American investors and to the Government.

It would achieve nothing to benefit this Nation. It would only benefit the foreign treasuries. Therefore, there is no good reason why the amendment should be agreed to.

Mr. President, I am willing to yield the remainder of my time to the Senator from Ohio (Mr. YOUNG).

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. YOUNG of Ohio. I thank the Senator from Louisiana. Mr. President, very definitely, if this amendment is adopted and we go along with the other body on this foreign oil depletion matter, our Treasury will benefit next year to the extent of some $25 million.

Let me say, finally, that it has seemed to me that the arguments made by the Senator from Louisiana, who is the chairman of the Finance Committee, are not valid in that they are purely speculative. This amendment should be agreed to. It will not be for the benefit of a sheik in Kuwait and his wives, but for the benefit of American taxpayers.

The PRESIDING OFFICER. All time has now expired on the amendment.

The question is on agreeing to the amendment of the Senator from Ohio.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. KENNEDY. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting the Senator from Indiana (Mr. BAYH) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from South Carolina (Mr. THURMOND) is necessarily absent.

The Senator from Kansas (Mr. DOLE) is detained on official business.

If present and voting, the Senator from Kansas (Mr. DOLE), the Senator from Arizona (Mr. GOLDWATER) and the Senator from South Carolina (Mr. THURMOND) would each vote "nay."

The result was announced—yeas 25, nays 68, as follows:

[No. 169 Leg.]

YEAS—25

Brooke	Inouye	Pastore
Case	Jackson	Pell
Church	Kennedy	Proxmire
Dodd	McGovern	Ribicoff
Eagleton	McIntyre	Williams, N.J.
Gore	Metcalf	Yarborough
Hart	Mondale	Young, Ohio
Hartke	Muskie	
Hughes	Nelson	

NAYS—68

Aiken	Fulbright	Moss
Allen	Goodell	Murphy
Allott	Gravel	Packwood
Baker	Griffin	Pearson
Bellmon	Gurney	Percy
Bennett	Hansen	Prouty
Bible	Harris	Randolph
Boggs	Hatfield	Russell
Burdick	Holland	Saxbe
Byrd, Va.	Hollings	Schweiker
Byrd, W. Va.	Hruska	Scott
Cannon	Javits	Smith, Maine
Cook	Jordan, N.C.	Smith, Ill.
Cooper	Jordan, Idaho	Sparkman
Cotton	Long	Spong
Cranston	Magnuson	Stennis
Curtis	Mansfield	Stevens
Dominick	Mathias	Talmadge
Eastland	McCarthy	Tower
Ellender	McClellan	Tydings
Ervin	McGee	Williams, Del.
Fannin	Miller	Young, N. Dak.
Fong	Montoya	

NOT VOTING—7

Anderson	Goldwater	Thurmond
Bayh	Mundt	
Dole	Symington	

So the amendment of Mr. YOUNG of Ohio was rejected.

AMENDMENT NO. 351

Mr. YARBOROUGH. Mr. President, I submit an amendment to H.R. 13270, the Tax Reform Act of 1969, which would delete from the bill a provision which exempts certain gas pipeline contracts from the repeal date of the 7-percent investment tax credit. This matter was thoroughly explained in the House by Congressman BOB ECKHARDT, of Houston, Tex., and other Members of the House, and was explained to the Senate Finance Committee in July by Congressman ECKHARDT, and others. It is not a new matter. It was discussed in the House and in the Senate Finance Committee.

One of the most significant tax reform proposals contained in H.R. 13270 is the repeal of the 7-percent investment tax credit. It is widely recognized that the investment tax credit has long since outlived any usefulness that it might have ever had and is now nothing more than a vast loophole through which the Government loses billions of taxable dollars each year.

H.R. 13270 provides for the permanent repeal of the investment tax credit in the case of property acquired or construction of which is begun after April 18, 1969. However, to avoid economic injustice to those taxpayers who have commenced construction or acquired property pursuant to a binding contract entered into before April 8, 1969, the bill specifically exempts such taxpayers from the repeal of the investment credit and makes the credit available to them. This is a fair and reasonable exemption since it has never been the policy of this country to penalize those who in good faith have relied on existing laws.

Unfortunately, H.R. 13270 does not stop with this one justified exemption from the general repeal of the investment tax credit. There has also been inserted into H.R. 13270 a special exemption for gas pipeline contracts which cannot be justified on any basis except that its proponents desire additional special treatment for an industry which is already specially protected and specially favored by our laws. The exemption to which I refer may be found on page 420, at line 21 of H.R. 13270 and provides:

> (B) Where, in order to perform a binding contract or contracts in effect on April 18, 1969, (i) the taxpayer is required to construct, reconstruct, erect, or acquire property specified in any order of a Federal regulatory agency for which application was filed before April 19, 1969, (ii) the property is to be used to transport one or more products under such contract or contracts, and (iii) one or more parties to the contract or contracts are required to take or to provide more than 50 percent of the products to be transported over a substantial portion of the expected useful life of the property, then such property shall be pre-termination property.

On its face, this seemingly innocuous language would not appear to be a vehicle for serving a special interest. However, on closer examination it is clear that the only purpose for this provision is to grant to certain gas pipelines a special privilege in dealing with the investment tax credit which no other industry or taxpayer in America has.

To appreciate the necessity for striking this insidiously clever provision from H.R. 13270, it is important to understand: First, the nature of a gas pipeline contract; second, why there is no reason for a special treatment of these contracts; and third, the history of gas pipelines and the investment tax credit.

I. THE NATURE OF A GAS PIPELINE CONTRACT

A gas pipeline contract, unlike the other contracts to which the exemption from the repeal date of the investment tax credit applies, is not a contract for the purchase of capital goods but is a contract for service or supply. That is, the gas pipeline contract obligates the company to supply its customers with a specified number of units of natural gas. Nowhere in this contract between the company and the customer does the gas pipeline company obligate itself to build or expand its facilities to perform the contract. However, section 7C of the Natural Gas Act of 1938 requires:

> No natural-gas company or person which will be a natural-gas company upon completion of any proposed construction or extension shall engage in the transportation or sale of natural gas, subject to the jurisdiction of the Commission, or undertake the construction or extension of any facilities therefor, or acquire or operate any such facilities or extensions thereof, unless there is in force with respect to such natural-gas company a certificate of public convenience and necessity issued by the Commission authorizing such acts or operations.

Therefore, until the FPC grants the gas pipeline company a certificate of public convenience and necessity, the company cannot lawfully fulfill its contract to the customer. Thus the certificate is a necessary prerequisite to a valid binding gas pipeline contract.

In determining whether to grant a certificate to a gas pipeline company, the FPC takes into consideration whether the proposed expansion in service is physically and economically feasible. The FPC will and often does, allow a gas pipeline company to withdraw its application for a certificate upon a showing of just cause. The "just cause" for which an application may be withdrawn might well include a showing by the company of a loss in profits by the repeal of the investment tax credit.

Furthermore, the regulations of the FPC afford a company with a way of having the application dismissed by the FPC. Section 157.12 of the FPC regulations provides that in the absence of a showing of good cause, "failure of an applicant to go forward on the date set for hearings and present its full case in support of its application will constitute grounds for summary dismissal of the application and the termination of the proceedings." Therefore, without showing "just cause" an application can be dismissed by inaction on the part of the gas pipeline company.

What this amounts to is that gas pipeline companies are not subject to the same economic hardships as taxpayers who have bound themselves contractually to construct, reconstruct or acquire property. The simple truth is that without the certificate of public necessity the gas pipeline company is not contractually bound to do anything. This gives the gas pipeline company the right to have the benefit of the investment tax credit for contracts that they may void at will.

There is no justification for this type of special advantage.

II. WHY THIS SPECIAL TREATMENT IS NOT NECESSARY

As I have previously pointed out, these gas pipeline contracts are not binding on the company in the absence of a certificate of public necessity and convenience. Thus, this does not justify this special exemption. Are there any economic reasons for this special treatment? A review of the facts clearly reveals that the answer is "No."

The gas pipelines are strong and financially healthy. It is one of the very few operations in America which is guaranteed a profit by the Federal Government. The rates charged for natural gas are regulated by the FPC so as to assure the gas pipelines a reasonable profit each year. Very few other industries in America can be assured that year in and year out they will be operating in the black.

Since 1958, the revenues and assets of the gas pipeline companies have doubled. According to a recent industrial survey conducted by Standard & Poor's, the revenues of gas pipeline companies are expected to reach new highs in 1969. The American Gas Association estimates that gas sales in 1969 will reach 152,650 million therms. This is an increase of 5.7 percent from 1968.

The outlook for future growth is also quite encouraging. The American Gas Association estimates an increase in sales of 6 percent for each year from 1967 to 1980. By 1985, gas utilities sales are expected to reach 356 billion therms. This is an increase of 144 percent from the amount of gas sold in 1968.

In addition to the increase in sales, the rate of return to the companies is also increasing. At present, the rate of return on old contracts is between 6½ and 6⅓ percent. However, the FPC recently granted one company an annual rate of return of 7¼ percent. There are numerous other applications pending before the FPC which request returns of 8 to 8½ percent.

III. HISTORY OF GAS PIPELINE INDUSTRY AND THE INVESTMENT TAX CREDIT

The alleged purpose behind the enactment of the investment tax credit in 1962, was that it would encourage business investments in new machinery and equipment. The plain facts reveal that the gas pipeline industry never needed enactment of the 7-percent investment tax credit, the gas pipeline industry did not suffer from lack of growth. From 1957 to 1961 the net investment in gas utility plants rose from $6 to $8 billion. After the enactment of the investment tax credit, the net investment in gas utilities plants grew at about the same rate, $8 to $10 billion. This clearly shows that the investment tax credit was not needed to stimulate growth.

The whole history of the investment tax credit and the gas pipeline industry has been one of special and unjustified favoritism. To begin with, the gas pipeline was allowed the 7-percent credit, whereas the other major public utilities were allowed only 3 percent. What was the reason for this? I submit that the only reason for it was the strength of the gas pipeline industry's lobby.

Furthermore, the FPC is prohibited by a 1964 amendment to the Internal Revenue Act from treating a reduction in income tax, arising from the investment tax credit, as a reduction in the gas pipeline cost for determining rates. Thus, a gas pipeline company is free either to retain the tax savings for reinvestment or payments to stockholders, or pass along the tax savings to its customers in the form of volunteer rate reductions. It should come as no surprise that according to figures compiled by the FPC in 1967 alone, more than 94 percent of the amounts generated and utilized by gas pipeline companies from that investment tax credit was retained by the companies and less than 6 percent passed on to the consumer by rate reductions.

IV. CONCLUSION

This provision of H.R. 13270 which my amendment is designed to eliminate is the sort of special interest legislation which has generated the present demand for tax reform by the majority of the people of the United States. Our people are tired of carrying the greater portion of this Nation's tax burden while their own elected representatives write special exemptions into the tax laws for big business.

The people of the United States have challenged the 91st Congress to reform this Nation's tax laws. They expect their interest to come first for a change. Special exemptions and favoritism for industries such as gas pipelines will further undermine the people's confidence in our Government.

I submit that it is time for Congress to turn its attention to problems and needs of average Americans. These people cannot afford expensive lobbying efforts to get their point of view across. They must depend on us to represent them. Let us show them that we are concerned by closing this loophole. President Grover Cleveland once warned:

> But to the extent that the mass of our citizens are inordinately burdened beyond any useful public purpose and for the benefit of a favored few, the Government, under the pretext of an exercise of its taxing power, enters gratuitously into partnership with these favorites, to their advantage and to the injury of a vast majority of our people.

I urge all of my colleagues to give my amendment careful consideration and join with me in remedying this inequity.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD the statement of Congressman BOB ECKHARDT, of the Eighth Congressional District of Texas which was given before the Senate Finance Committee by Congressman ECKHARDT on July 8, 1969.

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

STATEMENT OF HON. BOB ECKHARDT, A U.S. REPRESENTATIVE IN CONGRESS FROM THE EIGHTH CONGRESSIONAL DISTRICT OF THE STATE OF TEXAS

Mr. ECKHARDT. Thank you Mr. Chairman. I have a written statement which I would like to ask permission to be filed as stated, and I shall only deal largely with one part of the statement.

Senator TALMADGE. Without objection, it will be inserted in the record in full and you may summarize as you see fit.

Mr. ECKHARDT. Mr. Chairman and members of the committee, I would not be so presumptuous as to reiterate the general arguments against the surtax extension to this committee after, of course, there has been so much said by persons who have had so much experience with it and have said it perhaps far better than I can.

I would though like to address myself to the point that has raised most of the questions of this committee and that is the exception with respect to natural gas pipelines.

In my experience in the Texas legislature for a good number of years before I came to Congress I noted a considerable reach of gas pipelines in that body, but I was rather surprised that its reach was as long as it does appear to be.

As the committee, of course, understands, the bill provides that there be three requirements for gas pipelines to come under the exception. First, there must be a contract to supply gas; and, second, there must be an application before the FPC, and then a certain amount of the gas must be transported by the company seeking to obtain the exemption over the facilities thus designated.

The point that I should like to make very clear here and, of course, I understand that the committee understands this, but I fear that perhaps it has not been made clear enough to the public, that the contract involved here is a contract of supply of gas rather than a contract with an equipment supplier. I do not believe this was at all clear on the debate on the floor of the House. I think it is extremely important that it be made as clear as possible for the public's attention.

In that debate it was said by one of the chief supporters of the amendment, a Texas

colleague, that they, the gas pipelines, "Should not be denied the benefit of the credit because some Federal agency is sitting aside and refusing to act."

The implication of the floor debate was that a contract for the purchase of capital goods was binding as between seller and purchaser, contingent only upon FPC approval constituting the exception to be qualified. Thus, Mr. Bush, with whom the amendment originated in the committee, in answer to my question said, "The contract spells out the equipment required and if these people have a bona fide contract, they should not be denied the benefit of the credit."

Well, in fact, the contract only spells out the obligation of the gas pipeline company to supply gas to the person or the municipality or the company to whom the supplier is to supply the gas.

The place where the equipment is described is in the application, not in the contract, and I believe that the discussion implied that the contract was, in fact, the contract to supply equipment, which of course, it is not.

Mr. Boggs, who carried the bill on the floor, equated the provision to the ordinary contract for purchase of capital goods in the following language.

"The contract has been entered into and qualifies as a binding contract. If you were to build a plant * * * and no equipment has been installed, but they have simply entered into a contract, a binding contract, prior to April 19, that equipment is eligible for the full 7 percent."

Now, I had previously been told by an Under Secretary of the Treasury that such was all that the amendment did. Now in candor Mr. Boggs did at another point explain the amendment accurately, and I do not attribute to anyone an intention to mislead. But the matter is technical and complex and needs clarification, both as to its provisions and as to its justification.

In fact, the contracts in question are not contracts to acquire property but are rather contracts to supply gas. These contracts are not binding without a certificate of approval from the Federal Power Commission, and it is in these certificates that the only requirement of designation of the capital goods to be acquired is made.

In order for a gas pipeline company to obtain approval for an extension of service it must file an application with the Federal Power Commission within which it must include, among other things, an analysis of the equipment needed to fulfill the contract. This includes a detailed estimate of total capital costs of the proposed facilities for which the application is made. But unlike the case of other pretermination contracts, contracts here are not binding without the certificate of approval, and hence the companies involved are not likely to be injured by the withdrawal of the investment tax credit. The FPC will allow gas pipeline companies to withdraw an application for an extension of service if the company can show just cause. Just cause might well include a reduction in the profitability of the contract. Presumably a loss of the investment tax credit would indicate lower profits.

This is a means of escape from the contract which would not be as profitable as anticipated. But there is another even surer safeguard that pipelines have with respect to the withdrawal of investment credit that ordinary businesses do not have, and this is based on their status as a public utility. As a public utility, of course, they are entitled to a reasonable profit, a reasonable rate of return on their investment. Therefore, they have been granted both the reasonable return on their investment, plus the overriding advantage of the investment credit of 7 percent.

In 1964 Congress provided that the question of the rate structure and the return on the investment should not be affected by the 7-percent investment credit. So, in effect, the 7-percent investment credit is cream on top of the profit.

Now, the main point I want to make is not so much the technical question of whether or not this equates a pipeline's position with that of an ordinary business, but I would like to simply make the point that pipelines do not need special treatment. They do not need the pretermination condition at all.

In the first place, it is impossible for me to see why Congress granted to the pipeline companies a 7-percent investment credit in the first place when to all other public utilities it only granted a 3-percent investment credit. In addition to this, we give pipelines a special treatment in an area in which they do not need special treatment, because they are protected by their status as a utility, and they are also protected by the fact that there are means by which they may withdraw their application.

Now, I am not so sure how much this means in dollars, as Mr. Vanik is. I respect his view on the thing, and I certainly respect his figures, and I know that he most carefuly checked with the FPC with respect to those figures, but I believe it is very, very difficult to come out with a precise figure without very deep investigation of the details of the applications.

But I think this can be said, that over the period of 5 years the pipelines have received, in these 7-percent investment credit accruals and use they have received somewhere around $250 million. Now that means that they are getting an advantage from the investment credit at the rate of about $50 million per year.

Now, the applications are seasonal. They usually come at the beginning of the year or they come about the middle of the year. I do not know to what extent this special treatment would step up the time that the investment credit applies, but I know what it would set it up substantially—if it would set it up in effect as much as 6 months we might estimate that the amount in investment credit accrued, if this exemption is passed, would be at least $25 million or half the $50 million figure.

Now, I do not set this down as a positive figure. I do not know precisely how much it would be, but I know it would be a very substantial advantage to gas pipelines which I do not think we need to give them, in all fairness.

Now, I would like to point out here that as I understood investment credit, it had originally been established in order to encourage rebuilding of old plant, also to encourage and increase the GNP of the Nation, but I do not think it was necessary with respect to gas pipelines in the beginning, certainly not necessary at 7 percent, or more than twice the figure that was given, say, to electrical utilities.

I think this is clearly pointed out by the fact that natural gas utility sales were 100.81 billion therms in 1962. In 1967 they were 133.42 billion therms. This is from Gas Facts, 1968. This is an extremely fast growing business that does not need encouragement to continue to grow, because obviously the larger the plant and the larger the expenditure in capital investment, the larger the return.

Gas pipelines are entitled to make a reasonable return on investment. I do not know any reason in the world why they should have enjoyed a 7-percent investment credit for all this time in the first place, and then to give them special treatment with respect to closing out investment credit seems to me to be an extremely improvident thing for Congress to do.

Now, I have considerably more detail with respect to this growth that would show that the total amount of plant, of net plant, for the period immediately preceding investment credit had grown at about the same rate or even at a greater rate than it grew subsequent to investment credit. Of course, I have that in the statement in order to show that investment credit was not needed in the first place.

But what I am arguing here is that gas pipelines do not need special treatment and should not be given special treatment by this legislation.

PREPARED STATEMENT BY HON. BOB ECKHARDT, A U.S. REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

SUMMARY

A. Outline of statement

I. Opposition to the surtax on general grounds:

(*a*) Review of past opposition: offsetting of the effects of the surtax by rising war expenditures—fear of more of the same.

(*b*) In full agreement with the Senate as to need for tax reform.

II. Opposition to the surtax respecting exemptions:

(*a*) Explanation of the loophole in the House-passed bill that allows the gas pipeline industry an unnecessary and unjust exemption from the April 18 deadline for repeal of the 7% investment tax credit.

(*b*) Because the government allows this industry a guaranteed rate of profit. Investment tax credit not warranted in the first place.

III. Need for responsible, effective alternatives:

(*a*) Extension of the withholding rates without an extension of the actual tax.

(*b*) Tax reform.

(*c*) Excess profits tax.

(*d*) Taxation of "excess interest".

B. Specific recommendations

I. Continue the higher withholding rates. The economic restraining effects not lessened and the pressure for tax reform continues unabated. Should the economy turn downward, Congress could lower withholding rates to their normal level and permit refunds; otherwise, institute the surtax retroactively.

II. Reinstate an excess profits tax. This would shift the burden from the poor and middle income groups to those benefiting most from the conflict in Southeast Asia.

III. Institute "excess interest" tax analogous to excess profits tax. Revenues generated by this tax could be used to subsidize home mortgages and municipal bond markets.

STATEMENT

Mr. Chairman, members of the Committee, I appreciate this opportunity to come before you on perhaps the most pressing and urgent problems facing our Nation today. No one can argue with the fact that we are in the midst of of rampant inflation and that we are experiencing some of the tightest money conditions in United States' history. The appropriate question that we should be considering is not whether economic restraint is needed—no responsible legislator or competent economist could doubt that fact—but rather, what form this economic restraint should take.

I voted against the 10% surtax extension, just as I voted against its original adoption last year. I shall state briefly why I oppose this particular form of economic restraint, the defects that appear in the House-passed bill, and my recommendations for responsible and effective alternatives to the surtax.

I

I opposed the imposition of this tax in 1968 because I did not feel that it would succeed in halting inflation. This is not to say that I have no faith in what is popularly referred to as the "new" economics; on the contrary I believe very strongly in the efficacy of fiscal and monetary policy. But these policies can only succeed if they are not sub-

jected to other government operations whose economic effects are in the direct opposite direction. I am referring, of course, to the expansionary and inflationary effects of the continued high spending on the war in Vietnam. This is how I made my case against the surtax last year and I see little reason to expect the situation to be any different this year. If our people are taxed—in the guise of fiscal constraint—when any meaningful disinflationary effects are negated by war expenditures, the effect is only to add the tax burden to the burdens of high interest and high prices.

Also, I wish to add my voice to the many urging that we not continue the surtax without adding meaningful tax reform. The surcharge is a tax on a tax, and, if one manages to avoid paying *any* taxes, he automatically escapes the surcharge. How can we, with a straight face, tell income earners and honest sharers of the tax burden that they must bear the burdens of fiscal restraint when many people with largely exempt incomes, capable of making many extravagant purchases, are not forced to curb their spending or fairly share the burden? I am heartened by the sentiment in the Senate for closing the many nefarious tax loopholes before final approval is given for extension of the surtax.

II

Now, I would like to point out to the Committee a very serious inequity in the House bill that passed on June 30.

As you know, one very important provision of the bill was the repeal of the 7% investment tax credit. Let me first say that I am very much in favor of this action for it has been effectively demonstrated that the investment credit is the primary contributor to the inflationary expansion of investment demand.

The bill sets the repeal date as of April 18, 1969 but quite correctly makes provision for construction begun, and binding contracts in effect, on or before that date. The general rule is that pre-termination property, i.e., property eligible to receive the investment tax credit, includes "any property . . . (that) is constructed, reconstructed, erected, or acquired pursuant to a contract which was, on April 18, 1969, and at all times thereafter, binding on the taxpayer." If such facts do not prevail, action taken after April 18 does not accrue an investment credit.

But among the exceptions is this one:

"Where, in order to perform a binding contract . . . in effect on April 18, 1969, (i) the taxpayer is required to . . . acquire property specified in any order of a federal regulatory agency for which application was filed before April 19, 1969, (ii) the property is to be used to transport one or more products under such contract . . . and (iii) one or more parties to the contract . . . are required to take or to provide more than 50% of the products to be transported over a substantial portion of the expected useful life of the property, then such property shall be pre-termination property."

This is the section (Section 4a) of the bill that I have a strong objection to.

The report accompanying H.R. 12290 explains this seemingly harmless exception to the general rule defining pre-termination property.

"An example of the type of case covered by this provision would be a situation where a company has entered into a binding contract to transport fuel through a pipeline for another party who will provide more than 50 percent of the fuel to be transported over a substantial portion of the estimated useful life of the pipeline. The provision would be applicable in this case, however, only if the company had filed prior to April 19, 1969, its application with the Federal regulatory agency for an order permitting it to construct the pipeline."

In sum, this provision is presented as one justly extending the deadline for those companies entering into contracts for which necessary Federal agency certification is not received by April 18. The major beneficiary of this exemption would be the gas pipeline industry. One of their chief supporters in the House, a Texas colleague, stated: ". . . they should not be denied the benefit of the credit because some Federal agency is sitting aside and refusing to act."

This is a dangerous, unnecessary and inequitable provision, and explanation of it on the floor of the House was misleading.

The implication on the floor debate was that a contract for purchase of capital goods which is binding as between seller and purchaser contingent only upon FPC approval constituted the exception that would qualify.

Thus, Mr. Bush, with whom the amendment originated in the committee, in answer to my question said: "* * * the contract spells out the equipment required and if these people have a bona fide contract, they should not be denied the benefit of the credit."

Mr. Boggs, who carried the bill on the floor, equated the provision to the ordinary contract for purchase of capital goods in the following language: "* * * the contract has been entered into and qualifies as a binding contract. If you were to build a plant . . . and no equipment has been installed, but they simply entered into a contract, a binding contract, prior to April 19, that equipment is eligible for the full 7 percent."

I had previously been told by an Under Secretary of the Treasury that such was all that the amendment did. In candor, Mr. Boggs did at another point explain the amendment accurately. I do not attribute to anyone an intention to mislead, but the matter is technical and complex and needs clarification, both as to its provisions and its justification.

In fact, the contracts in question are not contracts to acquire property but are rather contracts *to supply gas*. These contracts are not binding without a certificate of approval from the Federal Power Commission, and it is in these certificates that the only requirement of designation of the capital goods to be acquired is made. In order for a gas pipeline company to obtain approval for an extension of service it must file an application with the Federal Power Commission within which it must include, among other things, an analysis of the equipment needed to fulfill the contract. This includes a detailed estimate of total capital cost of the proposed facilities for which application is made.

But, unlike the case of other pre-termination contracts, the contracts here are *not* binding without the certificate of approval; and hence the companies involved are not likely to be injured by the withdrawal of the investment tax credit. The FPC will allow a gas pipeline company to withdraw its application for an extension of service if the company can show just cause. Just cause might well include a reduction in the probability of the contract. Presumably a loss of the investment tax credit would indicate lower profits.

This is a means of escape from contract which would not be as profitable as anticipated. But there is another even surer safeguard against an improvident contract (in anticipation of investment credit) which might actually result in a loss.

As a public utility, the gas pipeline industry has its rates regulated by the government, and these rates are set so as to give the company a reasonable rate of profit on its investment. If the rate of profit is set, the company cannot possibly be stuck with an unprofitable venture. True, it may not generate an investment credit, which is "cream" on top of profit, but it may be presumed that the utility would have expanded its market for the sake of profit alone. It did not act to its detriment envisioning, improvidently, an investment credit.

Obviously there is, and was, plenty of inducement to improve and increase plant from gas pipelines *without* any investment tax credit. Even before the 7% investment tax credit provision was enacted, net gas utility plant for the entire Nation had grown from about $6 billion to about $8 billion from 1957 through 1961. After the enactment of the investment tax credit, through the next six years, net gas utility plant grew at about the same amount, from about $8 billion to about $10 billion. It is apparent from these figures that the investment tax credit was not needed to encourage investment in plant and it apparently did not affect such investment.

Actually, the gas pipeline industry has grown at a rate at least comparable to the other utilities which received only 3% investment tax credit. There is no apparent reason why the pipelines were favored, but in the Revenue Act of 1964 Congress favored them again by eliminating any authority on the part of the Federal Power Commission to use the investment tax credit without the consent of the company involved in determining its cost of service. The tax savings from the investment tax credit could thus be used by the companies for reinvestment or dividends without regard to their rate of return.

From 1962 through 1967 the interstate natural gas pipeline companies generated $296,124,000 in investment tax credits. Of this amount, they utilized and retained $247,106,000. (*Statistics of Interstate Natural Gas Pipeline Companies, 1967*, Federal Power Commission, p. ix.)

Now the gas transmission companies are again asking for special treatment, as if they needed special relief. Are they weak? Are they an industry with a declining growth pattern? Quite the contrary, the industry has grown by one third in the last five years. In 1962, natural gas utility sales were 100.81 billion therms and in 1967 they were 133.42 billion therms. (See 1968 "Gas Facts" of American Gas Association.)

It is just not possible to put an exact dollar value on this special provision in the surtax and investment credit bill as to how much it benefits gas pipelines. But it clearly would defer the cutoff date for withdrawing the investment tax credit. As I have pointed out, they never needed it or deserved it in the first place; and, at more than twice the figure granted other utilities, it was nothing but a windfall for the stockholders—not the consumers.

The windfall was at an average of about $50 million a year. Typically, in past years, the highest number of rate applications by the gas pipelines have been in the winter months. In the winter of 1967 and 1968 approximately as many permits were filed as during the entire remainder of the year. This was not exactly the situation in the FPC fiscal year 1968–69. In that year over 70% of the applications had been filed by January 1.

I am frank to say, I cannot tell the significance of the timing of the applications other than to say an adroit timing of applications well in advance of actual equipment purchases could keep the 7% investment credit going for a considerable time. If this extended time be 6 months, the special treatment in this law is worth $25 million in investment credits generated to the gas pipelines.

I served for a good number of years in a legislative body which was very sympathetic with gas pipeline companies, and I have had the experience of their long arm reaching right into a conference committee of the Texas Legislature to render a tax unconstitutional. I thought I had escaped this tampering when I came to Congress, but I underestimated their reach.

III

Because I do not believe the surtax to be a fair way to halt inflation, or even a feasible

way if present spending patterns continue, and also because the bill contains several questionable clauses, I voted against it in the House on June 30. But it would be quite irresponsible to oppose the surtax and leave it at that. As I said at the opening of this statement, we are facing an inflationary spiral affecting prices, wages, and interest rates. Some viable alternative to the 10% surcharge must be suggested.

The Senate and House have voted to continue the withholding rates, as if the surtax were still in effect, as a temporary fiscal measure. This in itself is a logical and practical alternative to the President's fiscal package. It would preserve and continue the economic restraining effects of the surcharge while allowing time for further consideration of its need.

We should simply continue such withholding while we hammer out tax reform.

The benefits of following this course are several:

1. We would be able to avoid legislating on such an important matter under the pressure of a deadline.

2. Many economists are convinced that we will be in the throes of a dangerous economic slowdown in the first quarter of 1970. If the Congress took no action other than to extend the withholding rate, the economy would be rejuvenated by a great influx of spending money to the public at the time of its greatest needs, i.e., at tax refund time. If inflation is controlled or reversed, Congress would simply pass legislation lowering the withholding rate to its normal level.

3. The Congress, without engaging in a blind guess, would then be able to decide if the surtax was or was not needed. Congress is pretty good at "hindsight," and it could apply it then. If the inflation continued unabated the surtax could be enacted retroactively while none of the necessary economic effects would be lost in the interim. Retroactivity would not hurt the normal taxpayer because he would have paid his taxes by the previous withholding.

4. Tax reform minded Representatives would have the leverage that they have so long sought in this area. We would be able to put the heat on the President to push for tax reform without risking the dangers of too early relaxation of fiscal restraint.

5. Also, Congress would retain a real budget control. We could be satisfied that the cuts that are made by the administration forces are not made in the programs most vital to cities and to the poor. Likewise, that some reductions are made in areas of extravagance like some military boondoggles. With the surtax question impending *after* the budget cuts, Congress would have potent bargaining strength.

As another alternative, either independent of or in combination with the extension of the withholding rates, I would propose the institution of an excess profits tax. This worked successfully during the second World War and during the Korean War. It is unfair for most to suffer increased war-time burdens while others enjoy increased wartime profits. I fully concur with the efforts of Senator McGovern in this area.

One of the most serious manifestations of the inflation we are experiencing are the extremely high interest rates. I fully comprehend the meaning of the market and how unwise it is to tamper with the market mechanism. There can be no doubt that the high money rates are a manifestation of market pressures and cannot be condemned sweepingly as an explicit effort by the banking industry to raise its profits. I would not support legislating a ceiling on interest rates—I feel that that would only serve to disrupt what is an orderly, but very tight market.

What I would propose is that the Congress pass a tax on excess interest rates, as on excess profits. Such would drain off the excess income engendered by the tight money market, just as excess profits from the inflationary war stimulus is drained off by an excess profits tax.

I am not criticizing the banks for the recent increases in the prime interest rates. They are simply reacting to the huge loan pressure and the constricted supply of money. I am willing to accept the fact that the huge growth in bank earnings—largely due to the higher rates charged on loans—is incidental. But, just as I feel that it is unfair for corporations to earn extraordinary profits from the war, I feel that it is unfair for the banks to retain a fortuitous, incidental benefit from inflation. Unlike other industries, the costs of doing banking business during inflation does not rise as rapidly, or more rapidly, than revenues. As the price they charge for money goes up, so must their profits. Recent bank statements of earnings confirm this.

Note the following table showing net operating earnings of seven great New York banks in the second quarter of 1969 as compared to the second quarter of 1968. The increases are largely due to an advance in prime interest rate from 6–6½% in 1968 to 7–7½% in 1969, and, of course, accompanying increases in all interest rates. On June 9, 1969, the prime rate has further increased to 8½% which will undoubtedly be reflected in even greater earnings in the third quarter.

[Dollar amounts in millions]

Bank	Net earnings		Percentage increase in earnings
	1968 (6–6½ percent)[1]	1969 (7–7½ percent)[1]	
Manufacturing Hanover Corp.	$17.5	$21.0	20.3
Charter New York	13.0	14.5	11.6
J. P. Morgan & Co.	18.4	20.5	11.4
Chemical New York	32.8	36.5	11.2
Chase Manhattan	58.1	63.8	11.2
Firt National City	62.4	66.1	5.9
Bankers Trust	27.0	27.5	1.8

[1] Prime interest rate.

Source: New York Times, July 7 and 9, 1969.

If, as the banks say, they must raise their interest rates in order to ration their loanable funds, there would be no hindrance. An additional benefit could be gained by using the revenues generated by this excess interest tax to subsidize home mortgages and interest on municial and state bonds.

Perhaps an example of how this tax would work would help to clarify my proposal. In order to allow for normal growth in the demand for money and to make sure that this tax would only be effective in times of very high interest rates, let us take as our base the 8% prime interest rate. Then any loan for more than $10,000 at a rate of over 8% would be subject to the tax.

Using this as the base for our interest tax, a possible levy could be 1.0% for every 0.1% increase in the rate of interest over 8%. Thus, a $10,000 loan at the current 8½% prime interest rate would bring in $850.00 per annum in interest which would be taxed $42.50 (5% of $850.00). The bank would earn $807.50, just a little more than it would have earned at the lower 8% rate. The following table demonstrates how this tax would work over a range of interest rates (assuming a loan of $10,000):

Interest rate (percent)	Total interest payment	Rate of tax (percent)	Bank earnings	Tax
8	$800	0	$800.00	0
8½	850	5	807.50	$42.50
9	900	10	810.00	90.00
9½	950	15	807.50	142.50
10	1,000	20	800.00	200.00
10½	1,050	25	787.50	262.50

As you see, the interest earnings cease to grow after a certain point while government revenues from the tax rise rapidly. There would be no profit incentive for the banks to raise their rates although there would be nothing to prevent them from doing so if the pressures of the market made such raises expedient. Meanwhile, the revenues raised by the tax could be reserved for home mortgage subsidies and interest subsidies for states and municipalities on their bond issues.

We cannot in good conscience abandon the fight against inflation. This does not mean, however, that the Congress must passively accept whatever proposals the administration brings forth in the battle. I strongly believe that a combination of extended withholding rates, an excess profits tax, and an excess interest tax could most effectively curb inflation and high interest rates and, at the same time, pass the burden over from the least able to pay to the most able.

Mr. YARBOROUGH. Mr. President, the amendment I offer today is not a new matter. Congressman ECKHARDT brought this matter to the attention of the House, and of the Senate Finance Committee in July as evidenced by his statement. I wish to commend him on his efforts to eliminate this type of special interest legislation and urge my colleagues in the Senate to read his statement carefully.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

AMENDMENT NO. 352

Mr. BELLMON. Mr. President, today I submit an amendment intended to be proposed by me, to H.R. 13270 to permit the recovery of reasonable court costs in civil cases involving the internal revenue laws.

The present internal revenue tax system has become so complicated that it is rarely understood by individual taxpayers. As a result, most taxpayers feel compelled to retain professional legal and accounting services when differences with the Internal Revenue Service arise. Such services are expensive and increasingly, taxpayers who are innocent of wrongdoing find it cheaper to pay taxes and penalties not owed, than to contest unfair Internal Revenue Service rulings in the courts. As a result, there is a great temptation for the Internal Revenue Service to resort to tactics which frequently border on extortion.

In a recent conversation with an official at the Internal Revenue Service, I was amazed when he told me that, "if the taxpayers of this country ever discover that the Internal Revenue Service operates on 90 percent bluff, the entire system will collapse."

Every citizen of this country must pay the full and fair amount of tax due under our law. With that responsibility, the taxpaying citizen must also have the protections against unfair taxation. This amendment helps assure an innocent citizen that he cannot be forced to incur unfair costs by unwarranted accusations by an agency of the Federal Government.

Under our present system, the Internal Revenue Service may communicate with the taxpayer and tell him that he owes the Government of the United

States a certain sum of money. The citizen has two alternatives when this occurs. One, he can pay the Internal Revenue Service the amount claimed due. Or, he can go to court and try to prove that the amount is not due the Federal Government. But if, in a court action, the citizen does prevail, he is still burdened with the attorney's fees and other costs that are incidental to the litigation, which may exceed the amount claimed by the Internal Revenue Service.

Unless the sum claimed by the Internal Revenue Service is large, the citizen is likely to pay the amount the Internal Revenue Service claims is due and forgo his right to prove his innocence.

This amendment will strengthen the ability and the will of American citizens against an arm of our Government, which many feel is unduly repressive, by allowing recovery of court costs when they prevail in an action brought by or against the United States.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "The Tragic Case of John J. Hafer and the IRS," written by John Barron and published in the Reader's Digest of January 1969, and an article entitled "Tyranny in the Internal Revenue Service," written by John Barron and published in the Reader's Digest for August 1967.

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

[From the Reader's Digest, January 1969]

THE TRAGIC CASE OF JOHN J. HAFER AND THE IRS

(By John Barron)

(NOTE.—In preparing two major articles about the Internal Revenue Service, The Reader's Digest has encountered a shocking number of acts of tyranny by our tax-collecting agency. Across the land, IRS has confiscated the money and property of scores of citizens who owed the government nothing. With the help of readers, lawyers, accountants and IRS employees themselves, the Digest has now assembled enough such examples to fill a book.

(Of all the cases examined, however, one stands out as illustration of the agony and injustice that IRS can visit upon an innocent man. We do not maintain that the Hafer case is "typical." Yet we feel an obligation to recount it because it did happen, here in America. We hope that every citizen, every public administrator and every member of Congress will ponder this chronicle, then join in demanding the reforms necessary to ensure that such a thing can never happen again.)

It all began one October morning in 1958. An Internal Revenue Service agent strode into the Cumberland, Md. (pop. 33,500) office of John J. Hafer, just as he might enter any businessman's office, and announced that he wanted to make a routine tax audit. For the next five months, Hafer made all his books and records—plus desk space—available to IRS. The agent worked irregularly, a couple of hours one day, maybe not at all the next. His sporadic audit uncovered no evidence of wrongdoing. Yet, because Hafer's taxable income for 1956 and 1957 was comparatively low, he developed "a feeling" that something was amiss.

Thus, in November 1959, Special Agent Milton Kyhos appeared with orders from regional IRS headquarters to begin an all-out *criminal* investigation. "In over 250 cases," Kyhos warned Hafer, "I've never lost one."

"Well, sir," boomed Hafer, "you're about to lose your first."

A tall, powerfully built man with a voice that could rattle windows, John Hafer, 54, felt secure in the knowledge that he had nothing to hide. From German ancestors he had inherited abiding faith in labor, thrift, self-reliance. After working his way through the University of Pennsylvania, he had opened a furniture store in Cumberland and had saved enough to buy a 144-acre farm. There he had established a small dairy and a roadside vegetable stand which grew into a country restaurant. Later, he had taken over a funeral home, expanded it, and acquired still another farm. He kept complete, accurate records, and regularly had them checked by accountant John W. Rollins. Pointing to his books, Hafer said to the IRS investigator, "I hope you'll begin right here in my office."

Kyhos promised he would. But he explained that he would be delayed by other cases for a while.

UGLY RUMORS

For the next two years no one from IRS visited, telephoned or even wrote Hafer. Kyhos, though, while investigating around town on other matters, dropped the word that sooner or later he was going to start on John Hafer.

Because these little asides bred ugly rumors, Hafer, in January 1962, called on Kyhos to ask that IRS get on with its investigation and allay suspicions that were being created.

"I would like to take your books," replied Kyhos.

"On one condition," Hafer said. "Don't go up and down the street telling everybody I'm under investigation. It could ruin my business."

"Oh, I couldn't promise that," the agent replied.

Angered, Hafer vowed, "You'll never see my books the longest day you live."

IRS had already examined Hafer's records once, of course, and all of them had long been open for any additional inspection it wished to make. By law, Hafer now had to surrender his corporate books—and he did. But in withholding the personal records he had previously made available, he was within his legal rights.[1] For this, though, IRS stigmatized him as "uncooperative." And he soon began to learn what can happen to an individual who so incurs IRS wrath.

Now Kyhos did start the investigation, contacting banks, merchants, farmers, even Hafer's church—more than 150 people in all—asking questions which cast their own aura of guilt. Hafer's phone rang often. "Kyhos says you're going to jail, John," salesman James A. Morgan, Jr., reported. IRS prowled around neighboring Pennsylvania and West Virginia, planting doubts about Hafer among creditors and suppliers. The bank called: "Mr. Hafer, we think you ought to know that IRS is copying records of your account." Secretly, the post office was ordered to hand over Hafer's mail before delivery so that IRS could identify and question people who wrote to him. ("Routine for a party that does not cooperate," Kyhos later told a Senate investigating subcommittee.)

IRS dispatched agents in Missouri, Pennsylvania and Texas to hunt down Hafer's married daughters. One of them, Mrs. Frances Wells Ferris, was forced to defend her own tax returns and financial records and was subjected to interrogation at the IRS office in Houston.

The IRS tactics ultimately had their effect. Hafer had long been known as a community leader, an honest, free-speaking man who could be stubborn. "One thing about John, he was never afraid to stand up and be counted," recalls County Commissioner Lucile Roeder. "He was the kind of man a community needs more of." But now belief spread that Hafer must be guilty of *something*. More and more, Hafer's customers, even friends, shied away. Business dwindled. Lenders, once eager to supply operating capital, now found reasons to deny it. Hafer had to sacrifice his dairy business, then a store.

"What can I do?" he asked his wife. "They say all these things behind my back, but they don't make any charges for me to answer." The truth was that IRS had made no charges because, despite efforts spanning nearly four years, it still was unable to build a case.

YOU ARE UNDER ARREST

Finally, fuming with anger, on June 1, 1962, Hafer went to IRS headquarters at the post office for a face-to-face talk with Kyhos. When Kyhos saw him entering, he dived under a table, fearful of attack. "Come on out. I'm not going to hurt you," Hafer said. Kyhos hid under the table until a second agent came in; then he jumped up and grabbed a revolver from a file cabinet. "Mr. Hafer, I think you'd better leave," the other agent said. Hafer left.

Seven days later, three IRS agents crowded into his office. "Mr. Hafer," one announced, "you are under arrest for assaulting a federal agent." Incredulous, Hafer was hauled away to the police station, fingerprinted, photographed and held prisoner until his brother-in-law put up $5000 bond.

Now Hafer recognized that he *was* in trouble. He could be imprisoned for three years. "John, you'd better hire a good criminal lawyer," an attorney friend advised.

At the assault trial in Federal District Court in Baltimore, which began on September 10, 1962, the government conjured up a scene of mayhem and portrayed Hafer as a wild man "bent on murder." Nevertheless, one fact could not be erased: by Kyhos' own admission, no one had so much as touched him. After a three-day trial, the jury returned the verdict: "Not guilty."

"It's all over now," Hafer said to his family. But it wasn't. IRS had ordered still another agent to Cumberland to intensify the pursuit of Hafer. And, in November 1962, four years after the audit began, Kyhos officially recommended that Hafer be prosecuted for criminal tax fraud.

A MATTER OF ROUTINE

IRS boasts that its system of internal checks and balances protects every taxpayer against malicious or groundless charges by an individual agent or service clique. Kyhos' report, for example, had to be studied and approved first by his group supervisor; then by the IRS intelligence chief in Baltimore; next by the IRS Assistant Regional Commissioner for Intelligence; and finally by the IRS Regional Counsel's office in Philadelphia. Yet not one of these supposed checks wrought any change. The grave recommendation that Hafer be charged as a criminal was approved swiftly and routinely all the way up the line.

IRS then asked the Justice Department to try to put Hafer in jail. The case was assigned to U.S. Attorney Joseph D. Tydings (now U.S. Senator from Maryland) for prosecution. After examining it, Tydings refused to prosecute. "I strongly advised the Justice Department to drop the case," he recalls. Concerned, Justice Department officials conferred with Hafer in Washington. Then they, too, rejected the charges and refused to prosecute.

Yet IRS wouldn't give up. It switched the charges from criminal fraud to civil fraud, which its own lawyers are empowered to prosecute. On July 31, 1963, IRS officials ruled that Hafer owed $34,463.12 in back taxes and fraud penalties.

Now, for the first time, Hafer received a detailed bill of particulars. "Why, they've made up these charges out of thin air!" exclaimed his son, John, Jr., as he studied the computations. To make its case, IRS simply had disallowed legitimate, documented business expenses. Also, without of-

[1] Federal courts have ruled that no one has to supply *personal* records which might be used against him in a criminal investigation.

fering any evidence, it had claimed that Hafer must have spent $15,000 more on living expenses than his tax returns indicated.

Hafer submitted a detailed analysis, pinpointing each fallacy in the IRS claims. To no avail. His son traveled to the district IRS office in Baltimore with the evidence—without success. He drove several times to the regional office in Philadelphia. Still IRS wouldn't budge. The series of safeguards which, IRS claims, guarantee fair treatment to all taxpayers simply did not function. An IRS decision had been made, and apparently nobody dared be the one who found it wrong.

A DAY IN COURT

His business a shambles, Hafer now lived for what he had demanded—a hearing before the U.S. Tax Court in Philadelphia. It was scheduled for March 21, 1966. Meanwhile, he talked little and enjoyed nothing, so obsessed had he become with thoughts of exoneration. But now, as time for the trial neared, it became evident that IRS was anxious to duck a showdown in open court. On February 18, Hafer's tax lawyer, Frank S. Deming, phoned Hafer: "The IRS says that if you will admit fraud, they'll settle the whole case for $4000."

"Admit that I'm a crook when I'm not?" Hafer replied. "No, sir!"

Soon Deming telephoned again: "IRS is willing to settle for $3000."

"I don't owe a cent!" Hafer shouted. "If I give in now, no one will *ever* believe I'm innocent."

In the pre-dawn darkness of March 21, 1966, Hafer and his son drove from Cumberland to Philadelphia. When the Tax Court opened, they were there, surrounded by books and ledgers, ready to fight. Then they saw Deming hurrying toward them.

"Mr. Hafer! IRS here has decided to recommend that the whole case be dropped!" the lawyer jubilantly told them. "Washington has to approve, but I'm told that this will take only a short time. All you have to do is agree not to go to trial now."

Hafer hesitated, feeling that IRS might only be stalling. But finally he agreed. The ordeal that had consumed nearly eight years of his life seemingly had ended.

Only one minor problem remained. Hafer had consented to appear before a Senate judiciary subcommittee investigating IRS abuses. His lawyer and friends urged him not to testify lest he further anger IRS. "No," he said. "Maybe if others hadn't been afraid to speak out, this wouldn't have happened to us."

So Hafer told his story to the Senators. "My sole purpose in appearing here is to try to save other taxpayers from this awful experience," he said. "But for my belief in a living God who gave me good health, guidance and perseverance, I would have succumbed."

Back home, Hafer waited impatiently for official notice that IRS had formally dropped the case. But no word came. Then, on May 17, through Deming, Hafer learned the truth: IRS in Philadelphia had dishonored its pledge and decided to renew the case. Hafer had been duped. Now he had to go through the agony of waiting indefinitely until the trial could be rescheduled.

ORDERED AND DECIDED

Meanwhile, within IRS, an honorable man was wrestling with his conscience. He was Edward L. Newberger, the senior IRS attorney ordered to prosecute Hafer. As an outstanding tax specialist and trial lawyer, Newberger had doubted the government charges when he first scrutinized them in preparation for trial. "Our figures for living expenses are just unsupported estimates," he argued. "We don't have a case at all." And it was at his insistence that IRS had pledged to drop the case.

He knew that he now had much to lose personally by protesting further. In effect, he would be declaring that all IRS officials who had endorsed the prosecution of Hafer were wrong. Yet his conscience left him no choice. So he drafted a 34-page memorandum which ripped the government case to shreds. It asserted that the government claims were based on erroneous figures and unsubstantiated estimates. Finally, Newberger cited the findings of a crack IRS agent whom he had asked to make an objective study of Hafer's records. The analysis had disclosed that the books and records were complete and agreed with the tax returns. Then he went from IRS office to office showing the memorandum and arguing for justice.

Hafer, of course, knew nothing about this. As the memorandum was slowly shuffled up the line to Washington, he received notification that his trial had been rescheduled for the term beginning December 5, 1966. Wearily he began preparing all over again for a court fight. But, on the night of November 1, while getting dressed for a Lions Club dinner, he collapsed in uncontrollable convulsions. He was rushed to a Baltimore hospital. Surgery disclosed a malignant brain tumor. Hafer's power of speech waned, and he grew weaker by the day.

John, Jr., assembled the family. "Whatever we do," he said, "we can't let anyone know just how sick Dad is. If IRS finds out, it will drag the case on, and he may never be cleared." So, as far as IRS knew, Hafer was as prepared as ever to meet it in court on Monday, December 5.

IRS in Washington waited until the last possible minute. Then, on Friday afternoon, December 2, Deming telephoned John Hafer, Jr., from Philadelphia. "Your dad's vindicated!" he said. "Washington just called IRS here. They're dropping the case once and for all."

"Get it in writing," the son said. "Otherwise, we'll see them in court."

A copy of the final decree of the U.S. Tax Court arrived three weeks later. It read: "ORDERED AND DECIDED: *That there are no deficiencies in income taxes due . . .*"

The son sat at John Hafer's bedside praying that his father would regain consciousness. Seeing his father's eyes move, he said, "Dad, you've won! IRS has admitted in writing that you're not guilty of anything, that you don't owe anything. Can you hear me, Dad?"

Tears welled in Hafer's eyes, and he reached out to touch his son's hand. Soon he lapsed into a coma. Five days later, without comprehending another word, John Hafer died.

(At IRS headquarters in Washington, two Reader's Digest editors reviewed this case in detail with three senior officials of the agency. After every fact had been confirmed, IRS was asked to comment on how it all could have happened.

(The IRS reply came a month later: "Mr. Hafer refused to cooperate. In our opinion, the system of checks and balances . . . was not at fault. Rather, the system was frustrated by Mr. Hafer's attitude . . .; nor indeed can we contemplate manageable means to prevent such persons from martyring themselves.")

[From the Reader's Digest, August 1967]

TYRANNY IN THE INTERNAL REVENUE SERVICE

(By John Barron)

Whenever an income-tax cheat gets by, the rest of us have to make up the loss in revenue for which he is responsible. In fairness to the great majority of honest Americans, we must encourage the Internal Revenue Service to use every honorable means to collect what is owed the government. But something is now dangerously amiss. In its pursuit of our dollars, the IRS is resorting to tactics that threaten *all* taxpayers.

"Too many Americans pay more than their share of taxes because they are intimidated by a tax-collecting octopus which has them at a disadvantage and keeps them that way," declares Sen. Warren Magnuson (D., Wash.). No one can know just how many are treated unfairly by IRS. Last year it subjected 3,500,000 returns to special examination, extracting extra payments from 1,900,000 citizens because of alleged errors.[1] Moreover, literally no one is beyond IRS's reach, whether he had made a mistake or not. Bewildered, afraid, lacking money to hire lawyers, the lone individual often succumbs in silence when the awesome powers of government are brought down upon him. But today evidence from all over the country shows that in the name of collecting taxes IRS has bullied, degraded and crushed countless innocent citizens—while unaccountably favoring others. For example:

In Kansas City, Mo., two IRS agents intruded upon Mrs. Michael Darrah while she was nursing her six week old baby. The young mother pleaded with the men to come back another time. Instead, for four torturous hours they questioned her about an income tax charge against her father, Kenneth R. Layne. When she sought to call him for advice, one man ordered, "Don't touch that phone." Unsure of her rights, Mrs. Darrah asked permission to call a lawyer. "That will only make it worse for your father," an agent threateningly told her. For the terrified woman, it was tantamount to being held a prisoner in her own home. Ultimately, a jury unanimously concluded that Layne was innocent of any crime. But his daughter, never accused of anything, suffered a nervous breakdown.

In Oakland, Calif., attorney Lew M. Warden, Jr., patiently answered questions about his tax return until an IRS agent demanded all his records. "Those files contain confidential information about some of my clients," Warden protested. "You have no right to them." So IRS arbitrarily disallowed his legitimate business deductions for three years and claimed he owed $19,501.41 in back taxes. It seized his bank account, ordered tenants of a cottage he owned to pay their rent to the government, confiscated his sailboat. Worse still, the constant IRS harassment took him away from his law practice so much that his income plummeted.

Insisting on a day in court, Warden spent his last savings preparing for his tax trial scheduled April 5, 1965. But on April 1, after hounding him for 33 months, the IRS suddenly dropped all charges. For, as it should have known all along, Warden had done nothing wrong and owed it nothing.

PROOF PILED HIGH

All this may sound incredible to those who have not yet been victimized by IRS. I was skeptical too—at first. But the proof has been piled high by court rulings, Congressional investigations, unrefuted sworn testimony, documented complaints to Congress and by the *admissions of IRS officials themselves*. It is so overwhelming that concern now grips a cross section of Congress.

More than half the Senate membership has gone on record as calling for something to be done about the way small taxpayers are abused by IRS. "My files, like those of every other Senator, are filled with moving appeals from taxpayers whose experiences with IRS have turned into nightmares of inquisition," says Sen. Norris Cotton (R., N.H.).

Alarmed by multiplying complaints, the Senate Judiciary Subcommittee on Administrative Practice and Procedure two years ago began asking IRS officials and their victims questions under oath. The ensuing Senate hearings produced astounding testimony disclosing that: IRS has defied court orders, criminally picked locks, stolen records and threatened reputable people. It has illegally

[1] In the entire nation only 1324 taxpayers were found guilty of actual fraud last year.

tapped telephones, seized, opened and read personal letters while spying on the private mail of tens of thousands of citizens. It has illegally bugged phone booths and hidden microphones where taxpayers talk with their lawyers.

Moreover, such lawlessness has been encouraged from high levels of IRS. Its Washington headquarters has bought elaborate spying equipment for use about the country. IRS sent many agents to an official Treasury School near the White House to learn how to commit such illegal acts as wiretapping and lock picking. IRS has maintained on call in Washington a staff of specialists in illegal snooping. "I violate state laws at all times," special agent Thomas Mennitt has testified. "It's part of my duties."

Summing up interviews with 621 individuals and 2756 pages of sworn testimony, Sen. Edward V. Long (D., Mo.), chairman of the Senate subcommittee probing into IRS practices, declares: "IRS has become morally corrupted by the enormous power with which we in Congress have unwisely entrusted it. Too often, it acts like a Gestapo preying upon defenseless citizens." Senate Minority Leader Everett Dirksen, a subcommittee member, reports: "Outraged constituents have inundated my desk with letters blistering the Revenue Service's collection practices. They show it is frequently the small taxpayer who is hurt worst in his attempt to deal with a giant bureaucracy like IRS."

NAKED POWER

Many IRS employees who have witnessed such practices firsthand are deeply disturbed. As a result, they have secretly provided Congress with evidence, a major reason why IRS abuses are now being exposed. Indeed, IRS's own personnel have openly applauded, through their National Association of Internal Revenue Employees, the Senate investigation, even while top IRS bureaucrats have tried to cover up and withhold data. After privately interviewing dozens of IRS agents. I have concluded that most, as individuals, want to be just and reasonable.

What, then, is the matter? Meeting me furtively in San Francisco, one veteran agent explained: "Sometimes you feel like the cop who's got to hand out so many tickets a month if he expects to get ahead. You're judged by how often you bring in more dough. Under such pressure I have seen people determined to find taxpayer error whether it's there or not."

Clearly, from all the evidence, the root of the problem is the IRS "system." For Congress has given so much raw, naked power to this one agency that it is a law unto itself. Consider some of the things it can do—without the approval of any court, judge or anyone else.

IRS can audit, interrogate or investigate anyone, for as long as it wants. In Kansas City, Mo., policeman Paul R. Campbell halted a speeding car driven by an IRS agent. "We'll just have to check your taxes," the agent was quoted as saying, after other arguments failed to stop the officer from writing a ticket. Sure enough, soon after Campbell filed his next tax return, IRS ordered him to report for an examination which lasted two hours. Unable to find anything wrong, it nevertheless pestered him for another four months with phone calls, letters and more interrogations before admitting he owed nothing.

In a small Tennessee town, an IRS agent riffled through mail on a businessman's desk, pried open an envelope and found a letter linking him with "another woman." The agent showed a copy to the man's wife, trying to anger her so that she would agree to inform against her husband.

IRS can assert that a citizen owes taxes, force him to prove he does not. After contracting to sell his home in suburban Detroit, businessman Roger Logan (not his real name) discovered that IRS had slapped liens of $210.07 and $400.07 on it for alleged nonpayment of taxes. Logan's wife presented canceled checks and copies of past returns to prove no taxes were due, but without avail. "The best thing to do," an IRS clerk advised, "is to pay off the liens. Then, if you're telling the truth, you can sue to get your money back." Only after Logan got help from a lawyer friend would IRS even take the trouble to verify that he indeed owed nothing. The agency had tied up his home simply because it had two old claims against someone with a *similar* name.

IRS can merely claim that a citizen owes taxes; then, if he fails to pay instantly, it can immediately confiscate his salary or all the money he has deposited in a bank, or seize everything he owns.

Nobody knows this better than farmer Noel Smith of Taylor, Mo. IRS checked Smith's books for nine years without telling him it suspected any significant irregularity. Then one morning a friend ran up to him with a newspaper report that IRS was taking over his farms. Smith rushed to town, only to learn that IRS had confiscated all his money in the bank, the contents of his safe-deposit box, even an insurance policy belonging to his 70-year-old mother. Five days later, IRS formally demanded that he pay it a staggering $501,000.

With help from friends, Smith hired lawyers and accountants to unravel the fantastic IRS claims. Meanwhile, the agency began selling off his stored grain, using sledge hammers to batter apart his bins. "Highhanded," "unlawful," declared the U.S. Court of Appeals upon hearing what IRS had done.

Nevertheless, IRS kept custody of Smith's property and denied him income from it for four years before deciding that he actually owed $54,573 in taxes. Smith paid his "ransom," as he termed it, so that he could recover his land. Another year Smith overpaid his taxes but had to sue to force IRS to give him back $7820 the government owed him. And to this day IRS is still after him. "I did not think it could happen in the United States," Smith told Senate investigators.

But I have found that it does happen. To make sure that people who complain are not just disgruntled crackpots or conniving tax dodgers, I traveled across the country talking to IRS victims, their families and neighbors. And I found that when IRS misuses its vast powers, the people most likely to suffer are not gangsters or rich tax cheats. They are ordinary people who do not command batteries of lawyers and who have no special influence in Washington. And what IRS does to one citizen, it can do to any other.

KICKING PEOPLE AROUND

Look at what happened not long ago in Richland, Mo., a small town in the Ozark foothills. As he told the Senate committee, the local bank president, Gordon W. Warren, was alone in his office when two IRS agents marched in and demanded the records of a depositor. "I'll just notify this customer," Warren said, reaching for the phone. "If you do that," an agent told him, "you'll be liable to a $10,000 fine and a ten-year imprisonment." The threats were as illegal as they were inexcusable. But how could Warren know?

Down the street an IRS agent confronted a waitress with a $275 tax claim. When she protested, the agent threatened to confiscate and "dispose of" her old car unless she paid up that day. Near tears, she went to see Warren, who agreed to lend her the $275 necessary to hold IRS off. Only after she spent days getting a sworn affidavit to document her deductions did IRS admit she didn't owe the bill which it tried to intimidate her into paying.

Across the railroad, Fred and Katherine Tomlinson run a one-room Dairy Queen shop. They have never made a lot of money, but enough to rear their children and make their own way. On March 31, 1965, a worried bank cashier ran to see them. "The IRS has seized your bank account," he reported. "They claim you didn't pay your taxes last year." Tomlinson couldn't understand: "The government's never said anything to us about owing any money." That night, he and his wife dug out a canceled check proving they had paid in full, and mailed it to IRS. Meanwhile, checks they previously had written bounced because of the IRS seizure of their funds. "I'm so ashamed," Katherine told her husband. Not until eight days later would IRS restore their money—without the least apology.

This callous disregard of the rights, feelings and welfare of ordinary people goes on all the time. Last March 28, IRS without forewarning attached the salary of Chicago salesman Jerry G. Pfinster. Thus Pfinster was branded as "financially irresponsible" in the eyes of his associates. Only later would IRS give him a letter admitting that it had made an error and he owed nothing. But that has failed to restore Pfinster's reputation.

CONFORM—OR ELSE

The attitude that it can do as it pleases sometimes causes IRS to lash out vindictively at people who disagree or cause it trouble, even at its own employes.

Claude F. Salter, for example, is a distinguished veteran of 34 years with IRS. His record as chief of its San Francisco audit division was so outstanding that IRS admits "we cannot deny that he did perform well." Salter was stubborn, though, when it came to principles. To superiors who asked special treatment for certain taxpayers, he consistently said no. So in the spring of 1964, these officials tried to have him declared unfit by ordering him to the U.S. Public Health Service Hospital and sending along a letter implying that he was mentally ill. A battery of psychiatrists and physicians told Salter that he was well adjusted, intelligent and healthy. Nevertheless, IRS soon demoted him to a lesser job where he could not influence policy.

In Dedham, Mass., 31-year-old accountant Donald R. Lord responded to a knock on his front door one Saturday morning, still in his pajamas, and three IRS agents pushed past him into his home. They ordered him to get out corporate records entrusted to him by a local businessman. "You'd better cooperate if you expect to stay in business," Lord was warned. "Don't make any phone calls, or you'll be subject to prosecution."

After interrogating him most of the day, the agents confiscated boxes of papers, threatening him with a jail sentence if he resisted, and drove away.

Soon thereafter, a neighbor phoned: "Some IRS men were here today, asking questions about you." Meanwhile, IRS agents went to Lord's bank and copied his financial records. Others hounded his relatives with interrogations and even tried to question his 88-year-old grandmother.

Angered and worried, Lord engaged a distinguished Boston lawyer, Lawrence O'Donnell. Subsequently IRS, by its own admission, subpoenaed Lord to appear at a conference in a secret office which had been carefully bugged in advance. Suddenly O'Donnell, too, was subjected to hostile IRS examination. An employe at Boston's Carney Hospital, where O'Donnell had undergone five critical operations, tipped him off that IRS was questioning his medical expenses. Moreover, as IRS later admitted, agents pored over his tax returns covering six years, hunting futilely for some error.

The Federal District Court in Boston declared that IRS's "unlawful pressures" against Lord came "close to extortion." It ruled the seizure of the business records completely illegal, and forbade IRS to make any further use of them. Yet, as O'Donnell subsequently proved wtih testimony of one agent who resigned in disgust, IRS made

copies of these records and continued to use them—in arrogant contempt of the court order.

A DOUBLE STANDARD

And now, consider undisputed evidence which Sen. John J. Williams (R., Del.) has unveiled on the floor of the Senate. It shows that while mercilessly trying to take the last cent of some taxpayers, IRS has treated others quite differently.

Over a period of seven years, IRS allowed the New York-based real estate firm of Webb & Knapp to pile up tax debts of more than $27 million, while the Federal Housing Administration lavished on it $67 million in government-insured loans. Upshot? Webb & Knapp defaulted on the loans, and IRS in December 1965 wrote off a whopping $26 million as "uncollectible." Similarly, IRS last year simply wrote off as "uncollectible" a tax bill of more than $23 million owed by six American shipping companies controlled by Greek magnate Stavros Niarchos.

As Senator Williams notes, still harder to explain is the treatment of people like Lawrence L. Callanan. An official of the Steamfitters Local No. 562 in St. Louis, Callanan was convicted in 1954 of extortion, received a 12-year sentence. He was paroled in 1960, and in April 1964 President Johnson commuted his sentence, thereby enabling him to become a union leader again. The same month, IRS settled his unpaid tax debt of $40,219.84 for a token $17,000 plus an agreement that he would pay more if his income rose. "No prospect of any material increase (in income)," said IRS. A few months later, Callanan's union lieutenant, John L. Lawler, handed over $25,000 to "Friends of L.B.J." Next, Callanan, supposedly without money for his taxes, kicked in $2000 to the Democratic National Committee. Then he emerged as director of the lush "voluntary" political fund of Local No. 562, his salary reported at $15,000 to $20,000.

Honest citizens can derive little comfort, too, from the knowledge that IRS has issued a special ruling to reduce the tax that criminals owe on money they steal! Internal Revenue Bulletin No. 1966-42 of October 17, 1966, states: "Embezzled funds will be taken into account if a taxpayer chooses the benefits of the income-averaging provisions." So if a crook gets away with, say, $100,000, it will be okay for him to pay taxes on only $20,000 of stolen money a year over a five-year period.

A BRIDLE FOR BUREAUCRACY

In the face of such outrageous practices, why do we allow IRS power that we would not dare entrust to any other agency? We would never allow police to roam the land grabbing property, confiscating bank accounts, persecuting people at will. If we ever are to start preventing Big Bureaucracy from dehumanizing our lives, the place to begin is with the most powerful bureaucracy of all—the Internal Revenue Service.

Aghast at the discovery that IRS was reading private letters, Congress passed a law in 1965 forbidding it to further rifle the mails. Commissioner Sheldon Cohen has pledged an end to the illegal wiretapping, bugging and other illegalities, promised to purge IRS of the attitude that the taxpayer is the "adversary." Experience shows, though, that no government agency can be trusted to reform itself. Clearly, some reforms from the outside are needed.

Senator Magnuson, joined by 59 other Senators, has proposed the establishment of Small Tax Courts where taxpayers—without hiring a lawyer—could informally present grievances in disputes with IRS involving less than $2500. But, in line with the basic legal principle that a man is innocent until proved guilty, Congress must now make an exhaustive examination of the arbitrary powers which IRS has demonstrated itself unfit to exercise. Before grabbing anyone's salary or bank account, IRS should have to show in court some proof that taxes are owed. Before walking off with all a man owns, IRS should be required to convince a judge that the taxpayer is hiding his money or is about to flee.

It is important for all of us to stop being afraid of IRS. When it acts unfairly, we should speak out.

Let your Congressman know what you think of IRS abuses—and that your vote in 1968 is going to be influenced by what he does to stop them. Moreover, if you have documentary evidence of such abuses, give it to your Congressman or to the Senate investigators.[2] For only public indignation, backed by facts, will force reforms.

Reforms no doubt will make the work of IRS somewhat more difficult. But in recent years we have chosen, through the courts, to erect a maze of legal procedures to protect the rights of the most depraved and dangerous criminals. It is time we did something about protecting the rights of the honest American taxpayer, too.

Mr. BELLMON. I ask that my amendment be printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

INCREASE IN SOCIAL SECURITY PAYMENTS

Mr. LONG. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

Mr. LONG's amendment was to add at the end of the bill the following new title:

TITLE X—INCREASE IN SOCIAL SECURITY BENEFITS

That this title may be cited as the "Social Security Amendments of 1969".

INCREASE IN OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE BENEFITS

SEC. 2. (a) Section 215(a) of the Social Security Act is amended by striking out the table and inserting in lieu thereof the following:

[2] Senate Judiciary Subcommittee on Administrative Practice and Procedure, Room 3214, New Senate Office Building, Washington, D.C. 20510.

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS

"I (Primary insurance benefit under 1939 act, as modified)		II (Primary insurance amount under 1967 act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
----------	$16.20	$55.40 or less	----------	$76	$64.00	$96.00
$16.21	16.84	56.50	$77	78	65.00	97.50
16.85	17.60	57.70	79	80	66.40	99.60
17.61	18.40	58.80	81	81	67.70	101.60
18.41	19.24	59.90	82	83	68.90	103.40
19.25	20.00	61.10	84	85	70.30	105.50
20.01	20.64	62.20	86	87	71.60	107.40
20.65	21.28	63.30	88	89	72.80	109.20
21.29	21.88	64.50	90	90	74.20	111.30
21.89	22.28	65.60	91	92	75.50	113.30
22.29	22.68	66.70	93	94	76.80	115.20
22.69	23.08	67.80	95	96	78.00	117.00
23.09	23.44	69.00	97	97	79.40	119.10
23.45	23.76	70.20	98	99	80.80	121.20
23.77	24.20	71.50	100	101	82.30	123.50
24.21	24.60	72.60	102	102	83.50	125.30
24.61	25.00	73.80	103	104	84.90	127.40
24.01	25.48	75.10	105	106	86.40	129.60
25.49	25.92	76.30	107	107	87.80	131.70
25.93	26.40	77.50	108	109	89.20	133.80
26.41	26.94	78.70	110	113	90.60	135.90
$26.95	$27.46	$79.90	$114	$118	$91.90	$137.90
27.47	28.00	81.10	119	122	93.30	140.00
28.01	28.68	82.30	123	127	94.70	142.10
28.69	29.25	83.60	128	132	96.20	144.30
29.26	29.68	84.70	133	136	97.50	146.30
29.69	30.36	85.90	137	141	98.80	148.20
30.37	30.92	87.20	142	146	100.30	150.50
30.93	31.36	88.40	147	150	101.70	152.60
31.37	32.00	89.50	151	155	103.00	154.50
32.01	32.60	90.80	156	160	104.50	156.80
32.61	33.20	92.00	161	164	105.80	158.70
33.21	33.88	93.20	165	169	107.20	160.80
33.89	34.50	94.40	170	174	108.60	162.90
34.51	35.00	95.60	175	178	100.00	165.00
35.01	35.80	96.80	179	183	111.40	167.10
35.81	36.80	98.09	186	188	112.70	169.10
36.41	37.08	99.50	189	193	114.20	171.30
37.09	37.60	100.50	194	197	115.60	173.40
37.61	38.20	101.60	198	202	116.90	175.40
38.21	39.12	101.90	203	207	118.40	177.60
39.13	39.68	104.10	208	211	119.80	179.70
39.69	40.33	105.20	212	216	121.00	181.50

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS—Continued

"I (Primary insurance benefit under 1939 act, as modified)		II (Primary insurance amount under 1967 act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
$40.34	$41.12	$106.50	$217	$221	$122.50	$181.50
41.13	41.76	107.70	222	225	123.90	185.90
41.77	42.44	108.90	226	230	125.30	188.00
42.45	43.20	110.10	231	235	126.70	190.10
43.21	43.76	111.40	236	239	128.20	192.30
43.77	44.44	112.60	240	244	129.50	195.20
44.45	44.88	113.70	245	249	130.80	199.20
44.89	45.60	115.00	250	253	132.30	202.40
		116.20	254	258	133.70	206.40
		117.30	259	263	134.90	210.40
		118.60	264	267	136.40	213.60
		119.80	268	272	137.80	217.60
		121.00	273	277	139.20	221.60
		122.20	278	281	140.60	224.80
		123.40	282	286	142.00	228.80
		124.70	287	291	143.50	232.80
		125.80	292	295	144.70	236.00
		127.10	296	300	146.20	240.00
		128.30	301	305	147.60	244.00
		129.40	306	309	148.90	247.20
		130.70	310	314	150.40	251.20
		131.90	315	319	151.70	255.20
		133.00	320	323	153.00	258.40
		134.30	324	328	154.50	262.40
		135.50	329	333	155.90	266.40
		136.80	334	337	157.40	269.60
		137.90	338	342	158.60	273.60
		139.10	343	347	160.00	277.60
		140.40	348	351	161.50	280.80
		141.50	352	356	162.80	284.80
		142.80	357	361	164.30	288.80
		144.00	362	365	165.60	292.00
		145.10	366	370	166.90	296.00
		146.40	371	375	168.40	300.00
		147.60	376	379	169.80	303.20
		148.90	380	384	171.30	307.20
		150.00	385	389	172.50	311.20
		151.20	390	393	173.90	314.40
		152.50	394	398	175.40	318.40
		153.60	399	403	176.70	322.40
		154.90	404	407	178.20	325.60
		156.00	408	412	179.40	329.60
		157.10	413	417	180.70	333.60
		158.20	418	421	182.00	336.80
		159.40	422	426	183.40	340.80
		160.50	427	431	184.60	344.80
		161.60	432	436	185.90	348.80
		162.80	437	440	187.30	350.40
		163.90	441	445	188.50	352.40
		165.00	446	450	189.80	354.40
		166.20	451	454	191.20	356.00
		$167.30	$455	$459	$192.40	$358.00
		168.40	460	464	193.70	360.00
		169.50	465	468	195.00	361.60
		170.70	469	473	196.40	363.60
		171.80	474	478	197.60	365.60
		172.90	479	482	198.90	367.20
		174.10	483	487	200.30	369.20
		175.20	488	492	201.50	371.20
		176.30	493	496	202.80	372.80
		177.50	497	501	204.20	374.80
		178.60	502	506	205.40	376.80
		179.70	507	510	206.70	378.40
		180.80	511	515	208.00	380.40
		182.00	516	520	209.30	382.40
		183.10	521	524	210.60	384.00
		184.20	525	529	211.90	386.00
		185.40	530	534	213.30	388.00
		186.50	535	538	214.50	389.60
		187.60	539	543	215.80	391.60
		188.80	544	548	217.20	393.60
		189.90	549	553	218.40	395.60
		191.00	554	556	219.70	396.80
		192.00	557	560	220.80	398.40
		193.00	561	563	222.00	399.60
		194.00	564	567	223.10	401.20
		195.00	568	570	224.30	402.40
		196.00	574	574	225.40	404.00
		196.00	571	574	225.40	404.00
		197.00	575	577	226.60	405.20
		198.00	578	581	227.70	406.80
		199.00	582	584	228.90	408.00
		200.00	585	588	230.00	409.60
		201.00	589	591	231.20	410.80
		202.00	592	595	232.30	412.40
		203.00	596	598	233.50	413.60
		204.00	599	602	234.60	415.20
		205.00	603	605	235.80	416.40
		206.00	606	609	236.90	418.00
		207.00	610	612	238.10	419.20
		208.00	613	616	239.20	420.80
		209.00	617	620	240.40	422.40
		210.00	621	623	241.50	423.60
		211.00	624	627	242.70	425.20
		212.00	628	630	243.80	426.40
		213.00	631	634	245.00	428.00
		214.00	635	637	246.10	420.20
		215.00	638	641	247.30	430.80
		216.00	642	644	248.40	432.00
		217.00	645	648	249.60	433.60
		218.00	649	650	250.70	434.40

(b) Section 203(a) of such Act is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) when two or more persons were entitled (without the application of section 202(j)(1) and section 223(b)) to monthly benefits under section 202 or 223 for January 1970 on the basis of the wages and self-employment income of such insured individual and at least one such person was so entitled for December 1969 on the basis of such wages and self-employment income, such total of benefits for January 1970 or any subsequent month shall not be reduced to less than the larger of—

"(A) the amount determined under this subsection without regard to this paragraph, or

"(B) an amount equal to the sum of the amounts derived by multiplying the benefit amount determined under this title (including this subsection, but without the application of section 222(b), section 202(q), and subsections (b), (c), and (d) of this section), as in effect prior to January 1970, for each such person for such month, by 115 percent and raising each such increased amount, if it is not a multiple of $0.10, to the next higher multiple of $0.10;

but in any such case (i) paragraph (1) of this subsection shall not be applied to such total of benefits after the application of subparagraph (B), and (ii) if section 202(k)(2)(A) was applicable in the case of any such benefits for January 1970, and ceases to apply after such month, the provisions of subparagraph (B) shall be applied, for and after the month in which section 202(k)(2)(A) ceases to apply, as though paragraph (1) had not been applicable to such total of benefits for January 1970, or".

(c) Section 215(b)(4) of such Act is amended by striking out "January 1968" each time it appears and inserting in lieu thereof "December 1969".

(d) Section 215(c) of such Act is amended to read as follows:

"Primary Insurance Amount Under 1967 Act

"(c)(1) For the purposes of column II of the table appearing in subsection (a) of this section, an individual's primary insurance amount shall be computed on the basis of the law in effect prior to the enactment of the Social Security Amendments of 1969.

"(2) The provisions of this subsection shall be applicable only in the case of an individual who became entitled to benefits under section 202(a) or section 223 before January 1970, or who died before such month."

(e) The amendments made by this section shall apply with respect to monthly benefits under title II of the Social Security Act for months after December 1969 and with respect to lump-sum death payments under such title in the case of deaths occurring after December 1969.

(f) If an individual was entitled to a disability insurance benefit under section 223 of the Social Security Act for December 1969 and became entitled to old-age insurance benefits under section 202(a) of such Act for January 1970, or he died in such month, then, for purposes of section 215(a)(4) of the Social Security Act (if applicable), the amount in column IV of the table appearing in such section 215(a) for such individual shall be the amount in such column on the line on which in column II appears his primary insurance amount (as determined under section 215(c) of such Act) instead of the amount in column IV equal to the pri-

mary insurance amount on which his disability insurance benefit is based.

INCREASE IN BENEFITS FOR CERTAIN INDIVIDUALS AGE 72 AND OVER

SEC. 3. (a)(1) Section 227(a) of the Social Security Act is amended by striking out "$40" and inserting in lieu thereof "$46," and by striking out "$20" and inserting in lieu thereof "$23".

(2) Section 227(b) of such Act is amended by striking out in the second sentence "$40" and inserting in lieu thereof "$46".

(b)(1) Section 228(b)(1) of such Act is amended by striking out "$40" and inserting in lieu thereof "$46".

(2) Section 228(b)(2) of such Act is amended by striking out "$40" and inserting in lieu thereof "$46", and by striking out "$20" and inserting in lieu thereof "$23".

(3) Section 228(c)(2) of such Act is amended by striking out "$20" and inserting in lieu thereof "$23".

(4) Section 228(c)(3)(A) of such Act is amended by striking out "$40" and inserting in lieu thereof "$46".

(5) Section 228(c)(3)(B) of such Act is amended by striking out "$20" and inserting in lieu thereof "$23".

(c) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under title II of the Social Security Act for months after December 1969.

MAXIMUM AMOUNT OF A WIFE'S OR HUSBAND'S INSURANCE BENEFITS

SEC. 4. (a) Section 202(b)(2) of the Social Security Act is amended to read as follows:

"(2) Except as provided in subsection (q), such wife's insurance benefit for each month shall be equal to one-half of the primary insurance amount of her husband (or, in the case of a divorced wife, her former husband) for such month."

(b) Section 202(c)(3) of such Act is amended to read as follows:

"(3) Except as provided in subsection (q), such husband's insurance benefit for each month shall be equal to one-half of the primary insurance amount of his wife for such month."

(c) Sections 202(c)(4) and 202(f)(5) of such Act are each amended by striking out "whichever of the following is the smaller: (A) One-half of the primary insurance amount of the deceased individual on whose wages and self-employment income such benefit is based, or (B) $105" and inserting in lieu thereof "one-half of the primary insurance amount of the deceased individual on whose wages and self-emplyoment income such benefit is based".

(d) The amendments made by subsections (a), (b), and (c) shall apply with respect to monthly benefits under title II of the Social Security Act for months after December 1969.

ALLOCATION TO DISABILITY INSURANCE TRUST FUND

SEC. 5. (a) Section 201(b)(1) of the Social Security Act is amended by—

(1) striking out "and" at the end of clause (B);

(2) striking out "1967, and so reported," and inserting in lieu thereof the following: "1967, and before January 1, 1970, and so reported, and (D) 1.10 per centum of the wages (as so defined) paid after December 31, 1969, and so reported,".

(b) Section 201(b)(2) of such Act is amended by—

(1) striking out "and" at the end of clause (B);

(2) striking out "1967," and inserting in lieu thereof the following: "1967, and before January 1, 1970, and (D) 0.825 of 1 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1969,".

Mr. LONG. Mr. President, I submit this amendment on behalf of myself and the Senator from Connecticut (Mr. RIBICOFF). In a moment, I shall ask that the amendment be temporarily laid aside so that the amendment of the Senator from Texas (Mr. YARBOROUGH) may be considered next, but it is my feeling that before the Senate adjourns, we should vote on the increase in the social security payments recommended by the House of Representatives.

The House Ways and Means Committee has recommended a simple 15-percent across-the-board increase. Although, that may be opposed by the administration, there is no doubt in my mind that it will become law if the Congress is permitted to vote on it between now and January 1.

I do not wish to usurp the prerogatives of the House of Representatives at all. Ordinarily, the House would pass the bill, send it to us, and we would then have an opportunity to vote on it. But I do feel that we should vote on the measure before we adjourn for the Yuletide recess, if indeed there is one. In order that we can vote on it before the recess, I think it appropriate that the amendment should be offered. Senators who would like to add their names as cosponsors are welcome to do so, and I shall call the amendment up and ask for a vote on it at some point further along in the consideration of this measure.

I ask unanimous consent that the names of the distinguished majority leader (Mr. MANSFIELD), the Senator from Rhode Island (Mr. PASTORE), the Senator from Tennessee (Mr. GORE), the Senator from New Mexico (Mr. MONTOYA), and the Senator from Nevada (Mr. CANNON) be added as cosponsors of my amendment.

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

Mr. SCOTT. Mr. President, if the Senator will yield, I would like to be sure the Senator is not going to bring that amendment up today.

Mr. LONG. I have offered the amendment only because I wanted to direct it to the attention of the Senate. I shall not ask for a vote on it at this moment. I ask that it be temporarily laid aside, so that Senators who would like to do so may add their names to it as cosponsors, and I would hope that the House of Representatives will act on this measure before we have concluded action on this bill, so that we would not be jumping the gun on the House of Representatives, so to speak, by our action. It is the House's committee that has worked on this measure and, under the Constitution, the House should work on it first.

However, I do not think we should withhold action on the matter because, in voting for a simple 15-percent across-the-board increase in social security benefits, the House Ways and Means Committee is obviously planning to send us later a much more detailed bill. Though that subsequent bill may have much less revenue impact, it would probably deal with many more problems than are involved in this across-the-board increase upon which it is now proposed that the House of Representatives vote.

We are not likely to have time to conduct hearings on the bill increasing benefits 15 percent, and there is really not much reason for doing so. I think Senators will pretty well know how they want to vote on this matter when it comes before the Senate, and I think we would like to vote on it before Congress adjourns for this year. For fear that we might not have another opportunity to vote on it, it will be offered as an amendment to this bill.

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

Mr. LONG. I yield.

Mr. PROUTY. I understand this does not increase the minimum benefit; that still remains at $55, plus the 15-percent increase?

Mr. LONG. Yes. The minimum benefit would be $64, a 15-percent increase, rounded up to the next whole dollar. Basically, the bill simply provides a 15-percent across-the-board increase. It is my understanding that the House of Representatives, in voting on this matter, has in mind sending to us next year a much more detailed bill, going into the kind of matters that the Senator from Vermont has in mind. I would hope we could avoid going into very many other questions, such as the Senator from Vermont has in the past brought to the attention of the Finance Committee, and simply pass, before we go home, a 15-percent across-the-board increase; then, when we come back next year, we would consider the more extensive measure which the House of Representatives is planning to send us.

Mr. PROUTY. If the Senator will yield further, I have an amendment at the desk now which would increase the minimum monthly payment to $90, which is the same amount recommended by the President for welfare recipients who are 65 years of age or older.

I have another amendment which would simply increase the minimum to $70, and then 15 percent across the board. I shall offer that.

Mr. LONG. The Senator certainly has the right to do so. I would hope, however, that he will withhold doing that until we have the other amendment before us.

Mr. PROUTY. If the Senator will let me know when he calls it up.

Mr. LONG. Yes.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. YOUNG of Ohio. I ask the distinguished chairman of the Committee on Finance, is it not a fact that at the present time the surplus in the social security fund, plus the surplus in the social security disability fund, approximates $33 billion, and by reason of that fact, the social security system will continue as an actuarially sound insurance system with the granting of this 15-percent increase retroactive to December 1 of this year, as provided in the bill just passed by the House of Representatives?

Mr. LONG. Mr. President, the Senator, I am sure, is using those figures because he has reviewed them recently.

Mr. YOUNG of Ohio. I am familiar with them.

Mr. LONG. I have not reviewed them in the last month, and, therefore, I shall have to accept the Senator's word for

it. But I shall be glad, when we get the amendment before us for a vote, to have the latest information available so that I can respond more accurately to the Senator's question.

Mr. YOUNG of Ohio. May I say that years ago I served on the taxwriting Ways and Means Committee of the House of Representatives. Also, I was a Member of the other body at the time that President Franklin D. Roosevelt proposed the Social Security System. I have followed it with great interest since. The fact is that the present surplus in both the disability and the social security funds exceeds $33 billion. Very definitely, the system will continue to be actuarily sound, as all of us want it to continue to be, if we grant this 15-percent increase to every present recipient—child, man, and woman—who receives his social security check on the third day of every month.

Mr. LONG. Mr. President, the House Ways and Means Committee has been responsible in the way it has handled social security bills, and I am sure that the same would be true in this instance; so I have no doubt that the answer to the Senator's question would be "Yes."

Mr. YOUNG of Ohio. And that is true without any increase in contributions, as matters stand.

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

Mr. LONG. I yield.

Mr. CRANSTON. I ask that my name be added to the amendment as a cosponsor.

Mr. LONG. I ask unanimous consent that the Senator's name be added, and also the name of the Senator from South Dakota (Mr. MCGOVERN).

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

Mr. YOUNG of Ohio. My name also.

Mr. LONG. I have already asked that the Senator's name be added.

Mr. President, I ask unanimous consent that the names of the Senator from California (Mr. CRANSTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Ohio (Mr. YOUNG), the Senator from West Virginia (Mr. BYRD), and the Senator from North Dakota (Mr. BURDICK) be added as cosponsors of the amendment.

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

Mr. MAGNUSON. Mr. President, I could not hear the Senator. However, am I correct in understanding that this would not be a substitute for the measure next year when the Senator will have before his committee and there will be before the Ways and Means Committee the so-called package deal that will be 15 percent at that time, but will raise the minimum proposal, whether or not we raise the exemption from $7,500 to $9,000.

If we do all of that, it is my understanding—because I have been listening to testimony on the matter this week—that the fund is running about 1.16 percent above what the actuarians say we might have to pay out.

If we include that 1.16 percent and keep the reserve of close to $31 billion, we could increase the minimum up to $100, if we wish, and we would still have the fund intact and still keep the reserves. We are running at the present time 1.16 percent above what is needed.

We could do this and still keep it sound, though the figure, as the Senator pointed out, of more than $30 billion is enough to keep it in sound shape and ready to do the job.

Mr. LONG. Mr. President, I thank the Senator.

Mr. President, I am not going to ask for a vote at this point. I prefer that we vote on the matter at a later time, after the Senators have had a chance to consider the matter further.

Mr. President, I ask unanimous consent that the amendment be temporarily laid aside.

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

AMENDMENT NO. 332

Mr. YARBOROUGH. Mr. President, I call up the amendment, No. 332, introduced by Senator SCOTT and myself, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

AMENDMENT NO. 332

Page 62, after line 21, insert the following:

"(f) NONPARTISAN ACTIVITIES CARRIED ON BY CERTAIN ORGANIZATIONS.—Subsection (d)(2) shall not apply to any amount paid or incurred by any organization—

"(1) which is described in section 501(c)(3) and exempt from taxation under section 501(a),

"(2) the activities of which are nonpartisan, are not confined to one specific election period, and are carried on in more than one State,

"(3) substantially all of the income of which is expended directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated,

"(4) substantially all of the support (other than gross investment income as defined in section 509(e)) of which is normally received from three or more exempt organizations which are not described in section 4946(a)(1)(H) with respect to each other or the recipient foundation, from the general public, or from a governmental unit referred to in section 170(c)(1), or from any combination of the foregoing, and not more than 40 percent of such support is received over a period of 5 years, including the year in question, from any one such exempt organization, and

"(5) contributions to which for voter registration drives are not subject to conditions that they may be used only in specified States, possessions of the United States, or political subdivisions or other areas of any of the foregoing, or the District of Columbia, or that they may be used in only one specific election period.

Subsection (d)(4) shall not apply to any grant to an organization which meets the requirements of the preceding sentence."

Page 61, line 10, after "(2)" insert "except as provided in subsection (f),".

Page 61, line 15, strike out "(f)" and insert "(g)".

Page 61, line 20, strike out "(g)" and insert "(h)".

Page 62, line 22, strike out "(f)" and insert "(g)".

Page 63, line 16, strike out "(g)" and insert "(h)".

Page 64, line 1, strike out "(h)" and insert "(i)".

Page 64, line 7, strike out "(g)(2) or (g)(3)" and insert "(h)(2) or (h)(3)".

Mr. YARBOROUGH. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG. Mr. President, is the Senator from Texas willing to agree to a limitation of debate on the amendment?

Mr. YARBOROUGH. I am willing to have a unanimous-consent agreement.

Mr. LONG. Mr. President, I ask unanimous consent that there be a time limitation on the pending amendment of 1 hour, the time to be equally divided and controlled by the Senator from Texas (Mr. YARBOROUGH) and the manager of the bill.

Mr. YARBOROUGH. Mr. President, I suggest that there be a limitation of 45 minutes to the side. Several Senators on this side have said they wanted to speak on the amendment. I will not use up all the time, but will be willing to yield back the remainder of the time.

Mr. LONG. Mr. President, I ask unanimous consent that there be a time limitation on the pending amendment of one and one-half hours, the time to be equally divided and controlled by the Senator from Texas (Mr. YARBOROUGH) and whoever is managing the bill at that point.

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

Who yields time?

Mr. YARBOROUGH. Mr. President, I yield myself 20 minutes.

The distinguished minority leader, the senior Senator from Pennsylvania (Mr. SCOTT) was called out of the Chamber on a very urgent matter. He has requested me to state that I am making the statement on his behalf and as well as mine.

Mr. President, this amendment has received wide bipartisan support. Forty Senators have joined with Senator SCOTT and me as cosponsors of the amendment.

Mr. President, the sponsors of the amendment are listed as follows:

DEMOCRATS

Senator HARRIS of Oklahoma.
Senator HARTKE of Indiana.
Senator MONDALE of Minnesota.
Senator JACKSON of Washington.
Senator HUGHES of Iowa.
Senator CHURCH of Idaho.
Senator METCALF of Montana.
Senator INOUYE of Hawaii.
Senator HART of Michigan.
Senator YOUNG of Ohio.
Senator CRANSTON of California.
Senator MCGOVERN of South Dakota.
Senator TYDINGS of Maryland.
Senator RANDOLPH of West Virginia.
Senator BAYH of Indiana.
Senator PROXMIRE of Wisconsin.
Senator RIBICOFF of Connecticut.
Senator MUSKIE of Maine.
Senator MCGEE of Wyoming.
Senator EAGLETON of Missouri.
Senator MCCARTHY of Minnesota.
Senator NELSON of Wisconsin.
Senator PELL of Rhode Island.
Senator GRAVEL of Alaska.
Senator FULBRIGHT of Arkansas.
Senator MCINTYRE of New Hampshire.
Senator BURDICK of North Dakota.
Senator WILLIAMS of New Jersey.
Senator MONTOYA of New Mexico.
Senator CANNON of Nevada.
Senator BIBLE of Nevada.

REPUBLICANS

Senator GOODELL of New York.
Senator BROOKE of Massachusetts.

Senator CASE of New Jersey.
Senator PERCY of Illinois.
Senator COOK of Kentucky.
Senator SCHWEIKER of Pennsylvania.
Senator JAVITS of New York.
Senator HATFIELD of Oregon.
Senator PEARSON of Kansas.

Mr. President, I have read the names of the cosponsors to illustrate that this is a bipartisan measure. It is not a party matter.

The purpose of the amendment is twofold. First, it would restore to the Senate version of the tax bill the opportunity for legitimate private foundations to support nonpartisan voter registration projects.

Second, it would provide an effective means of curbing abuses that have occurred under the present law.

In short, our amendment presents a moderate and reasonable approach to authorizing legitimate voter registration activities, while insuring that past abuses do not reoccur.

II. THE NEED FOR THIS LEGISLATION

Under present law, there is no direct prohibition against a private foundation's supporting or contributing funds to voter registration projects. The present tax law does, however, prohibit private foundations from participating in or intervening in a campaign of a particular candidate for public office. Unfortunately, in a few isolated instances, a small minority of foundations have seriously abused their privilege to support voter registration and education projects in such a fashion as to clearly warrant legislation that will tighten the restrictions on political activities of tax-exempt foundations. The particular abuse of law that has caused the most controversy is the so-called "single shot" or "one time" voter drives. Simply stated, this type of activity is characterized by the formation of a voter registration drive that is localized in an area and dedicated to electing one particular candidate. Clearly, such operations are not educational or nonpartisan, but rather appendages of a particular candidate's campaign for office. This type of voter drive, although a perfectly acceptable political tool, should not be funded with tax-free dollars.

Every Senator who is supporting this amendment believes that this type of abuse must be curbed.

However, in focusing our attention on curbing abuses, it is all too easy to overlook the excellent work that has been done by private foundations in supporting legitimate nonpartisan voter education and registration projects. Thousands of Americans who have for years been locked out of our Government have been introduced to our democratic processes through the efforts of such well-recognized organizations as the League of Women Voters and the Southern Regional Council, which have as their objectives the encouragement of all Americans, regardless of their political party or philosophy, to exercise their Constitutional right to vote. I believe the most active and successful of these organizations is the League of Women Voters. The successes that these two fine organizations have had in stimulating interest in voting and in registering people to vote who have never done so before are innumerable. However, I would like to point out some statistics which clearly show the positive effects of such voter registration drives.

In the 1968 presidential election, the League of Women Voters registered more than 18,000 new voters in New York's Harlem. During the same election, 750 league members registered more than 50,000 voters in California. In one weekend, the league registered 1,000 voters in a small town in the Midwest. These are but a few examples of the work the League of Women Voters has been doing throughout its 50-year history.

In the election in New York, most of these new registrants voted for the Democratic candidates. In the 1968 election in California, I believe that most of the new registrants voted for the Republicans.

We all know that the League of Women Voters is nonpartisan. During this time, the League of Women Voters has not been committed to a particular political party or candidate, but rather to the philosophy that an informed and active electorate is an essential part of our country's system of government.

The Southern Regional Council has dedicated its efforts to encouraging Negro citizens to exercise their right to vote and to take part in the affairs of government that so directly affect their lives and well-being.

This organization launched its first voter education project in 1962. The purpose of this project was to research the causes for low participation in government by Negroes and to stimulate interest in voting among this minority group. This program began in March of 1962, and ended in the fall of 1964, resulting in adding nearly 700,000 new voters to registration rolls. Because of the success of this project, the Southern Regional Council started a new project in 1966, which is still in operation. Like the first project, its purpose is also to bring many new voters into our political system.

There are numerous other organizations throughout the country that are working toward the common goal of encouraging minority groups to participate in government by voting rather than giving up on our way of government. Their efforts have greatly benefited the many members of minority groups who have long been systematically denied the right to vote, despite the plain language of the Constitution.

The House committee report on the tax bill is stated:

> Two examples of existing private foundations which, based upon the committee's information as to their activities, are expected to be permitted to engage in such activities and receive other private foundation support are the League of Women Voters Education Fund and the Southern Regional Council.

The House committee put its stamp of approval on the activities of these two organizations, and I do not know of any dissent from that in the House committee report.

Organizations such as the League of Women Voters and the Southern Regional Council all have certain things in common. First, none of these organizations has attempted to encourage membership in a party, elect a particular candidate, or champion a particular cause or political philosophy. On the contrary, what they have tried and are trying to do is to persuade people, regardless of their party or political beliefs, that our democratic system will respond to their needs and desires if they will only take the time to vote their convictions. Second, these organizations are dependent in large measure for support from private foundations to finance these important projects. Since our Government does not directly fund such voter-education projects, the burden of financing these operations has fallen on the private sector of our economy. Fortunately, civic-minded private foundations have responded to the need for these activities and have provided the bulk of the financing. Without foundation support, this very necessary work could not go on.

Consequently, in Congress efforts to curb abuses, we must be certain that we do not cripple legitimate programs. The amendment before the Senate today, I believe, succeeds in this endeavor. Of course, the amendment has 40 cosponsors. My staff and I did not write all of this by ourselves. Many people have worked on it, and this is the consensus we arrived at.

III. THE HOUSE BILL

In drafting H.R. 13270, the House of Representatives tried to curb the abuses that the present law allows and still protect such legitimate organizations as the League of Women Voters and the Southern Regional Council. Unfortunately, the language of the House bill is much too restrictive and would actually eliminate rather than preserve legitimate voter education and registration programs.

More particularly, the House bill contains the following weaknesses:

First. The House bill requires that any organization engaged in voter education or registration with foundation support have as its "principal activity—nonpartisan political activity." This would directly eliminate the League of Women Voters and the Southern Regional Council, because neither of these two organizations' principal activities are solely political.

Second. The House bill requires such organizations receiving foundation support to conduct their activities in five or more States. This unreasonable requirement would prohibit the activities of many legitimate organizations whose operations are conducted on a smaller scale.

Third. The House bill fails to prohibit voter registration activities limited to one specific election period. Without such a prohibition, the bill does not effectively curb the single-shot abuse. That is the real reason for the complaint that somebody would try to register enough voters in a city to control that city election. That is the problem. The House, in trying to tighten it up—the law—so as to prevent this abuse, failed to prohibit the one thing that has caused the controversy.

Fourth. The House bill requires that, if this organization receives foundation support, it must come from five or more foundations and that no one foundation

supporter can give more than 25 percent to such an organization. This provision is much too restrictive and would seriously cripple the League of Women Voters and the Southern Regional Council, because it is virtually impossible to find five foundations to support a voter registration project.

Fifth. The House bill does not prohibit the designation of contributions by a foundation for use only in one specific election. Therefore, it would still be possible for a foundation to indirectly finance a single shot voter drive under this House bill.

IV. THE SENATE FINANCE COMMITTEE'S ACTION

Instead of trying to improve upon the House bill, the Senate Finance Committee took the ill-advised and completely unnecessary step of banning all foundation grants to organizations conducting voter registration and education projects. I believe this was unwise. What we should do is eliminate abuses. We should eliminate abuses such as the single shot, the attempt to control an election in one city, and we should have provisions that permit and protect the continuance of legitimate activities. The committee, on page 49 of its report, gave as its reason for this action that it is impossible to give assurances in all cases that voter registration drives would be conducted in a way that does not influence the outcome of public elections. In all respect to the committee, I submit that this reasoning is faulty. First, all elections are influenced by the number of voters who vote in them. Not only is this fact inherent in free elections, it is also desirable. In a democracy, it should be our aim to encourage the broadest range of participation and thought that is possible. Otherwise, we have government of the many by the select few. Furthermore, if the committee fears that effective legislation cannot be drawn that will solve problems under the present law, I submit that the amendment that Senator SCOTT and I present today will do this. We have too few people voting in this country, when we consider the percentage of adults who vote in other democracies of the world.

V. THE YARBOROUGH-SCOTT AMENDMENT

The amendment before the Senate is a moderate and reasonable solution to the perplexing problem of foundation support of voter education and registration projects. More specifically, the amendment provides the following:

First. The amendment eliminates the requirement that the organization conducting the voter project be engaged principally in political activities. The amendment provides that the organization's activities must be "nonpartisan"—not for either political party. This would allow organizations such as the League of Women Voters and the Southern Regional Council, which have many nonpolitical activities, to engage in voter registration drives and receive foundation support. Thus, under this amendment, the organizations which qualify for foundation support will be less rather than more political.

Second. The amendment eliminates the unreasonable "five or more States" requirement and substitutes a requirement that the activities be conducted in "more than one State." This is far more reasonable and would meet the needs of the League of Women Voters.

Third. The amendment deals directly with the "single shot" voter drive by requiring that the organization's voter activities cannot be restricted to one specific election period. Under the present law, a foundation can put money in one drive in one city, just before an election, and influence the outcome of the election. That is not the purpose of this amendment. This amendment is to allow broad based support to qualify more Americans to vote, and not for a foundation to try to win one election in one limited area.

This is a safeguard that is not in the House bill which would protect against the practice of giving grants designated to affect the outcome of a particular election.

Fourth. The amendment eliminates the unreasonable requirement of support by five or more foundations, with a 25-percent ceiling on the contributions from each. In its place, the amendment substitutes a much more reasonable requirement of support by at least three foundations, with a 40-percent limitation on the amount any one foundation might give.

This change will protect against the abuse of one foundation controlling such an organization and will still not hamper the activities of the League of Women Voters and the Southern Regional Council.

Fifth. As an additional safeguard against the single shot partisan voter drive, the amendment provides that no foundation can earmark its contributions to an organization conducting a voter registration drive for use in one specific election. This is also an additional protection not included in the House bill.

V. CONCLUSION

In summary, I wish to emphasize that it is the duty of Congress, as spokesmen for all our people, not to enact laws which will directly or indirectly exclude segments of our society from participating in our Government. This is particularly true in these days when many of our citizens, especially our young people, are questioning our whole system of Government. If our democracy is to survive, we must expand participation in Government to meet the increase in our population. If we do not do so, we will have a country which is governed by a select few. Such a situation would be contrary to the ideas and principles which are the very foundation of government in America.

In 1965, Congress took a major step toward fulfilling the American dream of a society which reflects the views and feelings of all our people by enacting the historic Voting Rights Act. This act embodies the belief of Congress and the majority of our citizens that the right to vote is fundamental and should be extended to all our people. As important as the Voting Rights Act is, it—standing alone—will not assure full participation in our Government. For the Voting Rights Act to be more than a scrap of paper, the people who have been denied the right to vote for so long must be educated as to their rights and encouraged to use them. Congress has left this task to private organizations. These organizations, with foundation support, have performed this task well. For us to pass this tax bill with the prohibition against foundation support of legitimate voter registration activities, without providing a workable substitute for such support, would not only undermine the Voting Rights Act but also be a direct blow to those people the act was meant to apply to. For these reasons, I earnestly request my colleagues to join with the Senator from Pennsylvania (Mr. SCOTT) and me and the other cosponsors of this amendment and approve it.

I wish to commend the able and distinguished minority leader for his leadership in this fight. He is known throughout the country as a strong supporter of voting rights legislation. It has been a pleasure to work with him on this important measure.

The Senator from Pennsylvania explained to me a commitment he has in connection with some people from out of the city. We had hoped to call up the amendment at a more convenient time. He has authorized me to say this statement, with which he is familiar, represents his views as well as mine.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Essential Tax Reform Amendments," published in the Washington Post today.

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

ESSENTIAL TAX-REFORM AMENDMENTS

The disposition of the Senate to go along with the provisions of the tax-reform bill written by its Finance Committee, as it did in cutting the oil depletion allowance and in rejecting many other amendments, may be a sound general rule. It is very difficult to write a satisfactory tax bill on the Senate floor. There are some defects in the bill, however, which should not be trusted to the House-Senate conference committee.

One of these is the death sentence which the Finance Committee would impose on all foundations at the expiration of 40 years. The Finance Committee agreed upon this drastic action out of fear that foundations, if granted perpetual tax exemption, may exert "an undue influence on the private economy and on governmental decisions as well." But the committee offered no rational explanation as to why foundations would be more dangerous to the public in their second 40 years than in their first. Common sense suggests that if a foundation has rendered valuable public service in its first four decades it could be expected to continue doing so.

There seems to be no warrant for the belief that foundations are bringing about a dangerous concentration of economic power. A recent study shows that their aggregate assets have never amounted to more than 0.7 per cent of the country's wealth and that this percentage is now declining. We think there is much to be said for the requirement that a tax-exempt private foundation must distribute all its current income and in no event less than 5 per cent of the value of its assets. The same is true of the so-called supervisory tax, although the Finance Committee fixed the levy much higher than is necessary to cover administrative costs. But

Congress should not arbitrarily decree the end of all foundations at the age of 40 (or by Jan. 1, 2010 in the case of existing foundations) without regard for the useful work they may then be doing.

Another amendment which should be regarded as a must is that offered by Senators Yarborough and Scott to save broadly based and nonpartisan voter registration and education programs financed by foundations. The House sought to limit foundation aid to programs of this sort which reach five or more states and which are not restricted to any specific geographical areas. The Finance Committee voted to black out any and all use of foundation funds to broaden participation in our democratic processes. The result would be to undercut the good work of the League of Women Voters Education Fund, the Voter Education Project of the Southern Regional Council and various other organizations seeking to bring the citizen into closer contact with his government.

The Yarborough-Scott amendment would let this constructive work go forward and at the same time curb the abuses which have occasionally come to light in this sphere. It would allow foundation financing of nonpartisan voter registration and education projects if they are conducted in more than one state, if they are supported by contributions from the general public or from at least three tax-exempt organizations (no one contributing more than 40 per cent) and if the focus is not on one particular area or specific election. Certainly there are ample safeguards here. With this rational compromise at hand, the Senate would have no excuse for blindly cutting off the use of foundation funds to strengthen our democratic system.

The PRESIDING OFFICER (Mr. SAXBE in the chair). Who yields time?

Mr. YARBOROUGH. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

Mr. HARRIS. Mr. President, I rise in support of the amendment offered by the distinguished Senator from Texas (Mr. YARBOROUGH) and the distinguished Minority Leader, the Senator from Pennsylvania (Mr. SCOTT), which I have cosponsored, to permit private foundation funds to be used for voter registration. I supported the amendment when it was before the Committee on Finance, of which I am a member.

As has been made clear in the debate, if the action taken by the Senate Finance Committee is permitted to stand, voter education and voter registration activities of the League of Women Voters education fund and the voter education project of the Southern Regional Council, along with other organizations would be eliminated. I hope that the Senate recognizes the outstanding work of these organizations and supports the Yarborough-Scott amendment.

Through the efforts of the Southern Regional Council voters education project, some 2 million voting-age Negroes in the South have been registered to vote. The League of Women Voters, operating through league members in 1,285 local leagues from coast to coast, has set up a voter education fund to distribute materials for the purpose of educating citizens about key and important issues and to organize citizen groups to register and involve voters in government. Other organizations have, on a smaller scale, carried out similar programs .

A democratic society must insure maximum participation by all citizens in the affairs of government, because the cornerstone rights of democracy are meaningless unless they are exercised. In recognition of this, some nations require citizens to vote. But in this country, high mobility and continued urbanization, coupled with involved residence requirements, are making it progressively more difficult for Americans to vote. In fact, 48 million eligible citizens—40 percent of all Americans of voting age—did not vote in last year's presidential election.

Mrs. Bruce B. Benson, president, League of Women Voters of the United States, in her testimony before the Senate Finance Committee, discussed the activities of the league in voter education and voter registration projects and commented on the importance of these projects stating:

> We believe that even more intensified efforts are needed in our society to involve more citizens at all levels of government; that a responsible democracy depends on citizens learning the importance and the responsibility of voting and of participation in the democratic process. Private philanthropy plays a significant role in supporting the educational work needed to achieve the goal of an informed and active electorate.

Unfortunately, rather than intensify our efforts in this regard, we will take a step backward unless the Yarborough-Scott amendment is passed.

Adequate safeguards against partisan localized efforts are provided for in the amendment. If one truly believes in making this Government representative and in guaranteeing to all citizens the most fundamental of all rights of a democratic society—the right to vote—then efforts to educate and register voters must be continued and encouraged.

We answer those who advocate violence that the ballot box is still the most important weapon. The adoption of this amendment will undergird and strengthen that statement.

This amendment provides adequate safeguard against partisan localized efforts while encouraging those foundations which support this fundamental right of a democratic society. I urge the adoption of the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. YARBOROUGH. Mr. President, I yield to the distinguished cosponsor of the amendment such time as he desires within our time limitation.

Mr. SCOTT. Mr. President, I thank the distinguished Senator from Texas, who is the principal cosponsor with me on this amendment. I appreciate very much what the distinguished Senator from Texas said in introducing the amendment and his explanation in my temporary absence from the floor of the Senate during a part of his presentation.

As its primary Republican cosponsor, I welcome this opportunity to speak in support of the amendment offered by the distinguished Senator from Texas (Mr. YARBOROUGH) to reinstate in the Senate version of H.R. 13270, the tax reform bill now before us, provisions which would permit tax-exempt foundation funds to be used for voter registration and education programs. I am pleased to note that this effort has a broad base of support in the cosponsorship of Senators from both sides of the aisle.

Our amendment has drawn support also from the Washington Post in an editorial of this morning which describes passage as—and I quote—"a must." The Senator from Texas (Mr. YARBOROUGH) has already had this editorial printed in the RECORD.

I would simply note now the editorial's conclusion that—

> The Senate would have no excuse now for blindly cutting off the use of foundation funds to strengthen the democratic system.

Mr. President, our amendment is addressed to the action taken by the Senate Finance Committee in totally deleting from the tax reform bill provisions which would permit private foundations funds to be used for voter registration activities. This action, in my opinion, was far more severe than justified or necessary. It complicated further the action taken earlier by the House of Representatives in approving restrictions which, in attempting to correct a few abuses, would have the practical effect of terminating the participation of many well recognized nonpartisan foundations in programs of this kind.

Our amendment, Mr. President, is not without its safeguards; its conditions for eligibility are explicit. It requires that voter registration activities be of a truly nonpartisan nature; that they be conducted in more than one State; that they be supported by contributions from the general public or from three or more tax-exempt organizations, and that no one tax-exempt organization contribute more than 40 percent to any given voter registration effort. Further, our amendment requires continuity by prohibiting the specific designation of tax-exempt funds for use in a particular geographical area or specific election. In short, our amendment, while broad enough to encourage legitimate voter registration and education, is drawn tightly enough to discourage a repetition of those few isolated instances in which foundations have misused the exemption granted them under our present tax laws by engaging in partisan political activities.

The U.S. Commission on Civil Rights is deeply concerned by the potential impact which the Senate version of the tax reform bill would have in this area, if enacted without amendment. The Commission, while urging a more active Federal role, has officially recognized also that the right to vote will not be realized fully unless the burden of taking affirmative action to encourage voter registration is shared with the Federal Government by others. Two private organizations which come readily to mind for their success in nonpartisan efforts in voter registration and education are the League of Women Voters and the Southern Regional Council. There are others, perhaps less well known, but equally deserving of public recognition and confidence. Unfortunately, the Senate bill not only fails to recognize the need for voter education programs of this kind, but it undermines totally private foundation efforts directed at stimulating voter participation.

Our amendment is designed to continue, with adequate safeguards, the tax stimulus needed to encourage and make possible this support.

As one of its strong proponents, I am encouraged by the progress which has been realized to date under the Voting Rights Act of 1965. This act embodies the belief of Congress, a belief shared by a clear majority of Americans, that the right to vote is fundamental to our democracy and should be extended to all of our people. I hope to see the Voting Rights Act further strengthened by extension in this Congress, and I intend to lend fully my support.

But as important as this act is, it cannot, by itself, assure full participation for all Americans in the governmental process. For this goal finally to be achieved, those citizens, who have been denied the voting right that the rest of us take for granted, must be educated about this right and encouraged to exercise it.

Private organizations have responded well to this challenge, and their hard work is reflected in increased voter registration throughout the country. Only this week, for example, the Bureau of the Census has reported that the number of Negroes in Southern States who voted in the presidential election last year increased to 51 percent, compared with 44 percent for the presidential election of 1964. The Bureau's report adds that 61 percent of the South's Negro population was actually registered to vote in 1968. The positive impact of this effort must not be abated, especially when so much remains still to be done, not only in the South, but also in the urban areas of the North and in the rural Southwest.

Therefore, I urge all Members of the Senate to give our amendment their serious consideration and support.

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

Mr. YARBOROUGH. I yield 3 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. I support the amendment because I think it is extremely desirable. It is part of the omnibus amendment on foundations which I have introduced, No. 340. The theory of that amendment is to eliminate certain aspects of the bill which are highly deleterious to philanthropic activities, including the 40-year lifetime provision and the question of voter registration activities.

I intend to see what is done and what is not done by the Senate and then to present a composite amendment to the Senate on the subject and to authorize the establishment of a Presidential commission to take up from that matters we delete from the bill.

The Scott-Yarborough amendment is desirable, because it is an activist answer to the alienation of so many people from Government. This applies especially to the young. This provision would permit a foundation to proceed in an area in which Government cannot proceed—in voter registration drives. We would hardly expect the Government to engage in a voter registration drive because it would appear to be trying to exert political influence.

The most conclusive argument is that it will be worse to have the Government engage in this activity than for the foundation. It is argued that foundations should not engage in this activity, for they then become too much involved in politics, and that if the foundation cannot do it, then the Government will have to do it. I reject this argument, and I think the Senate should reject it also.

For these reasons, Mr. President, I hope that the amendment will be adopted.

Mr. MOSS. Mr. President, will the Senator from Texas yield?

Mr. YARBOROUGH. I am happy to yield to the Senator from Utah for questions.

Mr. MOSS. I should like to ask the Senator from Texas some questions. When the amendment was first drafted and presented to me, I considered being a cosponsor of it, and then I withheld because of the questions I had.

I want it understood that I think this is an advance over the terms of the bill. Certainly I would vote for the amendment but I feel that it is still too restrictive because I think we should encourage in every way we can voter registration and work of that sort. I wondered why the limitation is still on, requiring, for instance, in subparagraph (2) on page 2, the requirement that the action be carried on in more than one State?

Mr. YARBOROUGH. Because of objections to the present law which have been raised to the so-called "single shot" voter drive. Political experience has taught that in some isolated cases a foundation has gone into an area just before a particular election, and registered the voters, urging them to elect a particular candidate. The requirement in our amendment that the organization must be active in one or more states will curb this type of abuse without harming legitimate projects.

The House bill restricted foundation support even further than this amendment, by requiring that they operate in at least five or more States.

Now as between the House provision and the Senate provision, which prohibits altogether foundation support of these voter prospects, the amendment we have offered provides a reasonable and workable solution to the problems that exist under the present law. The purpose of this amendment is restrictive, but restrictive only for the purpose of trying to keep these activities nonpartisan. If they are not, then the foundation loses its tax exemption.

Mr. MOSS. Why then does subsection 4 carry the requirement that not more than 40 percent be received over a period of 5 years including the year in question which is really a requirement that there be three or more organizations involved in the registration?

Mr. YARBOROUGH. That is right.

Mr. MOSS. Why cannot the foundation, just as a blanket matter, seek to have voters registered whether anyone else comes in with them or not?

Mr. YARBOROUGH. Because under the present law, experience has shown that it's undesirable for one foundation to contribute all the funds for a voter drive. This amendment is an effort to get a reasonable regulation to fit the widespread objections in this Nation, which prompted the action of the Finance Committee.

Mr. MOSS. What about an organization like the League of Women Voters? They do great work in my State and I believe in all the other States of the Union. One of their activities is voter registration. They also study issues and things of that sort, but they are also active in voter registration. In other words, it does not seem to me that we should be putting more roadblocks in the way but should be trying to urge everyone we can to get people registered.

Mr. YARBOROUGH. The League of Women Voters has been an entirely nonpartisan organization. They fully support this amendment. The feeling about the major purpose of this amendment is to let them continue. This amendment will not harm their activity. There is an old proverb in my State that, "Money makes the mare go." If one foundation puts most of the money into a voter drive, we might have a voter project which is slanted one way. This should not be. But if two or three foundations put up the money, the chances of domination are eliminated. True, it makes it harder to raise the money, but it will also make it more likely to be truly nonpartisan if more than one foundation is involved.

Mr. MOSS. I will vote for the amendment but I still have my reservations. It seems to me that when we are getting people to register so that they will be in a position to vote, even if at the same time we are trying to persuade them how to vote after they register, we have gained an advance in the democratic society in which we live and in which we urge people to register and vote. We do all those things, but if somebody comes in, or does not come in and do it properly, or otherwise spends money to get people to register so that they are eligible to vote, when election day comes it seems to me that is still an advance. I do not like to see any restrictions put in the way of doing that.

Mr. YARBOROUGH. I agree in theory with the distinguished Senator from Utah. I agree with the ideal. But we face a practical problem that must be solved. We face the situation in this country where we have only 70 percent voter participation. In West Germany it is 90 percent. In England, it is 76 percent. In my State of Texas, in the 1960 elections, with the spirited presidential election, only 43 percent of adults in the State of Texas voted.

There was the greatest interest in that election than in any other in my State. I think in Idaho there was a participation of 86 percent. Our friends across the Red River voted on the national average of 63 percent.

About 1.6 million of our citizens in Texas are Mexican-Americans and they have had fewer years of schooling than has any other minority. It is necessary to have voter registration drives to teach them the necessity of registering and voting, because they have been excluded for so many years.

We are trying to save the right of these foundations to participate in voter

registration drives. This amendment is a better measure than came out of either the Finance Committee or the House.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. YARBOROUGH. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Texas has 9 minutes remaining.

Mr. YARBOROUGH. Mr. President, I yield 5 minutes to the Senator from Illinois (Mr. PERCY).

Mr. PERCY. Mr. President, as a cosponsor of the Scott-Yarborough amendment, I rise in support of its acceptance.

There are probably few provisions of the Tax Relief Act which are more important in preserving democratic principles and in developing fundamental citizen support for our institutions.

Foundations have contributed funds to organizations to enlist citizen support in registering to vote and in actually going to the polls to vote. The Southern Regional Conference and the League of Women Voters are two organizations that come to mind that have engaged in these activities.

Can there really be objection to permitting foundation money to be used for these purposes so long as partisanship is prohibited? Is there anything subversive in encouraging persons to engage in voting? If so, I am at a loss to understand how this could be.

We have heard much recently about the insidious control of large sums of wealth by a small group of men shielded behind the walls of foundations. Yet, except in a limited number of cases of abuse, these foundations have been instrumental in contributing hundreds of millions of dollars annually to education, charities, health, and other selected areas of public interest in addition to voter registration drives. These are innovative, constructive, and creative grants. They have strengthened our society. People are being involved to an ever-increasing extent in the operations of our institutions. We would be most foolish to undermine this effort.

The amendment before us authorizes foundations to fund nonpartisan voter registration activities to be conducted in more than one State. Contributions must be supported from three or more tax exempt foundations. No one tax exempt organization may contribute more than 40 percent to any given voter registration—education activity. Moreover, contributions may not be specifically designated for use in a particular geographical area or specific election.

Government cannot do everything. In fact, in recent years we are seriously questioning what it can accomplish in the area of social need. To an even greater extent, Government should not be permitted to interfere in the political processes of a free society. The prohibitions on foundations in the voter registration area clearly constitute governmental obstruction of efforts to strengthen citizen participation in democratic institutions. This is wrong. Enactment of the pending amendment will prevent this potential danger.

Mr. President, I would hope, also in addition to concentration on registration and voter participation, that we would have a broad-scale educational program for the American public emphasizing the need for participation in every election. It is disgraceful that in this country—almost 100 percent literate—only two-thirds of its people engage in presidential elections. It is even more disgraceful to see the low participation of eligible voters in local and primary elections.

I am sure my experience is the same as that of many others as we have toured college campuses and talked to students. Many of them charge that the political process simply is not responsive. Yet when one asks them what they know about a primary and how many of their parents participate in primary elections, we learn the percentage is very small indeed.

How can they expect to get the kind of candidates and the kind of Government they want so necessary to a two-party system if they do not participate in the selection of the candidates, not just at the Federal level, but at all levels.

Voter registration drives should include the teaching of the responsibility that goes with citizenship to register and vote.

Some people have suggested that we ought to tax people if they do not exercise their franchise. I would be against compulsion in that area. This is a voluntary society, but we ought to do everything we can to encourage voter participation in every election and make it a part of our activities as citizens.

Foundations have been able to do a magnificent, nonpartisan job in voter registration. That goes to the heart and essence of what a democratic republic should be. For us to stop these organizations from trying to strengthen the Nation would be wrong, as we see it.

I thank the distinguished Senator for yielding.

Mr. TALMADGE. Mr. President, I yield myself such time as I may need.

I desire to read from the Internal Revenue Code, paragraph (3), section 501(c). It reads as follows:

> Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

That is the basis for "(c)(3)" tax exemption for all organizations, groups, foundations, and societies in our country. Congress wrote that into the Code on the premise that educational, charitable, philanthropic, and scientific organizations that pursued those purposes were benefiting mankind and deserved tax exemption.

Many of these groups have done an outstanding job. Cancer research has produced breakthroughs to extend the lives of human beings, for example. The Senator from Georgia could name thousands of benefits to humanity that have resulted from the activities of tax-exempt organizations.

Unfortunately, in recent years some of the very groups that tax exemption was designed to assist, have drifted more and more into the political arena. We have seen much of it in recent days and in recent years. We have reports that one foundation contributed $175,000 for a voter registration drive in the city of Cleveland alone. That foundation takes credit for the result of the election, and claims that it resulted in election of the mayor. That foundation used $175,000 that was exempt from tax under an act of Congress.

In the House, when this matter was being considered by the Ways and Means Committee, Representative ROONEY, of New York, appeared before the committee and testified that during the recent election he did not have to run against a candidate, but against a foundation. He ran against a man of enormous wealth, who had a family foundation. Every few days during the course of the campaign, this particular opponent of Representative ROONEY—and his name has been referred to: Frederick W. Richman, a wealthy businessman, industrialist, coffee manufacturer, owner of the National Casket Co., among other companies—would appear somewhere in the congressional district, according to Representative ROONEY's testimony, and announce another generous contribution by his family foundation to some ethnic or religious group. Of course, he would be applauded by that ethnic or religious group, and it made headlines in the newspapers. This man was running for Congress on tax-exempt money that belonged to his own foundation.

We could name hundreds of other cases. We have recently read about people who have been granted trips around the world by other foundations, for no probable reason that anyone could think of. There are many other instances of this kind, Mr. President.

The House Ways and Means Committee took affirmative action to tighten up this provision of the tax code. But the Senate Finance Committee, by an overwhelming majority, did not think it went far enough. The Finance Committee thought voter registration drives were fine. But the committee did not think registration drives ought to be conducted with tax-exempt money. The Senate Finance Committee thought registration drives ought to be conducted by people seeking election to public office, the way they always have been.

Every candidate who has ever been elected to this body, and every candidate who has ever run for local office, knows that the most important thing in any election is to get your supporters registered, and, after you get them registered, to get your supporters to the ballot box. That is the very essence of politics. That is the A and B in politics: first registration, and second voting.

If Congress wants tax-exempt foundations to do that, we can approve this particular amendment. But I do not believe the Congress nor the people of the United States want tax-exempt founda-

tions—and they have been estimated to be as many as 400,000 in number, with $31 billion in assets—in the political arena; and I do not think such foundations belong there. Foundations ought to be divorced from politics. Foundations ought to be restricted to the purposes stated in the code, which I read to the Senate a moment ago: scientific, charitable, educational, and phlianthropic. I do not think foundations belong in the political arena.

Let me tell you what they can do in the political arena. I read from the Senator's amendment here, on page 2, paragraph 2, line 2. He says that here are the conditions under which he would permit tax-exempt organizations to participate in voter registration drives:

First, they have got to be nonpartisan.

Well, I can think of a lot of people who are nonpartisan. I have got a lot of friends in Georgia who are nonpartisan. If my nonpartisan friends can conduct voter registration drives, you can bet your bottom dollar my next campaign will be successful.

So far as I know, the John Birch Society is nonpartisan. So far as I know, the Ku Klux Klan is nonpartisan. And so far as I know, the Black Panthers are nonpartisan. You can just pick out any nonpartisan group you want and give them foundation money—just so long as that nonpartisan group is friendly to the man you want to elect—and you have complied with the nonpartisan provision of this amendment.

Let us look at the amendment again. The activities it must be confined to more than one specific election.

I do not know of any politicians who run just one time, unless they get beat and retire from the battlefield. They plan to run more than once. So you finance more than one specific election with this foundation money. You just go in there and say, "Oh, no, we are not going to pick out our candidates for one-shot deals; we are going to finance once, twice, thrice with tax-exempt money."

What are the other conditions here? The Senator's amendment provides that the activities have to be carried out in more than one State.

What is more than one State? One State and one voter. Georgia plus the nearest adjacent and smallest precinct in Tennessee, with 18 people registered. Then you have complied with the Senator's amendment. That is how ridiculous it is.

Let me tell you what I would do if I happened to be the Governor of New York, and this amendment were agreed to. The Governor of New York happens to belong to an enormously wealthy family. The Governor of New York has many foundations. The Governor of New York happens to have a brother who is Governor of another State. He is an enormously wealthy man. Both have plenty of foundations.

If I were Governor of New York, I would just call up my brother and say, "Look here, it's time you and I got together. You get your foundations, and I'll get mine. I'll send my voter registration cards to Arkansas, and you send your voter registration cards to New York."

I am not charging, Mr. President, that that is being done. I am stating what could be done; and I know politicians do not always act with the greatest of altruistic motives. My opponents, particularly, have sometimes been known to do some pretty base things. [Laughter.]

I would think that a politician who had a foundation and really wanted to win the next election would pull out all the stops. You would see that foundation money start flowing to such degree that they would not even need a good cotton crop in the State of Oklahoma, because the foundation money would take care of them. They would not need one in Texas, either; and if I were in the position of the Senator from Texas, with some of the people with enormously wealthy foundations they have at their disposal, I would be somewhat leery of promoting an amendment whereby I could open all of the stopgaps or that foundation money that could be turned loose on me in the next election.

All of us are for voter registration. It just depends on who is going to do it. I know we need educational campaigns. I know we need more of our people registered. I am ashamed of the number of people that are registered in our country. But I am even more ashamed of the few that vote who are already registered.

I think, if we authorize the tremendous foundations of this country with $31 billion in assets, to go into the political arena, to choose elections of their choice, campaigns of their choice, and candidates of their choice, to promote registration drives with tax-free money, that would be a very dangerous thing. We have had too much of it already. The Senate Finance Committee wants to stop it, and the vote in our committee, after listening to the facts and the evidence, Mr. President, was overwhelming.

I now yield such time as he may require to the distinguished Senator from Tennessee.

Mr. GORE. Mr. President, the privilege of tax exemption is almost an incomparable economic privilege in our society. There are an estimated 400,000 tax exempt organizations in the United States. It becomes imperative—it has already become imperative, and long overdue—for Congress to set some limits, to provide some specifics, to establish some definition of terms.

Under present law, a foundation can be created for the general purposes set out in the code, and achieve tax exemption. It is left almost entirely to the creator of the foundation himself to decide what is, for instance, a charitable purpose.

I wish to turn briefly, now, to the particular amendment here involved. To be perfectly candid with the Senate, Mr. President, there are not many Members of this body who might aspire to further service who might be greater beneficiaries of voter registration drives by tax exempt foundations than the senior Senator from Tennessee. But is that a charitable purpose? Is that a philanthropic purpose?

I suggest it might be a worthy purpose; but should we adopt a policy of saying that voter registration, whoever it may help or hurt, is a purpose for which tax exemption should be provided?

After hearing the evidence, after learning of the abuses to which voter registration drives had been subject, the political purposes, the partisan purposes to which they could be directed, I concluded to support the provision in the Finance Committee bill.

Mr. President, a political purpose may be a good civic purpose. However, if politics can be regarded as a proper use of tax exempt funds, then what other purpose would we exclude?

We must hew to the line as to the purposes for which tax exemption is extended.

Under the proposed amendment, it would not be left to the elected Representatives of the people to decide what political purpose would be served or what political conditions would be favored. Indeed, it would be left to this vast reservoir of money in foundations, now estimated to be in excess of $30 billion.

Thus, we would be treading on thin ice, on dangerous ground. I suggest that the amendment be rejected.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield such time to the distinguished chairman of the Finance Committee as he may desire.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, it has only been recently that anyone thought of voter registration drives as being anything other than political drives to influence an election for the benefit of those putting on the drives. In recent years, it has been contended that some groups put on voter registration drives without reference to whom they would help or hurt. However, I submit that in most instances voter registration drives are not put on so much as a matter of good citizenship as a matter of seeing that one side or the other prevails.

In an election, historically, with respect to political organizations, the first thing they would do would be to see that everyone who is likely to vote for their side is registered. They make no effort to see that those who they think might vote against them are registered.

It was very expensive in some cases, but organizations do it as a matter of necessity to win the election.

The second thing they would do would be to see that all of the people who favor them would get out and vote if they could do so.

I have made great efforts to try to increase registration in my State. I have gone about as far as everyone else does when they are seeking to have voters register.

I made it a particular point to get those people to register in the area in which I thought the people would vote for me when I was running for office. I suppose that everyone else would do the same thing in close years.

When labor thinks it is very important that those in a certain area be registered or that those who agree with their point of view are registered, they raise money and put on voter registration drives. Other groups do likewise.

There are some, let it be said, who perhaps put on a voter registration drive without desiring to have the election favor one group of candidates or another group of candidates or one philosophy or different philosophy. However, in most cases, voter registration drives have a political purpose—to elect those who agree with the philosophy of those putting on the voter registration drives.

Mr. President, some years ago we passed a civil rights law in the voting rights field. And some of us from the South have been trying to make that law applicable to the entire United States. We feel that if it is a good law, it ought to be applied everywhere.

If someone does not think it is good enough to be applied in his own State, he should not try to have it apply to another State.

In Louisiana, under that law, if someone feels that a minority group is being discriminated against because of race or some other reason, he has a right to send the Federal registrars down the road and register everyone who can write his name, so that everyone is on the roll whether he comes and votes or not.

I am not criticizing that. All I am saying is that if that principle is right in Louisiana, it should be equally right and applicable anywhere else. However, I do not object to using Federal money or any foundation money to see that everyone who is mentally competent and has the least modicum of education required, enough to know what he is doing, should be registered and qualified to vote. However, when people are privileged to use tax-free money in a way to say directly or indirectly which side should win an election, I find that very objectionable.

My uncle, who was three times the Governor of Louisiana, once told me, "If you spend money to try to haul voters to the polls, you ought to spend it in the areas where you think you will win. If you spend money in the areas where you think you will lose, most of the voters there will vote for the other fellow."

Mr. President, I think generally that most people interested in voter registration will spend their money in the areas where they think their philosophy is more likely to win.

There are a lot of political purposes involved. If these foundations with tax exempt money are permitted to use their money for voter registration, there is no way to keep politics from creeping into the matter.

I submit that this is not the kind of thing we had in mind when we provided a tax exemption and provided a charitable contribution deduction so that up to 70 percent of the funds would be Government money in order to do charitable and educational work or provide benefits for humanity.

That money was not intended to be used for the political advantage of one group or the other. I submit that there is no way in the pending amendment or in any similar amendment by which someone cannot find a way to use it to his advantage, in spite of any safeguards provided by the Senator from Texas.

I hope the amendment is rejected.

Mr. TALMADGE. Mr. President, how much time remains?

The PRESIDING OFFICER. Twenty-two minutes remain.

Mr. TALMADGE. Mr. President, I yield such time as he desires to the distinguished Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I hope this amendment will be rejected. The committee went very thoroughly into the whole principle of allowing charitable contributions to be deducted from income for tax purposes and allowing tax exemption for foundations on the premise that the money would be used for charity and charitable activities.

Certainly political activities do not come under that category. As has been pointed out by my colleague, there is no such thing as a voter registration drive in any one area that cannot be diverted toward the benefit of the party of the choice of those having the voter registration drive. It can be either for or against some particular party or candidate in an area.

All they have to do is to select the area in which to have the voter registration drive. If they select one State or two States, they can still carry out the same objective.

I think that if the amendment is agreed to, it will make it possible for the foundations to continue to use their money for political activities. It will make it harder for us in conference and in the committee to hold the advantages which the foundations now enjoy otherwise and which we would like to have preserved for them.

I hope the amendment will be rejected.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, if the Senator from Texas is prepared to do so, I am prepared to yield back the remainder of my time.

Mr. YARBOROUGH. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Texas has 4 minutes remaining.

Mr. YARBOROUGH. I believe it will be necessary to use our 4 minutes.

How much time does the distinguished Senator from Kentucky desire?

Mr. COOK. Two minutes.

Mr. YARBOROUGH. I yield 2 minutes to the Senator from Kentucky.

Mr. COOK. Mr. President, I might be wrong, but I have a notion that we, as politicians, may think a little more of ourselves than we are entitled to think, because in my State that is not the only thing voter registration is used for. There are other reasons for putting people on the rolls. We have some school systems in the United States that, because so few people are registered, vote down taxes, and the schools are closed and cannot open after Thanksgiving or in the spring. We have major issues in communities that want to build a better community, and so few people are registered, who always vote against things, that you cannot pass a bond issue.

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

Mr. COOK. I yield.

Mr. TALMADGE. Does the Senator think it is the responsibility of foundations to register enough people to vote for things instead of against them?

Mr. COOK. I might suggest to the Senator that I think it is the responsibility of foundations, if they feel, and if we in this body feel, that it is within the framework of the law of this land, they might take upon themselves the responsibility of educating people to the fact that they ought to exercise this right.

I think it is rather an odd and shameful thing in this Nation that we can vote, when we get around to it, in a presidential year, 70 percent of the people; and in countries throughout the world 98 and 99 percent of the people stand in the rain to vote.

I might suggest to the Senator that I have a notion that it is not just the foundations that vote for the political races. I think they want to get people registered for many other things, and they are put on the rolls for many other things. They can accomplish many other things as a result of it, and I support the amendment.

Mr. YARBOROUGH. Mr. President, this amendment specifically provides that a foundation cannot support one particular candidate or one particular issue. Furthermore, the foundation cannot earmark the money for one particular purpose.

The distinguished Senator from Georgia suggested to me that I might not want to see any of the foundation money in Texas flow in against me. Let me say that I have had all the corporation money of America against me, and there are not enough foundations to equal that, when you see all the vast corporations turn out their junior executives the last 3 weeks in Houston and Dallas and swarm over Texas like locusts. I am not afraid of foundations in comparison with what already has been turned loose by the large corporations of America.

The Senator from Kentucky is correct—we politicians are too egotistical.

There will be issues on the Texas ballot next year that will stir the people of my State more than all the politicians or all the parties can. These are constitutional amendments.

Last year we had 4 million people registered in Texas out of over 6 million adults. That is only 66⅔ percent of the eligible voters. In the hottest race in Texas, the gubernatorial campaign, only one out of four adults voted. It is a problem to get people registered; it is a problem to get them to vote.

It is a shame that we have such poor voter registration in America. Let us at least make it possible for the people to qualify to vote. This amendment would do this.

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

Mr. TALMADGE. Mr. President, I have a request for time from the distinguished Senator from California (Mr. MURPHY).

Mr. MURPHY. I should like 2 minutes.

Mr. TALMADGE. I yield 3 minutes to the distinguished Senator from California.

Mr. MURPHY. Mr. President, I am interested in the colloquy. I also have had some background and experience in practical politics, and I also know that

the purpose of tax-free foundations has been clearly spelled out, as read by the distinguished Senator from Georgia, and it was carefully put in the law, so that the moneys that are tax-free will be used for these specific purposes.

I know that my distinguished colleague from Texas would not think of having a tax-free foundation try to affect anybody's registration or voting. But I am afraid that, if this amendment is adopted, the control might slip away from this Chamber and from this carefully operating body, and somebody down the line might decide that they could register in certain areas and neglect to register in others. I think we are naive and are kidding ourselves if we think this will not happen and if we do not know that it already has happened. One of the objections to many of the foundations at the present time is that they have gone into areas that are illegal, which they should not have gone into, and they are attempting to influence political policy; and that is one of the things we are talking about or will be talking about later.

I agree that everybody should be registered. I agree that everybody should exercise his right to vote and should be interested and should be educated. But I do not think that the only way to achieve this is by tax-free money. I think that might be the worst possible way to achieve it, because I am afraid some individuals—knowing the weaknesses of human nature—would not be able to resist the temptation to use the money to influence an election or a candidacy in the furtherance of one political party against another.

I think this would be a very dangerous amendment.

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

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield 2 minutes to the distinguished Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, if we are going to proceed on the premise that only foundations can get this job done, would it not be better to levy a broad tax against the foundations, put the money into a national pool, and let them go out and register all Americans, in all 50 States? Then there would be no partiality. If the foundations really want to register people, let them come forward, and we will put a tax on them and put it all in one pot, rather than have somebody sitting in an ivory tower say, "We will register voters only in a State where they will vote my way."

Mr. MURPHY. Mr. President, I think the Senator's suggestion is a good one. I recall that 3 years ago, in the poverty war, we found evidence that poverty money was being used to register people, and only in certain areas, and the results of those registrations were strange—almost selective.

It will be recalled that I went to great lengths to try to get everybody who was being paid by the poverty funds put under the Hatch Act, to take them out of politics.

Certain areas should be nonpolitical, and I think a tax-free foundation is one of them. By design, they are barred from politics, and they should keep out of politics and not even help in registration.

Mr. TALMADGE. Mr. President, I shall be brief.

No one objects to voter registration. Everyone should approve of all qualified registered voters being on the registration lists. The only argument I have with the amendment of the Senator from Texas is that it would authorize so-called tax-exempt charitable institutions, which do not pay money to their Government, to engage in voter registration. Voter registration is politics in an extreme form.

When we get down to the final analysis, the most important thing about politics is, first, get your friends registered; second, get your friends to put a ballot in the box on election day. If this amendment is adopted, we will authorize tax exempt foundations to engage in 50 percent of that political activity.

We do not even permit corporations to make contributions to political campaigns. It is a violation of the law. It is a criminal offense. It is a criminal offense for labor unions to make political contributions. They recognize that they should not be engaged in the field even though corporations pay taxes on their income.

Mr. BYRD of West Virginia. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. TALMADGE. But here we have an amendment that would provide—yes, this tax exempt organization—it is tax exempt because it is supposed to be engaged in charity and philanthropy—is going to be permitted to do things tax free that are denied corporations and denied labor unions. That is the essence of what the amendment boils down to.

Mr. BYRD of West Virginia. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. Senators will take their seats. The Senate will be in order.

The Senator from Georgia may proceed.

Mr. TALMADGE. Mr. President, I think people of this country have made up their minds that they want tax free organizations, foundations, and charitable groups that are supposed to be engaged in scientific, philanthropic, educational, and charitable activities, to cease political activities.

Mr. President, we have had too much of it, and I hope the Senate will reject the amendment.

Mr. McGOVERN. Mr. President, I find it hard to understand how legislation intended to correct Federal tax inequities has come to include a provision forbidding the use of foundation funds for nonpartisan democratic activities.

Voter registration programs such as those sponsored by the League of Women Voters and the Southern Regional Council have been legitimate forms of citizen education for nearly 50 years. These activities have been successful in many parts of the country in making the democratic ideal a reality.

In the 1968 national conventions, both political parties pledged their best efforts to increase citizen participation in government at all levels. The pending amendment would protect that pledge by restoring the opportunity for private foundation support of nonpartisan voter registration and education projects. And it would prevent abuses with new regulations insuring that the activities be truly nonpartisan and not limited to one locality or a particular election.

Mr. President, I hope the Senate will emphatically endorse continued nonpartisan voter registration programs by adopting the pending amendment.

Mr. HART. Mr. President, one important aim of any democratic society should be to encourage citizens to participate in the electoral process.

One way to work toward that aim is through voter education campaigns.

For example, many local units of the League of Women Voters work each year on such activities.

The Southern Regional Council has for some years conducted a voter education program which has been successful in broadening participation in the electoral process.

Congress recognized the importance of broadening citizen participation in elections when it passed the Voting Rights Act of 1965.

Now unfortunately, if Congress enacts the recommendation of the Senate Finance Committee or, for that matter, the House-approved provision, we will, in fact, turn our backs on that principal.

I speak of provisions in the Tax Reform Act of 1969 which would either prohibit or greatly reduce participation of tax-exempt foundations in voter education and registration programs.

The Senate Finance Committee recommended a complete ban on the use of tax-exempt foundations funds for such purposes.

The House version would allow such activity only if donations to the voter registration or education funds were not restricted for use in specific geographical regions and the campaigns were conducted by organizations active in at least five States.

Mr. President, if indeed some tax exempt organizations have abused the right to conduct voter education programs, that is no reason to eliminate that right completely. Nor is it any reason to hamstring such efforts as severely as the House version would.

For that reason, I strongly support the amendment now offered by Senator YARBOROUGH and Senator HUGH SCOTT, the minority leader. I was pleased to cosponsor the amendment and urge its approval as further evidence that Congress believes that it is in the best interest of our democracy to broaden citizen participation in the electoral process.

The amendment would allow foundations to put funds into voter education programs provided: First, these activities are truly nonpartisan; second, they are conducted in more than one State; third, they are supported by contributions from the general public or from three or more tax-exempt organizations; fourth, no one tax-exempt organization contributes more than 40 percent to these activities;

and, fifth, contributions to such activities are not specifically designated for use in a particular geographical area or specific election.

Mr. TALMADGE. Mr. President, if no other Senator desires time, I am prepared to yield back my time and vote.

The PRESIDING OFFICER. The Senator yields back the remainder of his time. All other time has expired. The question is on agreeing to the amendment of the Senator from Texas (Mr. YARBOROUGH). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS (after having voted in the affirmative). On this vote I have a live pair with the Senator from Arizona (Mr. GOLDWATER). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withdraw my vote.

Mr. MILLER (when his name was called). I have a live pair with the Senator from South Carolina (Mr. THURMOND). If he were present, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. BYRD of West Virginia (after having voted in the negative). I have a live pair with the Senator from Missouri (Mr. SYMINGTON). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. KENNEDY (when his name was called). Present.

I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Minnesota (Mr. MONDALE), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) and the Senator from Minnesota (Mr. MONDALE) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from South Carolina (Mr. THURMOND) is necessarily absent.

The respective pairs of the Senator from Arizona (Mr. GOLDWATER) and that of the Senator from South Carolina (Mr. THURMOND) have been previously announced.

The result was announced—yeas 53, nays 35, as follows:

[No. 170 Leg.]

YEAS—53

Aiken	Hartke	Packwood
Bellmon	Hatfield	Pastore
Bible	Hughes	Pearson
Boggs	Inouye	Pell
Brooke	Jackson	Percy
Burdick	Javits	Prouty
Cannon	Magnuson	Proxmire
Case	Mansfield	Randolph
Church	Mathias	Ribicoff
Cook	McCarthy	Schweiker
Cranston	McGee	Scott
Dodd	McGovern	Smith, Ill.
Eagleton	McIntyre	Spong
Fulbright	Metcalf	Tydings
Goodell	Montoya	Williams, N.J.
Gravel	Moss	Yarborough
Harris	Muskie	Young, Ohio
Hart	Nelson	

NAYS—35

Allen	Ervin	McClellan
Allott	Fannin	Murphy
Baker	Fong	Russell
Bennett	Gore	Saxbe
Byrd, Va.	Griffin	Smith, Maine
Cooper	Gurney	Sparkman
Cotton	Hansen	Stennis
Curtis	Holland	Talmadge
Dole	Hruska	Tower
Dominick	Jordan, N.C.	Williams, Del.
Eastland	Jordan, Idaho	Young, N. Dak.
Ellender	Long	

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—3

Byrd of West Virginia, against
Miller, for
Stevens, for

NOT VOTING—8

Anderson	Hollings	Symington
Bayh	Mondale	Thurmond
Goldwater	Mundt	

ANSWERED "PRESENT"—1

Kennedy

So Mr. YARBOROUGH's amendment (No. 332) was agreed to.

Mr. YARBOROUGH. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. FULBRIGHT and Mr. JAVITS move to lay the motion on the table.

The motion to lay on the table was agreed to.

TAXATION OF COOPERATIVE CORPORATIONS AMENDMENTS NO. 341

Mr. RIBICOFF. Mr. President, I call up my amendments No. 341.

The PRESIDING OFFICER. The amendments will be stated by the clerk.

The assistant legislative clerk proceeded to read the amendments.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

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

The amendments (No. 341) are as follows:

Amend section 121 by relettering subsection (g) as subsection (h).

On page 148, after line 9, insert the following new subsection:

"(g) INCOME OF COOPERATIVES FROM ACTIVITIES NOT RELATED TO MARKETING OR PURCHASING FUNCTIONS.—

"(1) LIMITATION ON ADJUSTMENT OF COOPERATIVE INCOME.—Section 1382 (relating to taxable income of cooperatives) is amended by adding at the end thereof the following new subsection:

"'(g) LIMITATION ON ADJUSTMENT OF COOPERATIVE INCOME FOR PATRONAGE DIVIDENDS, PER UNIT RETAIN ALLOCATIONS, NONPATRONAGE DISTRIBUTIONS, ETC.—The sum of the adjustments allowable under subsections (b) and (c) for the taxable year to any organization to which this part applies shall not exceed the taxable income of the organization (computed without regard to such subsections) for such year attributable to the related activities (as defined in section 1388 (j)) of such organization.'

"(2) TECHNICAL AMENDMENTS.—Subsections (b) and (c) of section 1382 (relating to taxable income of cooperatives) are hereby amended by deleting the word 'In' at the beginning of each such subsection and substituting the phrase 'Except as provided by subsection (g), in'.

"(3) TREATMENT OF CERTAIN DISTRIBUTIONS.—Section 1385 (relating to amounts includable in patron's gross income) is amended by deleting the phrase 'subsection (b)' in subsection (a) thereof, inserting in lieu thereof the phrase 'subsections (b) or (d)', and adding at the end of such section the following new subsection:

"'(d) TREATMENT OF CERTAIN AMOUNTS AS CORPORATE DISTRIBUTIONS.—Under regulations prescribed by the Secretary or his delegate, distributions of amounts for which adjustments under section 1382 (b) or (c) have been disallowed by reason of section 1382(g) shall have tax consequences determined by applying the rules of part I of subchapter C (relating to distributions by corporations) and all other provisions of this chapter relating to corporate distributions. Subsection (a) shall not apply to such distributions. For purposes of this title (other than this subchapter) such distributions shall be treated as having been made by a corporation which is not operating on a cooperative basis.'

"(4) DEFINITION OF RELATED ACTIVITIES.—Section 1388 (relating to definitions; special rules) is amended by adding at the end thereof the following new subsection:

"(j) RELATED ACTIVITIES.—For purposes of this subchapter, the term 'related activities' means activities, carried on by an organization to which part I applies, which consist of marketing products of patrons of the organization (including preserving, storing, and packaging such products) or purchasing supplies for patrons of the organization (including mixing, packaging, and local delivery of such supplies)."

Mr. LONG. Mr. President, is the Senator willing to agree to a limitation of time?

Mr. RIBICOFF. I am.

Mr. LONG. Mr. President, I ask unanimous consent that the time on the amendment be limited to 1 hour, to be equally divided between the manager of the bill and the Senator from Connecticut (Mr. RIBICOFF).

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, if the Senator from Connecticut will yield to me, I ask unanimous consent that the Senator from Tennessee (Mr. BAKER) be allowed to proceed, before the amendment is considered, with no time coming out of the time allotted to the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

PARTICIPATION IN GUEST CRUISE ABOARD U.S.S. "CORAL SEA"

Mr. FULBRIGHT. Mr. President, will the Senator from Tennessee yield to me briefly for a correction of the RECORD?

Mr. BAKER. I yield.

Mr. FULBRIGHT. Mr. President, on Tuesday, during a speech on Navy public relations, I said that Bertrand Harding took two trips to Hawaii aboard the U.S.S. *Coral Sea* as a guest of the Navy. Late Tuesday, I received the following telegram:

> Your speech on the Senate Floor this morning states that I was a guest of the Navy Department on cruises in the Pacific Ocean in September 1968 and March 1969. You have been misinformed. I did not participate in either of these cruises, or any other. The Secretary of the Navy invited me to participate in 1968 and I was unable to go. The invitation was reissued for the 1969 cruise and again I was unable to go.
>
> BERTRAND M. HARDING.

I regret the error. I note Mr. Harding's name was included on two lists supplied me by the Navy's Information Office in response to my request for those guests

participating in the Secretary of the Navy guest cruises.

I ask unanimous consent to have printed in the RECORD the two lists supplied to me by the Navy on which Mr. Harding's name appeared. The lists are headed "Lists of Guests Participating," and so on.

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

LIST OF GUESTS PARTICIPATING IN SECRETARY OF THE NAVY GUEST CRUISE ABOARD U.S.S. "CORAL SEA" TO PEARL HARBOR, SEPTEMBER 11–14, 1968

1. Mr. Harold L. Coons, Advertising Manager, Keystone Steel & Wire Co., 7000 South Adams Street, Peoria, Ill. 61607.

2. Mr. Joe M. Dealey, President, A. H. Belo Corp., Dallas, Texas 75222. (Newspaper publishing.)

3. Mr. Jeremy Dole, Senior Editor, The Reader's Digest, Pleasantville, N.Y. 10570.

4. Mr. Lewis W. Dymond, Chairman and President, Frontier Airlines, Inc., 5900 East 39th Avenue, Denver, Colorado 80207.

5. Mr. Bertrand M. Harding, Director, Office of Economic Opportunity, 1200 19th Street, N.W., Washington, D.C. 20036.

6. Mr. Frank M. Hunt, Secretary-Treasurer, Hunt Brothers, Inc., Box 631, Lake Wales, Fla. (Citrus fruit producers and shippers.)

7. Mr. Brooks J. Keogh, Past President, National Cattlemen's Assn., Keene, North Dakota 58847.

8. Honorable Gerald S. Levin, Presiding Judge, Superior Court, State of California, 1080 Chestnut Street, San Francisco, Calif. 94102.

9. Mr. F. A. Mechling, Executive Vice President, A. L. Mechling Barge Lines, Inc., 51 North DesPlaines Street, Joliet, Ill. 60431.

10. Mr. William G. Mennen, Jr., Executive Vice President, The Mennen Company, Morristown, N.J.

11. Mr. Albert A. Morey, Chairman of the Board, Marsh & McLennan, Inc., 231 S. LaSalle Street, Chicago, Ill. 60604.

12. Dr. Prezell R. Robinson, Ed.D., President, St. Augustine's College, Raleigh, N.C. 27610.

13. Mr. Walton B. Sommer, Chairman and President, Keystone Steel & Wire Co., 7000 Adams Street, Peoria, Ill. 61607.

14. Mr. James W. Steckel, President, Torco Termite & Pest Control, 113–115 W. Rich Street, Columbus, Ohio 42315.

15. Mr. Andrew Wick, President, Wick Construction Co., 720 North Street, Seattle, Washington 98103.

16. Mr. Morris B. Zeale, Chairman of the Board, Zale Corporation, 512 South Akard Street, Dallas, Texas 75202. (Retail jewelers.)

LIST OF GUESTS PARTICIPATING IN SECRETARY OF THE NAVY GUEST CRUISE ABOARD U.S.S. "BON HOMME RICHARD" (CVA–31) TO PEARL HARBOR, MARCH 18–27 1969

1. Mr. George Cates, 2114 Southwick Dr., Houston, Texas 77055.

2. Mr. John E. Corette, Chairman of the Board Montana Power Company, 40 East Broadway, Butte, Montana 59701.

3. Mr. Gordon Ellis, President, Fairmount Food Company, 3201 Farnam Street, Omaha, Nebraska 68101.

4. Mr. Nelson W. Freeman, President, Tenneco, Inc., Tennessee Building, Houston, Texas 77002.

5. Mr. Nelson H. Futch, Vice President & Promotion, HMH Publishing Company, 919 North Michigan Ave., Chicago, Illinois 60611.

6. Mr. Ben Hill Griffin, Jr., President, Ben Hill Griffin, Inc., P.O. Box 368, Frostproof, Florida 33843.

7. Mr. Bertrand M. Harding, Director, Office of Economic Opportunity, 1200 19th Street N.W., Washington, D.C. 20036.

8. Mr. Jerome S. Hardy, Publisher, Life Magazine, Rockefeller Center, New York, New York 10020.

9. Mr. Joseph M. Long, President, Long's Drug Stores, Inc., 5238 Claremont Avenue, Oakland, California 94618.

10. Mr. Douglas W. Love, President, Utah-Idaho Sugar Company, P.O. Box 2010, Salt Lake City, Utah 84110.

11. Donald R. Mallett, Ph.D., Vice President, Purdue University, West Lafayette, Indiana 47906.

12. Mr. Hans Massaquoi, Assistant Managing Editor, Ebony Magazine, 1820 South Michigan Avenue, Chicago, Illinois 60616.

13. Mr. John B. Naughton, Vice President, Ford Motor Company, Rotunda And Southfield, Dearborn, Michigan 48124.

14. Alvin Thomas, Ph.D., President, Prairie View A&M College, Prairie View, Texas 77445.

15. Mr. John Trottier, Director, North Dakota Turkey Federation, P.O. Box 392, Devils Lake, North Dakota 58301.

SECRETARY FINCH PRAISES SENATOR MURPHY'S LEGISLATIVE RECORD

Mr. BAKER. Mr. President, recently I had the pleasure of being one of the speakers at a series of testimonial dinners held in California for its distinguished senior Senator, GEORGE MURPHY.

Another speaker was the distinguished Secretary of Health, Education, and Welfare, Mr. Robert Finch, who has been a long time intimate friend of the Senator. In his speech the Secretary praised both Senator MURPHY and his excellent legislative record.

Senator MURPHY'S colleagues in the Senate know of the articulate and effective manner in which he represents the people in California. Having served with Senator MURPHY on the Senate Public Works Subcommittee on Air and Water Pollution, I am intimately familiar with the leadership of Senator MURPHY in the pollution area as described by Secretary Finch.

I particularly recall his successful battle for clean air in California in 1967. Air pollution is, of course, a big national problem and of great national concern, but it is an even bigger problem in California and of even greater concern. During consideration of the Air Quality Act of 1967, Senator MURPHY, because of the extraordinary and compelling circumstances that exist in his State, offered what has become known as the "Murphy amendment," which allows California to adopt more stringent standards for the control of automobile emissions than exist in the Nation as a whole.

At first, the Public Works Committee was not inclined to grant California this special consideration, but Senator MURPHY's insistence, determination, and persuasiveness, in the words of the report of the Senate Public Works Committee, "convinced the committee that California's unique problems and pioneering efforts justify a waiver of the preemption section to the State of California." The Murphy amendment was adopted by the State and the Congress and, as a result, California has been able to implement the State's Pure Air Act of 1968, the toughest antismog law for controlling automobile pollution in the country. This is only one illustration of the truly outstanding legislative accomplishments of Senator MURPHY, part of which Secretary Finch so eloquently described.

Mr. President, I ask unanimous consent that the full text of Secretary Finch's statement praising a great Senator from the Nation's most populous State be printed in the RECORD.

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

REMARKS BY THE HONORABLE ROBERT H. FINCH, SECRETARY OF HEALTH, EDUCATION, AND WELFARE, LOS ANGELES, CALIF., OCTOBER 15, 1969

It all started six years ago—and you'd better believe that the obstacles to George Murphy embarking on a political career were many and formidable. The cutting edge of our attack was made up chiefly of former Edsel dealers.

His opponent was a man of national stature . . . who had even acquired California citizenship in honor of the occasion. Murph's campaign manager had vast experience in local, State, and national elections . . . most of them losing elections.

And if you'll forgive me, Barry—taking part in the evening's festivities as you are, down in San Diego—1964 was not exactly what you might call a vintage year for Republicans.

The rest is history—a grand record of victory at the polls . . . leadership in the U.S. Senate . . . party efforts that started the Republican tide running, in the '66 midterm elections . . . and solid legislative accomplishments.

It's a rare combination that George Murphy brings to his job—his gentle Irish humor . . . a tough mind . . . a strong arm raised always in support of the public interest. And most of all it is his heart and conscience—his sense of compassion—as great as the needs of the people.

You name the area of concern—the truly fundamental concerns that affect the quality of our lives, our future prospects—and Senator Murphy has been there. Indeed, he has been in the very forefront of effective response.

Consider the *human environment*, for example—the problems of air, water, oil, and waste pollution. The full catalogue of Senator Murphy's contributions would take literally all night . . . so let me just list some highpoints:

He was author of the Murphy Amendment to the Air Quality Act of 1967. This confirmed California's leadership . . . its example to the Nation . . . in the control of auto emissions, the single greatest air polluter. Two times since January, I'm proud to note, as Secretary of HEW, I have invoked his amendment and granted waivers . . . and thus California remains the pacesetter in the fight against smog.

He sponsored and co-sponsored measures like the Water Quality Act of 1965 . . . to accelerate the Nation's efforts to preserve and restore sources of clean water.

In the present session of Congress, he is co-sponsoring aggressive regulations . . . controls with teeth . . . with regard to oil spills and liability for cleanup operations.

He is using his important membership on the Armed Services Committee to develop standards, and to regulate waste discharges in such ports and harbors as San Francisco Bay . . . where U.S. naval vessels account for fully 90 per cent of waste pollution.

Or consider *education*—another of those fundamental areas of concern where our successes, or failures, will in truth determine the future prospects of the human family.

Senator Murphy introduced measures this year that would focus additional school aid to areas . . . both urban and rural . . . where poverty and educational deprivation also are concentrated.

He was co-author of the 1967 Bilingual Education Act . . . which offers children of Mexican background the opportunity to utilize both Spanish and English in the early years of schooling.

And he was the author of one of our most productive experiments in educational innovation—the so-called "dropout prevention" program that searches out the roots of this national calamity.

Consider yet another area . . . one in which basic research must move forward in harness with tight yet practical controls—the area of *alcoholism and drug abuse*. Senator Murphy co-sponsored breakthrough programs for the rehabilitation of addicts and alcoholics . . . and he is vigorously supporting the drive against traffic in narcotics, particularly as it affects teen-agers.

Or consider the idea of *tax-sharing*—an idea whose time truly has come, and which now has become a major component of the President's revolutionary proposals for welfare reform. This is not just tinkering—rather, it attacks the cycle of perpetual dependency by way of fundamental structural reform.

The formula by which revenues will be distributed to States and localities closely follows the pattern originally devised by Senator Murphy and Senator Howard Baker of Tennessee. And tax-sharing has been termed by the President as the key to The New Federalism—which represents his determination to put the money . . . and the shared responsibilities . . . where the problems are, in the States and local areas.

These are just some highlights of a six-year track record—the record so far. I submit to you . . . and predict that the people of California will agree . . . that *one such good term surely deserves another!*

And in one more area of human concern—shared by all of us, and not just this day but every day—in the President's unrelenting *search for peace* . . . here, too, Senator Murphy has been a tower of dedication and of strength. Get him to tell you sometime about his Eagles' Club—maybe he'll even invite you to join! It defines the one key that truly will unlock the door to peace . . . the unified will of the American people.

Now, for just a minute or two, let me be entirely selfish. It is no accident that when I list the legislative areas in which the "Murphy Influence" has been so forceful—education . . . environmental protection . . . the attack on alcoholism and drug abuse—I am listing, also, the principal concerns of the massive conglomerate I have the honor to head.

I took on the job of HEW Secretary with deep commitment to the solution of urgent human problems. I took it on in a spirit of total dedication.

And tonight, Murph, I want to underscore the President's thanks to you. *Your* support of *our* efforts . . . our efforts to rationalize, reassess, revaluate, and ultimately to deliver effective human services . . . is of a value beyond words.

You understand the thrust of our initiatives—and that the impacts of the innovations we put in motion today will help define the parameters of the quality of our lives five and ten years down the road . . . indeed, for the final third of this century.

The team of young bucks who have joined me at HEW also are in this effort for the long pull. They're not all Californians, by the way—just most of them but it is not surprising that such a notion has become current. They share with the people of this State the frontier spirit . . . the willingness to experiment with new modes of action, and whole new templates of public-private partnership.

We entered our new jobs with no pat answers . . . but rather with an insistence that the old answers and old solutions be reexamined. We have been able to squeeze about $1.2 billion out of ongoing programs—to improve their effectiveness, and to retarget our investments into new experimental models.

We intend to find out what works, and what doesn't work—and to order our priorities accordingly. Our ultimate success will depend on a steady purpose during these first years . . . and I only hope eight years will be enough for lasting impacts in all the areas of our concern.

Our operating principle is—if efforts of reassessment and renewal succeed . . . in the upgrading of educational quality . . . in the delivery of abundant health-care, accessible to all—then the welfare of the American people will pretty much take care of itself.

In this longrange enterprise, Mr. Senator, we need your guiding hand and good counsel—we need your continued service to both State and Nation.

Politics really is a strange and wondrous profession. I almost said "game", but it is infinitely more than that. Politics is an elemental human process.

We pour into it our treasure . . . our partisanship . . . our devotion to party principle—and yet, by some incredible alchemy, there seems always to emerge a new sense of unity . . . a spirit of national purpose.

Perhaps the answer is to be found in the careers of men like our Senior Senator—and in the commitment of men and women like yourselves who have assembled tonight . . . in the thousands, all over this State . . . to pay tribute to him.

Woodrow Wilson might well have been speaking of George Murphy when he made this observation:

The man who sinks his own personal judgments and ambitions in the common good will in the long run ride the farthest and rise the highest. And then Wilson went on in the following words: We are an interesting people, we human folks. We are afraid of men who have power and use it wickedly, but we are never proud of them, and the only people we rear statues to are the men who forgot themselves and served others. And that statue will stand there as an example as long as the bronze will last, to fire young hearts forever.

You have indeed "fired the hearts" of your fellow Californians, Murph . . . and you have earned our affection forever.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 7491) to clarify the liability of national banks for certain taxes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PATMAN, Mr. BARRETT, Mrs. SULLIVAN, Mr. REUSS, Mr. WIDNALL, Mr. BROCK, Mr. DEL CLAWSON were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 14159) making appropriations for public works for water, pollution control, and power development, including the Corps of Engineers—Civil, the Panama Canal, the Federal Water Pollution Control Administration, the Bureau of Reclamation, power agencies of the Department of the Interior, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1970, and for other purposes, and it was signed by the President pro tempore.

TAX REFORM ACT OF 1969

The Senate continued with the consideration of the bill (H.R. 13270), the Tax Reform Act of 1969.

Mr. RIBICOFF. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. RIBICOFF. Mr. President, I yield myself 10 minutes.

Mr. President, the first precept of fair taxation is equal taxation on all citizens in similar economic circumstances. For years, the tax treatment of cooperative corporations have violated this maxim.

Cooperatives, in fact, afford a striking example of the intrusion of the tax-exempt or tax-favored institution into the commercial marketplace in direct competition with other fully taxed organizations.

Today, cooperatives are big business in the United States. They do $20 billion of business annually and one-third of them fail to add a nickel to the Federal Treasury. Most of the rest pay absurdly small or token amounts of income tax. This tax immunity exists despite the fact that cooperatives engage in a multitude of manufacturing, producing and commercial ventures in direct competition with the average taxable businessman.

The tax advantage of cooperatives evolved many years ago when they were first organized as small, local associations to act as sales or marketing agents for farmers. This simple agency function is still important today, but it has become overshadowed by the encroachment of cooperatives into large-scale manufacturing operations. The cooperatives of today have little resemblance to their forebearers.

Today, cooperative corporations have become gigantic, permanent institutions, separate and independent from their patrons, with centralized and autonomous management.

More importantly, they have invaded the commercial marketplace with the aid of their special tax status to become aggressive and formidable competitors.

For all intents and purposes, most cooperative business income is tax free.

While some cooperatives are technically classified as exempt and others are not, all cooperatives are permitted to deduct "patronage dividends" from net income before paying taxes. Since these patronage dividends are oftentimes nothing more than pieces of paper giving an undetermined right of income to the patron in the future, the cooperative retains practically all its income in its coffers for further business expansion without paying any taxes.

Not only is the small businessman facing unbearable competition, the average taxpayer is subsidizing this activity.

THE TAX REFORM BILL

In recent years, this Nation has witnessed the rapid growth of unfair business competition by tax-free or tax-favored institutions. Not only is this unfair competition, but it deprives the Federal

Treasury of its share of normal business income.

With marked frequency the tax-exempt groups are entering the marketplace and sheltering the income of everyday commercial activities with the umbrella of tax immunity.

These shelters must be removed.

The pending tax reform bill has taken several constructive steps to impose an unrelated business tax on these commercial functions. The bill now taxes the unrelated activities of churches, charitable groups, social clubs, and fraternal organizations.

It is hard to justify the continued immunity of cooperatives.

Regrettably, the Senate bill has deleted even those weak amendments dealing with cooperative taxes contained in the bill passed by the House of Representatives.

I ask that the Senate reconsider this issue and impose a corporate tax on the income from the activities of cooperative corporations which are unrelated to the basic agency activities of marketing and purchasing.

Mr. President, cooperative corporations have moved far beyond the original concept of a farmer's sales agent—a concept for which they obtained their favored tax status. Today, many cooperatives are gigantic conglomerates engaged in ordinary commercial activities but without the usual disadvantage of paying Federal taxes. These outside business activities do not deserve special tax treatment.

Today, the average cooperative is larger than the average corporation. We must put cooperatives back on an equal footing with the rest of the American business.

The Farmers Regional Cooperative, of Iowa, sometimes known as Felco owned assets of $8 million and had sales of over $34 million in 1965, the last year statistics are available. On a net income of $1.7 million Felco paid Federal taxes of $917. This was a big improvement over 1964 when a net income of $1.2 million produced $128 for Uncle Sam.

The reason for these absurdly low taxes on a business which owned over $8 million in assets including warehouses, four feed mills, and a nitrogen plant is that about 60 percent of net income was deducted for tax purposes because Felco made a paper allocation of this amount to its patrons although the money stayed right in the treasury and was used for business purposes.

Another cooperative, the Tennessee Farmers Cooperative, paid taxes amounting to less than one-half of 1 percent on a net income of almost $1.5 million derived from petroleum products, building supplies, chemicals, and tires. This operation consists of seven fertilizer and seed plants, 16 automotive equipment facilities, two feed mills, and a tire recapping plant.

Farmland Industries, of Missouri, had 1968 sales of $375 million. This cooperative engages in, among other things, manufacturing grease and paint, fabricating steel products, producing fuel and lubricating oils, and provides insurance and finance facilities. Since 1929, Farmland has paid taxes of less than 10 percent of net income.

Agway, Inc., headquartered in Syracuse, N.Y., and operating throughout the middle Atlantic States and New England, is the largest cooperative in the Nation. In 1968 its sales volume was $519 million. Along with four other cooperatives, it was ranked in the Fortune directory of the Nation's 500 largest corporations. Agway's operations include marketing of innumerable products, wholesaling of feed, fertilizer, petroleum products, auto supplies, farm equipment, building supplies, farm chemicals, lawn and garden equipment. In addition, wholly owned subsidiaries of Agway include a real estate holding company, a petroleum corporation which operates gas stations, and an insurance company. Since its inception Agway has had an effective tax rate of only 15 percent. This tax rate is much higher than the cooperative average.

The minimal tax bills for these large cooperative corporations are shocking. But they pale before the realization that many cooperatives of the same size and business interests pay absolutely no taxes at all. In fact, the most recent statistics show that 32 percent of the tax returns of cooperatives which show an annual net income reported no Federal tax payable.

Thus, in an industry which has gross receipts of over $20 billion a year and which covers almost every conceivable business and production item, almost one-third of the organizations escape taxation completely.

THE EFFECT OF TAX-EXEMPT COOPERATIVES ON COMPETITION

The intrusion of large combines with special tax status can wreak havoc with the normal competitive market.

In the fertilizer industry, for instance, 31 percent of the farm supply of fertilizer products is purchased through cooperatives. This compares with 21 percent in 1956. This by itself would not be harmful, but the fact is that most of this fertilizer is manufactured by the cooperatives themselves under the umbrella of a virtual tax exemption. Total fertilizer sales in the United States amount to about $1.5 billion annually. Seven percent of this total is manufactured by one cooperative alone.

Many cooperatives have recently switched from buying the raw materials for making fertilizer to the actual production of the ingredients. The Central Farms Cooperative owns a major phosphate mine in Canada, a phosphate conversion plant in Florida, and three large ammonia plants. Another, Agway, is now in the process of building a nitrogen production center.

Two basic chemicals used in the manufacturing of fertilized products are ammonia and wet process phosphoric acid. The penetration of the cooperatives into this field has been startling. In 5 years, since 1964, cooperatives have increased their production of ammonia from 11.5 percent of the market to 20 percent; in phosphoric acid the increase has been from less than 6 percent to 20 percent.

Cooperatives also did three-quarters of a billion dollars of business in petroleum products. In many cases the cooperatives have integrated backwards to include pipelines, refining plants and actual oil producing properties. Farmland Industries produced 79 percent of the petroleum it sold to farmers. Its facilities include three refineries, one natural gas plant, crude oil reserves and 875 miles of pipeline. Profits from all these activities are shielded from taxes under our present laws.

The commercial trucking industry has also been badly injured by the encroachment of untaxed cooperative organizations. The Pentagon recently announced the policy of using co-op trucking services where possible in munitions transport. These co-ops can afford to undercut regular firms and are not yet subject to ICC regulation.

An example of how a cooperative can affect normal competition is afforded by the history of an organization known as California Canners. California Canners began operations to provide farmers with a means to market their raw produce, in this case peaches. About 10 years ago the cooperative acquired a number of regularly taxed cannery companies and subsequently brought them under the tax exemption umbrella. Then California Canners constructed a new can-making facility. In addition, it bought a trucking company.

Virtually all of the profits of California Canners are theoretically distributed each year to its patrons. Actually only 20 percent of this allocation is made in cash—the rest remains in the business untaxed, presumably for use in further acquisitions or construction.

Needless to say, a great many of the industries which attempt to sell to millions of Americans are being threatened by cooperative expansion.

Many cooperatives are now expanding their activities to take over formerly taxpaying businesses. There is little likelihood that a business can withstand the threat of merger from a co-op willing and able to enter the same market on a taxfree basis.

Mr. President, the time has come to place these giant business combinations on an equal footing with the rest of American business.

There is no valid reason why the ordinary business activities of cooperatives should receive special treatment in our tax laws. There is no reason why the American taxpayer should subsidize unfair business competition.

No one questions the special circumstances of the American farmer. Subject to the vagaries of weather and crop season, there is justification for permitting the farmer to seek assistance in selling his commodities and purchasing his needs.

This was the concept under which the first cooperatives were organized. It is still valid today.

But cooperatives have extended their sphere of influence far beyond the mere selling and purchasing concept. They have become fully integrated business activities engaged in manufacturing and production. These activities do not justify a special tax deduction to the exclusion of similar activities by thousands of other American businesses.

Therefore, my amendment proposes to exact an unrelated tax on all income of cooperatives which is not directly re-

lated to the purchasing or selling agency function of cooperatives.

Briefly, the amendment would impose a regular corporate tax on this unrelated income.

Marketing activities which fall into the "related category" would include all those necessary for preserving, storing, or packing the patrons' products for sale. This would include processes such as making frozen concentrated fruit juice, baling cotton, and canning peaches. Canning or packaging the product would be a related activity, but the manufacture of the can or the box would be considered as "unrelated" activity and subject to tax.

Likewise, cooperatives could mix and package fertilizer which it bought in bulk without adverse tax consequences, but the production of fertilizer itself would give rise to an unrelated business tax.

The buying of petroleum products and the transportation of them to the patron would clearly be a related activity. However, the drilling for crude oil or the refining of oil or gas would be an unrelated business activity.

Under my amendment, patronage allocations would still be deductible before the imposition of Federal tax, but only to the extent of income from related business activities. Thus, if a cooperative had $100,000 of income from related activities and $200,000 from business judged to be unrelated, only $100,000 of patronage allocations could be deducted.

The $200,000 of unrelated income would be fully taxable at the normal corporate rates.

If a cooperative allocated $150,000 to patrons, $100,000 could be offset against related income. The remaining $50,000 could not, however, be deducted.

Under present law, patrons must pay income tax on patronage allocations which are deducted by the cooperative. This would be unchanged by my amendment. As to the remaining $50,000 of allocations which cannot be deducted under my amendment, the patron would only be taxed on those allocations if they meet the general rules of taxable corporate distributions.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. I am pleased to yield to the Senator from Iowa.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. MILLER. I yield myself 2 minutes.

Mr. President, the Senator from Connecticut has talked about a farmer receiving patronage dividends which were not sufficient to enable him to pay taxes on the total amount of the allocation of the patronage by the cooperative.

Mr. RIBICOFF. That is correct.

Mr. MILLER. It is quite correct that that frequently happens. But I hope the Senator from Connecticut realizes that this is with the agreement of the members of the cooperative.

Mr. RIBICOFF. It may be by agreement with the members of the cooperative, but that does not make it right, because, while he may pay taxes on the allocation of the 80 percent that is retained by the cooperative no taxes are paid by the cooperative, as they would be with the ordinary corporation.

Mr. MILLER. The point that I think the Senator is trying to make there is that perhaps there is a defect in the tax law. But I emphasize that this point the Senator was making about the farmer not receiving enough patronage dividends in cash to enable him to pay the tax on the total amount of the allocation is not a defect of the law at all; it is a matter of agreement by the cooperative, through a democratic process, with which I hope the Senator would agree.

Mr. RIBICOFF. I do not know how democratic it is. If it is like most organizations of that size, I would say the average farmer who is a member of one of these large conglomerate cooperatives has very little to say as to what takes place. In most co-ops, the minority has very few choices and very little that it can do to change co-op policy.

I think when these co-ops started out, the purpose was very salutary, and we have tried to protect that salutary impact. But when the cooperatives become conglomerates doing $500 million worth of business, and start drilling oil wells, manufacturing machinery, and going into the insurance business, we no longer have a cooperative designed to take care of the immediate needs of the farmers, but a competitive enterprise, competing with other enterprises in our free enterprise system.

Mr. MILLER. I yield myself an additional 2 minutes.

Mr. President, I shall not argue with my friend from Connecticut about this matter of getting into the drilling of oil wells. The only point I want to emphasize is that these activities such as he has referred to about the declaration of patronage dividends, and the amounts, are arrived at through a board of directors, and quite often through an annual meeting of the cooperative. If it is a very large undertaking, we can be quite sure that the members of that cooperative vote for their board of directors, and if they do not like what is going on, they do not have to be members of the cooperative. I do not know why the Senator should object to that.

Mr. RIBICOFF. The committee was most zealous to close the loopholes on nonrelated business, as it pertains to fraternal organizations, social organizations, churches, charities, and foundations; and I cannot for the life of me see why we should make an exemption for these co-ops, which are not entitled to have any more competitive advantage over ordinary business than are churches, colleges, or foundations.

Mr. MILLER. Will the Senator yield me a minute of his time?

Mr. RIBICOFF. I yield the Senator 1 minute.

Mr. MILLER. Mr. President, the committee, as the Senator points out, recognizes some defects in the present law. But I thought it was decided nearly unanimously, if not unanimously, to have this matter studied by the Committee on Finance staff, with a view to enabling us to have the proper information so that we could take clear-cut, knowledgeable action on the matter in the next session of Congress. I think everyone on the committee recognized that the Senator from Connecticut had a valid point. Our concern was drawing up legislation that would cover the point in a knowledgeable way, without possibly doing great harm by acting prematurely.

I, for one, agree with the Senator from Connecticut that things have gone too far, and I want to take some action on it. I regret very much that I think the Senator is premature in his amendment, but the main point I wanted to bring out in this colloquy was that the action taken by these cooperatives is done with the knowledge and the concurrence, and generally the votes, of the members or of their board of directors; and I hope that the Senator would not object to that procedure.

Mr. RIBICOFF. I do not object to the statements the Senator makes; but I think the time has come to bring out in the open the situation as to the cooperatives and their favored position in the American economy. When five cooperatives are mentioned by Fortune magazine as among the 500 largest corporations in America, we must realize this is not a question of farmers getting together to market eggs or apples or oranges, and that the time has come to take a good, hard look at these giants.

The Senator may recall that in the committee I stated that I was going to bring this amendment up on the floor, to bring the matter out in the open; and I think the time has come to give it a thorough airing.

Mr. HOLLAND. Mr. President, will someone yield me 3 minutes so that I may ask some questions?

Mr. TALMADGE. Mr. President, I yield 3 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. HOLLAND. Mr. President, I have two questions in particular to ask. One relates to the fact that joint cooperative action is frequently taken in my State.

I am thinking particularly of citrus-marketing cooperatives coming together either to have a fertilizer-mixing establishment or a juice-canning or a juice-concentrating establishment. It belongs wholly to the cooperatives. It runs wholly for the benefit of their members.

What situation would these operations be left in under the amendment of the distinguished Senator?

Mr. RIBICOFF. Mr. President, these activities would in no way be affected by my amendment, because these activities are related to the production and marketing of the items involved.

In the great State of Florida, which the Senator represents, citrus fruits are a most important part of the economic life of the community. And it is only natural that the small and large farmers work together to grow the crop, to gather the crop, to market the crop, and also to produce juices and concentrates.

Everything the distinguished Senator from Florida has mentioned is a related activity to the main purpose of the cooperative. And there would not be any tax at all involved under my amendment in the example given by the Senator.

If this cooperative, however, decided to buy a hotel on the Gold Coast in Miami Beach or an insurance company or a manufacturing company or a boatyard, then the income from those unrelated

activities would be subject to the same tax as would a corporation engaged in the hotel business, the insurance business, the manufacturing business, the boatyard business, real estate business, or banking business.

It is not the fact that the farmers buy products together, buy fertilizers, gather crops, and sell the products themselves. That is a related business. However, many of the cooperatives have seen a good thing and taken in under their tax-free umbrella unrelated businesses and are in competition with other merchants in the same area.

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

Mr. TALMADGE. Mr. President, I yield an additional 3 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for an additional 3 minutes.

Mr. HOLLAND. Mr. President, the Senator realizes, I am sure, that no one cooperative in Florida that is organized by citrus growers, for instance, can finance the operation and furnish the fruit for a concentrate plant. That investment is very large, and the supply of fruit has to come from quite a large area, larger than one cooperative could normally cover.

In our case, something like three-fourths or more of the orange juice is not marketed as fresh fruit but is marketed in the form of frozen concentrated orange juice.

I understand from the answer of the distinguished Senator from Connecticut that under such a situation as I have outlined, his amendment would not remove the exemption.

Mr. RIBICOFF. Absolutely not, because that is a related business. A question was asked by another Senator in a private conversation as to what would happen in his State with regard to a dairy business. Basically, it is a matter of processing the milk and ice cream and cheese and then selling the milk and ice cream and cheese. That is related to their business as a cooperative, and in no way would the amendment affect a related business of that sort.

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

Mr. TALMADGE. Mr. President, I yield myself such time as I may require.

Mr. President, the distinguished Senator from Connecticut offered his amendment in the Finance Committee. It was considered by the Finance Committee and was rejected overwhelmingly because its provisions are vague and indefinite.

The committee did not realize the scope of the activity. Neither did the author. We did authorize a study by the staff of the Finance Committee, the staff of the Joint Committee on Internal Revenue and Taxation. and the Treasury Department to look into the unrelated activities of farm cooperatives.

Mr. President, I read from page 309 of our committee report:

> The committee, however, is concerned over the extent to which cooperatives are increasingly engaging in activities such as heavy marketing which are unrelated to the purpose for which the special tax treatment of cooperatives was originally granted. It has, therefore, asked the Treasury Department, the committee staff, and the staff of the Joint Committee on Internal Revenue Taxation to conduct a study of these activities and to formulate a proposal by which the special tax treatment of cooperatives can be withdrawn with respect to these unrelated activities.

I think that is as far as the Senate ought to go at this time, because we do not know what we are doing in this area.

I would like to point out one misstatement of fact that I know is absolutely unintentional on the part of the distinguished Senator from Connecticut.

We have his memorandum on our desks. The third paragraph from the bottom of the page reads:

> Many cooperatives are paying no taxes and are competing side by side with fully taxable organizations.

That is a misstatement. Farm cooperatives either pay taxes or the patron of those cooperatives pays taxes.

Unfortunately, that fact is not well known. I get a considerable number of letters, sometimes from my own State, asking, "Why don't you do something to tax cooperatives?"

They are already taxed. Either they or the patron pays the tax.

Mr. President, I want to read commencing on line 13 of page 3 of the Senator's amendment, it reads:

> For purposes of this subchapter, the term *"related activities"* means activities carried on by an organization to which part 1 applies, which consist of marketing products of patrons of the organization . . .

What is "marketing products of patrons"? I do not think we fully know.

In Georgia, we have a substantial poultry business. Many of those poultry farmers buy through the cooperative. The cooperatives buy the feed for them and furnish supervision of the poultry and help them with the birds and they take them to the market. It is a very integrated operation.

Would the Senator's provision tax that? No one knows. We have not gone into the area far enough or held hearings on the matter.

What is "preserving"? That is contained in the amendment. Does preserving mean drying, canning, cooking, or putting in a warehouse?

Those terms are ambiguous and not well understood.

What does "store" mean?

What does "packaging of such products" mean? Does that mean freezing, cooking, or canning? What does "purchasing of supplies for patrons of the organization" mean?

Many farmers belong to cooperatives that produce fertilizers. Some of those fertilizer cooperatives mine the minerals that they use in the fertilizers. They mix the fertilizers and they sell the fertilizer to the farmer. The farmer saves money when buying that product.

Does the Senator's amendment relate to that? No one knows.

What does "mixing" mean?

What does "packaging" mean?

What does "local delivery of such supplies" mean?

The Senator from Florida asked about the freezing and concentrating of orange juice. Is that a related activity?

Let me point out also that the amendment does not apply wholly to farm cooperatives. I am sure that the Senator meant it to apply to farm cooperatives.

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

Mr. TALMADGE. I yield.

Mr. RIBICOFF. Mr. President, I intended it to apply to cooperatives taxed under subchapter T of the Internal Revenue Code. It so happens that most of the argument for my amendments comes from agricultural cooperatives.

Mr. TALMADGE. I thought it was the Senator's intent to make it apply to farm cooperatives. Instead he tells me he intends it to apply to all cooperatives wherever taxed.

Mr. RIBICOFF. Concerning the question of taxes, the IRS publication, "Statistics of Income of 1965," indicates that 32 percent of all cooperatives reporting paid no taxes whatsoever.

Mr. TALMADGE. But their patrons did.

Mr. RIBICOFF. The patrons paid their taxes, that is true, but the cooperatives did not.

Mr. TALMADGE. Either the cooperative or the patron pays the tax.

Mr. RIBICOFF. The difference is that the patrons pay a tax. They receive 20 percent. They pay on the hundred percent of the paper allocation that they receive. But the large amount of money is accumulated and kept by the cooperative itself, and it uses this money to keep on building its competitive position, not necessarily for the benefit of the patron.

Mr. TALMADGE. Is the Senator speaking on his time? I have had several requests for time.

Mr. RIBICOFF. It can be taken from my time.

Mr. TALMADGE. I thank the Senator.

I repeat that a cooperative's income is taxed either by the cooperative or by the patron. I would not want the Senate to think that they are tax-exempt organizations. They are not. All of the patrons are actually involved together. It is a partnership.

Mr. RIBICOFF. Mr. President, will the Senator yield on my time?

Mr. TALMADGE. I yield.

Mr. RIBICOFF. Most cooperatives are corporations. What I am trying to do is to place the cooperative in the same position on unrelated business as the ordinary corporation.

Mr. TALMADGE. But under our tax laws they are not taxed as corporations. They are treated much like partnerships.

Mr. RIBICOFF. They are incorporated under State laws. Everything they do is in the nature of a corporation; and, basically, a corporation in America pays a tax on its income. Then, when it pays a dividend to a stockholder, the stockholder pays a tax on the dividends he receives. The cooperatives should be treated the same as a corporation.

This is what we are doing to foundations; this is what we are doing to churches; this is what we are doing to social organizations and fraternal organizations, and the time has come to make

sure that these cooperatives, which have gotten out of hand and are no longer in the tradition which was intended, are treated on the basis we are treating all other organizations. This is a reform measure. If we are reforming so many institutions in this bill, the time has come to reform this particular type of activity, which is subject to great abuse.

Mr. TALMADGE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Georgia has 18 minutes remaining.

Mr. TALMADGE. Mr. President, I quote from the Internal Revenue Code, paragraph 1, under section 1382(b), "Income taxes, cooperatives":

(b) Patronage dividends.

In determining the taxable income of an organization to which this part applies, there shall not be taken into account amounts paid during the payment period for the taxable year—

(1) as patronage dividends (as defined in section 1388(a)), to the extent paid in money, qualified written notices of allocation (as defined in section 1388(c)), or other property (except nonqualified written notices of allocation (as defined in section 1388(d))) with respect to patronage occurring during such taxable year; or

(2) in money or other property (except written notices of allocation) in redemption of a nonqualified written notice of allocation which was paid as a patronage dividend during the payment period for the taxable year during which the patronage occurred.

For purposes of this title, any amount not taken into account under the preceding sentence shall be treated in the same manner as an item of gross income and as a deduction therefrom.

Mr. President, I ask unanimous consent that these provisions of the Internal Revenue Code be printed at this point in the RECORD.

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

(c) Deduction for nonpatronage distributions, etc.

In determining the taxable income of an organization described in section 1381(a)(1), there shall be allowed as a deduction (in addition to other deductions allowable under this chapter)—

(1) amounts paid during the taxable year as dividends on its capital stock; and

(2) amounts paid during the payment period for the taxable year—

(A) in money, qualified written notices of allocation, or other property (except nonqualified written notices of allocation) on a patronage basis to patrons with respect to its earnings during such taxable year which are derived from business done for the United States or any of its agencies or from sources other than patronage, or

(B) in money or other property (except written notices of allocation) in redemption of a nonqualified written notice of allocation which was paid, during the payment period for the taxable year during which the earnings were derived, on a patronage basis to a patron with respect to earnings derived from business or sources described in subparagraph (A).

(d) Payment period for each taxable year.

For purposes of subsections (b) and (c)(2), the payment period for any taxable year is the period beginning with the first day of such taxable year and ending with the fifteenth day of the ninth month following the close of such year. For purposes of subsections (b)(1) and (c)(2)(A), a qualified check issued during the payment period shall be treated as an amount paid in money during such period if endorsed and cashed on or before the 90th day after the close of such period.

(e) Products marketed under pooling arrangements.

For purposes of subsection (b), in the case of a pooling arrangement for the marketing of products, the patronage shall (to the extent provided in regulations prescribed by the Secretary or his delegate) be treated as patronage occurring during the taxable year in which the pool closes.

(f) Treatment of earnings received after patronage occurred.

If any portion of the earnings from business done with or for patrons is includible in the organization's gross income for a taxable year after the taxable year during which the patronage occurred, then for purposes of applying subsection (b) to such portion the patronage shall, to the extent provided in regulations prescribed by the Secretary or his delegate, be considered to have occurred during the taxable year of the organization during which such earnings are includible in gross income. (Added Pub. L. 87-834, § 17(a), Oct. 16, 1962, 76 Stat. 1046.)

Mr. TALMADGE. As the Senator admits, this amendment applies not only to farm cooperatives but all others, also. I thought that perhaps the Senator's objective was farm cooperative only. But if it is to apply to all cooperatives it would reach rural electrification cooperatives, rural telephone cooperatives, every mutual insurance company in the United States, and every mutual savings bank in the United States. Something of that magnitude needs study by responsible authorities. The Committee on Finance has voted, by an overwhelming majority, that it be studied by the Joint Committee on Internal Revenue Taxation, by the staff of the Senate Finance Committee, and by the Treasury Department, to report their recommendations to the committee.

Mr. President, I am delighted to yield to the distinguished ranking minority member of the Committee on Agriculture and Forestry, the distinguished Senator from Vermont (Mr. AIKEN). How much time does the Senator desire?

Mr. AIKEN. I would like about an hour and a half to start telling what is wrong with this amendment.

Mr. TALMADGE. The time is limited. I yield 3 minutes to the Senator.

Mr. AIKEN. I am simply amazed, in view of the necessity to control inflation, that an amendment such as this is offered, which would increase costs to both producers and consumers.

What I want to ask the Senator from Georgia is this: Cooperatives do not deal in just milk and cheese and fertilizer and chickens; cooperatives also deal in money. Did the Senator from Georgia and his committee consider the effect of the credit unions on the small loan companies?

Mr. TALMADGE. Yes, indeed.

Mr. AIKEN. And the credit unions provide money for low-income people at less than one-third the cost of the small loan companies, and the small loan companies do not like cooperatives.

Mr. TALMADGE. The Senator has pointed out vividly the complexity of this bill and why it needs more study.

I yield to the distinguished Senator from Wisconsin, and then I will yield to the distinguished Senator from Tennessee.

Mr. PROXMIRE. On the point the Senator from Vermont has just made, is it not true that one of the most burdensome costs for the farmer is high interest rates?

Mr. TALMADGE. It is.

Mr. PROXMIRE. Is it not also true that lending money is not related to farming? Is it not true, therefore, that under this amendment the opportunity for farmers to borrow money from a cooperative set up for the purpose of providing funds to them at a reasonable interest rate would be subject to a corporation income tax, even though it was organized as a cooperative?

Mr. TALMADGE. I am sorry, I was busy, and I did not hear the Senator's question.

Mr. PROXMIRE. The question is this: If the farmers set up a cooperative which is used to lend money to the farmers so that they can get relief from the very high interest rates, is it not true that under those circumstances this is not related to farming and, therefore, would come under the strictures of the amendment of the Senator from Connecticut?

Mr. TALMADGE. The amendment of the Senator from Connecticut provides for exceptions from the corporate tax only when the cooperative is marketing the products of, or purchasing supplies for, its members, so I assume the corporate tax would apply under the Senator's amendment in the situation to which you refer.

Mr. PROXMIRE. With respect to these cooperatives, which are vital in Wisconsin, Minnesota, and many other States, is it not true that there is some question as to whether they would be considered to fall within the exceptions provided by the Senator from Connecticut, who excepts preserving, storing, and packaging? That may or may not be considered preserving, storing, packaging milk, because cheese is a different product.

Mr. TALMADGE. I agree with that.

Mr. PROXMIRE. That might be in jeopardy.

Mr. TALMADGE. That is correct.

Mr. PROXMIRE. Is it not also true that every study has shown that farm income is far lower, on a per capita basis, than the income of people off the farms?

Mr. TALMADGE. Yes.

Mr. PROXMIRE. They work longer hours and make a bigger investment, but their income is substantially lower.

Mr. TALMADGE. That is true.

Mr. PROXMIRE. Is this not one of the very few instruments they have to give them an opportunity to begin to have a fair break compared with those off the farm?

Mr. TALMADGE. The Senator is correct. As the Senator knows, we have authorized banking cooperatives and passed laws, and in some areas we are using our own tax money to try to encourage the formation of cooperatives.

Mr. PROXMIRE. The only instrument I can think of that is substantially and really significant that gives the farmer an opportunity to make a good living, except for Government programs, which many people deplore, and we recognize that they have many defects.

Mr. TALMADGE. There is no doubt about that.

Mr. PROXMIRE. If we weaken this in any significant way, it can seriously endanger farm income and the future of farmers.

Mr. TALMADGE. The Senator is correct.

I yield to the Senator from Tennessee. Does the Senator desire time to ask a question?

Mr. BAKER. I should like 2 minutes to ask some questions.

Mr. TALMADGE. I yield 2 minutes to the Senator from Tennessee for that purpose.

Mr. BAKER. I ask the Senator from Georgia whether or not, in his view and with his familiarity with this subject, in the case of electric and telephone cooperatives—and we have many of those in Tennessee—the endeavor of a cooperative to operate a community television antenna system might fall within the exception.

Mr. TALMADGE. I think that would be clearly unrelated business income, under the Senator's amendment.

Mr. BAKER. I ask, further, whether or not, in the case of one of the operations referred to in the speech delivered by the distinguished Senator from Connecticut, the Tennessee Farmers' Cooperative which engages in the manufacture of fertilizer which is manufactured from natural gas—whether or not the manufacturer of gasoline and lubricating oil as a byproduct of that process is not within the purview of the amendment.

Mr. TALMADGE. The only exception in the Senator's amendment is for marketing and purchasing, and I think that would be clearly unrelated.

Mr. BAKER. The Senator thinks, therefore, it would be taxable?

Mr. TALMADGE. I do.

Mr. BAKER. Mr. President, will the Senator yield for one last question?

Mr. TALMADGE. I yield.

Mr. BAKER. In the case of an insurance company being operated by farmers as a cooperative nonprofit venture to insure farm equipment and automobiles, might that be unrelated activity?

Mr. TALMADGE. I think so. The Senator said it is limited to marketing and purchasing.

Mr. BAKER. I thank the Senator.

Mr. MONDALE. Mr. President, will the Senator yield for 2 minutes?

Mr. TALMADGE. I yield 2 minutes to the Senator from Minnesota.

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

Mr. MONDALE. Mr. President, I was impressed when John Gardner, Director of the Urban Coalition, testified before our committee a few months ago. The key emphasis of his testimony was his growing belief that the poverty of the cities could not be solved until we first try far harder to solve the problem of rural America. The problem of rural development and economic growth was increasingly to him a major share of the solution of the problem of poverty in our country, whether in the city or in the rural area.

I think it is fair to say that those of us who come from States which are rural or States which are both rural and urban cannot help but realize that one of the key reasons we have much economic vitality in rural America at all, and one of the key reasons we have hope for growth or revitalization of America, is the unique, dynamic, democratic responsiveness of our great system of cooperatives.

I think Minnesota has the highest ratio of co-op members of any State in the Union. I am told Vermont is slightly higher.

I wish to say to my friend from Connecticut, for whom I have the highest respect, that the adoption of the amendment would have a disastrous impact on the role of these cooperatives in performing the magnificent job they do perform and in the hope they offer to the citizens of my State.

I hope the amendment will be rejected.

Mr. HARRIS. Mr. President, will the Senator yield to me for 2 minutes?

Mr. TALMADGE. I yield.

Mr. HARRIS. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Connecticut. The Senator's proposed amendment is related to the taxes that farmers' marketing and purchasing cooperatives pay. I opposed a similar amendment when it was proposed in the Senate Finance Committee.

Although the technical language of the proposed amendment makes it very difficult, even for the experts in this area, to determine exactly what it will accomplish, it appears certain that the amendment would impose a penalty on farmers marketing and purchasing cooperatives by requiring them to pay a tax an refunds made to their member-owners as if these refunds had never been made. This, in fact, constitutes a penalty tax on farmer cooperatives simply because they are organized as cooperatives. Ordinary corporations make refunds in the form of coupons, trading stamps, cash refunds, and so forth, and deduct these customer refunds from their taxable incomes. If the proposed amendment were to be adopted, ordinary corporations would be allowed to continue to deduct these refunds from their taxable income, but cooperative corporations would be required to pay income taxes on the refunds they make to their member-owners.

I feel that this would be arbitrary and discriminatory, and we would be inhibiting the continued successful operation of a program which has enabled our farmers to avoid economic ruin through savings resulting from cooperative marketing and purchasing. Farmers cooperatives refund a half billion dollars each year to their farmer-members. This is 3 percent of net farm income, and without these refunds, farmers' net income would be even lower. A decline which I think we all agree would not be wise.

Mr. President, it should be pointed out that cooperatives are a legitimate and unique form of voluntary enterprise which makes it possible for millions of people, including even very poor ones, to participate as owners of their own business in our American economic life. Something like a quarter of our American families are owners of businesses today only because the cooperative form of business enterprise opens that door to them.

I feel certain that this is something that Congress does not want to destroy. As a matter of fact, agencies of the U.S. Government are right now urging the formation of cooperatives by low-income people as one of the most constructive ways of enabling them to work their way out of poverty. The critical problem is how to secure enough capital to make such cooperatives viable institutions. Every encouragement should be given to these cooperatives to accumulate capital. And it need hardly be pointed out that investors are not going to rush to provide it. It must be supplied basically by the members.

If the amendment proposed by the distinguished Senator from Connecticut were to be adopted, a serious blow would be struck at the hope of cooperatives of low-income people to accumulate the modest capital which they must have. This would represent a contradiction within the Federal Government, because on the one hand we would be encouraging poor people to solve their problems through the formation of member-owned cooperatives, and on the other hand we would be threatening their success with the imposition of a discriminatory tax on refunds. The definition of "related activities" proposed in the amendment is unduly restrictive and burdensome. It could very well prohibit the cooperatives from performing services which are otherwise unavailable to its member-owners because they are not profitable, even though the cooperative providing the service returned all income above cost to its member-owners in the form of patronage refunds.

Mr. President, for the above reasons, and more, I am convinced that the proposed amendment now before the Senate would likely produce tax inequity rather than equity and, therefore, I urge its rejection.

Mr. TALMADGE. Mr. President, I have found the provision of the code, in the case of cooperatives taxed under section 1381 and following provisions in the code, it is provided that cooperatives are taxed like regular corporations except for deductions for patronage dividends and per-unit retains. For patronage dividends to be deductible, in addition to other requirements, section 1388(a)(3) provides that they must be "determined by reference to the net earnings of the organization from business done with or for its patrons."

In other words, for the deductions to be available, the earnings must arise from business done with or for its patrons. This does not include earnings not related to this business.

Mr. President, I ask unanimous consent that this section of the code be printed in the RECORD.

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

PART III—DEFINITIONS; SPECIAL RULES

Sec. 1388. Definitions; special rules.

[Sec. 1388]

SEC. 1388. DEFINITIONS; SPECIAL RULES.

[Sec. 1388(a)]

(a) PATRONAGE DIVIDEND.—For purposes of this subchapter, the term "patronage dividend" means an amount paid to a patron by an organization to which part I of this subchapter applies—

(1) on the basis of quantity or value of business done with or for such patron,

(2) under an obligation of such organization to pay such amount, which obligation existed before the organization received the amount so paid, and

(3) which is determined by reference to the net earnings of the organization from business done with or for its patrons.

Such term does not include any amount paid to a patron to the extent that (A) such amount is out of earnings other than from business done with or for patrons, or (B) such amount is out of earnings from business done with or for other patrons to whom no amounts are paid, or to whom smaller amounts are paid, with respect to substantially identical transactions.

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

Mr. TALMADGE. I yield.

Mr. DOLE. Mr. President, I think the amendment, in its broad form, has some merit. I come from a farm State. This morning I addressed 10,000 members of cooperatives. They mentioned the Senator's statement on the farm industry. I read a statement or two by the Senator from Connecticut.

I think most of these people understand if we are going to have tax reform it must apply to most of us.

I believe enough questions have been raised on the floor of the Senate by Members from farm and nonfarm States to indicate the need for further study. Therefore, it appears that the committee has taken appropriate action. There has been clarification of the income from cooperatives since 1962. At that time Congress clarified the law.

I am convinced from the questions of the Senator from Tennessee and the Senator from Georgia that perhaps we need a thorough review. Therefore, I agree with the committee, as stated on page 309 of the report, that the Treasury Department, the committee staff, and the staff of the Joint Committee on Internal Revenue Taxation conduct a study. If there are abuses I would be the first to admit it. Let us find out what they are and how we can curb them on a selective basis rather than by the meat-ax approach.

Mr. TALMADGE. I thank the Senator.

Mr. RIBICOFF. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. RIBICOFF. Mr. President, I yield 2 minutes to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I thank the distinguished Senator from Connecticut.

I am a member of several cooperatives and I know firsthand of the vital service they render to farms and industry. In many cases, particularly in small towns, the co-op is the only defense against the monopoly and it is the farmer's defense for the products he has to sell or the prices he has to charge.

I feel that some of the tax treatment received by cooperatives is needed and vitally needed for their success. However, I also know that in these times the rights of co-ops have been seriously abused in certain cases. I know of one instance in my State where a so-called farm co-op is supplying a fleet of over 500 semitrailer trucks which operate over the highways hauling munitions from a naval munitions depot to the west coast for shipment to Vietnam. This has nothing to do with farm products or the marketing of farm products. This is the form of abuse that sooner or later could wreck the farm co-op program in this country.

I feel these abuses are sooner or later going to arouse such an opposition to co-ops that they will destroy the farm co-ops system and deny the farmers a tool that has been vitally important to rural development in this country.

Therefore, Mr. President, I intend to support the amendment of the Senator from Connecticut because I believe in the long run co-ops will be strengthened by this proposal.

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

Mr. RIBICOFF. Mr. President, I yield 2 minutes to the Senator from Rhode Island.

Mr. PELL. Mr. President, I would like to ask the Senator from Connecticut a question. What would be the revenue gain to the Government if the Senator's amendment were agreed to?

Mr. RIBICOFF. I would have to estimate the figure because we have not been able to get figures from the Treasury. However, 3 years ago the Treasury estimated that a regular corporate tax on all cooperative net income would raise about $200 million. There has been certain growth of all businesses, including this and, therefore, it would now raise about $250 million. To be conservative I would say about one-third of the business of co-ops in America is unrelated, so it will be fair to say in my best judgment one-third of the $250 million, or about $85 million would come to the Treasury.

Mr. PELL. If the matter comes under the section of the Internal Revenue Code which the Senator from Georgia has just had placed in the RECORD saying that unrelated activities are subject to taxation, why would this amendment be necessary?

Mr. RIBICOFF. Because cooperatives are able to deduct their patronage payments and a corporation cannot deduct dividends. In other words, if it gives a patronage payment of $100, it gives a certificate of $80 and only pays out $20 in cash. The patron pays tax on $100. But the co-op does not pay any tax on the $100 it pays out or the $80 within its treasury. Thus, it is in a favored position to compete with corporations in competitive businesses because it keeps the money and pays no taxes.

Mr. TALMADGE. Mr. President, will the Senator from Connecticut yield on my time?

Mr. RIBICOFF. I am happy to yield to the Senator from Georgia on my time.

Mr. TALMADGE. I want to point out that if they are engaged in earning income which is not related to the business done with the patron they cannot pay out patronage dividends on that. There is a tax as though it were an ordinary corporation. I refer the Senator to section 1388, paragraph 3, which has been printed in the RECORD.

Mr. RIBICOFF. In my opinion, the definition mentioned by the Senator from Georgia is not broad enough to give the impact of my definition. What is related or unrelated depends upon what business it does with its own members not with third persons. The Senator from Oklahoma (Mr. BELLMON) mentioned a good example of co-ops carrying munitions for the Pentagon.

Mr. TALMADGE. Will the Senator from Connecticut yield further on my time?

Mr. RIBICOFF. I am happy to yield to the Senator from Georgia on my time.

Mr. TALMADGE. The Chief of Staff of the Joint Committee on Internal Revenue Taxation called my attention to the section I have referred to. He assures me that it is applicable because the law says that amounts cannot be paid as patronage dividends unless it is for business done with or for the patron.

Mr. RIBICOFF. May I ask this question of the distinguished Senator from Georgia in regard to the Chief of Staff of the Joint Committee on Internal Revenue: Then why has not the Internal Revenue been collecting this $85 million a year from unrelated businesses?

Mr. TALMADGE. Because we do not know how much is unrelated. That is the reason the committee has authorized the study, as the Senator so well knows.

Mr. RIBICOFF. One does not have to be a farmer or a tax expert to know that when a cooperative company like Agway or Felco is running the type of business it is running, it is not in the business related to the traditional activities of the co-ops.

Mr. TALMADGE. The Senator has pointed out a good illustration of why we need a study of this thing.

Mr. President, how much time remains to me?

The PRESIDING OFFICER. Four minutes.

Mr. TALMADGE. Mr. President, I yield 2 minutes to the distinguished Senator from Texas (Mr. YARBOROUGH).

Mr. YARBOROUGH. Mr. President, I rise to support the position of the committee and of the distinguished Senator from Georgia (Mr. TALMADGE). In the area west of the Mississippi River there are many electric co-ops. There has never been a time when their services were needed more than now, because of the wheat acreage cuts of 12 percent this year, together with a rise in the wheat acreage, and the threat to sell under the resale programs and the grain sovereignty which has been stocked for a number of years. The Secretary of Agriculture cut the price of cotton feed between $4 and $5 a bale, and the net result is, as a result of the actions of the Department of Agriculture, that agriculture has suffered and is in the worst state it has been for years, particularly in my State.

We have over 400,000 REA-connected co-ops in my State, because my State has more individual family farmers than any other State in the Union. It has had disastrous effects upon them in cutting the

acreage and cutting the prices on crop supports, together with the added taxes on the electric co-ops. The effect is bad enough already. There are 254 counties in Texas. The population is constantly moving. About 60 percent of the farm population is dwindling, as we all know. It is difficult to get young men to go into the farming business these days. This places a much heavier burden on the farmers still there, making for higher prices for wages, and higher prices for machinery that is much needed, which is manufactured in the northern areas and sent in there. All of this is beginning to break the backs of the farmers. Their homes are being mortgaged and foreclosures are going on, especially in the highlands of Texas. I was there in August talking to bankers and to members of farm organizations, and the rate of foreclosures has gone up markedly this year. This is an extra burden that should not be placed upon the farmer, at a time when the farm economy is badly off. This is a blow they can hardly stand. I therefore believe that if the study can be made, it should be made first to see what can be done, without going to the grassroots of each individual electrical cooperative.

Mr. McGEE. Mr. President, this amendment nit-picks. It would hold as unrelated to the primary functions of rural electric cooperatives, for instance, certain functions performed by service organizations which have been set up to provide services which are needed and yet not readily available in many areas of the country.

By any reasonable standard we might impose, repair and modification of REA facilities would have to be considered related to those organizations' functions in the distribution of electrical energy to subscribers. Yet, those functions would be adversely affected by this amendment. I oppose the amendment on these grounds, Mr. President, and have confidence the Senate will concur in this judgment.

Mr. GRIFFIN. Mr. President, I am in sympathy with the principle of the pending amendment. I believe some operations of some cooperatives would be subject to taxation.

Unfortunately, it appears that the language of the Senator's amendment is not completely appropriate for the purpose intended. Some of the questions raised indicate that careful study of this complex subject is necessary.

I am glad to note in the committee's report that it has made a commitment to turn its attention to this troublesome area, and that a study is now underway. Under the circumstances, I shall vote against the pending amendment only because of the committee's assurance that action will be taken.

Mr. RIBICOFF. Mr. President, I would like to take just a minute or two to emphasize some of the features of my amendment which ought to be clarified for the benefit of the Senate.

First, let me make it clear that this amendment would not affect the present tax treatment of cooperatives' income from their traditional marketing and purchasing activities. The income from these activities is largely exempt and would continue to be so under my amendment. My amendment would not affect rural electric cooperatives or telephone cooperatives.

This amendment would simply prevent Subchapter T cooperatives from deducting patronage allocations or dividends from income earned on activities outside the traditional purchasing and marketing function.

The point is that the tax code should not allow a cooperative to shelter from taxation the income of ordinary commercial ventures which have no relation to the traditional role of cooperatives.

Let me add at this point that one of the major areas of tax reform in the pending bill deals with exactly this problem: that is where the broad expansion of tax immunity of exempt organizations into fields where that immunity does not belong—and indeed is most unfair.

The problem with our tax code is that simply too many types of income have become immune from taxation.

Tax exemption has become a big business. And much of big business has become tax exempt.

Many cooperatives are paying no taxes and competing side by side with fully taxable organizations.

This immunity results not only in a tremendous loss of revenue but in considerable unfairness.

The pending tax reform bill takes several important steps to end this immunity in areas where it has no relation to the original tax exemption.

The unrelated businesses of foundations has long been taxed. In addition, this bill would further limit foundation activities in the business world by forcing them to cut down on the ownership of controlling stock.

In essence this bill says to foundations, "you can own stock for the purposes of investment and income, but not for the purpose of controlling a commercial enterprise."

The Finance Committee has also imposed a tax on the unrelated activities of social clubs, fraternal organizations, and even churches. Where these organizations have extended their activities into fields outside the scope of tax exemption the income from these activities will be taxed at regular corporate rates.

It is hard to justify a bill which taxes the unrelated functions of these groups yet has ignored the same type of activities of cooperatives.

One further point: A number of people have expressed their concern that this amendment would injure the average farmer. This is simply not true.

As I mentioned earlier, this amendment would not change the present status of cooperative activities involved with the marketing of farm cooperatives or purchasing of farm supplies. There are the activities which benefit the farmer.

The average farmer does not benefit because a cooperative owns an oil well or a machinery plant. The manufacture and production of auto supplies, chemicals, and natural gas is of no direct assistance.

On the other hand, the cooperative itself as a corporation is making a bonanza—often at the expense of the farmer himself.

Cooperatives are able to deduct all of their patronage allocations. But they only have to pay 20 percent of these allocations in cash to the farmer.

Furthermore, the law says that the farmer must pay a tax on the entire allocation—whether he received in cash or in the form of certificates which gives him an undefinable right to income at some future date.

The result is that often the farmer does not receive enough money from the cooperative to pay the taxes on the allocation he really never received at all.

Meanwhile, the cooperative has retained 80 percent of its income for corporate purposes tax free.

Mr. President, we have before us a tax reform bill. My amendment is a constructive reform in line with many similar provisions already contained in the bill.

It does not injure the farmer or alter the traditional tax exemption accorded to the marketing-purchasing activities of cooperatives.

It does, however, place the ordinary commercial and manufacturing activities of the giant cooperatives on an even footing with regular business.

I believe this amendment deserves favorable consideration by the Senate.

Mr. McGOVERN. Mr. President, I am very strongly opposed to the pending amendment which would restore the effects of section 531 to the tax reform bill, and do great harm to the agricultural sector of the economy.

In September, I sponsored an amendment to delete that provision—a section which the House of Representatives had adopted without a word of testimony and without notice of any kind to the taxpayers affected.

It is, in my judgment, a punitive tax scheme that would greatly harm the farmers' ability to generate adequate capital investment in their cooperatives. At the very time when farmers need to strengthen their marketing, purchasing, and farm business service cooperatives as a means of increasing net farm income, this ill-advised tax provision would cripple the equity structure of cooperatives and force many to close. I do not think legislation which would further depress farm income in this country is a proper part of tax reform.

Since the Revenue Act of 1962, farmers through their cooperatives have undertaken longterm financial obligations and made large investments in physical plant in reliance on the 20-percent earnings retention rate. Millions of dollars in loans in credit extension to cooperatives have been let under terms with fixed obligations to pay sums certain on specific dates. To meet these obligations and to finance future retained capital needs under the new proposal, cooperatives would be forced to enter the commercial loan market where prime rates range from 8½ to 10 percent. In many instances, the small- and moderate-sized farm cooperatives will be unable to carry these additional costs and survive.

I think the Senate should find the amendment inconsistent with the intrinsic financial requirements of cooperative organization. I know they will find it contrary to the goal of strengthening the agricultural sector of our economy.

Mr. TALMADGE. Mr. President, I am prepared to yield back the remainder of my time if the Senator from Connecticut is.

Mr. RIBICOFF. Mr. President, I have no more requests for time. I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has now been yielded back. The question is on agreeing to the amendment of the Senator from Connecticut.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. KENNEDY. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) and the Senator from Missouri (Mr. SYMINGTON) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Colorado (Mr. DOMINICK) and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

If present and voting, the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), and the Senator from South Carolina (Mr. THURMOND) would each vote "nay."

The result was announced—yeas 11, nays 81, as follows:

[No. 171 Leg.]

YEAS—11

Bellmon	Kennedy	Ribicoff
Boggs	Mathias	Williams, N.J.
Case	Pastore	Williams, Del.
Gurney	Pell	

NAYS—81

Aiken	Gore	Montoya
Allen	Gravel	Moss
Allott	Griffin	Murphy
Baker	Hansen	Muskie
Bennett	Harris	Nelson
Bible	Hart	Packwood
Brooke	Hartke	Pearson
Burdick	Hatfield	Percy
Byrd, Va.	Holland	Prouty
Byrd, W. Va.	Hruska	Proxmire
Cannon	Hughes	Randolph
Church	Inouye	Russell
Cook	Jackson	Saxbe
Cooper	Javits	Schweiker
Cotton	Jordan, N.C.	Scott
Cranston	Jordan, Idaho	Smith, Maine
Curtis	Long	Smith, Ill.
Dodd	Magnuson	Sparkman
Dole	Mansfield	Spong
Eagleton	McCarthy	Stennis
Eastland	McClellan	Stevens
Ellender	McGee	Talmadge
Ervin	McGovern	Tower
Fannin	McIntyre	Tydings
Fong	Metcalf	Yarborough
Fulbright	Miller	Young, N. Dak.
Goodell	Mondale	Young, Ohio

NOT VOTING—8

Anderson	Goldwater	Symington
Bayh	Hollings	Thurmond
Dominick	Mundt	

So Mr. RIBICOFF's amendment was rejected.

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota.

Mr. MONDALE. Mr. President, I understand that the Senator from New York would like me to yield to him briefly. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I call up my amendment No. 340, I send it to the desk, and ask unanimous consent that it be considered as read; and I ask unanimous consent that the amendments other than the amendment relating to the 40-year life of foundations be considered en bloc, and explain to the Senate the purpose of putting my amendment, to which the Senator from Minnesota will propose a substitute, of record.

Mr. LONG. Mr. President, reserving the right to object, I cannot agree to consider the amendments en bloc unless I know what they are. I would have to know what the amendments are before I could agree.

Mr. MANSFIELD. Mr. President, reserving the right to object, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. I wonder if the Senator from Minnesota would consider withdrawing his amendment at this time, because it seems that if it is taken up, it would be difficult to obtain a time limitation, and the leadership would, almost perforce, be in a position where it would have to agree to vote at a time certain tomorrow.

I would hope we could get two or three more amendments disposed of tonight.

Mr. JAVITS. Mr. President, will the majority leader yield?

Mr. MANSFIELD. In the interest of expediting the work of getting rid of some amendments, and keeping Senators here, I make that request of the Senator at this time, so that we can get on with the business at hand.

Mr. MONDALE. Mr. President, I am glad to withdraw my amendment.

Mr. JAVITS. Mr. President, before the Senator does that, will the Senator bear in mind, in deciding what to do, that I will be perfectly happy to step aside momentarily, if I am complicating it, and let the Senator from Minnesota go ahead?

Mr. MANSFIELD. No, the Senator is not. I had hoped it would be possible to vote, say, at a quarter to 6 on the pending amendment, but I do not know that we can obtain such an agreement at this time. If there were any assurance that that could be done, I would like to see it done, and then take care of another amendment; because, remember, the President has told us that if we do not finish the schedule, he will call us back between Christmas and New Year's Day.

Mr. SCOTT. Mr. President, if the Senator will yield, I can hear the sound of jingle bells, but there is difficulty in getting a limitation of time. As far as I am concerned, I would hope we could vote on the amendment tomorrow at, say, 10:30, but it might be wiser to defer it, bring up another amendment, and then try for a limitation of time tomorrow.

Mr. MANSFIELD. Would the Senator be willing to do that?

Mr. MONDALE. Will the Senator repeat his question?

Mr. MANSFIELD. To take up other amendments, so that we can get one or two out of the way tonight, and then, sometime tomorrow morning, take up the Senator's amendment, following the Metcalf amendment?

Mr. MONDALE. I have no objection.

Mr. MANSFIELD. All right; it is withdrawn, then.

Mr. JAVITS. Mr. President, I withdraw my amendment.

Mr. HARRIS. Mr. President, there are amendments still pending vote in the Senate this afternoon, and the hour has already grown too late for me to get back to Oklahoma in time for a dinner to be held in Oklahoma City in honor of my four Democratic colleagues from Oklahoma in the U.S. House of Representatives.

I had very much hoped to be present at the dinner tonight to join in the tribute to Congressmen CARL ALBERT, TOM STEED, ED EDMONDSON, and JOHN JARMAN, a group I believe is the most impressive power package in the House of Representatives. Congressman ALBERT has brought great distinction to himself and our State and has served the Nation well in his capacity as majority leader in the House of Representatives; Congressman STEED is a diligent worker for the people as a member of the House Appropriations Committee and chairman of one of its most important subcommittees; Congressman EDMONDSON serves as assistant majority whip and is one of the most knowledgeable and active members of the Committee on Interior and Insular Affairs, the Committee on Public Works, and the Joint Atomic Energy Committee; Congressman JARMAN is a valued member of the Committee on Interstate and Foreign Commerce and a chairman of one of its subcommittees. As can be seen, Mr. President, the work and interests and influence of these men span almost the full gamut of important policy questions and issues. It has been my great pleasure to work with this team on many matters of vital importance to our State.

Mr. President, I am doubly sorry that the Senate's business today prevents me from being present at the dinner in Oklahoma City tonight because I had accepted an invitation from the cochairmen and my good friends, Robert S. Kerr, Jr., of Oklahoma City, and Houston Adams, of Tulsa, to introduce tonight's guest speaker at the dinner, the Honorable Robert Docking, Governor of Kansas, who also is a respected, personal friend of mine.

I know that the dinner will be a huge success because Oklahomans know well the importance of this great team. They are my friends. They are outstanding Oklahomans. They are distinguished Americans. I salute them in the Senate

today because I cannot be present in Oklahoma City to salute them in person tonight.

Several Senators addressed the Chair.

Mr. RUSSELL. Mr. President, I ask for the regular order. How about the third reading of the bill?

Mr. MANSFIELD. That is a distinct possibility.

The PRESIDING OFFICER. The Senator from California is recognized.

AMENDMENT NO. 320

Mr. MURPHY. Mr. President, I call up my amendment number 320 and ask that the reading of the amendment be dispensed with.

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

Mr. MURPHY's amendment (No. 320) is as follows:

AMENDMENT NO. 320

At the proper place insert the following:

SEC.—DEDUCTIONS FOR MEDICAL CARE, MEDICINE, AND DRUGS FOR INDIVIDUALS WHO HAVE ATTAINED THE AGE OF 65.

(a) IN GENERAL.—

(1) Section 213(a) (relating to allowance of deduction for medical, dental, etc., expenses) is amended to read as follows:

"(a) ALLOWANCE OF DEDUCTION.—There shall be allowed as a deduction the following amounts, not compensated for by insurance or otherwise:

"(1) If neither the taxpayer nor his spouse has attained the age of 65 before the close of the taxable year—

"(A) the amount of the expenses paid during the taxable year for medical care of any dependent (as defined in section 152) who—

"(i) is the mother or father of the taxpayer or of his spouse, and

"(ii) has attained the age of 65 before the close of the taxable year;

"(B) the amount by which the amount of expenses paid during the taxable year (reduced by any amount deductible under subparagraph (C)) for medical care of the taxpayer, his spouse, and dependents (other than any dependent described in subparagraph (A)) exceeds 3 per centum of the adjusted gross income; and

"(C) an amount (not in excess of $150) equal to one-half of the expenses paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents (other than any dependent described in subparagraph (A)).

"(2) If either the taxpayer or his spouse has attained the age of 65 before the close of the taxable year—

"(A) the amount of the expenses paid during the taxable year for medical care of the taxpayer, his spouse, and any dependent described in paragraph (1)(A);

"(B) the amount by which the amount of expenses paid during the taxable year (reduced by any amount deductible under subparagraph (C)) for medical care of dependents (other than any dependent described in paragraph (1)(A)) exceeds 3 percent of the adjusted gross income; and

"(C) an amount (not in excess of $150) equal to one-half of the expenses paid during the taxable year for insurance which constitutes medical care of dependents (other than any dependent described in paragraph (1)(A))."

(2) Section 213(b) (relating to limitation with respect to medicine and drugs) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to amounts paid for the care of—

"(1) the taxpayer and his spouse, if either of them has attained the age of 65 before the close of the taxable year, or

"(2) any dependent described in subsection (a)(1)(A)."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1969.

Mr. MURPHY. Mr. President, this is a very simple amendment. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MURPHY. This amendment does two things. It would provide that the medical and drug expenses incurred by a person aged 65 or over, or his spouse, shall be a fully deductible income tax item; and that medical and drug expenses paid by persons under age 65 on behalf of dependent parents 65 or over shall be fully deductible.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator from California may proceed.

Mr. MURPHY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MURPHY. Mr. President, this amendment would restore——

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

Mr. MURPHY. I am happy to yield to the majority leader.

Mr. LONG. Mr. President, if the Senator will yield, I ask unanimous consent that further debate on the pending amendment be limited to one-half hour, to be equally divided between the Senator from California and the manager of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The Senator from California may proceed.

Mr. MURPHY. Mr. President, this amendment would restore the Federal income tax treatment of medical care and drug expenses applicable for persons age 65 and over that existed prior to the changes made by the Social Security amendments of 1965. Before the 1965 change, an income tax deduction was allowed without application of the 3-percent floor for medical expenses or the 1-percent floor for drug expenses of a taxpayer and his spouse if either were 65 or over. The 1965 change limited the medical expense deduction to those in excess of 3 percent of the taxpayer's adjusted gross income and the cost of medicine and drugs could be deducted only to the extent that they exceeded 1 percent of the taxpayer's adjusted gross income. My amendment would restore the full medical expense and drug expense deductions for persons 65 and over without regard to the 3- and 1-percent floors.

The Senate in considering the Social Security Amendments of 1967 adopted provisions restoring the full deduction for a person 65 and over but the provision was subsequently deleted in a conference with the House.

The case for full income tax deductibility for medical expenses of persons age 65 and over is clear and compelling. Immediate restoration of medical deductions as permitted before 1965 amendments to the Internal Revenue Code is badly needed. It is a matter of equity for millions of older Americans, many of whom are helpless victims of rising costs.

Adoption of this proposal in no way should be regarded as an alternative to more effective help through medicare or medicaid provisions of the Social Security Act. Necessary improvements in these programs should be given careful consideration by the Senate when it acts on social security amendments.

Tax reform, however, is before the Senate now. I cannot urge too strongly the importance of compassionate and more equitable income tax treatment of persons past 65, especially on costs of illness and keeping well.

As a member of the Senate Special Committee on Aging, I invite your attention to a statement from a working paper on "Health Aspects of the Economics of Aging," prepared for the committee and published in July of this year. It says:

> Although Medicare and Medicaid have replaced a large segment of private spending for health care, 30 percent of the cost of personal health care for the aged remains as a private responsibility for the aged and their children.
>
> In addition to the 45 percent covered by Medicare, 25 percent of the fiscal 1968 expenditures of the aged were met by Medicaid and other public programs. Nevertheless, the amount paid privately by the aged remains higher per capita ($176) than for the nonaged ($153).

In my own State of California, I believe it fair to say that a better job has been done for older persons with lowest incomes than in most other States. Despite certain growing pains encountered in development of medi-cal, our version of medicaid, I think most agree that it is among the best of such programs.

Mr. President, the fact remains, however, that even under most favorable circumstances, these Federal and Federal-State programs now leave many gaps in the armamentarium designed to protect older persons against costs of illness. My proposal, offered as the Senate considers the whole question of taxation, aims to fill one of these gaps. No one needs to be reminded that medical costs have been rising sharply. Much of this falls on older people whose fixed incomes make it most difficult for them to protect themselves against such increases. At the same time, as additional persons attain the age of 65, inflationary pressures are increasing the number, already in the millions, who are subject to Federal income taxes. While the tax reform bill now before the Senate hopefully will provide some general relief taxwise to persons past 65, the benefits, particularly for those with health problems, could be short lived without adoption of my proposal to make medical expenses fully deductible for older people.

Those of us who have given special attention to the aging, and wishes of the aging about themselves, have been impressed repeatedly by the practically uni-

versal desire of older Americans to take care of themselves whenever possible. Unfortunately many, through circumstances beyond their control, have been unable to fulfill this wish for economic independence. Government has a responsibility to come to their aid.

Mr. President, government also has a responsibility, especially through its tax laws, to see that as many older persons as possible who are already independent shall remain independent and give consideration to younger persons willing to assume responsibility for their elders. Nowhere is this governmental responsibility more applicable than in relation to health care costs. Through our tax laws, we can help prevent the financial drain caused by medical costs to our senior citizens.

This is a needed tax change that has a very positive value. It helps people to help themselves. I urge favorable consideration of this amendment as an exercise in such responsibility and in responsiveness to needs of older Americans.

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MURPHY. I yield.

Mr. LONG. Mr. President, I ask unanimous consent that on the Murphy amendment there be a time limitation of 30 minutes, to be equally divided between the Senator from California (Mr. MURPHY) and the manager of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. MURPHY. Mr. President, reserving the right to object, and I will not object, do I correctly understand that the debate be limited to 30 minutes on each side?

Mr. LONG. An additional 15 minutes on each side.

Mr. PROUTY. Mr. President, reserving the right to object, I would like to be assured of having about 10 minutes.

Mr. MURPHY. Mr. President, the Senator from Vermont can have 10 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. MURPHY. Mr. President, as I said this is a very simple amendment. It has been debated on the floor previously. The Senate has twice restored this needed tax deduction for medical expenses.

The amendment merely restores what was pre-1965 law. I believe the change in 1965 was a mistake, and has caused hardship to many senior citizens. My amendment corrects this mistake and allows older persons to take their actual deduction for their true medical costs in making out their income tax.

Mr. President, I yield to the Senator from Vermont.

Mr. PROUTY. Mr. President, inasmuch as the amendment is the same or almost the same as the one I have offered in the past, I hope that my friend the distinguished Senator from California, will permit me to be listed as a cosponsor.

Mr. MURPHY. Mr. President, I ask unanimous consent that the name of the Senator from Vermont (Mr. PROUTY) be added as a cosponsor of my amendment. His leadership in this field is known by all Members of this body. His support and help has been great.

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

How much time does the Senator yield to the Senator from Vermont?

Mr. MURPHY. Mr. President, I yield as much time as he requires to the Senator from Vermont.

Mr. PROUTY. Mr. President, the amendment offered by the Senator from California (Mr. MURPHY) will restore a much-needed mechanism of tax relief for older Americans, burdened by rising medical costs.

I commend Senator MURPHY for introducing this amendment; I am pleased to join him as a cosponsor and an advocate for its adoption.

I have offered this amendment before. It was adopted by the Senate in 1965, 1966, and 1967, but each time it was struck in conference.

I would like to review briefly the history of this tax provision.

Under a tax law first enacted in 1948, taxpayers 65 and older benefited from a provision which allowed them to deduct the cost of medical care up to certain specified maximums, for themselves and their spouses, who were also 65 and older. Other taxpayers were denied deductions for their medical expenses except to the extent that these expenses exceeded 3 percent of their adjusted gross income. These provisions stood for 17 years, reflecting congressional concern over the fact that our older citizens were caught in a vicious inflationary spiral of increasing medical bills and decreasing incomes. They needed help, and allowing a deduction of medical expenses was eminently proper.

However, Mr. President, with the consideration of the medicare bill in 1965, these tax deduction provisions were seriously challenged. At this time the House acted to repeal these provisions on the rationale that medicare would pay for virtually all medical needs of the aged, thus rendering the tax deduction superfluous, unnecessary, and overcomplicated. These deductions were not available to older citizens when they filed their 1967 income tax returns.

When the medicare bill came to the Senate, the Committee on Finance recognized the hardships and complexity that could occur if the medical expense deduction for the aged were cut back. The committee deleted the restricting amendments of the House bill. Members of the Finance Committee knew that medicare would pay no more than 40 to 50 percent of an aged individual's medical costs and that the remaining amounts would have to be paid for out of the aged person's own resources.

The Senate agreed to the committee amendments, but unfortunately the conferees on the medicare bill finally adopted the other body's provisions to cut back on the tax deduction, beginning in 1967.

Three years ago, the Committee on Finance again sought to retain the full deduction for the medical expenses of persons age 65 and over. The committee added an amendment to the Foreign Investors Tax Act designed to prevent the tax restrictions included in the 1965 medicare law from going into effect. The Senate passed the amendment, but once again the other body's conferees refused to accept it and it was stricken from the final form of the bill. In 1967, the Senate again adopted an amendment to restore this deduction. Since then, it has become apparent that many of our older citizens are worse off under medicare than they were previously when the tax deduction was allowed. This is so, Mr. President, because as it has developed, contrary to the view of the House of Representatives in 1965, medicare does not cover 100 percent of the medical expenses of the older Americans. In reality, only from 50 to 60 percent of costs are covered. Let us consider what costs must be met by the individual over 65.

Under hospital medicare insurance the first $40 must be paid by the individual.

After 60 days' care, the individual must pay $10 a day for the next 30 days of treatment.

Under medical insurance, the individual must pay $3 a month to receive benefits.

All drug costs except those provided in the hospital must be met by the individual.

None of these costs enumerated above can any longer be deducted unless they are in excess of 3 percent of the older taxpayer's adjusted gross income or in the case of drugs, exceed 1 percent of the adjusted gross income.

It is quite true that the poorest of our aged would not benefit from a reinstatement of the tax deduction. Those 8 million older Americans who do not file income tax returns would not be affected. However, Mr. President, there are some 14 million older Americans who do file income tax forms, and these people would be benefited.

Mr. President, this is an equitable amendment. The Senate has approved it on three previous occasions. Today, I urge my colleagues once again to respond to the obvious need to provide additional relief for those older Americans who are burdened by soaring medical costs.

Mr. MURPHY. Mr. President, I know it will be said that this amendment may benefit some people who do not need the help. However, I assure my distinguished friends in the Senate that my mail reflects that an awful lot is not being done by medicare and that a tremendous burden is being carried by older people.

I can think of nothing that deserves our attention more than the possibility of taking whatever action we can to alleviate the problem, as great as it may be.

I therefore urge the Senate to do what it has done three times in the past.

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

Mr. MURPHY. I yield.

Mr. JAVITS. Mr. President, as the Senator knows, I feel very much as he does about this matter. However, I am worried about one thing.

Would the Senator consent to some limitation on the taxable income of people to be eligible for this benefit?

I have always worried about the fact that a large number of taxpayers with high incomes get a benefit which they do not need.

Could we put some limitation in this provision—$10,000 or $15,000—on income as the income limit for which this would be available?

Mr. MURPHY. Mr. President, I am aware of the Treasury Departments claims regarding this amendment. I just do not believe their estimates are accurate. They claim medicare covers most of the older citizens expenses; yet, at the same time they argue the bill will cost over $200 million. If medicare were covering most expenses, how can we have these cost estimates. They cannot argue both ways.

Based on the reflection of my mail, I would respectfully hope that my colleague would permit this amendment to go through as it is. If we find any inequities, I would be glad to join with him later in discussing a limitation.

Mr. JAVITS. I do not think we have to wait that long. Would the Senator be sympathetic, assuming that the amendment is adopted—and I hope it will be—to the consideration in conference of what if any equity restrictions ought to be placed on it? It may be quite a finite question.

For example, the Senator from Delaware (Mr. WILLIAMS) just pointed out that in the case of catastrophic illness, the cost may be so great that a limitation based upon an income level may have to be adjusted to that kind of catastrophe. But if I could feel that the Senator is sympathetic to the idea of that kind of consideration, I think we could leave the rest to the conferees.

Mr. MURPHY. As I said to my distinguished colleague while he was talking with the Senator from Delaware, I have never been one to say that there should be a limit or whether it should be $10,000, or $15,000. I simply do not believe there has been great abuse. If there is, I will gladly not only join but lead efforts to correct it. I also would point out that catastrophic illness can strike those with higher incomes and wipe them out. That is why I fear limitations.

I serve on the Special Committee on Aging, and I know of the great need. My mail reflects that there are untold cases in which people of means, who have been very successful, have worked hard all their lives, suddenly, in a year or two, can have everything they have stored up for their old age wiped out completely. Medical costs can be unbelievable.

I understand, of course, that in conference these things will be considered. I hope we can let it go on the merits and on the basis on which I have put it, and if there is abuse, we can later correct it.

Mr. JAVITS. I shall vote for the amendment. I hope, however, that the conferees will consider this point, not for any ground of discrimination against rich people—I agree with the Senator that that is wrong—but I think that inasmuch as we are dealing with revenue—dollars—and it is a hard situation, only from that point of view, under present exigencies, would I, as one Senator, hope that they would give consideration to that question.

Mr. MURPHY. I thank my distinguished colleague.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from California has 5 minutes remaining.

Mr. MURPHY. I reserve the rest of my time.

Mr. LONG. Mr. President, this amendment would have cost approximately $210 million when the matter was considered by the Senate before and now would cost $225 million.

It is estimated that most of the benefits of this amendment would go to high-bracket taxpayers.

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

Mr. LONG. I yield.

Mr. GORE. We hear a great deal about the poor and the crippled and the people on medicare, but this amendment is not designed for those people. Is that correct?

Mr. LONG. That is correct.

Let me explain this. Everyone can deduct extraordinary medical expenses that exceed 3 percent of his income. But he cannot deduct that if he is using the standard deduction of 10 percent, and most of the aged people take the standard deduction. So they cannot deduct medical expenses, because they are using the 10-percent standard deduction in which medical expenses are included.

If we look at how many people are in the zero to $3,000 earned income bracket, they would only get $2 million worth of benefits. Look at the small number involved in the $50,000 and over category. Those making $50,000 and over would get $93 million of benefits from this amendment.

I have a letter from the Secretary of the Treasury, Mr. Henry Fowler, in 1967, with respect to the same amendment. He said:

> Less than 4 percent, or 8 million dollars, of this $210 million is divided among all taxpayers with adjusted gross incomes up to $5,000. To put it another way, $93 million in revenue loss would be distributed among 60,000 persons with incomes over $50,000, for an average of $1500 each, whereas $8 million is distributed among 600,000 taxpayers with adjusted gross incomes up to $5,000, for an average benefit of $13 per taxpayer.

Imagine that! These taxpayers, the aged people in the $5,000 and less bracket, would get a $13 benefit, on the average, from this amendment, while the 60,000 people with incomes of over $50,000 would get an average of $1500 each under this amendment.

One of the facts of life about the Gore amendment of yesterday—and I ask the Senator from Tennessee to listen to this—is that the Gore amendment has the effect of doubling the personal exemption for aged people. In other words, the aged people are able to take the personal exemption twice. So that those over 65 who were taking $600 plus $600, or $1,200, would be able to take, if the Gore amendment prevails—and I shall support it in conference—an additional $400 deduction.

This amendment would add $225 million to the cost of this bill, and it would not particularly benefit those who really need it, because they have to pay for medicare and medicaid, and they take the standard deduction. This would only allow the deduction of the first 3 percent of medical expenses for a group who, for the most part, have little need of it.

Mr. President, I submit that the amendment is very much calculated to aid most those who need it the least, and to aid least those who might need it the most.

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

Mr. LONG. I yield.

Mr. GORE. And will not this almost $225 million a year be an annual loss from the Treasury?

Mr. LONG. An annual loss.

May I say that if one wants to help those in the upper income tax brackets for this much money, he could put the top limit of taxes at 60 percent rather than 70 percent, and let all people above the $50,000 bracket have some benefit from it.

Mr. President, we did dispose of this amendment by voice vote previously, and the Senate agreed to it, and we took it to conference. The House would not agree to it. If the Senator insists on a rollcall vote, we will accommodate him. It would be all right with me to dispose of it by a voice vote, if the Senator would be so inclined. But if the Senator insists on the yeas and nays, we will have a rollcall vote.

Mr. PROUTY. Mr. President, I insist on the yeas and nays.

Mr. MURPHY. I think we should have the yeas and nays.

Mr. LONG. Mr. President, I ask unanimous consent that the letter the Secretary of the Treasury sent me about this amendment in 1967, as well as the Treasury letter and the statement I made at that time be printed at this point in the RECORD.

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

> THE SECRETARY OF THE TREASURY,
> *Washington, December 4, 1967.*
>
> Hon. RUSSELL B. LONG,
> *Chairman, Senate Finance Committee,*
> *U.S. Senate, Washington, D.C.*
>
> DEAR MR. CHAIRMAN: There are a series of amendments to the Social Security Bill added in the Senate Finance Committee dealing with various income tax matters. While these are generally minor provisions which members of my staff will be prepared to discuss at the forthcoming conference, there is one of considerable fiscal importance to which the Treasury Department is strongly opposed. That is the amendment which removes the 3 percent and 1 percent

floors on medical expense deductions for taxpayers over age 65. These floors were applied to taxpayers over 65 as part of the Social Security Amendments of 1965, applicable to 1967 and subsequent years. The proposed amendment would repeal that change effective for 1967 so as to prevent it from taking effect.

The only justification for the previous absence of these floors for those over 65 was to give additional aid to the elderly with their medical expenses. However, aid extended in this fashion is extremely inefficient and costly. When Medicare was adopted much of the problem of medical expenses of the aged was solved in a uniform and equitable way and therefore the inequitable partial relief under the tax system was unjustified.

The inequity of this provision is demonstrated by the revenue loss involved in eliminating the floors and the distribution of that revenue loss. Elimination of these floors will result in an annual revenue loss of approximately $210 million. (This estimate is concurred in by the Staff of the Joint Committee and apparently also by the analysts in the Library of Congress; Congressman Brown of Michigan stated in the CONGRESSIONAL RECORD, vol. 113, pt. 25, p. 34083, that the Legislative Reference Service in a study made for him estimated a revenue loss of $192 million for the tax year 1967.) Of this total, approximately 45 percent or $93 million goes to taxpayers with adjusted gross incomes of $50,000 and over. Less than 4 percent, or $8 million, is divided among all taxpayers with adjusted gross incomes of up to $5,000. To put it another way, $93 million in revenue loss is distributed among 60,000 people with incomes of over $50,000, for an average tax benefit of $1500 each whereas $8 million is distributed among 600,000 taxpayers with adjusted gross incomes up to $5,000 for an average benefit of $13 per taxpayer. Little can be said in defense of a provision aimed at aiding the financial problems of elderly people caused by medical expenses which gives over one hundred times more benefit to the elderly taxpayer with the least need than to the lower income elderly with the most need.

Sincerely yours,

HENRY H. FOWLER.

TREASURY DEPARTMENT,
Washington, D.C., October 3, 1967.

Hon. RUSSELL B. LONG,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Several bills have recently been introduced to allow persons age 65 or over an unlimited deduction for medical expenses. These bills would reverse the legislative change made by the Social Security Amendments of 1965 (Medicare) which removed the special exceptions permitting persons age 65 or over to deduct their medical expenses without regard to the 3 percent and 1 percent of adjusted gross income limitations which are applicable to taxpayers generally. It is also possible that similar amendments may be proposed in connection with the Social Security legislation currently being considered by your Committee. For these reasons we consider it appropriate to inform you of the Treasury Department's views on this matter.

The attached memorandum sets forth the background of this problem and explains the reasons for the Treasury Department's opposition to the proposal.

The Bureau of the Budget has advised the Treasury Department that there is no objection from the standpoint of the Administration's program to the submission of our views.

Sincerely yours,

STANLEY S. SURREY.

PROPOSALS FOR RESTORING THE UNLIMITED MEDICAL EXPENSE DEDUCTION FOR PERSONS 65 OR OVER

It has been proposed that the action taken in 1965 be reversed and that the special exception to Section 213 of the Internal Revenue Code which allowed taxpayers age 65 or over an unlimited medical expense deduction be restored. Adoption of this proposal would be extremely costly to the Federal government; yet, it would provide very little benefit to those individuals most in need of financial assistance. For example, as the attached table indicates, for the taxable year 1967 the proposal would result in a revenue loss of approximately $210 million. Of this amount, nearly 70 percent would go to the limited class of persons age 65 or over with adjusted gross incomes of $20,000 or more. Indeed, 45 percent or $93 million would benefit those with over $50,000 adjusted gross income.

BACKGROUND OF THE PROPOSAL

Prior to the Social Security Amendments of 1965 (Medicare) persons 65 or over were excepted from the general rule that medical expenses are deductible during a given year only to the extent that they exceed 3 percent of a taxpayer's adjusted gross income and drug expenses are taken into account in computing medical expenses for purposes of the 3 percent limit only to the extent that they exceed 1 percent of a taxpayer's adjusted gross income. The Medicare Amendments eliminated the unlimited deduction accorded persons 65 or over effective for taxable years beginning after December 31, 1966. Thus, for tax year 1967 persons 65 or over are subject to the same 3 and 1 percent floors accorded all other taxpayers. The proposal would reverse the change made by the Medicare Amendments.

THE PROPOSAL SHOULD NOT BE ADOPTED

The considerations which prompted the elimination of the special exceptions for persons over 65 were sound. Those exceptions were an extremely costly and inefficient method of providing Federal aid to older citizens. They were introduced into the tax law at a time when the federal government had no general health insurance program designed to alleviate the burdens which medical costs impose upon older people. Recognizing the hardships generated for those 65 and over by increasing medical needs, Congress sought to mitigate the difficulty indirectly—through the tax law—by granting larger medical expense deductions to the members of this group than were available to taxpayers in general. However, since the tax benefit which was conferred decreased as the level of adjusted gross income diminished and the tax rate declined, the provision inevitably afforded greatest assistance to those who needed it least and, conversely, least assistance to those who needed it most.

The Social Security Amendments of 1965 attacked the fundamental problem in this area directly; it established programs carefully fashioned to enable all income groups of the aged to meet a substantial part of their medical costs. Since our elder citizens were accorded far more meaningful help in meeting their medical expenses under Medicare than under the special tax provisions, it was determined that there was no longer a need for the special tax provisions and they were eliminated. The attached example illustrates the extent to which an elderly couple is better off under the present medicare and income tax laws than would be the case if the arrangements prior to medicare were still in effect. The example shows that an elderly married couple with adjusted gross income of $10,000 and medical expenses of $770 for the year (medicine and drugs $100, hospitalization $520,[1] and surgery $150[2]) would have out-of-pocket costs of $275 under present law as compared with $624 if total medical expenses were tax deductible and there was no medicare program.

The reason our elder citizens are so much better off today is a reflection of the fact that the maximum benefit from the unlimited deduction could never exceed 3 percent of adjusted gross income for medical expenses and 1 percent for drug expenses reduced by multiplying that amount by the applicable marginal tax rate. Thus, for the couple in the above example, the maximum possible benefit they could derive under any circumstances from the fact that the deduction was unlimited was only $76 (3 percent and 1 percent of $10,000 x 19 percent=$76).

Those who argue that the special exceptions to the uniform percentage floors previously extended to persons 65 or over should be restored point out that the Medicare provisions do not cover all the medical expenses of older people. However, this argument misses the point. Neither the unlimited deduction provision nor the Medicare program made any pretense of paying 100 percent of the medical expenses of persons 65 or over. The unlimited deduction was repealed because it was replaced by a more equitable and meaningful program for defraying a portion of the medical expenses of older persons. To the extent that proponents of the present measure feel that the Medicare program does not go far enough, the answer is to expand that program, not perpetuate the costly and inefficient form of federal aid that the unlimited deduction represented.

It should also be noted that the increase in revenue resulting from the elimination of the special exceptions to the percentage floor was intended to help defray the cost of the general fund of the voluntary insurance provisions of the Medicare Act. In addition, the Medicare Amendments also added a provision permitting all taxpayers to deduct one-half of their medical insurance premiums up to a maximum of $150 without regard to the 3 percent floor. Thus, removing the floor for persons 65 or over at this time would result in the medical expense deduction becoming even more costly than it had been prior to the enactment of the Medicare Amendments.

There are no considerations that have arisen since 1965 which would make it advisable to reverse the action taken at that time to apply the medical expense deduction floor to elderly persons. Indeed, the contrary would appear true. Not only has Medicare proved to be an unqualified success, but pursuant to the President's request, H.E.W. has undertaken a comprehensive study of the feasibility of expanding Medicare to include payments for the cost of prescription drugs.

Estimated revenue loss from removing the 1-percent drug floor and the 3-percent floor on medical expenses in computing the medical deduction of taxpayers over 65, 1967

[Loss in millions of dollars]

Adjusted gross income class ($000):	*Revenue loss*
0–3	2
3–5	6
5–7	11
7–10	16
10–20	30
20–50	52
50 and over	93
Total	210

[1] The average benefit payment per hospital admission in fiscal year 1967 was $480 after taking into account a $40 deductible.

[2] The average reasonable charge for surgery under part B of the medicare program was

COMPARISON OF BENEFITS UNDER UNLIMITED MEDICAL EXPENSE DEDUCTION WITH BENEFITS UNDER MEDICARE PROGRAM

The following is a comparison showing how an elderly couple (both age 65 or over) would fare in 1967 under (1) the existing medicare and income tax laws and (2) a full tax deduction allowance for medical expenses and no medicare law. It is assumed that the couple has adjusted gross income of $10,000 and that a tax rate of 19 percent applies to the amounts in question. It is assumed further that the couple has medical expenses for the year as follows:

Medicine and drugs	$100
Hospitalization	[1] 520
Surgery	[2] 150

	Total	Paid by medicare	Paid by beneficiary
Under present law:			
Health care expenses:			
Medicine and drugs	$100		$100
Hospitalization	520	$480	40
Surgery	150	80	70
SMI premiums	72		72
Total	842	560	282
Less savings as tax deduction on ½ of SMI premiums			7
Total cost to couple			275
Under full allowance and no medicare:			
(a) With no health insurance protection:			
Health care expenses paid by couple			$770
Less savings as tax deduction at 19 percent			146
Total cost to couple			624

[1] Average benefit payment per hospital admission in fiscal year 1967 ($480) plus $40 deductible.

[2] Average reasonable charge for surgery under pt. B as shown in a preliminary report based on bills representing part of a 5-percent sample of claims.

Mr. LONG of Louisiana. I yield myself such time as I may require.

Mr. President, when this amendment was voted by the Senate a year ago, as I recall, I favored it. May I say that the more I study it, however, the less enthusiasm I have for it and the less merit I find in it. I say this because the studies indicate that the people who would benefit from the amendment most are the elderly with the very largest incomes. It also would cost the Government a great deal of money as the Senator from Florida [Mr. SMATHERS] acknowledged—$110 million more than the Finance Committee amendment and $210 million more than present law.

As I have said, the benefits would be concentrated among those who are in the upper income brackets, who do not really need it. Most aged people do not pay any income tax at all, because they have the double exemptions and also either an exclusion for their social security benefits or the retirement income credit. Therefore, they either do not pay an income tax at all or, if they do, many of them take the standard deduction, with the result that the pending amendment would not help them. It would help only someone who pays taxes and then only if he itemizes his deductions.

Mr. President, if one looks at how the $210 million of revenue loss resulting from the restoration of pre-1967 law would be distributed the 60,000 people who are in income brackets over $50,000 a year would get nearly one-half of the total benefits under this provision. That would mean an average tax benefit of about $1,500 apiece for those people who are already in the high-income brackets and need this help the least. Out of the slightly over half of the benefits which are left, nearly a half of these benefits—or about a quarter of the total—would go to people making between $20,000 a year and $50,000 a year—people who have large amounts of real estate, stocks, and other large investments. Those are the people who are to be given the special right to deduct all of their medical expenses, even though they do not exceed 3 percent of their adjusted gross incomes. They are to be given unlimited deductions insofar as medical expenses are concerned. Between those two categories—that is, those with adjusted gross incomes of $20,000 and over—we have accounted for more than two-thirds of the total benefits involved.

Persons in the bracket of $10,000 to $20,000 who are retired would get almost one-half of the benefits remaining. Those in the income brackets of $5,000 to $10,000—and that is the largest group in terms of the number of people involved since there are about 860,000 of them—who could claim some need would get only about one-eighth of the total benefits which the bill provides.

With regard to 600,000 people in income brackets of 0–$5,000, they would get only a pittance of the benefits provided by this amendment, or about $8 million of the benefits involved.

As a practical matter the committee felt, in view of the fact that the Senate voted on an identical proposal before, that we might try to hold the costs of this proposal down by saying the elderly could deduct their entire medical expenses, including the first 3 percent; but if anyone found it to be to his advantage to do so, then he should waive advantages under the medicare program. The latter was felt to be a proper restraint to hold the cost down to $100 million. Those who waive their rights to medicare certainly are the only ones who can claim that they have not been helped—and helped very substantially—by the adoption of the medicare program.

Mr. President, I shall not insist on a roll-call vote. But I find less and less appeal in this proposal when I see who gets the benefits. It seems to me that it provides very liberally for those whose need is little and practically nothing for those who need it the most. I have no enthusiasm for the amendment and I shall not vote for it.

I recognize that there are not many Senators in the Chamber to hear the debate. If I insisted on the yeas and nays they would all come in and vote, perhaps as they did a year ago. Therefore, I shall let the matter go on a voice vote.

Mr. MURPHY. Mr. President, I have read the letter from the Treasury. I know it is very simple to make averages, to write formulas, to take a slide rule and show what the effect is going to be. But my approach to this amendment is based on the mail I have received; it is based on actual cases; and it does not come down to a matter of how much each family gets. Catastrophe spares no income levels.

For that matter, as far as I am concerned, this measure would alleviate the suffering of many families. It would cost about $1 apiece for everyone in the United States; $200 million is not a great amount of money when we talk about such large amounts of money compared to the hardship it can alleviate.

Mr. PROUTY. Mr. President, first, it should be pointed out that the figure of $210 million is an educated guess. A determination for this year has not been reached. The figure to which I referred was based on the figures for calendar year 1966. I understand they arrived at those figures in even numbered years and as of yesterday, the Treasury indicated that medical expense deductions for calender year 1968 have not yet been analyzed.

However, I wish to point out that if one visits with members of these organizations of retired people, not the officers but the rank and file members, it will be found they are desperately in need of this help.

Mr. LONG. Mr. President, I saw a cartoon in the Senate gym this afternoon which showed a picture of Santa Claus passing out tax benefits to everyone and saying, "Please do not forget old Santa who is responsible for all this—a tax cut the Nation can ill afford."

If the Senator is agreeable I will take the amendment to conference. The conference turned it down before. The cost now is estimated even higher than the amendment we debated before. It is now estimated at $225 million.

There is no other amendment that would do so much for so few nor so little for so many.

Mr. WILLIAMS of Delaware. Mr. President, I support the chairman of the committee. I express the hope the amendment will not be agreed to. I realize a good argument can be made for the amendment, but under existing law the persons referred to as needing this relief so much will use the standard deduction anyway. The amendment will not in any way affect those who are retired and over 65 in the lower income brackets. Even under existing law, doctor expenses and other medical expenses of those over 65, which exceed 3 percent of adjusted gross income, are deductible anyway. Thus, it will only help those persons in the higher tax brackets and I think there are other areas where we could use this money to greater advantage.

Mr. LONG. I agree with the Senator.

I am ready to vote, and I yield back the remainder of my time.

Mr. MURPHY. I am ready to vote, and I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. CRANSTON in the chair). All time having been yielded back, the question is on agreeing to the amendment of the Senator from California (Mr. MURPHY). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE (after having voted in the negative). On this vote I have a pair with the Senator from Michigan (Mr. HART). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. KENNEDY. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), the Senator from Michigan (Mr. HART), the Senator from South Carolina

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$150. This was derived from a preliminary report based on bills representing part of a 5 percent sample of claims.

(Mr. HOLLINGS), the Senator from Missouri (Mr. SYMINGTON), and the Senator from Ohio (Mr. YOUNG) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Pennsylvania (Mr. SCOTT) are absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Colorado (Mr. DOMINICK), and the Senator from South Carolina (Mr. THURMOND), and the Senator from Tennessee (Mr. BAKER) are necessarily absent.

If present and voting, the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER) and the Senator from Pennsylvania (Mr. SCOTT) would each vote "yea."

The result was announced—yeas 46, nays 41, as follows:

[No. 172 Leg.]

YEAS—46

Aiken	Goodell	Pastore
Allen	Gurney	Pearson
Bellmon	Hartke	Prouty
Boggs	Hatfield	Ribicoff
Brooke	Hruska	Schweiker
Burdick	Jackson	Smith, Maine
Byrd, W. Va.	Javits	Smith, Ill.
Cannon	Magnuson	Sparkman
Case	Mathias	Stevens
Church	McGee	Tower
Cooper	McIntyre	Tydings
Cotton	Metcalf	Williams, N.J.
Dodd	Montoya	Yarborough
Fannin	Moss	Young, N. Dak.
Fong	Murphy	
Fulbright	Packwood	

NAYS—41

Allott	Griffin	Mondale
Bennett	Hansen	Muskie
Bible	Harris	Nelson
Byrd, Va.	Holland	Pell
Cook	Hughes	Percy
Cranston	Jordan, N.C.	Proxmire
Curtis	Jordan, Idaho	Randolph
Dole	Kennedy	Russell
Eagleton	Long	Saxbe
Eastland	Mansfield	Spong
Ellender	McCarthy	Stennis
Ervin	McClellan	Talmadge
Gore	McGovern	Williams, Del.
Gravel	Miller	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Inouye, against.

NOT VOTING—12

Anderson	Goldwater	Scott
Baker	Hart	Symington
Bayh	Hollings	Thurmond
Dominick	Mundt	Young, Ohio

So Mr. MURPHY's amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROUTY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPRECIATION PROVISIONS OF TAX REFORM BILL, H.R. 13270

Mr. SPARKMAN. Mr. President, I have followed the progress of the pending Tax Reform Act with great interest and with a complete appreciation of the hard work which the members of our Committee on Finance have put into this legislation during the past weeks and months. I congratulate them for their diligence and perseverance in the face of the great pressures of time and daily schedules which I know they labored under in developing and refining this most difficult piece of legislation. I believe the chairman and members of the committee deserve a vote of thanks from the American people and an expression of gratitude from all Members of this body for a tough job well done.

I am concerned, as you might expect, with the impact which the provisions of this bill will have upon our housing supply and, in particular, upon our future housing production in the United States. Production of more housing is one of the most pressing problems before us this year and during the coming decade.

The facts are that our current and prospective levels of housing production are now falling far below our national needs and expectations. For example, in 1969 the total demand for new dwelling units—of all kinds, including mobile homes, for this decade already exceeds supply by nearly 1.5 million units. It is estimated by the National Association of Home Builders that this deficit will increase by a quarter of a million units by the end of 1970. Table I illustrates this deficit.

I believe this situation holds the makings of disaster and tragedy for our expanding population. For this reason, I am anxious that nothing in this tax-reform bill counteract our efforts to remedy this situation.

Unfortunately, I believe that in its present form, with respect to depreciation on residential housing, the committee bill will do just this. It will do so by creating substantial deterrents to investments into and, therefore, to the building of apartment houses—depreciable residential rental housing. Furthermore, I believe just two amendments to the committee bill are sufficient to avoid this result.

The first of the amendments which I believe should be offered with respect to residential rental housing is to provide a limited degree of accelerated depreciation for existing projects. I recognize, of course, that the reasons which underlie the provisions in the committee bill have to do with abuses to which the existing law as been subject, through a continuous trading in used properties. I hold no brief for this and my interests are directed completely to the flow of investment funds for the construction and purchase of newly produced apartment houses.

The committee bill, like the bill passed in the other body, eliminates completely the availability of accelerated depreciation upon a rental project which is purchased by a second or subsequent buyer. I think this goes too far. With respect to "Residential Rental Housing," under subchapter C, section 521(a) of the committee bill, pages 384 to 386, I therefore feel a degree of modification is necessary.

The key issue involves the net yield or rate of return to an investor who decides to place money into the purchase of an apartment project. Today the experience of the building and real estate industry generally shows that the rate of return on such an investment is very poor indeed without the availability of some form of accelerated depreciation. Compared with the risks involved and the rates of return which are now available on many other forms of investment, rental housing—without accelerated depreciation—is simply not a very desirable investment in many cases.

I therefore will offer for myself and the Senator from Minnesota (Mr. MCCARTHY) at the appropriate time an amendment to the committee bill to provide that, for residential rental housing, a second or subsequent purchaser would have available a limited choice of accelerated as well as straight line depreciation. For a project with a useful life of 30 years or more, my amendment would authorize use of the 150 percent declining balance method of depreciation. For a project with a useful life between 20 and 30 years my amendment would authorize use of a 125 percent declining balance depreciation. And for a project having a useful life of 20 years or less, I believe that the straight line depreciation permitted by the committee bill is quite sufficient.

My amendment will allow new rental projects to be sold in an investment market broad enough and sufficiently rewarding to warrant entrepreneur builders and sponsors proceeding with construction of new apartments. At the same time, by cutting down on and eliminating the use of accelerated depreciation on older structures, this formula precludes the continuous use of accelerated depreciation with respect to existing rental projects as they get older.

It is important to understand the relationship between the availability of accelerated depreciation on existing projects and the production rate of new projects. The key to much of the new production is basically the investment market which exists for rental housing structures once they are built and become filled with tenants. Builders are not investors; they sell their projects to investors and necessarily, they must carefully assess the market for rental projects before undertaking their construction. Elimination of accelerated depreciation on existing projects curtails substantially the investment yield and thus greatly restricts and narrows the secondary market for newly built projects. Unless changed, the result will be far fewer rental projects initiated and undertaken by builders.

This country has an absolute need for a continued high and increasing rate of apartment house construction. Today in America we have the lowest housing vacancy rate on record and, as we all knew, we have a drastic fall-off in housing starts—at a time when national housing needs are increasing rapidly. The statistics on our housing situation are in fact genuinely threatening to the future stability and progress of our society in the United States.

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

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

TABLE I.—HOUSING SUPPLY AND DEMAND, 1959-70

[Thousands of units]

Year	Demand: Net increase in households (1)	Demand: Net removals (2)	Demand: Demand for 2d homes (3)	Demand: Total housing demand (4)	3-year moving average (5)	Supply: Housing starts (6)	Supply: Net mobile homes (7)	Supply: Total new units (8)	3-year moving average (9)	Surplus or deficit: By year (10)	Surplus or deficit: Cumulative (11)
1959	1,364	490	70	1,924		1,554	66	1,620			
1960	665	510	75	1,250	1,658	1,296	44	1,340	1,451	90	90
1961	1,188	530	83	1,801	1,409	1,365	27	1,392	1,425	−409	−319
1962	537	550	91	1,178	1,485	1,492	52	1,544	1,554	366	47
1963	807	570	100	1,477	1,536	1,642	84	1,726	1,652	249	296
1964	1,255	590	108	1,953	1,665	1,562	124	1,686	1,690	−267	29
1965	841	610	116	1,567	1,676	1,510	150	1,660	1,564	93	122
1966	753	630	125	1,508	1,819	1,196	151	1,347	1,501	−161	−39
1967	1,599	650	133	2,382	1,969	1,322	175	1,497	1,548	−885	−924
1968	1,206	670	141	2,017	2,159	1,548	252	1,800	1,703	−217	−1,141
1969	1,250	680	150	2,080	2,082	1,420	343	1,763	1,758	−317	−1,458
1970	1,300	690	160	2,150		1,330	380	1,710		−440	−1,898

Source: Col. 1 is taken from the Current Population Reports, P-25, Bureau of the Census, No. 360, Feb. 20, 1967, and No. 387, Feb. 20, 1968. Col. 2 annual estimates based on "Demolitions and Other Factors in Housing Replacement Demand," M. Sumichrast and N. Farquhar, Homebuilding Press, 1967. Col. 3 annual estimates based on 1960 Census of Population estimate of 75,000 in 1960 and current estimate of Bureau of the Census and Forest Service in "Second Homes in the United States," Current Housing Reports, H-121, No. 16. Col. 4 sum of cols. 1, 2, and 3. Col. 5 is 3-year moving average of col. 4 centered on 2d year. Col. 6 1969-68, Bureau of the Census, C-20 Housing Starts Report; 1969-70, NAHB Economics Department Estimates based on NAHB Metropolitan Housing Forecast. Col. 7 obtained from the Mobile Homes Manufacturers Association. Col. 8 sum of cols. 6 and 7. Col. 9 is 3-year moving average of col. 8 centered on 2d year. Col. 10 col. 8 minus col. 4. Col. 11 accumulation of the differences shown in col. 10.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD table II and table III, showing housing starts during this year and in the years since 1960. Please note that production of private residential rental housing—multiples—has now reached a level which almost equals the production of single family homes.

There being no objection, tables II and III were ordered to be printed in the RECORD, as follows:

TABLE II.—NEW HOUSING STARTS AND PROJECTED ACTIVITY

[All Figures in thousands of housing units]

Years	Total, public and private starts	Total, private starts only	Private: 1 family	Private: Multifamily	Government programs: FHA starts [1]	Government programs: VA starts	Projected activity—building permits [2]
1960	1,296.0	1,252.1	994.7	257.4	261.0	74.6	998.0
1961	1,365.0	1,313.0	974.4	338.6	243.6	83.3	1,064.2
1962	1,492.4	1,462.7	991.3	471.4	259.5	77.8	1,186.6
1963	1,365.0	1,610.3	1,020.7	589.6	221.0	71.0	1,334.7
1964	1,561.6	1,529.3	971.5	558.0	204.6	59.2	1,285.8
1965	1,509.6	1,472.9	963.8	509.0	196.5	49.4	1,239.8
1966	1,196.2	1,165.0	778.5	386.4	158.4	36.8	971.9
1967	1,321.9	1,291.6	843.9	447.7	180.0	52.5	1,141.0
1968	1,547.7	1,507.7	899.5	608.2	227.1	56.1	1,341.4

Monthly actual starts	Total, public and private starts	Total, private starts only	Private: 1 family	Private: Multifamily	Monthly estimates—Seasonally adjusted annual rates for private housing: Total, all housing	FHA, 1-to 4-family	VA, 1-family	Permits, all housing
1968								
January	82.7	80.5	45.3	35.3	1,456	157	52	1,148
February	87.2	84.6	55.4	29.2	1,537	164	63	1,394
March	128.6	126.6	79.3	47.2	1,511	149	63	1,416
April	165.2	162.0	98.0	64.0	1,591	147	59	1,340
May	145.1	140.9	86.8	54.1	1,364	133	57	1,280
June	142.9	137.9	81.4	56.4	1,365	137	54	1,281
July	142.5	139.8	86.4	53.5	1,531	134	49	1,289
August	141.0	136.6	82.5	54.1	1,518	144	51	1,290
September	139.8	134.3	80.2	54.1	1,592	145	54	1,393
October	143.3	140.8	85.6	56.3	1,570	153	55	1,378
November	129.5	127.1	64.8	62.2	1,733	158	53	1,425
December	99.8	96.4	53.8	42.5	1,507	158	65	1,463
1969								
January	105.8	101.5	51.3	50.2	1,878	137	59	1,403
February	94.8	90.1	47.9	42.1	1,686	138	52	1,477
March	135.6	131.9	71.9	59.9	1,584	157	53	1,421
April	159.9	159.0	85.0	74.0	1,563	166	48	1,502
May	157.7	155.5	91.3	64.3	1,509	134	47	1,323
June	150.8	147.3	82.7	64.6	1,469	147	48	1,340
July	126.5	125.2	73.5	51.7	1,371	137	46	1,228
August	127.6	124.9	69.5	55.4	1,384	143	47	1,245
September	132.1	128.6	71.2	57.4	1,533	152	54	1,201
October	121.1	118.7	66.8	51.9	1,342	163	52	1,119

[1] FHA annual totals include all units, both single family and multiples; monthly rates only include 1- to 4-family units.
[2] Based on 12,000 reporting places 1962-66 for permits, and 1962- March for starts. Based on 13,000 reporting places from May 1967 for permits and from April 1968 for starts.

Sources: Department of Commerce, FHA, VA, National Association of Home Builders.

TABLE III.—MULTIFAMILY HOUSING AS A PERCENTAGE OF TOTAL HOUSING PRODUCTION

[Starts figures in thousands of housing units]

Years	Single family	Multi-family	Percentage of start
1954	1,398	134	8.7
1955	1,499	128	7.9
1956	1,204	121	9.1
1957	1,012	163	13.9
1958	1,091	223	17.0
1959	1,234	283	18.6
1960	995	257	20.6
1961	975	339	25.8
1962	992	471	32.2
1963	1,021	590	36.6
1964	972	558	36.5
1965	964	509	34.6
1966	779	387	33.2
1967	844	448	34.7
1968	889	610	40.7
1969 (for 1st 10 months)	711	571	44.5

Note: For the years 1954-58, these are estimates of the single-multiple mix developed by the Economics Department, National Association of Home Builders, based on Bureau of the Census totals. For the years 1959-69, these are Bureau of the Census figures. The starts figures are for private housing construction only. Single-family starts are defined as 1-unit per structure; multiple starts cover 2 or more units per structure where there are no connecting areas between units.

Mr. SPARKMAN. Mr. President, I have not the slightest doubt that the present tax law and treatment of depreciation on residential rental housing is responsible in large measure for the flow of investment funds into multifamily housing. Since the Internal Revenue Code was first changed in 1954 to authorize accelerated depreciation for residential rental housing there has been a progressive escalation in the construction of apartment housing. I, for one, do not believe we can as a country afford to withdraw this incentive toward more rental housing construction.

I believe the Committee on Finance shares my concern in this regard. I note that the committee approved and concurred in the action of the other body in keeping intact the provisions of current law as to the allowance of accelerated depreciation—200 percent, double-declining balance or sum-of-the-years digits methods—on new construction for

initial owners, builders, or investors. Also, for rental projects built for low- and moderate-income families under sections 221(d)(3) and 236 of the National Housing Act, the present recapture rules of existing law are to be retained.

In addition, I recognize that the committee has adopted a general approach to the recapture of depreciation which would permit a full capital gains treatment of excess depreciation after a holding period of 18 years, 4 months. This is to be contrasted with the present law, which requires a holding period of 10 years. The House-passed bill would permit no capital gains on excess depreciation no matter how long the holding period.

In good conscience I must nevertheless now advise the Senate and the committee that, without further change, these provisions are seriously inadequate to forestall a wholesale turning away of private investment funds from rental housing. To distinguish a speculator from a true investor, I cannot agree that we must impose a holding period of over 18 years, starting with an initial period of 10 years in which, upon a sale, all excess depreciation over straight-line is recaptured as ordinary income.

Such a holding period must be contrasted with the committee's rejection of the House-passed proposal for a new 12-month holding period in order to provide "a better line of demarcation between gains for investment and speculative gains" as to other types of capital assets. The Senate Committee "was concerned—as also was the Treasury Department—as to the impact this might have on the willingness of investors to take risks and, thus, on capital investments and on revenues." See Senate report, page 200.

I can assure this body that with an 18-year holding period there is every reason to anticipate the same kind of impact upon investments in residential rental housing, upon revenues to be derived for the Treasury from rental housing construction and upon the willingness of investors to take risks on apartment housing. A shorter holding period is warranted. I will at the appropriate time offer an amendment for this purpose—to reduce the proposed 18 years and 4 months to 13 years and 4 months by cutting 5 years from the initial 10 years of the total holding period proposed under subchapter C, section 521 (b) of the bill—pages 391–394.

By adopting my two amendments with respect to residential rental housing, I think the Senate will go a long way toward removing the very real impediments to investors which otherwise would be created by this bill. I believe also that these amendments will place the chairman and members of the committee in the broadest and best possible negotiating position as this bill goes to what I feel sure will be a difficult and complex conference with representatives of the other body.

The growth rate of real estate as contrasted with other segments of the economy is evidence enough, I believe, to show that the rate of return on housing is simply not as attractive as other forms of investment. Real estate construction, for example, has lagged behind the 5.2 percent growth rate of the gross national product for the past 8 years. And in that period, housing has had a growth of only 0.5 percent.

Accordingly I think the revenue estimates set forth in the committee report—page 215—are woefully in error in anticipating dollar returns to the Treasury based upon a continuation of the presently projected rates of construction despite the obstacles to investors posed by this bill. Even so, however, I point out that my amendments—greatly needed by housing—would affect adversely only a portion of the amounts calculated to be gained in revenue by the bill's provisions on a revised treatment of used property and on recapture. The bulk of the anticipated revenues are to be gained from these and other changes which affect all real property, i.e., commercial, industrial, offices, warehouses, plants, shopping centers, and others.

I should like to emphasize, incidentally, that the committee report stresses there will be little or no effect on revenue in 1970 by the depreciation and recapture provisions in the bill, and the revenue anticipated—mistakenly I think—will be of substantial size in 1979. Yet these provisions, unless changed in accord with my amendments, will unquestionably have a severe and depressing effect on the housing investment markets in 1970—as their threat of passage already has had in 1969. I am of the strong opinion, as I have already stated that we as a nation cannot afford these further downward pressures upon real estate, especially housing, whatever revenues the Treasury statisticians think they can or cannot wring out of the construction industry.

It is clear to me from the committee report—page 212—that the value of the existing tax laws on depreciation as an incentive for rental housing production are fully understood by the committee and the Treasury. Expressly for this reason, the existing recapture rule is being maintained for low- and moderate-income housing. But the total production of such housing, under the section 221 (d)(3) and 236 programs, is only a small fraction of the total rental housing this country needs to build, this year, next year, and every year during the next decade.

I think it is appropriate at this point to note that in the Housing and Urban Development Act of 1969 the Congress set specifically as a National Housing Goal "the construction or rehabilitation of 26 million housing units, 6 million of these for low and moderate income." (42 U.S.C. 1441, 63 Stat. 413) We are falling far short of this goal. We need every resource at our command in order to achieve it, or even to come close to the levels of housing production we need—an annual average of 2.6 million housing units. The tax laws should help, not hinder this process.

Our congressional estimates of housing and our goals fall short, as a matter of fact, of the total housing needs projected in the report of the President's Committee on Urban Housing, December 11, 1968, headed by Mr. Edgar F. Kaiser. In the Kaiser committee report, at page 40, our total construction needs for housing are set at 26.7 million units. I ask unanimous consent to have printed at this point in the RECORD the pertinent table from that report, table IV.

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

TABLE IV.—*U.S. housing construction needs—1968–78*

[Figures in millions of units]

(From The Report of the President's Committee on Urban Housing, December 11, 1969, p. 40.)

Construction of new standard units:	
Units for new households	13.4
Replacement of net removals of standard units	3.0
Allowance for vacancies	1.6
Subtotal	18.0
Replacement or rehabilitation of substandard units:	
Units becoming substandard during 1968–78	2.0
Replacement of net removals	2.0
Other substandard units in the inventory in 1966	4.7
Subtotal	8.7
Total construction needs	26.7

Source: GE TEMPO, United States Housing Needs: 1968–1978

RELATED EXCERPT FROM COMMITTEE REPORT

To meet this projected total need for the coming decade there must be a vast increase of the Nation's housing production. The average of 2.6 million new and rehabilitated units required for each of the 10 years, in order to meet this objective, compares with the current annual rate of 1.5 million new housing units per year. Recently the Nation has produced only about 50,000 subsidized units a year—in 10 years at that rate, only half a million. Production of both subsidized and unsubsidized housing must clearly be expanded to rid the cities of substandard housing by 1978.

Mr. SPARKMAN. Mr. President, the vast bulk of residential rental housing, as I have already indicated, must depend upon a high and sustained flow of private equity investment funds. This housing is for the great middle-income classes who are neither rich enough to afford luxury apartment dwellings nor poor enough to qualify for federally financed and subsidized rental projects. These are the families who will be hurt, and hurt badly, if this tax reform bill substantially eliminates, as it now does, the opportunity for builders to market new rental projects at a sufficiently attractive yield and the opportunity for investors to reach a capital gains position after a more than reasonably long holding period.

The purpose of both of my amendments is to remedy, at least to some degree, the thrust of the pending bill in taking out of existing law the incentives which have largely been responsible for the greatly needed rental housing production we have witnessed in recent years. This production is needed in even greater quantity during coming years.

At a time when housing starts have fallen rapidly and drastically, when we are building not housing but a housing shortage in the United States, I do not believe we can afford to remove the tax incentives to investment in housing which this bill would do. I, therefore, urge favorable action by this body and approval of my amendments.

Mr. President, I ask unanimous consent to have printed in the RECORD the pertinent tables of housing needs and production estimates taken from the First Annual Report on National Housing Goals filed with the Congress on January 23, 1969, table V, VI, and VII.

There being no objection, tables V, VI, and VII were ordered to be printed in the RECORD, as follows:

TABLE V

(From Annual Report on Housing Goals, 1969, page 15)

The following table summarizes a projected need for 28.2 million new and rehabilitated housing units between July 1, 1967, and June 30, 1977:

TABLE 4.—*Estimated housing needs: 1967–77*

[In millions of units]

For net additional household formation	13.1
To permit an increase in vacant units, including seasonal units	4.4
To compensate for units abandoned because of population shifts	1.0
To compensate for demolition, casualty, and other loses of nondilapidated units	2.0
To permit the removal of all existing dilapidated units	2.0
To permit the removal of all units becoming dilapidated over the decade	2.0
(a) Rehabilitation of nondilapidated, substandard units without public assistance	1.7
Subtotal: New units and unassisted rehabilitation	26.2
(b) Rehabilitation of nondilapidated, substandard units with public assistance	2.0
Total need including publicly assisted rehabilitation	28.2

TABLE VI

(From Annual Report on Housing Goals, 1969, page 8)

The annual production targets to achieve the goals have been revised to reflect the impacts of the events since last April. The revised annual production targets are shown in table 1. Since these are long-range projections, the figures are rounded to the nearest 25,000. The exact budget estimates for assisted housing are 233,000 units for fiscal 1969 and 503,000 units for fiscal 1970.

TABLE 1.—ESTIMATED ANNUAL STARTS OF NEW DWELLINGS AND ASSISTED REHABILITATIONS

[Numbers are in thousands and are rounded to nearest 25,000]

Fiscal year	Total starts and assisted rehabilitations	Total private unassisted starts	Publicly assisted starts and rehabilitations
Total	26,200	20,200	6,000
1969	1,675	1,450	225
1970	2,000	1,500	500
1971	2,225	1,600	625
1972	2,375	1,750	625
1973	2,575	1,950	625
1974	2,650	2,000	650
1975	2,950	2,300	650
1976	3,200	2,500	700
1977	3,250	2,550	700
1978	3,300	2,600	700

TABLE VII

(From Annual Report on Housing Goals, 1969, page 8)

UNASSISTED PRIVATE HOUSING ANNUAL PRODUCTION TARGETS

The 1968 report represented a series of estimated requirements of the number of new housing units that would have to be started privately without any public assistance to meet overall housing needs. Based upon the additional data now available on actual performance of the industry since the date of the 1968 report, the following revised estimates are presented of current and future production in the unassisted housing market. These estimates, as set forth in table 2, and comparisons with annual estimates set forth in the earlier report for fiscal years 1968 and 1969 are shown, as well as the unrevised figures for all subsequent years.

TABLE 2.—ESTIMATED PRODUCTION REQUIREMENTS OF PRIVATELY OWNED UNASSISTED DWELLINGS

[Future-year estimates rounded to the nearest 25,000 and thousands omitted]

Fiscal year	Present estimates	April 1968 estimates
Actual, 1968	1,334	1,407
Single-family units	866	
Multifamily units	468	
Estimates:		
1969	1,450	1,400
In 1- to 4-family structures	925	950
In multifamily structures	525	450
1970	1,500	1,600
In 1- to 4-family structures	925	1,050
In multifamily structures	575	550

Estimates:	Units
1971	1,600
1972	1,750
1973	1,950
1974	2,000
1975	2,300
1976	2,500
1977	2,550
1978	2,600

THE PERSONAL EXEMPTION PROVISION

Mr. GORE. Mr. President, the Senate adopted an $800 personal exemption coupled with a $1,000 low-income allowance. It concentrates tax reduction in the low- and middle-income brackets and provides tax relief for those who need it most—the average wage earner with children to feed, clothe, and educate.

I have submitted tables for the RECORD over the past week that demonstrate that my amendment provides greater relief for the average taxpayer than did the tax reduction measures in the House bill.

Tables prepared by the Treasury Department, appearing in the public press today, purport to compare the tax reduction that would be made available under the amendment adopted by the Senate with the reduction provided by the House bill.

I was surprised to see that these tables purport to show that my amendment provides less tax relief for the middle-income taxpayer than provided by the House bill. These published tables are based upon unrealistic assumptions.

My amendment, in fact, provides more relief, not less, for the middle-income taxpayer than does the House bill. These were the taxpayers for whom we so successfully fought over the past weeks.

The Treasury tables are incorrect because they proceed on a completely fallacious and arbitrary assumption. The assumption is that every taxpayer in the whole country uses a 10 percent standard deduction. The assumption is incorrect. Almost one-half of the taxpayers in this country, in fact, itemize their deductions, and these deductions average 18 percent of these taxpayers' income—not 10 percent.

Now what does the Treasury's false assumption do? It shows a much larger benefit from the House bill than taxpayers would, in fact, receive. A statement based upon an incorrect assumption will, of course, produce an incorrect result. The tables, therefore, understate the relative benefits of my proposal. For example, the Treasury tables assume that a man with deductions of more than $2,000 of his income will receive a benefit from the increase in the standard deduction. This is patently absurd—it is a mathematical impossibility for the standard deduction increase in the House bill to benefit such a taxpayer.

The whole point I have made through these past weeks is that the average middle-income taxpayer who is paying interest on his mortgage, real estate taxes on his house, medical bills for his children, and State and local income taxes is not getting a fair shake out of the House bill. My amendment remedied that very bad effect.

But the Treasury tables assume the House bill helps the average taxpayer with these deductible expenses. And it does not in any way to the degree required.

The battle to scuttle my amendment has already started. These tables represent just one more attempt by the Treasury to undermine my proposal and to deny the benefits of meaningful tax reduction to the hard-pressed middle-income taxpayers of our country.

In order to set the record straight and to try to correct the erroneous impression these Treasury tables may have given the American public, I am submitting for the RECORD tables prepared by the staff of the Joint Committee on Internal Revenue, which show the tax relief under my bill compared to that under the House bill. These tables are based on a more nearly correct factual assumption—that nonbusiness deductions equal 18 percent of the taxpayer's income. The 18-percent figure is an average—some taxpayers would have larger deductions, some lower. But an average is a more realistic assumption than the arbitrary low assumption used by the Treasury.

I hope the public press will carry these tables tomorrow so that the American public can have a more accurate picture of what the Senate has done in raising the personal exemption to $800 for every man, woman, and child in the United States. In any event, I wanted all Senators to have correct figures for their information and that of their constituents who are so vitally affected by my amendment.

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

Individual income tax liability under present law, under relief provisions of H.R.

13270 as passed by the House of Representatives, under relief provisions of H.R. 13270 as approved by the Senate, and with single person treatment as approved by the Senate Committee on Finance (assumes nonbusiness deductions of 18 percent of income).

MARRIED COUPLE WITH 1 DEPENDENT

Adjusted gross income	Tax under present law	Tax under House bill	Tax under Senate bill
$2,600	$42	0	0
$3,000	92	$13	0
$5,000	338	285	$230
$7,500	687	643	578
$10,000	1,076	1,012	962
$15,000	1,930	1,825	1,798
$20,000	2,910	2,738	2,760
$25,000	4,016	3,789	3,848
$75,000	22,141	20,753	21,823
$200,000	85,076	78,522	84,668

MARRIED COUPLE WITH 2 DEPENDENTS

$3,500	$66	0	0
$4,200	147	$91	0
$5,000	245	200	$112
$7,500	578	540	442
$10,000	962	904	810
$15,000	1,798	1,699	1,622
$20,000	2,760	2,600	2,560
$25,000	3,848	3,627	3,624
$75,000	21,823	20,459	21,399
$200,000	84,668	78,156	84,124

MARRIED COUPLE WITH 4 DEPENDENTS

$5,000	$70	$39	0
$7,500	378	353	$193
$10,000	734	688	518
$15,000	1,534	1,447	1,285
$20,000	2,460	2,324	2,172
$25,000	3,512	3,303	3,185
$75,000	21,187	19,871	20,551
$200,000	83,852	77,424	83,052

Mr. GORE. Mr. President, I also wish to clarify a point raised by the senior Senator from Delaware this morning with respect to the effect on capital gains rates of my amendment to increase the personal exemption to $800.

My amendment did not change the capital gains provisions of the Finance Committee bill. My amendment dealt only with individual tax rates and personal exemptions.

The Finance Committee voted, prior to any action on individual income tax rates, to repeal the alternative 25-percent rate on capital gains for most high bracket taxpayers. At that point in the committee deliberations, therefore, the maximum rate on capital gains was 35 percent—or one-half of the top rate of 70 percent. My amendment did not change these provisions.

The committee then imposed a 5-percent minimum tax on preference income in excess of $30,000. The excluded one-half of capital gains is a tax preference. For high bracket taxpayers with large amounts of capital gains, then, the committee action could have produced a maximum tax rate at 37½ percent. My amendment did not change this either.

When the Finance Committee took the unwise step of reducing the top rate from 70 to 65 percent, the maximum rate on capital gains was then reduced to 35 percent—if the minimum tax is included. My amendment changed the general rates, leaving them as in present law.

My amendment did not affect the committee action with respect to the repeal of the alternative capital gains rates in any way. That is in another section of the bill. My amendment struck out the rate reduction provisions from the committee bill, and substituted an increase in personal exemption. As a result of any change in maximum rates up or down, the capital gains provisions will relate and be affected accordingly. High-bracket taxpayers could pay a higher maximum capital gains rate. In case the maximum rate is 70 percent instead of 65 percent, then a higher—2½ percent—capital gains rate would result; if, in the future, the rate should be fixed at 60 percent instead of 70 percent, the maximum capital gain rate would be reduced—5 percent. So the maximum capital gain rate is a function of the general rates under the committee bill not by terms of my amendment.

I should emphasize that the 25-percent alternative rate is retained for taxpayers with relatively small amounts of capital gain. My amendment does not change this rule.

The persons affected by the repeal of the alternative 25-percent rate constitute only one-one hundredth of all taxpayers in the country. They are all in tax brackets above 50 percent per year and they all have income of more than $50,000 per year. They are affected, rightly or wrongly, rightly I accept, by a provision on page 352 of the bill which my amendment did not affect or change.

SMALL BUSINESS FRANCHISE PROVISION

Mr. SPARKMAN. Mr. President, many of the provisions of the bill have been much debated and are fully understood. However, it is noteworthy that the bill contains numerous additional provisions which effect basic and important reforms. I would like to take this opportunity to point out an example of such a significant, but little discussed, provision which will benefit the important and fast-growing small business phenomenon of franchising. As we all know, probably the most significant factor contributing to the growth of small business in this country today has been the development of the concept of franchising.

The impact of income taxes is as important in franchising operations as in other forms of business—perhaps even more so because of the relative lack of capital owned by many franchisees. This bill plays an important role in clearing up a problem which was causing franchisees much concern.

Uncertainty had arisen as to whether franchisees could take a tax deduction for the annual payments they made to the franchisor based upon the receipts and revenues derived by them under their franchises. This troublesome problem has been resolved by making it clear that such payments are deductible as business expenses by the franchisees.

The bill also properly takes the position that franchisors who retain significant strings on the business franchised will, in the future, be denied capital gains. Since these new rules represent a basic change in the law as regards franchisors, the tax treatment of franchisors on past transfers is not affected by the bill. However, the bill provides that franchisees will henceforth be allowed deductions for contingent annual payments made with respect to existing as well as future franchise agreements. Since these payments are essentially like royalty payments and certainly represent ordinary and necessary business expense, I submit that the bill is correct in this treatment. To have done otherwise would have been to penalize the small business person in the franchising scene simply because his franchisor is entitled to a tax treatment now thought to be too liberal—but which was perfectly acceptable at the time the franchise agreement was consummated.

PROGRAM

Mr. GRIFFIN. Mr. President, I take this time to ask the distinguished majority leader if he can give us any information as to the schedule for the rest of the day and tomorrow.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished acting Republican leader, it is not anticipated that there will be any further rollcall votes this evening, but there will be a rollcall vote at 10:30 a.m. tomorrow on the Mondale amendment, which will be pending when the Senate concludes its business today.

Mr. CURTIS. Mr. President, will the Senator Yield?

Mr. MANSFIELD. I yield.

Mr. CURTIS. The Senator mentioned 10:30 as the time for voting on the Mondale amendment. At what time will the Senate convene?

Mr. MANSFIELD. 9:30.

Mr. CURTIS. Will there be any business before that?

Mr. MANSFIELD. Yes. a bill having to do with revising the criminal law and procedure of the District of Columbia, on which there will be a debate by the Senators from Nebraska, Arkansas, and Maryland, which will take about 20 minutes.

Mr. CURTIS. Then that will allow only about 30 minutes for debate on the Mondale amendment.

Mr. MANSFIELD. Yes, but there will be an explanation given tonight, before the Senate adjourns.

Mr. CURTIS. I would not agree to a 30-minute limitation on a matter as far-reaching as this. I will agree to a reasonable time, but not 30 minutes.

Mr. MANSFIELD. There will be some discussion of it tonight. I am trying to take care of some Senators—who are not on my side of the aisle, incidentally—who could not be here this evening, and I am trying to reach an accommodation. How about 11 o'clock? There will be some debate on it tonight. It is going to be discussed tonight and tomorrow. I assume only about 20 minutes will be taken up on the District of Columbia matter.

Mr. CURTIS. Is the Senator from Minnesota present?

Mr. MANSFIELD. He was here, but he assured me he was going to talk on his amendment tonight. As a matter of fact, he already spoke on it for about 5 minutes.

Mr. CURTIS. I very much favor the amendment, but I do not want to get boxed in on something so vital——

Mr. MANSFIELD. How much time would the Senator himself need?

Mr. CURTIS. That is rather unimportant. It is a matter of how long the Sen-

ate is going to consider something that would kill off about 30,000 institutions after they get to be 40 years old.

Mr. MANSFIELD. Perhaps I made a mistake in bringing this up. The Senator from Minnesota (Mr. MONDALE) is now present in the Chamber.

I may say to the Senator from Minnesota that I had told the Senator from Nebraska that the Senator from Minnesota was going to explain the proposal this evening at some length. It was after some travail and trouble that we reached an agreement, including agreement of the Senator from Tennessee, who I understand had the most responsibility for putting this particular section in the bill now before us. It was agreed to all around. I thought all the handicaps had been overcome, but if they have not been, that is it.

Mr. CURTIS. I will agree to a reasonable time, but not 30 minutes for both sides.

Mr. MANSFIELD. How about tonight?

Mr. CURTIS. If we talk tonight, we may as well talk in the cloak rooms or at home to ourselves.

Mr. MANSFIELD. I hope we read the RECORD. If we do not, I think we had better stop publishing it. I get my information not so much from listening to statements on the floor, which are tiring sometimes, but from reading the RECORD as a matter of duty.

Mr. CURTIS. We read it when we convene at 12 o'clock.

Mr. MANSFIELD. A copy of the RECORD gets to my home at 5:30 a.m., and I have read it before I leave for work at about 6:30.

Mr. CURTIS. Well, the Senator should get to work earlier. [Laughter.] I think 30 minutes is too short a time, but I will agree to an hour's debate.

Mr. MANSFIELD. That is fair enough. Would the Senator want the hour continuous, or should we come in at 9 o'clock and have 40 minutes before the District of Columbia bill is taken up, and then 40 minutes after the District of Columbia bill?

Mr. CURTIS. If the final 20 minutes may be reserved for the proponents of the amendment, I will agree to that.

Mr. MANSFIELD. Is that satisfactory to the Senator from Minnesota?

Mr. LONG. Mr. President, I would have to object to that.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the discussion on S. 2869, a bill to revise the criminal law and procedure of the District of Columbia, there be an hour's limitation on the Mondale amendment, the time to be equally divided between the distinguished Senator from Minnesota (Mr. MONDALE) and the distinguished chairman of the committee, the Senator from Louisiana (Mr. LONG).

Mr. GORE. Mr. President, reserving the right to object, is that before or after the District of Columbia bill?

Mr. MANSFIELD. We will keep it together, in sequence.

Mr. JAVITS. Mr. President, would the Senator be prepared to follow this unanimous consent with my amendment, which goes to the same subject, so we will have no complication on a substitute?

Mr. MANSFIELD. I would hope to, but that is up to the Senate's decision. I would hope to follow it with the Javits amendment and then the Metcalf amendment, having to do with hobby farming.

Mr. JAVITS. I would accept a 1-hour's limitation, if the Senator could get consent now.

Mr. MANSFIELD. It has to be cleared.

Mr. JAVITS. Could it be understood that it would be considered after the Mondale amendment?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, incidentally, I should like to remind my colleagues that there will be a Saturday session, that there is work to be performed, that amendments will be voted on, and there are appropriation bills to pass.

Mr. President, I ask unanimous consent, if I may, and if it is within my province, that following the vote on the Mondale amendment, the amendment of the distinguished senior Senator from New York (Mr. JAVITS) be laid before the Senate. I refer to the amendment on foundations.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stand in adjournment until 9:30 a.m. tomorrow.

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

PROGRAM

Mr. MANSFIELD. At that time, Mr. President, there will be a colloquy by the Senator from Nebraska (Mr. HRUSKA), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Maryland (Mr. TYDINGS), covering S. 2869, and at the conclusion of that we will go back to the Mondale amendment, which will be laid down tonight as the pending business. There will be no morning hour tomorrow.

Mr. CANNON. Mr. President, I call up my amendment No. 265.

The PRESIDING OFFICER. The amendment will be stated.

Will the Senator send a copy of the amendment to the desk?

Mr. LONG. Mr. President, would the Senator be willing to agree to a limitation of debate on the amendment? How much time does he require?

Mr. CANNON. I would agree to a 20-minute limitation, 10 minutes to a side.

Mr. LONG. Mr. President, I ask unanimous consent that the time for debate on the amendment be limited to 20 minutes, 10 minutes to each side.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The clerk still needs a copy of the amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada has the floor. The clerk will now state the pending amendment.

The assistant legislative clerk read the amendment (No. 265), as follows:

On page 413, line 3 after the period, insert the following: "This section shall not apply to transportation equipment operated by persons subject to regulation by the Civil Aeronautics Board, Federal Maritime Commission, or the Interstate Commerce Commission."

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the Javits amendment occur at 11 o'clock tomorrow morning, provided, of course, there is an hour allowed in the meantime for the debate on the Mondale amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J. Res. 1017) making further continuing appropriations for the fiscal year 1970, and for other purposes, and it was signed by the President pro tempore.

TAX REFORM ACT OF 1969

The Senate continued with the consideration of the bill (H.R. 13270), the Tax Reform Act of 1969.

Mr. CANNON. Mr. President, repeal of the investment tax credit is proposed as a curb on inflation. I question whether it will have any such effect. The point that worries me is that removal of the tax credit may have an impact directly opposite the results intended.

I am concerned that repeal of the investment tax credit may very well contribute to inflation.

Inflationary trends of the past few years have been caused primarily by a soaring demand for goods and services. Newer, more productive capacity is the best means of meeting this demand and, thereby, easing inflationary pressures.

The 7-percent tax credit on investment in capital goods is one of the best tools we have for stimulating the replacement of less efficient productive capacity with the more efficient.

The need to expand and upgrade the country's productive capacity is a continuing one that has existed throughout our economic history. The investment tax credit is a longterm approach to meeting this need. It is not something that should be on today and off tomorrow.

If the Congress decides, nevertheless, upon repeal, I urge most strongly that the credit be continued for the Nation's

beleaguered transportation industry. The need to retain the investment credit for transportation is so compelling that I am offering an amendment to the tax reform bill to provide for continuation of the credit for regulated transportation.

Continuous improvement in transportation services is essential to our economic well-being. There is no question that, if the tax credit is repealed for transportation, some gain in productivity will be lost, contributing to inefficiency in our transportation system and in the economy at large. This is the only large nation in the world with a privately owned and run transportation system and we want to keep it that way. But transportation is in trouble.

Airways and airports are congested and require a minimum expenditure of $20 billion in the next 10 years. At the same time, the airlines are having the most severe financial problems in years amid growing demand for air services. They must spend billions of dollars in the next few years for air and ground equipment to accommodate millions of new passengers. Repeal of the 7-percent investment tax credit will virtually wipe out one of the few viable financing mechanisms available to that industry—the tax credit lease. What will happen if the airlines are unable to finance the acquisition of badly needed new, more productive equipment? Certainly fares will have to be increased to meet the cost of inflation. Passengers and shippers will not be accommodated, and the economy will suffer. The only question is how much it will suffer.

As for the railroads, all of us are aware of the constant shortage of boxcars that plagues this industry year after year. The American consumer and our economy are the losers, as well as the railroads.

I might point out, Mr. President, that we have been concerned for several years with the problem of boxcar shortages. Only today, the chairman of the Senate Commerce Committee has appointed a special subcommittee, or reactivated a subcommittee, on the boxcar shortage, to try to find some way of solving the problem, so that boxcars will become available. Certainly the railroads are not going to be able to continue to reinvest in boxcars if they are not given some type of incentive.

Our Nation's maritime industry is in perpetual crisis. Not enough U.S. ships are being built. Loss of the investment tax credit can only worsen this very serious situation.

The investment credit has been extremely helpful in enabling the Nation's motor carriers of freight to keep abreast of the ever increasing demands for their service by America's shippers.

New industries are increasingly becoming highway oriented and the tens of thousands of communities served only by trucks are increasing in number. Railroads no longer or rarely handle shipments under 6,000 pounds and this also has thrown an additional burden on the highway carriers.

All of this calls for increased capacity, more rolling stock and the modernization of truck fleets. The more than 15,000 regulated motor carriers are hard pressed to meet these demands in the face of increased cost of all kinds.

It is apparent that our transportation industries, upon which we all depend so heavily, are not in the best of financial health. Repeal of the investment tax credit for these industries could create economic problems for this Nation which would be difficult to overcome.

Therefore, Mr. President, I propose an amendment to the investment tax credit repeal provision which will provide the Government and the Nation with far greater benefits than will be lost through diminished tax revenues. It would exempt from repeal the transportation services of all companies regulated by the Interstate Commerce Commission, the Federal Maritime Commission, and the Civil Aeronautics Board.

I hope my colleagues agree that such an amendment is profoundly in the national interest, and that the amendment will be adopted.

Mr. LONG. Mr. President, in considering this matter of the investment tax credit on earlier occasions, we had many requests for exemptions. It was the feeling of the committee that as soon as we started making exceptions for groups and industries, step by step the whole effort to repeal the investment tax credit would unravel; that, having done it for one industry, another would ask for it, and another and another, and by the time we got through making exceptions, we would have no excuse not to exempt everybody. It was sort of like pulling first one thread and then another from a piece of fabric, until the whole thing falls apart.

The Senate had better decide whether it wants to repeal the investment tax credit or not. We had, at one time, agreed to a single exception because of the very critical need for railroad rolling stock; and subsequently the Treasury, realizing what could happen to this measure if there were exemptions, felt every effort should be made to accommodate the railroad industry otherwise. Therefore, it was agreed that the railroad industry would have a 5-year amortization provision, which is one of the most expensive provisions in this measure, so that they could amortize railroad rolling stock very rapidly; and they were accommodated to the greatest extent possible, so much so that they themselves asked that the provision for an exemption for the railroads be deleted.

So it was deleted, at their request. We have provided as liberally as we thought could be justified on any basis for contracts that have long lead times, and that is particularly advantageous to the aircraft industry. Insofar as we could accommodate various industries that had existing commitments, we sought to do so, and it seemed to me that we had just about satisfied them, insofar as there was any way to do it. To go beyond that point, I believe, would mean that we would have a series of exemptions, one behind the other, to the extent that we simply would not be able to repeal the investment tax credit.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. LONG. Yes. I believe the Senator from Delaware would like to say a few words about this matter.

Mr. WILLIAMS of Delaware. Yes. I agree completely with what the Senator from Louisiana has said; we have already rescinded close to one-third of the additional revenue gained by repeal of the investment tax credit, as a result of the vote on the Hartke amendment. I understand this amendment involves $720 million more. There is no question that there would be many others following it, and we might just as well say we are going to cancel all of it, and reinstate the investment tax credit.

Mr. LONG. Mr. President, this revenue is needed to offset the reductions voted by amendments to this bill. The President has said that if the bill becomes too badly overbalanced fiscally, he will veto the bill. We see amendment by amendment making the bill more and more of a burden on Government revenues, to the extent that if all this continues, and the House of Representatives agrees to accept a large part of it, that will undoubtedly mean that the bill is headed for a big Presidential veto. And I, for one, would probably vote to sustain such a veto, if the President felt he had to do it as a matter of fiscal responsibility, and I believe a number of other Senators would.

So, as much as I would like to accommodate these industries, it is my judgment that the budget simply cannot afford it.

I, for one, of course, feel that this has encouraged a lot of industries. And I am not placing the blame on the transportation industry. I think they need capital items very much and should be encouraged to order them. However, as this investment tax credit has encouraged a construction boom which has added fuel to a large extent to the inflationary fire during this period, it would be my hope that the Senate would reject the amendment both with respect to what it would do to the revenue impact of the bill and with respect to the precedent it would be set with respect to further amendments. I hope the Senate will reject the amendment.

Mr. President, it was not my understanding that the yeas and nays would be requested on the amendment. However, I have been informed since that time that they are desired.

I ask unanimous consent at this point that the vote on the pending amendment be held at a time tomorrow to be agreed upon between the manager of the bill and the sponsor of the amendment.

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

Mr. LONG. Mr. President, we plan to complete the debate this evening and vote on the amendment tomorrow.

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time.

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

Mr. LONG. I yield.

Mr. HANSEN. Mr. President, I understand that the driving of foundation pilings is the commencement of construction for purposes of the investment

credit plant facility rule. Is this also true if what might have been test pilings originally are later actually used as foundation pilings?

Mr. LONG. The Senator is correct when he states that the driving of foundation pilings is the commencement of construction for purposes of the plant facility rule. If, therefore, in connection with the construction of a plant facility, test pilings are driven and these test pilings are later actually used as foundation pilings, then the date on which the testing indicates the pilings will be used as foundation pilings is the construction commencement date. The test pilings in that case become foundation pilings at that time.

Mr. PELL. Mr. President, what percentage of the benefit would accrue to the passenger side of the railroad industry as opposed to the freight side?

Mr. LONG. It would be only a very small amount. I do not know the exact amount.

Mr. PELL. Would it be 5 percent or something in that order?

Mr. LONG. That would be my estimate.

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. LONG. Mr. President, I yield back the remainder of my time.

Mr. President, I ask unanimous consent that the amendment be temporarily laid aside under the previous agreement.

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

Mr. HOLLAND. Mr. President, will we be advised ahead of time as to the time of the vote on the amendment offered by the Senator from Nevada?

Mr. LONG. That is correct. It is my understanding that we will vote on the amendment after one of the rollcall votes tomorrow, so that everyone will have an opportunity to be present.

DOMESTIC BUILDING AND LOAN ASSOCIATIONS

Mr. FULBRIGHT. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to state the amendment.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD.

The amendment ordered to be printed in the RECORD reads as follows:

On page 312, line 19, substitute "(B)" for "(C)".

On page 313, line 13, substitute "(B)" for "(C)".

On page 314, line 2, substitute "(B)" for "(C)".

On page 317, strike lines 3 through 6 and substitute the following: "such associations; and".

On page 317, line 7, substitute "(B)" for "(C)".

On page 319, strike lines 16 and 17 and substitute the following: "the conduct of its business.".

On page 320, in lines 20 and 21, substitute "subparagraph (B)" for "subparagraphs (B) and (C)".

Mr. FULBRIGHT. Mr. President, my amendment does not in any way affect the revenue to the Treasury. It deals with the definition of a domestic building and loan association. It merely removes an obsolete provision which could be subject to misunderstanding.

The definition of a building and loan association outlines in specific detail the investments in which savings and loan associations are required to make investments if they are to qualify as a savings and loan association. My amendment would not change this. It simply removes obsolete language stating:

Substantially all of the business of which consists of acquiring the savings of the public and investing in loans.

This language was put in the original Internal Revenue Code before the investment standards were written into the law. Today, savings and loan associations are authorized to deal with the Federal National Mortgage Association, sell participation loans, sell debentures, accept public funds, accept commercial or business accounts, and borrow from the Home Loan Bank System and others. Technically, obtaining funds from such activities as those enumerated are not "acquiring the savings of the public."

I have discussed this amendment with the chairman of the Senate Finance Committee and the professional staff and they have agreed to accept it.

Mr. LONG. Mr. President, I have been apprised of the Senator's amendment. I see no objection to it. I have discussed the matter with the Senator from Delaware and with other Senators. I know of no objection to the amendment.

Mr. President, as far as I am concerned, I am willing to agree to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

TRANSPORTATION EXPENSES OF HANDICAPPED PERSONS

Mr. FANNIN. Mr. President, I send to the desk an amendment on behalf of myself, the Senator from Ohio (Mr. MILLER), the Senator from New York (Mr. JAVITS), the Senator from California (Mr. MURPHY), the Senator from Kansas (Mr. DOLE), the Senator from Florida (Mr. GURNEY), and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. FANNIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The amendment ordered to be printed in the RECORD, reads as follows:

At the end of the bill, add the following:

"SEC. ——. TRANSPORTATION EXPENSES OF HANDICAPPED INDIVIDUALS.

"(a) Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 218 as section 219 and by inserting after section 217 the following new section:

"'(a) General Rule.—In the case of a disabled individual, there shall be allowed as a deduction expenses paid during the taxable year for transportation to and from work (while he is a disabled individual) to the extent that such expenses do not exceed $600.

"'(b) Disabled Individual Defined.—For purposes of subsection (a), the term "disabled individual" means an individual who is disabled to such an extent that he is unable during a period of long-continued and indefinite duration to use, without undue hardship or danger, a streetcar, bus, subway, or train, or similar form of public transportation, as a means of traveling to and from work. A taxpayer claiming a deduction under this section shall submit such proof that he is a disabled individual as the Secretary of the Treasury or his delegate may by regulations prescribe. The regulations so prescribed shall provide that a certification from a State Vocational Rehabilitation Agency, including the District of Columbia, indicating that the taxpayer is a disabled individual within the meaning of this section shall be deemed conclusive proof that he is a disabled individual for purposes of this section.'

"(b) The table of sections for such part is amended by striking out 'Sec. 218. Cross references.' and by inserting in lieu thereof the following:

"'Sec. 218. Transportation of disabled individual to and from work.

"'Sec. 219. Cross references.'

"(c) Section 62 (relating to definition of adjusted gross income) is amended by inserting after paragraph (9) (added by section 531(b) of this Act) the following new paragraph:

"'(10) Transportation expenses of disabled individuals.—The deduction allowed by section 218.'

"(d) The amendments made by this section shall apply to expenses paid after December 31, 1969."

Mr. FANNIN. Mr. President, this amendment is a compromise version worked out among Senators MILLER, JAVITS, and myself and is a limited version of a broader proposal offered in finance committee. This amendment will provide justified relief to the working handicapped who incur substantial expense in getting to work because they are unable to use public transportation. The amendment provides a tax deduction for transportation expenses to and from work, up to $600 a year, for certain handicapped persons. The deduction is to be a deduction in determining adjusted gross income, not an itemized deduction, so that it will be available to taxpayers using the standard deduction.

A handicapped person, to be eligible for this deduction, may prove his disability by presenting a certificate from a State vocational rehabilitation agency. The certificate must indicate he has a disability that is expected to last for a continuous period of long and indefinite duration that prevents him from using public transportation without undue hardship or danger. He may also present other proof as prescribed in Treasury regulations.

Thus, under this amendment, a person who is handicapped, from whatever cause, to the extent that he cannot reasonably use public transportation will be permitted a tax deduction for the amounts he spends on cabs or other means of private transportation up to a total of $600 a year.

This amendment will provide a tax reduction of $90 million to about 1 million

handicapped persons who work, but this would be a very low cost for what would be involved.

Mr. MURPHY. Mr. President, as a cosponsor, I rise in support of this amendment and congratulate Senator FANNIN for his initiative in this important area.

As a member of the Labor and Public Welfare Committee, I have supported many measures designed to enable handicapped citizens move into productive employment.

This amendment gives a tax deduction for commuting expenses of certain disabled persons. It grants a tax deduction for transportation expenses up to $600 a year. To be eligible an individual must receive a certificate proving his disability from his State vocational rehabilitation agency. The certificate must indicate that the disability will last for a continuous period of long and indefinite duration which prevents the handicapped individual from using public transportation.

This amendment then grants relief to working handicapped taxpayers who are not able to use public transportation without undue hardship or danger. In these cases, handicapped individuals obviously have inordinately high transportation expenses. This amendment helps to recognize this fact and provides needed relief and is another important step in helping 1 million handicapped individuals remain independent and self-sufficient. I urge its adoption.

Mr. JAVITS. Mr. President, I am pleased to join the distinguished Senator from Arizona (Mr. FANNIN) a member of the Finance Committee, in the sponsorship of this amendment to provide a tax deduction for transportation expenses to and from work for the handicapped. As the Senator noted, the amendment before us is a compromise provision worked out by the committee. For me, it is the culmination of an effort begun when, as a Member of the House, I introduced a similar proposal in the 81st Congress in 1950.

Our handicapped citizens are capable of being productive workers, contributing to the Nation's economy instead of being dependent upon it. But their disabilities impose upon them additional expenses in pursuit of their livelihoods which are not fully tax deductible such as extra travel costs because they are unable to utilize routine methods of transportation.

I am heartened by the support for this amendment. Hundreds of thousands of Americans have endeavored valiantly to transform their physical handicaps from stumbling blocks to building blocks. They wish to use their crutches to move on, not to lean on. This amendment will help them do just that. It is as practical in economic terms as it is humanitarian. It is, in effect, a practical provision to benefit those who have no alternative but to be practical.

I am very hopeful not only that the amendment will be agreed to, but also, since it is critically important, that it actually survive the conference and become at long last part of our basic tax law.

Mr. WILLIAMS of Delaware. Mr. President, the Fannin amendment is offered as an aid to the disabled by providing a tax deduction to those who incur extraordinary expenses for transportation to and from work as a result of their inability to use public transportation. Now this is certainly a meritorious objective. However, the use of a tax deduction to accomplish this fails in large part to fulfill this objective. It fails because it does not provide any relief to nontaxable disabled persons who constitute a large proportion of the disabled group. Obviously, the extra transportation costs of low-income disabled persons will be a high proportion of the wages or salaries they earn or could earn. To provide a tax deduction for other disabled persons and not for those at the lowest income strata would be a serious injustice.

Even for those who would obtain the benefits of this tax deduction the value of the deduction would be only infinitesimal. For example, assuming a marginal tax rate of 15 percent, the $600 deduction would provide tax savings of only 35 cents per day on transportation costs of $2.40 per day. The $2.40 per day totals to $600 a year, the maximum deduction allowed under this amendment. As you can readily see, as a relief measure this tax deduction certainly does not fulfill its objective because it does not help those who need it most, and for those who take the deduction the amounts involved have little value.

A corollary objective of the tax deduction is to encourage the disabled who are now unemployed to seek employment. But here again the amounts described above certainly would not represent the deciding factor in the willingness or ability of the handicapped to seek or obtain employment.

I am informed that the operating Federal agencies in the area of aid to the handicapped have reviewed this proposal and question its desirability because the large majority of individuals who have most need would not receive assistance. It is my understanding that these agencies recognize this transportation cost problem and are actively developing appropriate and effective means of providing relief and employment incentives through the direct expenditure approach.

In view of these facts, I urge my colleagues to vote against this amendment.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Earlier today, I called up an amendment to the social security law and, having called it up for consideration, I then asked unanimous consent that it be temporarily laid aside. It was my impression that when an amendment is temporarily laid aside, it becomes the pending business after the consideration of any other measure that is then called up.

I ask the Chair if my understanding is correct.

The PRESIDING OFFICER. If it was temporarily laid aside for the purpose of offering another amendment, that is correct.

Mr. LONG. That was my understanding at the time.

Mr. President, I would like to make it clear for the RECORD that my purpose in offering the amendment at that time was that I thought we should not vote on amendments to the social security bill prior to the time the House had occasion to indicate to the Senate its judgment with regard to social security. I would hope that we would not be voting on social security amendments prior to that time. I have not objected to other Senators bringing up their amendments, but I ask whether it is necessary for a Senator to have unanimous consent to displace the amendment.

The PRESIDING OFFICER. The Journal indicates that it was not laid aside for the purpose of taking up another amendment.

Mr. LONG. I should like to ask, then, that the Journal be corrected to indicate that the amendment was laid aside in order that the succeeding amendments be offered, and that it has been laid aside for that purpose.

Mr. GORE. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Is there objection to the request that the Journal be so corrected?

Mr. GORE. I reserve the right to object.

Mr. GRIFFIN. I reserve the right to object.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. GORE. Mr. President, I had introduced at the same time an amendment to provide a 15-percent increase in social security benefits in each category for which benefits presently are paid. I do not know why I should give consent to the prejudice of my own amendment. I would do this: I would give consent to an amendment reported by the Finance Committee. Really, if I may respectfully make a suggestion to the distinguished chairman, if he would modify his request to preserve in some way the priority of an amendment with respect to social security benefits that has been recommended by the Committee on Finance, by majority approval, by a poll of the majority of the members or otherwise—I do not wish to supplant any action of my committee, but if it is left to each Member to offer his amendment, then I have one at the desk.

Mr. LONG. Mr. President, it is my impression that when I withdrew the amendment, it was for the purpose of considering the amendment of the Senator from Texas. That was my intention when I did it. If the Parliamentarian wishes to tell me that that is not what I did, then I will do it again on the appropriate occasion. It will not require unanimous consent.

Mr. FANNIN. Mr. President, I move the adoption of the amendment.

Mr. LONG. Mr. President, with regard to the Senator's amendment, I find considerable appeal to it. I am advised that it would cost approximately $90 million. Personally, I favor it. It was discussed in the committee, but it was not perfected in the committee at that time. I would have voted for it in the committee. Personally, I favor the amendment, but there is some revenue impact, and I think the Senate should know that.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FANNIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 367

Mr. LONG. Mr. President, I call up my social security amendment.

The PRESIDING OFFICER. The amendment wil be stated.

The LEGISLATIVE CLERK. Add at the end of the bill the following new title:

TITLE X—INCREASE IN SOCIAL SECURITY BENEFITS

That this title may be cited as the "Social Security Amendments of 1969".

INCREASE IN OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE BENEFITS

SEC. 2. (a) Section 215(a) of the Social Security Act is amended by striking out the table and inserting in lieu thereof the following:

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS

"I (Primary insurance benefit under 1939 act, as modified)		II (Primary insurance amount under 1967 act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
----------	$16.20	$55.40 or less	----------	$76	$64.00	$96.00
$16.21	16.84	56.50	$77	78	65.00	97.50
16.85	17.60	57.70	79	80	66.40	99.60
17.61	18.40	58.80	81	81	67.70	101.60
18.41	19.24	59.90	82	83	68.90	103.40
19.25	20.00	61.10	84	85	70.30	105.50
20.01	20.64	62.20	86	87	71.60	107.40
20.65	21.28	63.30	88	89	72.80	169.20
21.29	21.88	64.50	90	90	74.20	111.30
21.89	22.28	65.60	91	92	75.50	113.30
22.29	22.68	66.70	93	94	76.80	115.20
22.69	23.08	67.80	95	96	78.00	117.00
23.09	23.44	69.00	97	97	79.40	119.10
23.45	23.76	70.20	98	99	80.80	121.20
23.77	24.20	71.56	100	101	82.30	123.50
24.21	24.60	72.60	102	102	83.50	125.30
24.61	25.00	73.80	103	104	84.90	127.40
25.01	25.48	75.10	105	106	86.40	129.60
25.49	25.92	76.30	107	107	87.80	131.70
25.93	26.40	77.50	108	109	89.20	133.80
26.41	26.94	78.70	110	113	90.60	135.90
26.95	27.46	79.90	114	118	91.90	137.90
27.47	28.00	81.10	119	122	93.30	140.00
28.01	28.68	82.30	123	127	94.70	142.11
28.69	29.25	83.60	128	132	96.20	144.30
29.26	29.68	84.70	133	136	97.50	146.30
29.69	30.36	85.90	137	141	98.80	148.20
30.37	30.92	87.20	142	146	100.30	150.50
30.93	31.36	88.40	147	150	101.70	152.60
31.37	32.00	89.50	151	155	103.00	154.50
32.01	32.60	90.80	156	160	104.50	156.80
32.61	33.20	92.00	161	164	105.80	158.70
33.21	33.88	93.20	165	169	107.20	160.80
33.89	34.50	94.40	170	174	108.60	162.90
34.51	35.00	95.60	175	178	110.00	165.00
35.01	35.80	96.80	179	183	111.40	167.10
35.81	36.40	98.00	184	188	112.70	169.10
36.41	37.08	99.50	189	193	114.20	171.30
37.09	37.60	100.50	194	197	115.60	173.40
37.61	38.20	101.60	198	202	116.90	175.40
38.21	39.12	102.90	203	207	118.40	177.60
39.13	39.68	104.10	208	211	119.80	179.70
39.69	40.33	105.20	212	216	121.00	181.50
40.34	41.12	106.50	217	221	122.50	183.80
41.13	41.76	107.70	222	225	123.90	185.90
41.77	42.44	108.90	226	230	125.30	188.00
42.45	43.20	110.10	231	235	126.70	190.10
43.21	43.76	111.40	236	239	128.20	192.30
43.77	44.44	112.60	240	244	129.50	195.20
44.45	44.88	133.70	245	249	130.80	199.20
44.89	45.60	115.00	250	253	132.30	202.40
		116.20	254	258	133.70	206.40
		117.30	259	263	134.90	210.40
		118.60	264	267	136.40	213.60
		119.80	268	272	137.80	217.60
		121.00	273	277	139.20	221.60
		122.20	278	281	140.60	224.80
		123.40	282	286	142.00	228.80
		124.70	287	291	143.50	232.80
		125.80	292	295	144.70	236.00
		127.10	296	300	146.20	240.00
		128.30	301	305	147.60	244.00
		129.40	306	309	148.90	247.20
		130.70	310	314	150.40	251.20
		131.90	315	319	151.70	255.20
		133.00	320	323	153.00	258.40
		134.30	324	328	154.50	262.40
		135.50	329	333	155.90	266.40
		136.80	334	337	157.40	269.60
		137.90	338	342	158.60	273.60
		139.10	343	347	160.00	277.60
		$140.40	$348	$351	$161.50	$280.80
		141.50	352	356	162.80	284.80
		142.80	357	361	164.30	288.80
		144.00	362	365	165.60	292.00
		145.10	366	370	166.90	296.00
		146.40	371	375	168.40	300.00
		147.60	376	379	169.80	303.20
		148.90	380	384	171.30	307.20
		150.60	385	389	172.50	311.20
		151.20	390	393	173.90	314.40
		152.50	394	398	175.40	318.40
		153.60	399	403	176.70	322.40
		154.90	404	407	178.20	325.60
		156.00	408	412	179.40	329.60
		157.10	413	417	180.70	333.60
		158.20	418	421	182.00	336.80
		159.40	422	426	183.40	340.80
		160.50	427	431	184.60	344.80
		161.60	432	436	185.90	348.80
		162.80	437	440	187.30	350.40
		163.90	441	445	188.50	352.40
		165.00	446	450	189.80	354.40
		166.20	451	454	191.20	356.00
		167.30	455	459	192.40	358.00
		168.40	460	464	193.70	360.00
		169.50	465	468	195.00	361.60
		170.70	469	473	196.40	363.60
		171.80	474	478	197.60	365.60
		172.90	479	482	198.90	367.20
		174.10	483	487	200.30	369.20
		175.20	488	492	201.50	371.20
		176.30	493	496	202.80	372.80
		177.50	497	501	204.20	374.80
		178.60	502	506	205.40	376.80
		179.70	507	510	206.70	378.40
		180.80	511	515	208.00	380.40
		182.00	516	520	209.30	382.40
		183.10	521	524	210.60	384.00
		184.20	525	529	211.90	386.00
		185.40	530	534	213.30	388.00
		186.50	535	538	214.50	389.60
		187.60	539	543	215.80	391.60
		188.80	544	548	217.20	393.60
		189.90	549	553	218.40	395.60
		191.00	554	556	219.70	396.80
		192.00	557	560	220.80	398.40
		193.00	561	563	222.00	399.60
		194.00	564	567	223.10	401.20
		195.00	568	570	224.30	402.40
		196.00	571	574	225.40	404.00
		197.00	575	577	226.60	405.20
		198.00	578	581	227.70	406.80
		199.00	582	584	228.90	408.00
		200.00	585	588	230.00	409.60
		201.00	589	591	231.20	410.80
		202.00	592	595	232.30	412.40
		203.00	596	598	233.50	413.60
		204.00	599	602	234.60	415.20
		205.00	603	605	235.80	416.40
		206.00	606	609	236.90	418.00
		207.00	610	612	238.10	419.20
		208.00	613	616	239.20	420.80
		209.00	617	620	240.40	422.40
		210.00	621	623	241.50	423.60
		211.00	624	627	242.70	425.20
		212.00	628	630	243.80	426.40
		213.00	631	634	245.00	428.00
		214.00	635	637	246.10	429.20
		215.00	638	641	247.30	430.80
		216.00	642	644	248.40	432.00
		217.00	645	648	249.60	433.60
		218.00	649	650	250.70	434.40".

(b) Section 203(a) of such Act is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) when two or more persons were entitled (without the application of section 202(j)(1) and section 223(b)) to monthly benefits under section 202 or 223 for January 1970 on the basis of the wages and self-employment income of such insured individual and at least one such person was so entitled for December 1969 on the basis of such wages and self-employment income, such total of benefits for January 1970 or any subsequent month shall not be reduced to less than the larger of—

"(A) the amount determined under this subsection without regard to this paragraph, or

"(B) an amount equal to the sum of the amounts derived by multiplying the benefit amount determined under this title (including this subsection, but without the application of section 222(b), section 202(q), and subsections (b), (c), and (d) of this section), as in effect prior to January 1970, for each such person for such month, by 115 percent and raising each such increased amount, if it is not a multiple of $0.10, to the next higher multiple of $0.10;

but in any such case (i) paragraph (1) of this subsection shall not be applied to such total of benefits after the application of subparagraph (B), and (ii) if section 202(k)(2)(A) as applicable in the case of any such benefits for January 1970, and ceases to apply after such month, the provisions of subparagraph (B) shall be applied, for and after the month in which section 202(k)(2)(A) ceases to apply, as though paragraph (1) had not been applicable to such total of benefits for January 1970, or".

(c) Section 215(b)(4) of such Act is amended by striking out "January 1968" each time it appears and inserting in lieu thereof "December 1969".

(d) Section 215(e) of such Act is amended to read as follows:

"Primary Insurance Amount Under 1967 Act

"(c)(1) For the purposes of column II of the table appearing in subsection (a) of this section, an individual's primary insurance amount shall be computed on the basis of the law in effect prior to the enactment of the Social Security Amendments of 1969.

"(2) The provisions of this subsection shall be applicable only in the case of an individual who became entitled to benefits under section 202(a) or section 223 before January 1970, or who died before such month."

(e) The amendments made by this section shall apply with respect to monthly benefits under title II of the Social Security Act for months after December 1969 and with respect to lump-sum death payments under such title in the case of deaths occurring after December 1969.

(f) If an individual was entitled to a disability insurance benefit under section 223 of the Social Security Act for December 1969 and became entitled to old-age insurance benefits under section 202(a) of such Act for January 1970, or he died in such month, then, for purposes of section 215(a)(4) of the Social Security Act (if applicable), the amount in column IV of the table appearing in such section 215(a) for such individual shall be the amount in such column on the line on which in column II appears his primary insurance amount (as determined under section 215(c) of such Act) instead of the amount in column IV equal to the primary insurance amount on which his ability insurance benefit is based.

INCREASE IN BENEFITS FOR CERTAIN INDIVIDUALS AGE 27 AND OVER

SEC. 3. (a)(1) Section 227(a) of the Social Security Act is amended by striking out "$40" and inserting in lieu thereof "$46," and by striking out "$20" and inserting in lieu thereof "$23".

(2) Section 227(b) of such Act is amended by striking out in the second sentence "$40" and inserting in lieu thereof "$46".

(b)(1) Section 228(b)(1) of such Act is amended by striking out "$40" and inserting in lieu thereof "$46".

(2) Section 228(b)(2) of such Act is amended by striking out "$40" and inserting in lieu thereof "$46", and by striking out "$20" and inserting in lieu thereof "$23".

(3) Section 228(c)(2) of such Act is amended by striking out "$20" and inserting in lieu thereof "$23".

(4) Section 228(c)(3)(A) of such Act is amended by striking out "$40" and inserting in lieu thereof "$46".

(5) Section 228(c)(3)(B) of such Act is amended by striking out "$20" and inserting in lieu thereof "$23".

(c) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under title II of the Social Security Act for months after December 1969.

MAXIMUM AMOUNT OF A WIFE'S OR HUSBAND'S INSURANCE BENEFITS

SEC. 4. (a) Section 202(b)(2) of the Social Security Act is amended to read as follows:

"(2) Except as provided in subsection (q), such wife's insurance benefit for each month shall be equal to one-half of the primary insurance amount of her husband (or, in the case of a divorced wife, her former husband) for such month."

(b) Section 202(c)(3) of such Act is amended to read as follows:

"(3) Except as provided in subsection (q), such husband's insurance benefit for each month shall be equal to one-half of the primary insurance amount of his wife for such month."

(c) Sections 202(c)(4) and 202(f)(5) of such Act are each amended by striking out "whichever of the following is the smaller: (A) one-half of the primary insurance amount of the deceased individual on whose wages and self-employment income such benefit is based, or (B) $105" and inserting in lieu thereof one-half of the primary insurance amount of the deceased individual on whose wages and self-employment income such benefit is based".

(d) The amendments made by subsections (a), (b), and (c) shall apply with respect to monthly benefits under title II of the Social Security Act for months after December 1969.

ALLOCATION TO DISABILITY INSURANCE TRUST FUND

SEC. 5. (a) Section 201(b)(1) of the Social Security Act is amended by—

(1) striking out "and" at the end of clause (B);

(2) striking out "1967, and so reported," and inserting in lieu thereof the following: "1967, and before January 1, 1970, and so reported, and (D) 1.10 per centum of the wages (as so defined) paid after December 31, 1969, and so reported,".

(b) Section 201(b)(2) of such Act is amended by—

(1) striking out "and" at the end of clause (B);

(2) striking out "1967," and inserting in lieu thereof the following: "1967, and before January 1, 1970, and (D) 0.825 of 1 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1969,".

Mr. LONG. Mr. President, I ask unanimous consent that my amendment be temporarily laid aside in order that the Senator from Michigan may offer his amendment.

Mr. GORE. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. CURTIS. Mr. President, I should like to offer an amendment.

The PRESIDING OFFICER. It would require unanimous consent at this point, unless it is an amendment to the pending amendment. Is there objection?

Mr. GORE. Mr. President, I wish to speak on the social security amendment.

Mr. MANSFIELD. Mr. President, I hope this matter will not get out of hand. I understand the position in which the distinguished chairman of the commitee finds himself, and I sympathize with him thoroughly; but a commitment has been made to the Senate as a whole that the Mondale amendment would be called up as the stated order of business tonight, and if we get involved in the social security amendment now, all the agreements made to the Members and the good faith of the leadership will be in question. I would hope that this matter would be kept under control and that the Senate would do what it could to maintain its record for integrity, and that if this matter is to come up, it come up after the consideration of the Mondale, the Javits, and the Metcalf amendments, and the disposal of the Cannon amendment, on which all time has been used.

So I appeal to my colleagues to let us operate under the procedure agreed to; and once that part is out of the way, then whatever the Senate does is another ballgame.

AMENDMENT NO. 323

Mr. CURTIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. CURTIS. I call up amendment No. 323 and ask that it be immediately considered.

Mr. MANSFIELD. Mr. President, reserving the right to object, could the amendment be read?

The PRESIDING OFFICER. It requires unanimous consent.

Mr. MANSFIELD. I would still like to have it read. I ask unanimous consent that it be read.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the amendment.

The legislative clerk proceeded to read the amendment, as follows:

On page 199, commencing with line 19, strike out all through line 6 on page 200 (relating to recapture of certain deductions on sale of farmland at a gain) and insert in lieu thereof the following:

"(1) ORDINARY INCOME.—Except as otherwise provided in this section, if farmland which the taxpayer has held for less than 10 years is disposed of during a taxable year beginning after December 31——"

Mr. MANSFIELD. Mr. President, I have heard enough.

Mr. President, will the Senator from Nebraska withhold the amendment, so that the leadership can keep its word as to what will be brought up tonight and tomorrow?

Mr. CURTIS. Certainly.

Mr. MANSFIELD. Will the distinguished manager of the bill allow me to ask unanimous consent that the pending

amendment be laid aside temporarily or otherwise and that I may ask that the Mondale amendment, under an agreement of the Senate, be laid before the Senate for consideration tonight and tomorrow?

Mr. CURTIS. Mr. President, will the Senator yield for an observation?

Mr. LONG. Mr. President, I am willing that it be laid aside for the purpose of offering another amendment. That does not bother me at all. That is what I did, to begin with. I want the RECORD to show that is the reason why I asked that it be laid aside.

Mr. CURTIS. Mr. President, if the Senator will yield, I would like to make an observation.

Mr. MANSFIELD. I yield.

Mr. CURTIS. Mr. President, in connection with the amendment I have offered, I was of the opinion it could be disposed of within the purview of the agreement. I did not anticipate asking for a rollcall vote. It is very much in the nature of a corrective amendment.

Mr. MANSFIELD. That would be perfectly all right. That is what the amendment of the Senator from Michigan, the acting Republican leader, would do. I understand there is no difficulty connected with it. But I want to get the Mondale amendment laid before the Senate and keep my agreement.

Mr. GORE. Mr. President, reserving the right to object, I have no desire whatever to interfere with the majority leader keeping his word or with the Senate proceeding. If the Long amendment should be the pending business before the Senate after the Mondale amendment it is entirely agreeable with me.

My point is I do not entirely agree that the House of Representatives has any priority over social security; the Senate has equal authority, equal jurisdiction on any revenue measure and with respect to any part of a revenue measure, if that revenue measure itself has originated in the House. For entirely too long the assumption has been that because the revenue measure may originate in the House that somehow the Senate did not have an equal right to amend, alter, or add to any measure, the piece of paper of which originated in the House.

Unless we add the social security increase to this bill it is not likely to become effective until March, and there is a cold winter ahead. People simply cannot adequately live upon the small amounts they now receive.

I have no desire whatever to run ahead of the distinguished chairman of the committee. In fact, it seems to me the committee should have preference. If it is agreed that after the Mondale amendment is voted upon the Long amendment is still the pending business I would have no disagreement.

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

Mr. MANSFIELD. Mr. President, would it be possible, instead of confining that suggestion to just the Mondale amendment that it also be considered in relation to the Griffin amendment, the Javits amendment, and the Metcalf amendment, because commitments have been made; and then it could become the pending business.

Mr. GORE. Mr. President, that would meet my objection. I want to see social security increased in this bill.

Mr. MANSFIELD. And by at least 15 percent.

Mr. GORE. Without waiting for the other side to act.

Mr. JAVITS. That is satisfactory.

Mr. MANSFIELD. Mr. President, I ask unanimous consent with respect to the amendments to be offered by the distinguished Senator from Nebraska (Mr. CURTIS), the amendment to be offered by the acting Republican leader, the distinguished Senator from Michigan (Mr. GRIFFIN), the amendment to be offered by the distinguished Senator from Minnesota (Mr. MONDALE), the amendment to be offered by the distinguished senior Senate from New York (Mr. JAVITS), the amendment to be offered by the distinguished junior Senator from Montana (Mr. METCALF), and the amendment to be offered by the distinguished senior Senator from Arizona (Mr. FANNIN), that during the period of their consideration, the pending amendment, having to do with social security sponsored by the distinguished Senator from Louisiana (Mr. LONG), be laid aside and once again become the pending business thereafter.

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

Mr. CURTIS. Mr. President, I ask for the immediate consideration of amendment No. 323.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. CURTIS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 199, commencing with line 19, strike out all through line 6 on page 200 (relating to recapture of certain deductions on sale of farmland at a gain) and insert in lieu thereof the following:

"(1) ORDINARY INCOME.—Except as otherwise provided in this section, if farmland which the taxpayer has held for less than 10 years is disposed of during a taxable year beginning after December 31, 1969, the lower of—

"(A) the applicable percentage of the aggregate of the deductions allowed to the taxpayer under sections 175 (relating to soil and water conservation expenditures) and 182 (relating to expenditures by farmers for clearing land) for expenditures made by the taxpayer after December 31, 1969, or"

On page 201, strike out all before line 3 and insert the following:

"(3) APPLICABLE PERCENTAGE.—For purposes of this section,

	"The applicable percentage is—
"If the farmland is disposed of—	
Within 5 years after the date it was acquired	100 percent.
Within the sixth year after it was acquired	80 percent.
Within the seventh year after it was acquired	60 percent.
Within the eighth year after it was acquired	40 percent.
Within the ninth year after it was acquired	20 percent.
Ten years or more after it was acquired	0 percent.

Mr. CURTIS. Mr. President, if I may have the attention of Senators, I think we can dispose of this matter very quickly.

This is somewhat in the nature of a correcting amendment. It is an amendment that was agreed upon by the Committee on Finance. The amendment was offered in committee by the Senator from Nebraska. The purpose of the amendment was to plug a loophole and to bring in more revenue.

The version I have offered now, I believe, more nearly corresponds to the action taken than the language that was drafted and placed in the bill. I say that with no criticism at all. There was a massive bill, and we had to move very fast.

Mr. President, here is the problem. Many years ago Congress provided that when a farmer, a landowner, spent his own money on soil conservation practices, that that was a business expense and therefore deductible. That was a sound policy; it worked well. It meant lesser appropriations. It avoided the necessity of appropriating money for that purpose. What happened? Certain wealthy people would buy rundown land, spend money on it as a chargeoff against other income, and sell it for a capital gain. It was to close that loophole we provided that if the landowner held the land less than 10 years he would not get the benefit of these provisions.

When the bill was drafted it was drawn to provide 10 years beginning from the last expenditure on soil conservation. It was my intention in offering the measure in committee to provide for 10 years of ownership, from the time the landowner acquired it. My amendment would make that correction.

Mr. GORE. Make what correction? I did not quite understand the correction.

Mr. CURTIS. If the landowner owned the land for 10 years he would get the benefit of the present law in regard to a writeoff for soil conservation purposes. The present law is without any length of time and because of that a practice sprung up where it became a loophole. We passed on this in the Committee on Finance, and the 10 years commenced to run from the last expenditure—it was my intention it run from the acquisition of the land. That is the purpose of the amendment.

Mr. LONG. Mr. President, the language in the bill is somewhat different from the amendment of the Senator from Nebraska, but it was the Senator from Nebraska who was most interested in this matter. It was the thought of most of us we were following his suggestion when we agreed to that language which now appears in the bill.

In view of the fact that I and others were of the impression that we were following the suggestion of the Senator from Nebraska in this matter, if this is what he had in mind, I personally would be willing to agree to it feeling that it was the thought we agreed to at that time.

Mr. GORE. Mr. President, I concur with the chairman. The distinguished Senator from Nebraska referred to the amendment. He had the worthy purpose of lessening favoritism and as he proposed the amendment, as I understood it then, it would direct recapture unless

the property was held for 10 years. As I understand the explanation as actually drafted, the 10 years would have to run from the time of the improvements rather than from the time of acquisition of the property.

Mr. CURTIS. That is right, to get the complete benefits.

Mr. GORE. Therefore, the Senator says, it is his intention to have the 10 years run from the time of acquisition of the property. I think we should agree to his modification.

Mr. CURTIS. I thank the Senator from Tennessee and the distinguished chairman of the Finance Committee very much and ask for a vote at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment was agreed to.

Mr. CURTIS. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. WILLIAMS of Delaware and Mr. LONG moved to lay the motion on the table.

The motion to lay on the table was agreed to.

FOSTER CHILDREN

Mr. GRIFFIN. 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 proceeded to read the amendment.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment offered by Mr. GRIFFIN is as follows:

At the proper place, insert the following new section:

"SEC. –. TO INCLUDE CERTAIN FOSTER CHILDREN WITHIN THE DEFINITION OF DEPENDENTS FOR PURPOSES OF THE DEPENDENCY EXEMPTION.

"(a) IN GENERAL.—Section 152(b)(2) (relating to rules relating to definition of dependent) is amended by inserting immediately before 'shall be treated' the following: ', or a foster child of an individual (if such child satisfies the requirements of subsection (a)(9) with respect to such individual),'.

"(b) EFFECTIVE DATE.—The amendment made by subsection (a) of this section shall apply to taxable years beginning after the date of the enactment of this Act."

Mr. GRIFFIN. Mr. President, this is an amendment very similar to amendment No. 322 which has been printed. The changes were made by the committee staff to avoid any possibility of ambiguity which it detected.

The Tax Reform Act of 1969 now before the Senate contains a number of measures designed to bring greater equity to our tax system.

Obviously, however, the act does not close all tax loopholes or cure all tax inequities.

One basic tax inequity which goes unnoticed in both the House-passed and Senate Finance Committee bill is the fact that our tax laws do not permit foster parents to claim an exemption for a foster child on the same basis afforded a natural or adopted child.

Under present law, a taxpayer may claim a personal exemption if he furnishes more than one-half of the support of a natural or adopted child who is a full-time student—regardless of the amount of income earned by the child.

However, if a taxpayer's child is a foster child, he may not claim a personal exemption.

As Assistant Secretary of the Treasury Edward Cohen recently observed:

Ordinarily foster parents obtain a dependency exemption for foster children by reason of section 152(a)(9). That section provides that the term "dependent" includes an individual who, for the taxable year of the taxpayer, has as his principal place of abode the home of the taxpayer. Since the Committee reports indicate that section 152(a)(9) was inserted into the Code for the specific purpose of affording to foster parents a dependency deduction to which they were not otherwise entitled, it cannot be argued that Congress intended to include foster children within the definition of "child" contained in section 152(a)(1) and (2). The net result of this omission is to prevent foster parents from claiming a dependency exemption under section 151(e)(1)(B) even though they are providing their foster child with the same support which they provide to their natural children.

Mr. President, I believe Congress should correct this omission. Good foster parents willing and able to support foster children are in very short supply and certainly should not be penalized.

Unfortunately, many foster children are not legally available for adoption despite the great desire to adopt them on the part of their foster parents. Surely such technical disabilities should not cause different tax treatment of foster children who for all other purposes are treated alike by the family.

A recent tax case illustrated and underscores this present unwise and discriminatory policy. In *Reed* v. *Commissioner of Internal Revenue*, 50 T.C. 630 (1968), the U.S. Tax Court allowed an exemption for the Reed's natural son, but not for their foster sons. Each son had earned $800 and was attending college. But although the Reeds had been supporting the foster sons equally along with their natural son, the court disallowed the exemption for the foster sons under section 151(e)(1)(B).

Mr. President, the facts of the Reed case demonstrate the unsoundness of the current tax law with respect to foster children. The number of such cases is not large, and the added cost to the Government is certainly insignificant in contrast to the benefits rendered to children who need good homes and educations so that they may become productive members of society—and contribute even more to the country's future productivity.

On May 8 of this year, I introduced legislation to correct this basic inequity, S. 2112. This legislation simply includes within the definition of child, for purposes of the dependency exemption, a child placed by an authorized placement agency for foster care.

I have offered an amendment which is very similar to my earlier bill and ask that it be considered.

Mr. President, I believe the need for this legislation is clear. I am hopeful that the Senate will see fit to act now in correcting this minor but basic inequity.

Mr. President, I ask unanimous consent to have printed in the RECORD two letters concerning this proposal.

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

CHILD WELFARE LEAGUE OF AMERICA, INC.,
New York, N.Y., February 7, 1969.

Hon. ROBERT GRIFFIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRIFFIN: Mr. Edward Reed, foster father of two boys placed in his home by an accredited member agency of the Child Welfare League of America, has brought his recent tax case to our attention. We are deeply concerned about the unsound public policy which underlies the decisions made in this case, and the interpretation of the tax statute which denies certain tax exemptions for foster children in circumstances similar to Mr. Reed's. We believe an amendment to the tax law is essential to prevent further discrimination against foster children and foster parents in similar circumstances. The League has had a long time interest in the field of adoption and foster care, and we write to you in the hope that you may be helpful in effecting changes in the present tax law, as interpreted by the IRS and the U.S. Tax Court.

Mr. and Mrs. Reed had one natural son and two foster sons. All three were over 18, and attending college. Each one had earned $800. The Tax Court allowed an exemption for the Reeds' natural son, but not for the foster sons, although the Reeds had been supporting the foster sons, as well as their natural son, for many years.

As you know, parents of a full-time student can claim an exemption for him even though he is over 18 and earns $600 or more, provided that the parents furnish more than over half of his support. However, the Tax Court held that the waiver of the $600 income limit applies only for a natural child, stepchild, adopted child or foster child placed for adoption. It does not apply to a foster child who has not been adopted or placed for adoption.

This is an unwise and discriminatory policy which may discourage foster parents from encouraging and helping foster children to achieve a college education. It is a totally irrational discrimination against foster children and foster parents.

Unfortunately many foster children are not legally available for adoption despite the greatest desire to adopt them on the part of the foster parents. This was, in fact, the case with the Reeds. Surely such technical disabilities should not cause differential tax treatment of foster children, who for all other purposes are treated alike by the family. Nor should such technical disabilities further discriminate against a foster child's opportunity to win a college education.

Good foster parents, willing and able to help support foster children (who are unlucky enough to lack good homes with their own parents) are in very short supply. Surely such generous citizens should be encouraged in every way possible, so that more children in need of good foster homes will find them, and more foster children will be able to achieve as much education as their potential will permit.

The facts in the Reed case demonstrate the invalidity and unsoundness of the current tax law with respect to foster children. As a matter of sound policy we hope that Congress will see fit to amend the pertinent sections of the tax law as soon as possible. The number of such cases is not large, and the added cost to the government is likely to be insignificant in contrast to the services rendered to children who need good homes

and education so that they may become productive members of society—and contribute even more to the country's future productivity and income.

We hope you will be in touch with us if we can be of assistance on this matter. We will appreciate whatever influence you can bring to bear in making legislative changes necessary to promote the welfare of children.

Sincerely yours,

JOSEPH H. REID,
Executive Director.

TREASURY DEPARTMENT,
Washington, D.C., April 4, 1969.

Hon. ROBERT P. GRIFFIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRIFFIN: This is in further reply to your request for the Treasury Department's comments concerning the letter from Mr. Joseph H. Reid, Child Welfare League of America, New York City. Mr. Reid is concerned about the denial of the dependency exemption to foster parents in cases where they are providing support to a child who is aged 19 or more and has income in excess of $600 but is a student. He cites the *Reed* case where parents of one natural son and two foster sons were denied dependency exemptions for the foster sons, but allowed one for the natural son even though all three were over 18, attending college and each had earned $800.

Section 151(e) of the Internal Revenue Code allows an exemption of $600 for each dependent, as defined in section 152, whose gross income is less than $600 per year. An exception to the $600 rule is provided for in section 151(e)(1)(B) for a "child" of the taxpayer who has not attained the age of 19, or, if he has, is a student, regardless of the amount of income earned by him. A "child" is defined as "an individual who (within the meaning of section 152) is a son, stepson, daughter, or stepdaughter of the taxpayer."

Ordinarily foster parents obtain a dependency exemption for foster children by reason of section 152(a)(9). That section provides that the term "dependent" includes an individual who, for the taxable year of the taxpayer, has as his principal place of abode the home of the taxpayer. Since the Committee reports indicate that section 152(a)(9) was inserted into the Code for the specific purpose of affording to foster parents a dependency deduction to which they were not otherwise entitled, it cannot be argued that Congress intended to include foster children within the definition of "child" contained in section 152(a) (1) and (2). The net result of this omission is to prevent foster parents from claiming a dependency exemption under section 151(e)(1)(B) even though they are providing their foster child with the same support which they provide to their natural children.

In light of the clear Congressional intent as reflected in the Committee reports relating to sections 151 and 152, any change in the tax treatment accorded to parents of foster children would require enactment of new legislation. This administration is undertaking a review of proposals to make our tax system more equitable. We will give the problem raised by Mr. Reid careful consideration in connection with this study.

We appreciate having this problem brought to our attention. I hope these comments provide adequate information for your consideration of the question raised by Mr. Reid. His communication to you is returned herewith.

Sincerely yours,

EDWIN S. COHEN,
Assistant Secretary.

Mr. LONG. Mr. President, I have no objection to the amendment. I have favored its provisions in years gone by and I am still in favor of them now. It will be all right with me to take this amendment to conference and see if we can persuade the House to agree to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment was agreed to.

AMENDMENT NO. 331

Mr. MONDALE. Mr. President, I call up amendment No. 331 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk proceeded to read the amendment.

Mr. MONDALE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The text of the amendment is as follows:

Strike lines 18 through 25 on page 8, line 1 through 3 on page 9, and lines 3 through 5 on page 17.

In line 4, page 9, strike the number "(3)" and substitute the number "(2)".

In lines 10 through 13, page 9, strike the phrase beginning ", and for purposes . . ." and ending ". . . nearest to completion".

In line 6, page 17, strike the letter "(B)" and substitute the letter "(A)".

In line 11, page 17, strike the letter "(C)" and substitute the letter "(B)".

In line 22, page 21, strike the number "(3)" and substitute the number "(2)".

In line 4, page 70, strike the phrase "(without regard to section 507(b)(2)".

Mr. MONDALE. Mr. President, I wish to speak in support of the work of private foundations on behalf of this amendment which was originally offered by me and Senators CURTIS, HOLLINGS, PERCY, and now has several additional cosponsors—Senators BAYH, BROOKE, CASE, COTTON, GOODELL, HARRIS, HATFIELD, HUGHES, INOUYE, JACKSON, JAVITS, MCCARTHY, MCGOVERN, MCINTYRE, MOSS, NELSON, PROXMIRE, RANDOLPH, SPARKMAN, and TYDINGS.

Mr. President, in addition to that, I inadvertently omitted the name of the Presiding Officer now in the chair, the distinguished Senator from California (Mr. CRANSTON).

The amendment would eliminate that provision of H.R. 13270 which would lift the privilege of tax exemption from privately endowed, nonoperating philanthropic foundations at the end of 40 years.

Section 507(b)(2) was added to the bill passed by the House by the Finance Committee after the defeat of two proposals providing for a shorter life span for foundations. It was neither debated nor considered in the House. It has not as yet had the benefit of extensive comment or criticism by the public or by the Senate.

To single out a particular class of institutions and levy against it an effective sentence of death when it reaches age 40 is not a minor action. In my view the proposal merits the utmost scrutiny precisely because it is selective and inevitably discriminatory. At the same time, it breaches the honored and historic principle of tax exemption for charitable work.

As I understand it, those who urge the Congress to limit the life of foundations have rested their case on four interrelated arguments.

First, existing tax law, by conveying the privilege of tax exemption to private charitable trusts without term, inflicts positive harm on present and future generations. It does so because it sustains the charitable interests, objectives, and priorities of earlier eras, whether or not they are currently relevant or productive. There is, in brief, cause for alarm and opposition to "dead hand" rule.

Second, since these historic private trusts exist only at the sufferance of society for the exclusive purpose of carrying out public objectives, their resources should, in due course, be publicly taxed or disposed of pursuant to legislative mandate, which is inherently more accountable and responsive to the will of the general public. Abuses of the public trust by some foundations demonstrate the need for eventual control by the public, itself.

Third, since tax benefits are granted for contributions to foundations on the condition that they will be used for specified purposes, the funds themselves should actually be so used, rather than merely the income earned on them.

Fourth, the tax laws have fostered the creation of large, permanent concentrations of power which wield increasing influence on the economic and political life of the Nation.

These charges are serious and merit careful and critical examination at greater length in the interest of broader knowledge and understanding, before this matter is decided. I will devote the remainder of my remarks to that necessary task.

I. IS THE "DEAD HAND" OF THE PAST GUIDING THE CONTEMPORARY OPERATIONS OF FOUNDATIONS?

My esteemed friend and colleague, the senior Senator from Tennessee (Mr. GORE) eloquently stated his personal concern and the dangers of "dead hand" rule in his floor speech of October 9, as follows:

> The private foundation . . . freezes the notion of the donor as to charitable interests into society forever. If the charter is specific, however obtuse, the trustees of the foundation are bound by it. More importantly, since the income of the foundation is tax-exempt, the entire Nation is bound to follow and to contribute to the wishes of its donor. Thus a dead donor's wishes will be carried out at the expense of each succeeding generation, even though a new order of public priorities and changed conditions would have rendered the specific charitable purpose obsolete.
>
> Should the dead control the living for all time to come through the selection of charitable purposes that may, or even may not, have served the public weal at the time the foundation is created?

Clearly, this question is most appropriate. But is the suggestion that the dead control the living a proven claim? Answers to at least two additional questions are needed to inform our judgment about its validity.

First. Does American law reinforce both the spirit and the very letter of the intent of original donors if its current vitality is challenged?

Second. How relevant and contempo-

rary are the actions of the older foundations?

FOUNDATION CHARTERS AND THE LAW

Despite the anxiety of the foundations' critics, the weight of available evidence suggests, overwhelmingly in my view, that the vast majority of foundations—just like universities, hospitals, and other perpetual, nonprofit institutions—are run by vital, modern, responsive, living, continuously changing trustees, who reflect the guiding interests of the founding donors only to the extent that they were truly visionary or wise enough to foster evolution in the foundations' activities and purposes.

Of the 6,800 foundations which controlled 98.5 percent of total foundation assets in 1967, 5,300, with 91 percent of the assets, were operating under broad general charters. In the larger foundations especially, the charitable purposes outlined in the charter or deed of gift are so broad as to give the trustees in succeeding years almost complete discretion over how the funds should be employed in the public interest. And virtually all charters for new foundations are drawn to conform, word for word, with the broad charitable purposes qualifying a corporation for tax-exemption status which are contained in the Internal Revenue Code.

Moreover, it is not true that wealth accumulated in the past can be preserved intact for specified purposes which become obsolete or inconsistent with public policy. This is because, first, the group of objectives and purposes qualifying as charity—and for tax exemption—has continuously evolved, and was restated in tax regulations as recently as June 1959. Second, American common law, which is uncommonly stable with respect to charitable trusts and corporations, has historically provided ample legal recourse for modification of the intent of the original donor to changing conditions and policies, and evolving definitions of activity qualifying as charity.

Everyday observation corroborates this view. A mere listing of the largest private foundations which have been in existence for 40 years makes immediately clear how many distinguished, patently modern institutions would be eliminated had the pending legislation been traditional American law. I ask unanimous consent that such a list be printed in the RECORD.

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

Largest private foundations in existence 40 years or more

Name and location	*Years in existence*
Altman Foundation, New York City	56
Carnegie Corporation of New York, New York City	58
Carnegie Endowment for International Peace, New York City	59
Carnegie Institute of Washington, Washington, D.C	65
Chicago Community Trust, Chicago, Ill	54
China Medical Board of New York, Inc., New York City	41
Cleveland Foundation, Cleveland, Ohio	55
The Commonwealth Fund, New York City	51
The Danforth Foundation, St. Louis, Mo	42
The Duke Endowment, New York City	45

Largest private foundations in existence 40 years or more—Continued

Name and location	*Years in existence*
Fuld (Helene) Health Foundation, Trenton, N.J	46
Guggenheim (John Simon) Memorial Foundation, New York City	44
Hartford (The John A.) Foundation, Inc., New York City	40
Hyams (Godfrey M.) Trust, Boston, Mass	40
Juilliard Musical Foundation, New York City	49
Kettering (Charles F.) Foundation, Dayton, Ohio	42
Kresge Foundation, Detroit, Mich	45
Kress (Samuel H.) Foundation, New York City	40
Markle (The John and Mary R.) Foundation, New York City	42
McGregor Fund, Detroit, Mich	44
Mott (Charles Stewart) Foundation, Flint, Mich	43
New York Community Trust, New York City	46
Permanent Charity Fund, Inc., Boston, Mass	54
Rockefeller Foundation, New York City	56
Sage (Russell) Foundation, New York City	62
Surdna Foundation, Inc., Yonkers, N.Y	52
Wilder (Amherst H.) Foundation, St. Paul, Minn	59

THE RECORD OF PERFORMANCE OF OLDER FOUNDATIONS

Mr. MONDALE. Mr. President, more specifically, there is readily available evidence to suggest that the grantmaking decisions of these older foundations in their later years are at least as fruitful, contemporary, progressive, and important as those of younger philanthropies. Let me offer some vivid illustrations of the argument that vital life for foundations, no less than for people, continues at or after 40:

If the Rockefeller Foundation had been forced out of business in 1952 after 40 years of life, it would never have carried out the great work in the fantastic improvement of wheat and rice yields, which developed out of its pre-1952 experience. Without this "green revolution," as it has come to be called, many millions of people would now be suffering from malnutrition or dying of starvation.

If Carnegie Corp. had shut its doors in 1951, on turning 40, its accumulated experience in the field of education would not have been brought to bear on the vast expansion of educational needs of the past two decades. Notable among its activities has been the extensive investment in preschool education, and its current support of the widely acclaimed children's television workshop.

If Commonwealth Fund had ceased activity at 40 in 1958, its endeavors of the past decade in the strengthening of medical education, which grew out of its pre-1958 experience, would never have taken place. And so we would have been denied its pioneering work in new careers in medicine, and in encouraging related revisions in educational curriculum and professional requirements.

It was only after the Danforth Foundation reached 40 in 1967, that it made the largest single grant in its history, in the amount of $5,000,000, to strengthen the faculties of predominantly Negro colleges in the South.

Thus, I would argue that available information and American legal tradition offer insufficient basis for alarm that the "dead hand" of earlier times is influencing the response of private philanthropy to current times. Therefore, it seems to me that "dead hand" is not a persuasive rationale for the proposed "40 year" death sentence.

II. DOES THE EVIDENCE OF ABUSE BY SOME FOUNDATIONS JUSTIFY THE ASSUMPTION BY GOVERNMENT OF COMPLETE RESPONSIBILITY FOR THE PUBLIC WELFARE BY ULTIMATELY TAXING OR FORCING THE COMPLETE DISTRIBUTION OF THE ASSETS OF PRIVATE FOUNDATIONS?

Sponsors of a curb on the life of foundations believe that the endowed resources which enable philanthropies to make grants are really public, not private resources, since, in the absence of a special concession of tax exemption, they would originally have been commanded as governmental taxes upon the death of the donor. The distinguished Senator from Tennessee (Mr. GORE) also stated this view succinctly in his October 9 speech:

> When a wealthy donor reduces his tax liability through his gift, he is, in practical effect, being allowed to prescribe the use of public funds that would otherwise be paid in taxes.

Two arguments have been advanced to buttress this contention:

First, that the record discloses that some foundations have frequently offered substantial and private, essentially selfish, benefits as well as fulfilling public purposes. And, occasionally, no significant public purposes have been served at all.

Second, however good the performance of private foundations has been on balance, there is insufficient public accountability and the Government, with all its frailties, should ultimately make the decision concerning the allocation of these assets.

I, for one, do not find either of these arguments compelling. Even if one concedes them for the purposes of debate, however, neither provides justification for a 40-year death sentence. If foundations provide merely, or largely, a mechanism for private benefit, or if we truly prefer a unitary society with government responsible for all our public decisions, then philanthropy should be ended now rather than given a 40-year-delayed sentence of death. If the record suggests, as I believe it does, that there are responsible and irresponsible, genuine and fraudulent, fruitful and vacuous philanthropies, then the proper approach is surely not to kill them all off indiscriminately, but to tailor the law to end abuses without sacrificing benefits.

THE ACHIEVEMENTS OF AMERICAN PHILANTHROPY

I believe that the historic record of American private philanthropy is clearly affirmative. We may be only dimly aware now of the good which philanthropy has done, but I am sure we would feel a sharp, extensive loss if it were no longer at work in our society, addressing our hardest problems, or helping, in part, to foster our highest aspirations.

It is worth recalling the highlights and the range of the impressive contribution made by foundations to the quality of contemporary life:

They have helped establish modern public health institutions and practices

and have played a major part in the prevention of hookworm, malaria, yellow fever, and other endemic diseases, not only in the United States but throughout the world.

They called initial attention to the need for reform in medical education and have followed through by assisting in the development of the finest medical schools and medical research centers in the world. Foundation funds aided in the discovery of insulin, penicillin, and polio vaccines, and are providing continuing support for work on such diseases as cancer, heart disease, and arthritis.

They helped advance scientific agriculture. Beginning with demonstration farms to introduce better farming practices, they have subsequently financed work in plant genetics, plant pathology, and other sciences that have vastly increased crop yields. Foundations are also supporting agricultural research and extension in many of the world's less-developed countries, where farming is the main source of income.

Long before governments took official notice of the world population crisis, foundations began laying the groundwork for scientific and policy efforts toward birth control and are now a major source of support for domestic and worldwide biological and demographic research and for action programs aimed at regulating population growth.

In education, they have contributed broadly at all levels, from prekindergarten to postdoctoral study. In the early part of the century, they encouraged the establishment and expansion of elementary schools for children of all races, particularly in the rural South, and helped the Nation achieve a system of universal secondary education.

They have strengthened the professional education of teachers, the development of educational testing, and research in child development and educational psychology.

In higher education, foundations have helped develop centers of excellence in all regions of the country. And to strengthen college teaching as a career, they began a system of faculty pensions, have assisted in the raising of salaries, and are financing thousands of graduate fellowships for prospective teachers.

In the post-World War II readjustment of the educational system to a period of exploding knowledge and soaring enrollments, foundations have helped carry out improvements in the recruitment and education of school and college faculty. They have helped improve the use of teachers' time and talent, particularly through the adoption of such modern techniques as instructional television and team teaching.

Individual student opportunity has long been a foundation goal. Foundations have expanded opportunities for the intellectually gifted to make the most of their talents and for those from deprived families to surmount motivational and cultural handicaps that limit their ability.

Besides their efforts to improve the quality of the educational system, foundations have devoted large funds to fellowships and the advancement of knowledge. Individual scholars, university departments, and research agencies have received grants and fellowships for research and training in all branches of learning—not only in the medical and biological sciences, but also in the physical and mathematical sciences, the social and behavioral sciences, the humanities, and such professional fields as law, business management, and engineering.

In addition to providing funds to strengthen university departments and schools, foundations support the work of such national organizations as the Social Science Research Council, the National Merit Scholarship Corp., the Population Council, the Center for Advanced Study in the Behaviorial Sciences, the American Council of Learned Societies, the National Bureau of Economic Research, Resources for the Future, and the Brookings Institution.

In the cultural field, foundations have contributed vastly to the growth of libraries and library science. Artistic institutions and groups—fine arts, museums, symphony orchestras, theater, and opera companies—have also benefited from foundation support, as have many individual artists. Education in the arts has been aided, both at the professional level and as an aspect of general education.

Foundations have long been engaged in furthering adult education and in supporting programs to enable citizens to extend their knowledge of public affairs, including international relations.

Noncommercial television has developed as a new cultural resource, largely through foundation support.

In social welfare, foundations have made a special impact by stressing ways to prevent social breakdown rather than merely alleviating its consequences. Through social research, social work education, and experiments to test out new ideas and approaches, they have helped public and private agencies to deal more effectively with the acute human problems of deprived urban and rural areas. Much recent State and National legislation concerned with delinquency, job training and counseling, and the attack of poverty at its source has taken account of foundation-supported experiments. Another area of social action spurred by foundation funds is the search for better ways to meet the needs of the Nation's growing number of older citizens.

Foundations have pioneered in the advancement of legal rights for both the indigent and the consumer.

They have assisted major national and local civil-rights organizations and sympathetic religious, business, labor, and community groups in the effort to enable racial minorities to acquire social and economic opportunity and dignity in the mainstream of American life.

Finally, foundations have extended the American philanthropic tradition to other countries by helping their peoples develop the knowledge and skills to combat sickness, hunger and ignorance. They are assisting the world's poorer countries in agriculture, medicine, health, public administration, technical training, family planning, and training in economics, business, and law. At the same time, particularly through grants to American colleges and universities for area studies of Asia, Africa, and Latin America, foundations are helping the United States obtain the knowledge of world affairs essential to its own international responsibilities.

During the year 1968 alone, private foundations contributed about $1.5 billion for support of the Nation's educational institutions, hospitals, poverty programs, cultural activities, and medical and agricultural research.

But, if the overall historic achievement of foundations is clearly fruitful and public spirited, it remains true that the world of philanthropy is not a monolith. Flagrant abuses of the privilege of tax exemption, largely financial but occasionally also nepotistic in character, have been ascribed to a small group of foundations. These abuses have been amply documented by investigations by the Treasury over the last several years, in hearings carried out earlier by the House Banking and Currency Committee, and in the current inquiries of the Finance and Ways and Means Committee.

THE REFORM PROVISIONS OF THE PRESENT LEGISLATION

The legislation before us contains several desirable measures, carefully designed to eliminate the possibility that charitable trusts will, in the future, serve merely as tax shelters, and to reduce further the possibility that the public benefits of institutional giving will be offset by selfish, personal, or essentially private gains.

The bill requires private foundations to promptly distribute for charitable purposes all current income. To cover cases where yield is modest, the bill requires that the minimum annual distribution amount to at least 5 percent of assets. Under current law, foundations are merely required to distribute income, and since investments need not yield income, some private foundations enjoying the privilege of tax exemption make no annual contribution for public charitable purposes.

In addition, the bill flatly prohibits financial "self-dealing" between charitable trusts and donors, managers, or government officials. This provision covers such matters as loans, payment of compensation, preferential availability of services, substantial purchases or sales, and substantial diversions of income or corpus to—or from—creators and substantial donors and their families and controlled corporations. In contrast, present law against financial self-dealing has relied upon subjective tests for abuse, and has proven difficult to enforce and ineffectual in sanction.

The pending legislation also limits to 20 percent the amount of voting stock in a private corporation which may be owned in combination by a foundation, its financial donors or sponsors, and its management. Corresponding limitations apply to partnerships and other entities. A private foundation is not permitted to own a sole proprietorship. Present law does not deal directly with the subject of foundation ownership of business interests. Perhaps because of this, the use

of foundations to maintain control of businesses, particularly small family corporations, appears to be increasing.

I have already contended that available information on the character of the charters of foundations; on the safeguards afforded by legal tradition and practice against sustaining outdated purposes; and on the impressive record of fruitful public action by the Nation's oldest foundations in their maturity; all tend to refute the view that "dead hand" rule distorts philanthropy's response to contemporary public needs.

But at least as important, the legislation before us contains provisions to narrow further and hopefully eliminate completely any prospect that tangible private benefits will continue to flow from tax privileges afforded by commitments of wealth to public trust.

Unlike the 40-year provision, these provisions are targeted against abuse.

Unlike the 40-year provision, they result from extended factfinding, inquiry and opportunity for public scrutiny, criticism and comment.

Unlike the 40-year provision, they do not disturb or damage the work of responsible, fruitful foundations, operating for the public benefit and in its interest.

In short, Mr. President, both the spirit and the letter of the 40-year "death sentence" are wholly inconsistent with the reform features of the bill. Genuine abuses should be promptly corrected, and this legislation has the provisions I have just described to achieve that objective. But the "40-year" rule does nothing to correct abuses; worse, it destroys the institution long after the new law should have produced reform and enhanced performance.

Even though the new law should root out foundation abuses that do exist, some would, apparently, still add the 40-year "death sentence" provision on the ground that privately endowed and managed foundations are inherently less accountable and responsive to the public will than is government itself.

This view overlooks the increased accountability to the general public which the present legislation will require, both through enhanced Internal Revenue oversight of foundations and stronger requirements for full public disclosure of their activities by philanthropies. When it is stripped to its bare essentials, however, this argument amounts to a deep philosophical and ideological preference for a system exclusively governmental, and public. It rejects the competition, and the checks, balances and freedom of our pluralistic system of private and governmental initiatives to realize the general welfare.

It also asserts for government an omniscience, clairvoyance, responsiveness, and reputation for steady, just and effective performance that is not supportable by the record of government in this or any other society, and especially in those societies which have relied exclusively or predominantly upon government. Moreover, in principle and potential, if not in current application, this argument is infinitely extendable against all other private or voluntaristic institutions which stand independent of government but which depend, in some measure, on government encouragement of their existence. I refer here, of course, to the potential threat to all educational, medical, and social welfare institutions, unions, trade associations, and other organizations encouraged, at least in part, by exemption from public taxation.

Along with others moved by the amount of public work to be done in this country, I have consistently fought for a stronger, better financed public sector, especially in domestic affairs. But I have never seen this goal as a substitute for the energy and concerned interest of individuals, acting alone or through private organizations, in contributing to the general welfare. Our whole history warns against exclusive reliance on either government or the private sector, and affirms the wisdom of maintaining diversity, pluralism, and coexisting, mixed forms of organization to accomplish the Nation's public work.

By immediately demoralizing and eventually killing off the private nonoperating foundations that now exist, and by chilling—through stiffer tax treatment of gifts of appreciated property—the formation of new foundations, the proposed "40 year" rule, perhaps unintentionally, encourages bigger, more pervasive, and inevitably less balanced government. I cannot believe that such a development is either wanted by, or in the interest of the American people in this era of rapid change and wide diversity of opinion and perspective throughout the Nation.

III. SHOULD THE CORPUS OF A FOUNDATION EVENTUALLY BE USED FOR ITS TAX-DEDUCTIBLE PURPOSES, RATHER THAN ONLY THE INCOME ON THE FUNDS CONTRIBUTED?

The affirmative case for ultimately disbursing all foundation assets was set forth as follows in the Finance Committee report on the pending legislation:

> Since the income is itself exempt from taxation in the hands of the foundation, the expenditure of the income only satisfies the obligations associated with the income tax exemption of the foundation and not the obligations associated with the charitable contribution deduction for what is the capital, or corpus, of the foundation.

I find this argument somewhat shortsighted. I see no reason to separate investment assets from the income they yield. The income flows to charity only so long as the assets remain in existence. Distribution of the assets will immediately reduce and ultimately eliminate the flow of income to charity. This would have the same practical effect as levying a tax on income. Both come at the expense of the charitable purposes for which the funds were originally contributed.

It is, in addition, worth emphasizing that the common historic practice of the large general purpose foundations has been that at least 5 percent of assets be annually distributed to charity. This is to become a statutory requirement under the pending legislation. In effect, this guarantees that society will receive the full value of the tax exemption, over time, if the assets are not drawn down through forced distribution or annual invasion by taxation.

IV. DO FOUNDATIONS COMPRISE LARGE AND GROWING CONCENTRATIONS OF POWER, WITH UNDESIRABLE INFLUENCE IN THE POLITICAL AND ECONOMIC LIFE OF THE COUNTRY?

The report of the Senate Finance Committee stated the problem as follows:

> If foundations have a permanent tax-exempt life, their economic power may increase to such an extent that they have an undue influence both on the private economy and on governmental decisions.

Available information, however, does not in my judgment support this concern. Foundations command assets valued most recently at $21 billion, or about seven-tenths of 1 percent of the Nation's total wealth. While these assets have slowly increased in absolute terms in recent years, they have decreased in relation to the Nation's wealth, and are proportionately smaller in relation to GNP today than they were 10 years ago. Moreover, the bill's requirement that foundations spend all of their income will inhibit the further accumulation of wealth by any foundation.

In contrast to public welfare expenditures by all levels of American government amounting to nearly $300 billion annually, foundations expended a mere $1.5 billion in 1968. This effort is placed in further perspective by individual charitable contributions amounting to $12.1 billion during the same year.

Finally, while it is true that about 370 of the estimated 22,000 private foundations hold about two-thirds of the assets of all foundations, and account for more than half of the total amount of grants, their relative predominance within the world of organized philanthropy has declined steadily in the face of formation of numerous, new, smaller foundations. Objective observers have also confirmed that these larger, general purpose philanthropies are highly autonomous and independent of each other in their individual decisions and judgments. Further, they are rarely associated closely with a particular family, company or community. As noted previously, even where such close association exists, the bill's prohibitions against self-dealing should allay any fears.

Available information tends to suggest, in short, that the economic influence of foundations is very modest and growing steadily smaller in relative terms, and that the world of foundation philanthropy is growing steadily more diverse and pluralistic. To me, the information suggests that if the private foundation is, overall, a desirable and beneficial form of organization, then it should be encouraged in our society. If so, we should probably turn our attention away from its destruction and toward ways of helping it to maintain and, perhaps, even increase its modest, but vital contribution. In any case, there is no evidence to support the allegation that growing wealth or centralized bigness of foundations imperils either our economic or political life.

I hope I have demonstrated that the arguments in support of the bill's provision are either contradicted by the factual information that is available, or rest

upon philosophical predilections which are at variance with the mainstream lessons of American experience and history:

As a matter of fact, foundations are not controlled by the "dead hand" of the past, and as a matter of law, need never be bound by outdated trust instruments.

There is widespread agreement that foundations do important public work, and there is no evidence that existing, mature foundations are less fruitful than recent additions to the field, or become strikingly unfruitful as they approach or pass the age of 40.

Foundations are growing less, not more significant in economic terms, and less concentrated and more diverse in numbers.

While an apparently small number of foundations are guilty of seeking selfish, private gain under the protective shield of public trust, the legislation before us contains promising reform provisions tailored to end these abuses.

Adding a death sentence is totally inconsistent with the reformist character of the rest of the legislation. It is aimed at no describable abuse, and will curb valuable foundation work no less than it impinges upon less vital or even improver activity. For these reasons, it has been steadily opposed as an appropriate corrective approach by the Treasury, by the House Ways and Means Committee, and by the independent, nongovernmental Peterson "Commission on Foundations."

As Assistant Treasury Secretary Cohen has recently testified, the 40-year provision would saddle foundations with growing difficulties in recruiting and retaining staff, as well as increasing problems of discipline and control when the hard problems of repsonsible institutional dissolution are tackled in later years.

It will have the effect not merely of killing off existing philanthropy and its contribution to the diversity and variety of public-spirited initiatives in American life, but in addition, together with other provisions of the bill, will combine to chill or choke off the creation of new foundations. It also will have the effect, perhaps not foreseen, of accentuating the influence of government, and society's dependence on public institutions for all public energy and initiative. It thus runs against the currents of voluntarism, of pluralism and private initiative which most of us have seen as indispensable and beneficial aspects of the American experience.

Mr. President, I believe I have shown that the "40 year" death sentence for foundations is an arbitrary, discriminatory, and harmful proposal, supported neither by the careful objective study which the subject merits, nor justified by a focused, documented abuse which it seeks to eliminate or prevent.

This proposal attacks a class of institutions simply because they have served long enough to register actuarially as middle-aged. I doubt that very many of us would want to see this rationale extended very widely.

It would be premature and thus ill advised to approve this far-reaching provision now, before the corrective, reformist remedies in this bill are enacted and applied. Certainly we should wait until current, complete, and more penetrating information about the activity and performance of foundations, which is required by the bill's disclosure requirements, is available to us.

Accordingly, I urge my colleagues to support amendment No. 331 and eliminate section 507(b)(2) from the legislation now before us.

Mr. GORE. Mr. President, how long is forever?

Under present law, a private foundation created for purposes chosen by its creator is given tax exemption forever.

There has been such a proliferation of private, so-called charitable foundations, that the Government itself cannot estimate within thousands the number that exist today.

The Finance Committee has therefore set a limit upon tax exemption in terms of time.

Shall we say that there shall be no limit?

That is what the amendment proposes.

I shall discuss this amendment at greater length on tomorrow, but suffice it to say tonight that the central question is not whether foundations accomplish good, because many of them do, but a great many more, as we have seen, are created for the sole and only purpose of avoiding taxes or perpetuating family ownership of property, or both.

The Govenrment should provide a reasonable limit to the period in which tax exemption should be extended to purely private foundations.

The provision in the committee bill does not apply to public foundations or to operating foundations. It applies to the private foundation.

I trust, upon consideration, that the Senate will support the Finance Committee.

Mr. MONDALE. Mr. President, I do not intend nor, as I understand it, does the Senator from Tennessee, to engage in debate on this issue tonight.

In the remarks I have submitted for the RECORD, I commented on the response to points raised by the Senator from Tennessee. I would ask that those reading the RECORD would refer to them with respect thereto.

Mr. LONG. Mr. President, when John D. Rockefeller III, appeared before the Finance Committee, I asked him this question:

> Mr. Rockefeller, would you agree with me that if one is to have immortality he must earn immortality?

The answer of Mr. Rockefeller to that question was, "Yes."

He agreed with that.

I do not know whether he had in mind what I had in mind, but what I was thinking of was that there are, I am happy to say, many foundations—perhaps an overwhelming majority—which were created for a worthy purpose and have served a worthy purpose. But I think that an investigation will show, and it is my belief that it is our duty that we have enough investigation to show, that there are a great number of foundations—I do not say a great percentage, but there are many foundations—that have been set up for the sole purpose of tax avoidance which have done little good.

The thought of the Senator from Louisiana is that if a foundation is doing good, if it has justified its existence, if it has justified the tax-exempt status that we have given it under the law, as far as I am concerned, if the Senator from Louisiana were to be around here 50 or 40 years from now—and I will not be; it would be a merciful Lord that would permit the Senator from Louisiana to live that long, but if the Senator from Louisiana should still be alive on this planet in the year 2009—he would anticipate that, if the Senate in its judgment prevails, by that time laws would have been passed to extend the life of those foundations which did the kind of things of which society could approve and that justified the tax advantage we had given them. Also the provision would have denied that right to those foundations which had not well served the public.

It would seem to the Senator from Louisiana that if someone had been taking advantage of something Congress had done for him in the way of charity or education for the purpose of doing good work, and that advantage had been used for his own selfish advantage, as a mere means of tax avoidance, we would know after 40 years time whether it had done good work. So if it had done good work, if its existence had been worthy, then we would continue to permit it to continue its good work. But if we found it had done nothing more than to avoid taxes, put relatives on the payroll, run up high overhead costs—and while stating a noble purpose, spent nothing to achieve it—then it seems to the Senator from Louisiana that its assets should be disposed of, or that it should be taxed just as manufacturing companies and others are taxed on their investments and activities for private gain, even though in many instances they benefit society in doing so.

That was the philosophy of the committee in voting for the 40-year life. I do not expect to be here to vote either for or against a continuation of that life, but I think people who have these foundations should know that it is not their money, that it is there for the benefit of society, that it is no longer theirs to dip into, to trade off, to obtain directorships on boards, to put Uncle John on somebody's corporate payroll, and things of that sort. They should know that the money is to be used for the benefit of society, and if they want to have immortality, they are going to have to do some good with their money sometime during the next 40 years.

I think the Senate committee was most considerate of these foundations. In general terms, I was fully expecting that by the time we voted the bill, we would be fully condemned because, whereas the House had imposed a 7½ percent tax on the income of foundations, we put no more than a tax of one-fifth of 1 percent on the assets, to be used merely for auditing their reports as to what they were doing. I understand an amendment will be offered to cut it down to one-tenth of 1 percent.

It is fine to reduce taxes on those do-

ing good work with their money, but I am constrained to believe that they ought to be made to do good work if they want these advantages and that they ought to be accountable.

If they cannot, after 40 years, show that they have done something that ought to be continued, then it seems to me they should turn that money over to public charitable organizations or, if they do not see fit to keep the money then they ought to pay taxes as an ordinary corporation does.

It seems to me something more than what we have done should be done, aside from this, to be sure that those foundations do good work. We ought to take a look at them from time to time. That we are going to do, anyway.

Whether this amendment to put a 40-year life on foundations prevails in this Congress or not, I have no doubt that the thought envisaged—that when one goes into the charity business he ought to be required to be in the charity business, and not be in the self-aggrandizement business—will prevail eventually. If not in this Congress, it will eventually prevail.

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

Mr. LONG. I yield.

Mr. GORE. I wish to call the Senate's attention to a questionable use of tax-exempt funds presently underway. According to press reports, two or three private foundations are picking up the tab for the White House Conference on Hunger at this time.

I am not saying that the White House Conference on Hunger is not a worthy one. Indeed, I think it has a very worthy purpose. But if it be a very worthy purpose, why should it not be financed with the contingency funds provided by the Congress for the White House for such purposes?

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

Mr. GORE. In just a moment.

I raise a point as to the relative value of the use of public funds for a public purpose, or private foundation funds for a public purpose. And there is the further question of the relationship between the Government and a private foundation.

What real alternative did the private foundations have when the President asked the private foundations that put up the money for the White House conference on hunger?

It raises questions. I do not raise them to be critical of the conference or of the foundations for supplying the funds. I call attention to the questionable relationship between the Government and private foundations that arises out of this situation. I am not trying to be critical of the President in this respect in any way whatsoever. I am trying to make my point, however. Suppose the U.S. Senate passed a resolution calling upon three or four, or a half a dozen, private foundations to provide a recreation area for the Senate. What would be the difference? I dare say they might do it.

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

Mr. GORE. In one moment.

The Government is not perfect, but the Government is the agent of society; and there are many good and worthy things that the Government itself could accomplish with the vast funds available to private foundations. Indeed, if the Government had had the funds of the Rockefeller Foundation, it might just have found a cure for cancer.

So I recognize, and am willing to recognize, that foundations do many good things.

But I daresay if there were a fair and full investigation, we would find that for every good and worthy foundation, there are many, many devoted to tax avoidance, to conferring benefits upon family members, or to perpetuating family control of property.

The Ford Foundation is cited as a wonderful example. Was it created for an eleemosynary purpose? The Ford Foundation has vast stockholdings in Ford Motor Co., but it does not have any votes in the operation of the Ford Motor Co. The placing of the stock of the Ford Motor Co. in the Ford Foundation was for the purpose of preserving control of one of this country's vast industrial empires in the descendants of the Ford family, forever.

Mr. President, there ought to be a limit to the time that the dead hand can rule the living. Who can foresee, with his finite mind, conditions of 40 years from now, 100 years from now, or forever? I say that the Senate ought to do something. Maybe this 40-year time limit is not the proper one. Shall we make it 140? or 25? or maybe 200? Just what should it be? Oh, no; now it is perpetuity, and that is a right indefinite period.

Mr. MONDALE. Mr. President, the Senator from Tennessee has raised the issue of the hunger conference. I just came from there, and I was struck by the number of corporation presidents, processors, business representatives, trade association executive secretaries, and corporate representatives who served as delegates at that convention, and, on the other hand, the small number of poor people who might have some knowledge of hunger.

It occurred to me that the representatives of these great food corporations, processors, chains, and the rest of them will deduct every penny of that expense on their corporate tax returns because, without any interference, this is permitted them as a business operation. If it was possible for a few poor people to be present at that conference, in order to speak up for those who are hungry, and it was made possible because of a modest contribution by charitable foundations, at the request of the President, I commend the President for making it possible for them to be there. My only objection is, I wish there were more of them.

As to the question of perpetuity, this is a common legal fact in most jurisdictions.

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

Mr. MONDALE. I am happy to yield.

Mr. GORE. I know the Senator did not understand me to say that the White House Conference on Hunger was an unworthy purpose, or that poor people should not be there.

Mr. MONDALE. Oh, by no means.

Mr. GORE. But if it is a worthy purpose, if the public good is to be served, why should we depend upon private foundations to finance it?

Mr. MONDALE. It does not seem to me to be quite fair to say to the great private financial and commercial interests of this country, "You make whatever decisions you want in the private market of this kind, and deduct their cost from your income taxes without any review," but to say to the poor, "You come to the U.S. Congress and get yourself an authorization and an appropriation in order to provide funds for this purpose."

This is not, however, in my opinion, the controlling issue that bears on the matter. No one is here arguing that reforms are not needed. Indeed, the Senate bill does include several reforms dealing with some of the issues that have already been raised. The point that I make and my cosponsors make here is that this amendment is a death sentence amendment that applies to all the foundations, good and bad, whatever the details, and will have the effect of destroying one of the most creative independent, and unique sources of community change, research, and reform existent in any society in the world.

Mr. GORE. Will the Senator yield further?

Mr. MONDALE. I am happy to yield.

Mr. GORE. The bill provides no death sentence for anybody or anything, except tax exemption.

Mr. MONDALE. Which is the death sentence.

Mr. GORE. Well, it might not be. Some of the foundations have so much corporate stock that they could operate a very long time and pay taxes.

It seems to me that instead of being viewed as a death sentence, this 40-year limit on tax exemption should be considered as a sufficient period during which a foundation could justify its existence as truly a public operating foundation, with a public service purpose. I think we could safely rely upon our successors to provide a formula through which the good could then emerge.

As of now, foundations are proliferating at a rapid rate. Almost every time a man becomes a millionaire, he starts looking for a good lawyer to set himself up, to create "my foundation" to avoid taxes and confer benefits on his family.

There ought to be a limit to this; or else pretty soon the man or woman working for a wage or salary will bear practically all the tax burden in this country.

Mr. MONDALE. Once again, it is the objective of this amendment, proposed by myself and several others, not to pass judgment on some of the reforms that might be needed, but to eliminate from the tax bill an indiscriminate measure that would destroy all nonoperating foundations and would single out private charitable foundations from practically every other kind of legal institution for this death sentence.

If we are concerned about perpetuity let us pass a 40-year law applying to everything, to the hospitals, the colleges the learned societies, the museums, the

orphanages, and the many other such tax-exempt institutions that exist in perpetuity. Let us do the same for the private corporations. Forty-three of the 50 States of the Union grant corporate charters which are, by their nature and bylaws, perpetual; and forever, as the Senator from Tennessee states, is a long time.

If it is bad for the private foundations, if it is bad for the Ford Foundation, it ought to be bad for every other kind of institution, because in each of these areas we have difficulties, problems, complaints, and abuses, and if we do not deal with those complaints and abuses about one group of institutions specifically, but simply take a gun and shoot them through the head because there are some problems with reference to those legal institutions, then——

Mr. GORE. Will the Senator yield?

Mr. MONDALE. Just one moment. Perhaps we will have established a new approach to social reform.

Permit me to say one thing further about the 40-year rule.

Mr. GORE. I wish the Senator would permit me to make a comment.

Mr. MONDALE. I yield.

Mr. GORE. The Senator used the term "shoot them through the head." I hope the Senator will not persist in using prejudicial language such as that. He has also called it a "death sentence."

Mr. MONDALE. Yes.

Mr. GORE. Let us look at the practical effect. Suppose the Ford Foundation should choose to operate as a taxable corporation instead of as a tax-exempt foundation. Here is what the tax consequence would be: On a $100 dividend from Ford Motor Co. to Ford Foundation, the foundation, as a corporation, would first have an 85 percent dividends received deduction which applies to all intercorporate distributions of dividends. That would leave $15 of the $100 on which the Ford Foundation, as a corporation, would have to pay taxes; and at the present corporate rate of 48 percent, they would owe the great sum of $7.20 out of $100. That is not even as high as the interest rates, under this administrtaion. So this rule is not a death sentence. This is not shooting any worthy foundation through the head. This is trying to put some reasonable limit upon tax exemption. If 40 years is not reasonable, what is?

I thank the Senator for yielding. I had better leave the floor or else we will be debating all night.

Mr. MONDALE. Mr. President, I thank the Senator for this brief colloquy. Let me give a few examples before we retire for the evening. I have a committee meeting at 8 o'clock. Let us suppose that the 40-year death sentence had been invoked——

Mr. GORE. Mr. President, I object again. If we are to continue this debate in terms of death sentences and shooting through the head, I will put in a quorum call and we will have it all night. This is not a death sentence, and it is not shooting anyone through the head.

Mr. MONDALE. Mr. President, the Senator can do whatever he wants. That would effectively end nonoperating foundations within 40 years. The Senator can use whatever appelation he pleases. Suppose this provision had passed many years ago and become the law of the land. The Rockefeller Foundation would have been forced out of business in 1952 after 40 years of life. It would never have carried out its great work in the fantastic improvement of wheat and rice yields, which developed out of its pre-1952 experience. Without this "green revolution," as it has come to be called, many millions of people would now be suffering from malnutrition or dying of starvation.

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

Mr. MONDALE. I yield.

Mr. LONG. Mr. President, as I understand this matter, the so-called death sentence the Senator is talking about, does not require the foundation to go out of existence, but rather taxes the foundation like any other corporation.

As the Senator was pointing out, assuming that most of the assets of the Ford Foundation consisted of stock in the Ford Motor Co., the income to the foundation would be dividends from the Ford Motor Co., and they would get the 85-percent dividends received deduction. So there would only be 15 cents on the dollar remaining that would be taxable. And at a 50-percent tax rate, that is 7.5 cents. That is the way the House of Representatives arrived at its rate of 7.5 percent on foundations.

So it is really far from a death sentence.

All we said was that in 40 years they would get what the House of Representatives voted in the first place.

However, I am not necessarily in favor of requiring that it work in that way.

If one can show that he is doing all the kind of good work that some foundations are doing, I would be in favor of continuing it beyond 40 years. However, I think we ought to take a look at them some of these days to see whether they are doing good work.

It would be better, it seems to me, to have it that way than the way it is now. And certainly it would be better than the way it has been where people have put this money aside for their personal benefit with the idea that the gift to charity was to be deductible. When a person owed an inheritance tax, he owed the Government 77 percent. So, he gave the money—instead of to charity—to the foundation.

Assuming that the foundation is giving some of the earnings to charity—and we would make them give some of the earnings to charity—eventually charity ought to get the gift itself and not just what the gift earns.

Even that is not required by the bill. It is only required that they lose their tax-exempt status after 40 years.

Mr. President, I ask unanimous consent to have printed in the RECORD what the committee report says about this matter.

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

A. TAX TREATMENT OF PRIVATE FOUNDATIONS

(Sec. 101 of the bill and secs. 507 through 509, 4940 through 4948, 6033, 6034, 6104, 6213, 6501, 6511, 6652, 6685, 7422, and 7454 of the code)

1. Limitation on Tax-exempt Life of Foundations (secs. 101(a) and (b) of the bill and secs. 507(b), 508(d)(2), and 4490(b) of the code)

Present law.—The Internal Revenue Code does not at present limit the period of time for which a private foundation or any other exempt organization may continue to be exempt from income tax.

General reasons for change.—Questions have been raised as to whether private foundations should in perpetuity be exempt from income tax, and forever eligible to receive deductible charitable contributions. In part, the problem is that if foundations have a permanent tax-exempt life, their economic power may increase to such an extent that they have an undue influence both on the private economy and on governmental decisions. Also, since income, estate, or gift tax deductions were granted for amounts given to these foundations and the basis for these deductions is that these funds would be used for educational, charitable, religious, etc., purposes, questions have been raised as to why, after some period of time, the donated funds themselves should not actually be so used, rather than merely the income from these funds. (Since the income is itself exempt from taxation in the hands of the foundation, the expenditure of the income only satisfies the obligations associated with the income tax exemption of the foundation and not the obligations associated with the charitable contribution deduction for what is the capital, or corpus, of the foundation.)

The committee concluded that, by the end of 40 years, a private foundation if it is to continue to be tax exempt should have been able to derive sufficient public support to become a public charity, or should have created an appropriate operating foundation function for itself, or should have used its assets directly for the charitable purposes for which it was created.

Explanation of provisions.—To deal with the problems described above, the committee adopted an amendment limiting the period of income tax exemption to 40 years in the case of any private foundation (other than an operating foundation). By the end of the 40-year period unless it is to become taxable, the private foundation either must have distributed all its assets to public charities or must itself have become a public charity.

If the foundation neither makes such a distribution nor so converts itself, it is to be subject to regular income taxation, and still is to remain subject to all the limitations and requirements applicable to private foundations.[1] In such a case the foundation would then be taxed as a corporation or as a trust depending on its status under the general tax laws. No new contributions or bequests to the foundation would be eligible for charitable contribution deductions and gift tax deductions would not be allowed.

For existing foundations, the 40-year period is to begin on January 1, 1970. An organization created in the future or becoming a private foundation in the future is to have 40 years from the time it becomes a private foundation. If a private foundation becomes a public charity or an operating foundation at any time in the future, it is not required to cease operating as an exempt organization at the end of 40 years. However, the 40 years

[1] If the sum of the audit-fee tax and any taxes on unrelated business income exceed the regular income tax in any year, then the total tax will be the sum of the former taxes instead of the regular income for that year.

need not be consecutive, but will include all periods after December 31, 1969, during which the organization is a private foundation, other than an operating foundation.

If an existing private foundation becomes a public charity in 1970, as described below in *Change of Status*, this provision is not to apply. In this case if the organization later reverts to private foundation status the 40-year period would begin to run from the time the organization again becomes a private foundation.

In order to prevent avoidance of this limit on the tax-exempt life of nonoperating private foundations the amendment provides that a transfer of assets to another private foundation under a liquidation, merger, etc., as distinguished from a bona fide charitable grant, causes the transferee foundation to be charged with that part of the 40-year period already used by the transferor. Where there is a transfer of the sort that would cause a "tacking on" of part of a 40-year life, the transferee foundation will be treated as acquiring generally the characteristics of the transferor foundation. For example, anyone who was a substantial contributor to the transferor will be treated as a substantial contributor to the transferee. Also, the total tax benefits of the transferor (described below, in *Change of Status*) is to be treated as tax benefits of the transferee. (Where there are several transferees, the amount of the benefits will be apportioned.)

Effective date.—This provision takes effect on January 1, 1970.

Mr. MONDALE. Mr. President, this has now gone long beyond what we had planned.

Permit me to cite just a few more examples. I have already mentioned what the effect the 40-year horizon would have been on the Rockefeller Foundation.

If Carnegie Corp. had shut down its doors in 1951, on turning 40, its accumulated experience in the field of education should not have been brought to bear on the vast expansion of educational needs of the past two decades. Notable among its activities has been the extensive investment in preschool education, and its current support of the widely acclaimed Children's Television Workshop.

If Commonwealth Fund had ceased activity at 40 in 1958, its endeavors of the past decade in the strengthening of medical education, which grew out of its pre-1958 experience, would never have taken place. And so we would have been denied its pioneering work in "new careers" in medicine, and in encouraging related revisions in educational curriculum and professional requirements.

It was only after the Danforth Foundation reached "40" in 1967, that it made the largest single grant in its history, in the amount of $5 million, to strengthen the facilities of predominantly Negro colleges in the South.

Therefore, I think the record is clear that the Nation would be the poorer if we had no private, nonoperative foundations which were more than 40 years old.

Mr. CASE. Mr. President, I am glad to support the amendment offered by Senator MONDALE, Senator CURTIS and others, to delete the section of the Tax Reform Act of 1969 placing a 40-year limit on the life of private foundations.

There are sound reasons why such a limitation should not be adopted.

Foundations occupy a unique place in American society. In areas where the Government cannot or should not act, they have the skills and resources to initiate new ideas and to experiment with new and untried ventures. With their ability to act quickly and flexibly, they constitute a powerful instrument for developing and testing solutions to problems important in our society.

Not to be overlooked, too, is their contribution in sustaining and supplementing the educational and civic infrastructure, as it were, of our society. The direct involvement and support by foundations, for example, has played a vital role in the advancement of medical science and the strengthening of public education in this century.

Admittedly, the occasional abuses and mistakes of judgment by some foundations, as well as their innovative activities in the areas of social experimentation have raised questions over whether private philanthropy should continue to be encouraged by granting tax exemption privileges.

The Finance Committee has recommended that these questions be resolved by limiting the life of foundations to 40 years. This rule would, without question, discourage, if not destroy, private philanthropy as it exists today.

The effect on charitable work of limiting the life of all foundations, regardless of size or contribution to society, would be irreparable. Such an arbitrary step is not consistent with the broader effort being made to bring about meaningful reform. Furthermore, it runs counter to the findings of a number of groups, including the Department of the Treasury, who have studied the question and rejected the idea of fixing a time for foundations to go out of business.

By any measure, it is clear that foundations have made substantial contributions to the quality of American life.

In my own State of New Jersey, some 200 national and local foundations are currently helping to meet local and statewide needs, particularly in urban areas. While public attention is often focused on grants made by the large well-known foundations, it is noteworthy that much significant work is being done by small local foundations.

For example, the bulk of grants being made by one New Jersey foundation are directed toward needs in the city of Newark where support is provided for such groups as the Newark Family Service Bureau, the Community Information and Referral Center, the city's YM/YWCA and the Newark Board of Education.

Another New Jersey foundation has specialized in nursing education and has pioneered a number of innovations in providing improved health care. It has established four tuition-free nursing schools, two of them in New Jersey, and has contributed more than $10 million since 1934 to meeting health needs.

Still another New Jersey foundation has expended some $12 million since 1935 in providing specialized services for underprivileged children. The scholarship assistance provided to over 500 children through juvenile court judges throughout the State and the foundation's grants to State institutions are strong arguments for continuing this type of philanthropy and for support of the Mondale-Curtis amendment.

I do not believe it is sound public policy to legislate away private philanthropy in the guise of reform and destroy the vast reservoir of private initiative and skill, perhaps more needed than at any time in recent history. The abuses which have occurred must be corrected, but the institution of foundations should not be destroyed in the process.

I urge the Senate to delete the 40-year provision by supporting this amendment.

PROGRAM

Mr. BYRD of West Virginia. Mr. President, at the request of the distinguished majority leader, I wish to remind Senators that immediately following the prayer on tomorrow morning and the disposition of the reading of the Journal, there will be a colloquy on the District of Columbia crime bill, to extend not beyond 30 minutes. That colloquy will be among the following Senators, and perhaps others: Senators MCCLELLAN, TYDINGS, and HRUSKA, and the Chair should recognize one of the three Senators named to lead with the discussion.

Following the colloquy, there is to be a 1-hour debate beginning at 10 o'clock a.m. on the pending Mondale amendment which will automatically become the unfinished business before the Senate at that time. The 1 hour is to be equally divided between the sponsor of the amendment and the manager of the bill, with the vote to occur at 11 a.m.

Following the action on the Mondale amendment, there will be action on the Javits amendment, amendment No. 340.

Following action on the Javits amendment, the Senate will consider the Metcalf amendment, amendment No. 315.

Following action on the Metcalf amendment, the amendment offered by the able chairman of the Finance Committee (Mr. LONG) dealing with the social security increase—which has been temporarily laid aside to accommodate action on the other amendments I have enumerated—will then become the pending business before the Senate.

Moreover, it has been agreed that a rollcall vote will occur at some point, yet to be decided, during the day tomorrow on the amendment offered by the able junior Senator from Nevada (Mr. CANNON) and on which the debate has already occurred.

Finally, I should remind Senators that the majority leader has stated that a Saturday session will be held, with votes to occur on appropriation bills and with further action to be transacted on the tax reform bill.

ADJOURNMENT TO 9:30 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 58 minutes p.m.) the Senate adjourned until tomorrow, Friday, December 5, 1969, at 9:30 a.m.