has. Stevens has now appealed this ruling to the U.S. court of appeals.

I did not intend to address myself to these rulings, but on some points I cannot restrain myself as a representative of a district in South Carolina.

Defenders of the NLRB argue that many of the employees are illiterate, so the Labor Board ordered the company to read aloud the cease and desist order to assembled groups of employees.

I challenge this. Industrial employees in my State are as intelligent as those in any other State. The fact that they voted against union representation does not mean that they are illiterate. Many people in these United States would argue to the contrary.

The Board did not consider the educational level of the people of my State in its order. It acted only in an unprecedented punitive manner against this great company which has serrved this Nation well—and continues to serve it.

And it is on this basis that I address my remarks to this body.

As chairman of the Armed Services Committee, I consider myself in a position to be well informed on the subject of patriotic service to our Nation.

I say to you unequivocally, any individual or group that asks the Federal Government to withhold contracts for vitally needed war materials from a company simply because it has been found by the NLRB to be in violation of the Federal labor law is acting irresponsibly and without any thought for the welfare of our Armed Forces.

This is merely a desperate attempt by the AFL–CIO Council to gain, by flat from our Government, bargaining authority which it has not been able to win in secret ballot elections.

I know this company. I know the unselfish patriot who heads this company. He has served his country in war—two of them. He has headed the Department of the Army. His company has taken the lead in the textile industry in supplying military goods for our forces in the escalating Vietnam situation.

One of this company's plants turned 98 percent of its production to the war effort in World War II and won the coveted "E" award for its work. Just a month ago, another Stevens plant was presented the Defense Supply Agency's coveted "Q" award which in 3 years has been given to only 62 military suppliers of all types.

I am proud of what American companies are doing in producing needed supplies for our military forces. What the union now asks President Johnson to do would not only cut off vitally needed textile goods but also many other critical supplies and equipment furnished by other industries.

I am proud of the textile industry and its record during the past several years because 65 percent of the industry in my State is textiles—and that means that a majority of my State's workers are contributing a portion of their production to meet the military needs of our country.

The industry has worked very closely with the Defense Personnel Support Center in its procurement program. Special committees have been set up to deal with problems which arise, and the entire industry has devoted a major portion of its time over many months to meet these problems.

Up to the present time the textile industry has succeeded in meeting every request of the military without it being necessary to issue a single rated order to any textile plant.

Does the union leadership which wants the President to cut off military orders to Stevens realize the consequences involved? I know—and members of our House committee know—such action would curtail the flow of military fabrics and many other essential items which are already in short supply.

Can these union leaders face our men in Vietnam, sweating and fighting and risking their lives in defense of freedom, after making a request such as this to the President?

If I were a union leader, I could not face them, any more than I could grow a beard and carry a placard while my fellow citizens were wearing their country's colors in a far-off jungle. And I do not believe that union members generally support the union leaders in this irresponsible demand.

We in the South may be illiterate in the eyes of some of the other parts of this great country. We may not have the highest per capita income nor stand at the top in some other national comparisons.

But Mr. Speaker, and Members of this House, we do not rank second to any one in love for our country or willingness to work to back our men in uniform as they fight our battles.

Let the courts decide the merits of this company's controversy with the union and the Labor Board.

And let us all—union members, nonunion workers, industry, and this Government—move forward together in the task that is ours—the task of winning the struggle in Vietnam and giving to our fighting forces the support they deserve.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 21, 1966

The House met at 12 o'clock noon.

The Chaplain, Dr. Edward G. Latch, D.D., offered the following prayer:

This is the day which the Lord hath made; we will rejoice and be glad in it.
—Psalm 118: 24.

Our Heavenly Father, we bow before our altar of prayer with hearts overflowing with gratitude because Thou hast been so wonderfully good to us. We are what we are, we have what we have, not because we deserve it, not because we have earned it, but because Thy goodness has attended us, Thy strength has made us strong, Thy love has undergirded us, and Thy presence has blessed us all our days. Help us to be worthy of Thy gifts and to use each day for Thy glory, for the good of our country and for the welfare of our fellow man. Thus, may every day be a glorious adventure in great living. In Jesus' name we pray. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 11227. An act to authorize the Honorable EUGENE J. KEOGH, of New York, a Member of the House of Representatives, to accept the award of the Order of Isabella the Catholic.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 10721. An act to amend the Federal Employees' Compensation Act to improve its benefits, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2307. An act for the relief of certain civilian employees and former civilian employees of the Bureau of Reclamation at the Columbia Basin project, Washington.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2102. An act to protect and conserve the North Pacific fur seals, to provide for the administration of the Pribilof Islands, to conserve the fur seals and other wildlife on the Pribilof Islands, and to protect sea otters on the high seas;

S. 2218. An act to establish a contiguous fishery zone beyond the territorial sea of the United States; and

S. 3096. An act to amend the Federal Airport Act to extend the time for making grants thereunder, and for other purposes.

BENEFITS DO NOT EXTEND TO HUSBAND WHEN SERVICE WOMEN MARRY

Mrs. GRIFFITHS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

Mrs. GRIFFITHS. Mr. Speaker, I mentioned briefly yesterday that the Federal Government is giving women workers a raw deal and I would like to tell you that this morning a woman marine came to my office and explained that on marriage a woman marine's husband is not entitled to quarters—he is not entitled to medical care as a wife is nor can he even use the PX as a wife can.

Mr. Speaker, it is time for the Government to realize that free medical care for a spouse, additional money for quarters, and PX privileges are fringe benefits to an employee. The fringe benefits should be the same whether the employee is a man or woman.

I suggest, Mr. Speaker, it is time that the Secretary and Congressman RIVERS correct the pay differential for men and women members of the armed services.

ABOLISH POLITICAL PATRONAGE IN SELECTION OF POSTMASTERS

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. RONCALIO. Mr. Speaker, I am today introducing legislation to abolish political patronage in the selection of postmasters. My bill would bring these and other postal appointments under the complete control of the Civil Service Commission. It provides that the Postmaster General shall appoint local postmasters in accordance with the Civil Service Act and shall appoint persons certified as having the highest rating among the applicants examined. I find this bill necessary because in my opinion a Congressman's duties should no longer include this traditional vestige of early-day patronage operations.

Mr. Speaker, a long time ago America's first Postmaster General, Benjamin Franklin, said that every postmaster appointment he made earned him 10 enemies and 1 ingrate; he might have also added, Mr. Speaker, that a postmastership should be a crowning award for which all qualified employees may strive and which can be granted on merit to the best of local postal employees who devote their lives to the efficient operation of our post offices.

SUBCOMMITTEE ON SPECIAL PROBLEMS OF SMALL BUSINESS

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that the Subcommittee No. 7 of the Small Business Committee, which is the Subcommittee on Special Problems of Small Business, may sit during general debate tomorrow. I have cleared this with the ranking minority member of the committee, the gentleman from New York [Mr. HORTON].

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

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object, did I understand the gentleman to have said that he had cleared the request with the ranking member of the committee?

Mr. SMITH of Iowa. I have cleared it with the gentleman from New York [Mr. HORTON].

Mr. GERALD R. FORD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SUBCOMMITTEE ON URBAN RENEWAL OF THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. KLUCZYNSKI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Urban Renewal and Urban Problems of the Select Committee on Small Business may be permitted to sit during the debate this afternoon.

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

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object, I could not hear the request of the distinguished gentleman from Illinois. May I ask him to repeat it?

Mr. KLUCZYNSKI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Urban Renewal of the Select Committee on Small Business may be permitted to sit this afternoon during debate on the floor of the House. The request has been cleared with the minority member of the committee, the gentleman from New York [Mr. HORTON].

Mr. GERALD R. FORD. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. BERRY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. BERRY. Mr. Speaker, on Monday, June 20, I was unavoidably absent on official business in my district. On that day, on rollcall No. 147, the Freedom of Information Act, and on rollcall No. 148, to amend the Connally Hot Oil Act, came to a vote. Had I been present, I would have voted "yea" on each of these rollcalls.

SHARING OF FEDERAL INCOME TAX URGED FOR SUPPORT OF EDUCATION

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

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

There was no objection.

Mr. TALCOTT. Mr. Speaker, next to the protection of our youth, their education is our most important mission in life—whether we be parents, educators, or public officials.

Education is being neglected—not so much out of lack of desire, but from a failure of proper administration and adequate financing.

Education can best be performed by local school boards, educators, and officials—if they have the necessary funds.

The conventional, traditional source of funds for elementary and secondary education is real property, plus various subventions.

Real property, as a source of revenue for multiple purposes, is almost drained dry.

In many localities, formidable taxpayer rebellions are developing.

I include several typical newspaper articles from my district which appeared following the recent school bond elections.

The message is clear and alarming. The taxpayers are not opposed to better education. They are opposed to the onerous, inequitable, inadequate real estate taxing and real estate bonding methods now utilized for financing education.

A new source of revenue for education purposes must be found, and employed, promptly.

The best, most practical and fairest, method for alleviating the administrative and financial problems of elementary and secondary education is my bill, H.R. 10717—which provides a method for sharing Federal income tax revenues with the individual States for education.

At least 5 percent of the Federal revenues should be returned to the States for education purposes. The sooner we can enact this legislation, the sooner we can avert such taxpayer rebellions.

Talk of State tax reform is idle, useless talk. Any reform will only shift the burden from one property taxpayer to another property taxpayer.

Ever-increasing use of the sales tax for education purposes is unfair. There is no relationship between sales and education. It is a retrogressive tax and most burdensome upon the poor.

If your State is not confronted with this problem, you are only temporarily lucky. Sooner or later, it will be obvious to all that Federal income tax revenue must be shared with the States for public education purposes.

Two articles from the Watsonville Register-Pajaronian and one from the Santa Cruz Sentinel—all appearing June 15, 1966—follow:

[From the Watsonville (Calif.) Register-Pajaronian, June 15, 1965]

DRASTIC SCHOOL CUTS FORCED BY TAX DEFEAT

The failure of voters to approve a tax increase for the Pajaro Valley Unified School District at the primary election could mean:

—Elimination of the high school's interschool athletic program.

Double sessions for many of the elementary schools.

—A reduction in the district's teaching staff.

—A series of cutbacks in such areas as textbooks, equipment, maintenance, etc.

It definitely means there will be no high school summer school this year. The trustees decided that last night and will decide at a special meeting next Tuesday on whether to eliminate elementary school summer session as well.

Superintendent Glen Smith told trustees that failure of the tax proposal means that income next year will fall $100,000 short of the proposed $7.1 million budget.

Smith said at least $100,000 should remain in the reserve fund, meaning that $200,000 worth of cuts would have to be made.

High School Principal Kenneth McCombs submitted a hurriedly drafted list of possible cuts in the high school program that would amount to a saving of $61,740.

[From the Watsonville (Calif.) Register-Pajaronian, June 15, 1966]

CALIFORNIA SCHOOL CRISIS—VOTERS REBEL AGAINST TAXES

SACRAMENTO.—California school officials mixed fear and anger today as they reviewed an apparently unprecedented number of defeats last week for local school bond and tax override proposals.

A preliminary report from the California Association of School Administrators (CASA) counted only 34 victories in 100 school district elections held concurrently with the June 7 primary. According to performance over the past 10 years, voters should have approved about double the number.

Officials could find little comfort in passage of the state's $275 million school construction bond that appeared on all ballots.

Authorities who allocate the bond funds said this year's measure received 61 per cent of the vote, well below the average 73 per cent these bonds have been receiving since they first appeared on the ballot in 1949.

"I don't think there's any question but that you have a taxpayers' strike," said Dr. Max Rafferty, state Superintendent of Public Instruction. "This is the most serious crisis in school finance since I've been in this business and I'm scared stiff."

Dr. Arthur Corey, executive secretary of the California Teachers Association (CTA) called the situation "critical." He said that only school districts—among all forms of government in the state—had to seek voter approval for a tax increase and therefore took the brunt of all dissatisfactions.

In Sacramento's northern suburbs, angry teachers in the San Juan Unified District responded to rejection of an 86-cent tax override by threatening to invoke "sanctions" against the district.

Under the sanction—a form of blacklisting—the San Juan Teachers Association would warn other teacher groups and teacher training institutions against salary and working conditions at San Juan. If the override had passed, salaries would have been increased and the district would have hired new teachers to reduce class size.

The election survey was made by James Corson, CASA executive secretary, who sent telegrams requesting election results to county superintendents of schools.

Returns so far, he said, showed 12 victories in 45 bond issue elections and 22 victories in 55 tax override requests. The bonds had a 26 per cent success rate and the overrides 40 per cent.

Gil Oster, consultant to the Assembly Education Committee, said that although bond and override success rates have been declining over the past 10 years they have never sunk so low.

During the 1955–1965 period, he said, bond success rates dropped from 80 to about 65 per cent. He said overrides in the same period dropped from 80 to 60 per cent.

Rafferty said a solution to the problem lay in additional state aid to schools, which would relieve local property taxpayers. He said he was backing Assembly Speaker Jesse M. Unruh's plan to raise the new state funds by a one cent increase in the sales tax. However, he said he would make additional proposals to the 1967 legislature.

[From the Santa Cruz (Calif.) Sentinel, June 15, 1966]

SCHOOL ISSUES FAIL

(By Len Klempnauer)

Like ten pins on a bowling alley, 10 local school issues were knocked down yesterday by voters throughout Santa Cruz county.

The strike against additional monies—both for building programs and operating funds—for five school districts was acclaimed unanimously by school officials this morning as a county-wide rebellion against high local property taxes and current assessment practices.

For 10 frames the scoring went thusly:

1. Santa Cruz High school district's 25-cent override tax—9,273 for, 11,083 against, for 45.5 per cent. (Overrides require a simple majority.)

2. Live Oak Elementary district's 25-cent override tax—1,240 for, 2,010 against, for 38.1 per cent.

3. Live Oak's $315,000 bond issue—1,355 for, 1,815 against, for 42.7 per cent. (Bond issues need a two-thirds majority to pass.)

4. Scotts Valley Elementary district's $350,000 bond issue—1221 for, 721 against, for 62.8 per cent.

5. Scotts Valley's $645,000 state aid proposal—1176 for, 739 against. (State aid needs two-thirds to succeed but also requires passage of the bond issue.)

6. Pajaro Unified district's $3 million bond—3635 for, 6137 against, for 37 per cent.

7. Pajaro's 74-cent override tax—2987 for, 6730 against, for 30.7 per cent.

8. Mountain Elementary district's $90,000 bond—132 for, 135 against, for 49.1 per cent.

9. Mountain's $350,000 state aid—lost, but results not available at presstime.

10. Mountain's 50-cent override—lost, results not available.

As did other superintendents, Santa Cruz's Denzil Morrissey termed the defeat a "disappointment."

Morrissey said the district will have a few weeks to set up priorities for making cutbacks in the present programs.

The Santa Cruz rate for 1966–67 will revert to the state required minimum of 85 cents per $100. "I do not believe the district can operate on the lowest tax rate in the state," Morrissey commented.

Said Dr. Ambrose Cowden, president of the high school board:

"I feel this is an expression of a taxpayer's rebellion against ever-increasing taxes. Along with other taxpayers I don't feel the property tax is fair but at present it's the only method we have. I am deeply disappointed but not surprised at the outcome."

Live Oak Superintendent Herbert Cartwright commented, "I think it's unfortunate that the voters have taken school measures as a way of venting their dissatisfaction with the tax structure and assessment practices; I wish they had thought of the children first . . . The merits of the case had nothing to do with it."

COMMITTEE ON THE JUDICIARY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may sit while the House is in session today during general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SUBCOMMITTEE ON ACCOUNTS OF THE COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Accounts of the Committee on House Administration may be permitted to sit while the House is in session today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? The Chair hears none, and it is so ordered.

There was no objection.

BANK HOLDING COMPANY ACT OF 1956

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7371) to amend the Bank Holding Company Act of 1956, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, which was to strike out all after the enacting clause and insert:

That subsection (a) of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)) is amended to read as follows:

"(a) 'Bank holding company' means any company (1) that directly or indirectly owns, controls, or holds with power to vote 25 per centum or more of the voting shares of each of two or more banks or of a company that is or becomes a bank holding company by virtue of this Act, or (2) that controls in any manner the election of a majority of the directors of each of two or more banks; and, for the purposes of this Act, any successor to any such company shall be deemed to be a bank holding company from the date as of which such predecessor company became a bank holding company. Notwithstanding the foregoing, (A) no bank and no company owning or controlling voting shares of a bank shall be a bank holding company by virtue of such bank's ownership or control of shares in a fiduciary capacity, except as provided in paragraphs (2) and (3) of subsection (g) of this section, (B) no company shall be a bank holding company by virtue of its ownership or control of shares acquired by it in connection with its underwriting of securities if such shares are held only for such period of time as will permit the sale thereof on a reasonable basis, and (C) no company formed for the sole purpose of participating in a proxy solicitation shall be a bank holding company by virtue of its control of voting rights of shares acquired in the course of such solicitation."

SEC. 2. Subsection (b) of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(b)) is amended to read as follows:

"(b) 'Company' means any corporation, business trust, association, or similar organization, or any other trust unless by its terms it must terminate within twenty-five years or not later than twenty-one years and ten months after the death of individuals living on the effective date of the trust, but shall not include (1) any corporation the majority of the shares of which are owned by the United States or by any State, or (2) any partnership."

SEC. 3. Subsection (c) of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)) is amended to read as follows:

"(c) 'Bank' means any institution that accepts deposits that the depositor has a legal right to withdraw on demand, but shall not include any organization operating under section 25 or section 25(a) of the Federal Reserve Act, or any organization that does not do business within the United States. 'District bank' means any bank organized or operating under the Code of Law for the District of Columbia."

SEC. 4. Subsection (d) of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(d)) is amended to read as follows:

"(d) 'Subsidiary', with respect to a specified bank holding company, means (1) any company 25 per centum or more of whose voting shares (excluding shares owned by the United States or by any company wholly owned by the United States) is directly or indirectly owned or controlled by such bank holding company, or is held by it with power

to vote; or (2) any company the election of a majority of whose directors is controlled in any manner by such bank holding company."

SEC. 5. Subsection (g) of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(g)) is repealed.

SEC. 6. Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841), as amended by this Act, is further amended by adding at the end thereof the following new subsections:

"(g) For the purposes of this Act—

"(1) shares owned or controlled by any subsidiary of a bank holding company shall be deemed to be indirectly owned or controlled by such bank holding company;

"(2) shares held or controlled directly or indirectly by trustees for the benefit of (A) a company, (B) the shareholders or members of a company, or (C) the employees (whether exclusively or not) of a company, shall be deemed to be controlled by such company; and

"(3) shares transferred after January 1, 1966, by any bank holding company (or by any company which, but for such transfer, would be a bank holding company) directly or indirectly to any transferee that is indebted to the transferor, or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor, shall be deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee.

"(h) The application of this Act and of section 23A of the Federal Reserve Act (12 U.S.C. 371), as amended, shall not be affected by the fact that a transaction takes place wholly or partly outside the United States or that a company is organized or operates outside the United States: Provided, however, That the prohibitions of section 4 of this Act shall not apply to shares of any company organized under the laws of a foreign country that does not do any business within the United States, if such shares are held or acquired by a bank holding company that is principally engaged in the banking business outside the United States."

SEC. 7. (a) The first sentence of subsection (a) of section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)) is amended to read as follows: "It shall be unlawful, except with the prior approval of the Board, (1) for any action to be taken that causes any company to become a bank holding company; (2) for any action to be taken that causes a bank to become a subsidiary of a bank holding company; (3) for any bank holding company to acquire direct or indirect ownership or control of any voting shares of any bank if, after such acquisition, such company will directly or indirectly own or control more than 5 per centum of the voting shares of such bank; (4) for any bank holding company or subsidiary thereof, other than a bank, to acquire all or substantially all of the assets of a bank; or (5) for any bank holding company to merge or consolidate with any other bank holding company."

(b) The second sentence of subsection (a) of section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)) is amended by striking the words "except where such shares are held for the benefit of the shareholders of such bank" at the end of clause (i) and inserting in lieu thereof the words "except where such shares are held under a trust that constitutes a company as defined in section 2(b) and except as provided in paragraphs (2) and (3) of section 2(g)".

(c) Subsection (c) of section 3 of the Bank Holding Company Act of 1956 is amended to read as follows:

"(c) The Board shall not approve—

"(1) any acquisition or merger or consolidation under this section which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States, or

"(2) any other proposed acquisition or merger or consolidation under this section whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

In every case, the Board shall take into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned, and the convenience and needs of the community to be served."

(d) Subsection (d) of section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) is amended by striking the words "in which such bank holding company maintains its principal office and place of business or in which it conducts its principal operations" and inserting in lieu thereof the words "in which the operations of such bank holding company's banking subsidiaries were principally conducted on the effective date of this amendment or the date on which such company became a bank holding company, whichever is later,". Such subsection is further amended by adding at the end thereof the following new sentence: "For the purposes of this section, the State in which the operations of a bank holding company's subsidiaries are principally conducted is that State in which total deposits of all such banking subsidiaries are largest."

SEC. 8. (a) Subsection (a) of section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(a)) is amended to read as follows:

"(a) Except as otherwise provided in this Act, no bank holding company shall—

"(1) after the date of enactment of this Act acquire direct or indirect ownership or control of any voting shares of any company which is not a bank, or

"(2) after two years from the date as of which it becomes a bank holding company, or, in the case of any company that has been continuously affiliated since May 15, 1955, with a company which was registered under the Investment Company Act of 1940, prior to May 15, 1955, in such a manner as to constitute an affiliated company within the meaning of that Act, after December 31, 1978, retain direct or indirect ownership or control of any voting shares of any company which is not a bank or a bank holding company or engage in any business other than that of banking or of managing or controlling banks or of furnishing services to or performing services for any bank of which it owns or controls 25 per centum or more of the voting shares.

The Board is authorized, upon application by a bank holding company, to extend the period referred to in paragraph (2) above from time to time as to such bank holding company for not more than one year at a time, if, in its judgment, such an extension would not be detrimental to the public interest, but no such extensions shall in the aggregate exceed three years."

(b) Subsection (c) of section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1943(c)) is amended to read as follows:

"(c) The prohibitions in this section shall not apply to any bank holding company which is a labor, agricultural, or horticultural organization and which is exempt from taxation under section 501 of the Internal Revenue Code of 1954, and such prohibitions shall not, with respect to any other bank holding company, apply to—

"(1) shares of any company engaged or to be engaged solely in one or more of the following activities: (A) holding or operating properties used wholly or substantially by any banking subsidiary of such bank holding company in the operations of such banking subsidiary or acquired for such future use; or (B) conducting a safe deposit business; or (C) furnishing services to or performing services for such bank holding company or its banking subsidiaries; or (D) liquidating assets acquired from such bank holding company or its banking subsidiaries or acquired from any other source prior to May 9, 1956, or the date on which such company became a bank holding company, whichever is later;

"(2) shares acquired by a bank in satisfaction of a debt previously contracted in good faith, but such bank shall dispose of such shares within a period of two years from the date on which they were acquired, except that the Board is authorized upon application by such bank holding company to extend such period of two years from time to time as to such holding company for not more than one year at a time if, in its judgment, such an extension would not be detrimental to the public interest, but no such extensions shall extend beyond a date five years after the date on which such shares were acquired;

"(3) shares acquired by such bank holding company from any of its subsidiaries which subsidiary has been requested to dispose of such shares by any Federal or State authority having statutory power to examine such subsidiary, but such bank holding company shall dispose of such shares within a period of two years from the date on which they were acquired;

"(4) shares held or acquired by a bank in good faith in a fiduciary capacity, except where such shares are held under a trust that constitutes a company as defined in section 2(b) and except as provided in paragraphs (2) and (3) of section 2(g);

"(5) shares which are of the kinds and amounts eligible for investment by national banking associations under the provisions of section 5136 of the Revised Statutes;

"(6) shares of any company which do not include more than 5 per centum of the outstanding voting shares of such company;

"(7) shares of an investment company which is not a bank holding company and which is not engaged in any business other than investing in securities, which securities do not include more than 5 per centum of the outstanding voting shares of any company;

"(8) shares of any company all the activities of which are or are to be of a financial, fiduciary, or insurance nature and which the Board after due notice and hearing, and on the basis of the record made at such hearing, by order has determined to be so closely related to the business of banking or of managing or controlling banks as to be a proper incident thereto and as to make it unnecessary for the prohibitions of this section to apply in order to carry out the purposes of this Act;

"(9) shares of any company which is or is to be organized under the laws of a foreign country and which is or is to be engaged principally in the banking business outside the United States; or

"(10) shares lawfully acquired and owned prior to May 9, 1956, by a bank which is a bank holding company, or by any of its wholly owned subsidiaries."

(c) Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by adding at the end thereof the following new subsection:

"(d) With respect to shares which were not subject to the prohibitions of this section as originally enacted by reason of any exemption with respect thereto but which were made subject to such prohibitions by the subsequent repeal of such exemption, no

bank holding company shall retain direct or indirect ownership or control of such shares after five years from the date of the repeal of such exemption, except as provided in paragraph (2) of subsection (a). Any bank holding company subject to such five-year limitation on the retention of nonbanking assets shall endeavor to divest itself of such shares promptly and such bank holding company shall report its progress in such divestiture to the Board two years after repeal of the exemption applicable to it and annually thereafter."

SEC. 9. Section 6 of the Bank Holding Company Act of 1956 (12 U.S.C. 1845) is hereby repealed.

SEC. 10. The first sentence of section 9 of the Bank Holding Company Act of 1956 (12 U.S.C. 1848) is amended by striking out "sixty" and inserting "thirty".

SEC. 11. Section 11 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841 (note)) is amended by inserting "(a)" after "SEC. 11."; by inserting a comma and "except as specifically provided in this section" before the period at the end thereof; and by adding at the end thereof the following new subsections:

"(b) The Board shall immediately notify the Attorney General of any approval by it pursuant to this Act of a proposed acquisition, merger, or consolidation transaction, and such transaction may not be consummated before the thirtieth calendar day after the date of approval by the Board. Any action brought under the antitrust laws arising out of an acquisition, merger, or consolidation transaction shall be commenced within such thirty-day period. The commencement of such an action shall stay the effectiveness of the Board's approval unless the court shall otherwise specifically order. In any such action, the court shall review de novo the issues presented. In any judicial proceeding attacking any acquisition, merger, or consolidation transaction approved pursuant to this Act on the ground that such transaction alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), the standards applied by the court shall be identical with those that the Board is directed to apply under section 3 of this Act. Upon the consummation of an acquisition, merger, or consolidation transaction in compliance with this Act and after the termination of any antitrust litigation commenced within the period prescribed in this section, or upon the termination of such period if no such litigation is commenced therein, the transaction may not thereafter be attacked in any judicial proceeding on the ground that it alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), but nothing in this Act shall exempt any bank holding company involved in such a transaction from complying with the antitrust laws after the consummation of such transaction.

"(c) In any action brought under the antitrust laws arising out of any acquisition, merger, or consolidation transaction approved by the Board pursuant to this Act, the Board and any State banking supervisory agency having jurisdiction within the State involved, may appear as a party of its own motion and as of right, and be represented by its counsel.

"(d) Any acquisition, merger, or consolidation of the kind described in section 3(a) of this Act which was consummated at any time prior or subsequent to May 9, 1956, and as to which no litigation was initated by the Attorney General prior to the date of enactment of this amendment, shall be conclusively presumed not to have been in violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2).

"(e) Any court having pending before it on or after the date of enactment of this amendment any litigation initiated under the antitrust laws by the Attorney General with respect to any acquisition, merger, or consolidation of the kind described in section 3(a) of this Act shall apply the substantive rule of law set forth in section 3 of this Act.

"(f) For the purposes of this section, the term 'antitrust laws' means the Act of July 2, 1890 (the Sherman Antitrust Act, 15 U.S.C. 1–7), the Act of October 15, 1914 (the Clayton Act, 15 U.S.C. 12–27), and any other Acts in pari materia."

SEC. 12. (a) Section 23A of the Federal Reserve Act, as amended (12 U.S.C. 371c), is amended by adding at the end thereof the following new paragraphs:

"For the purposes of this section, (1) the term 'extension of credit' and 'extensions of credit' shall be deemed to include (A) any purchase of securities, other assets or obligations under repurchase agreement, and (B) the discount of promissory notes, bills of exchange, conditional sales contracts, or similar paper, whether with or without recourse, except that the acquisition of such paper by a member bank from another bank, without recourse, shall not be deemed to be a 'discount' by such member bank for such other bank; and (2) non-interest-bearing deposits to the credit of a bank shall not be deemed to be a loan or advance or extension of credit to the bank of deposit, nor shall the giving of immediate credit to a bank upon uncollected items received in the ordinary course of business be deemed to be a loan or advance or extension of credit to the depositing bank.

"For the purposes of this section, the term 'affiliate' shall include, with respect to any member bank, any bank holding company of which such member bank is a subsidiary within the meaning of the Bank Holding Company Act of 1956, as amended, and any other subsidiary of such company.

"The provisions of this section shall not apply to (1) stock, bonds, debentures, or other obligations of any company of the kinds described in section 4(c)(1) of the Bank Holding Company Act of 1956, as amended; (2) stock, bonds, debentures, or other obligations accepted as security for debts previously contracted, provided that such collateral shall not be held for a period of over two years; (3) shares which are of the kinds and amounts eligible for investment by national banks under the provisions of section 5136 of the Revised Statutes; (4) any extension of credit by a member bank to a bank holding company of which such bank is a subsidiary or to another subsidiary of such bank holding company, if made within one year after the effective date of this amendment to section 23A and pursuant to a contract lawfully entered into prior to January 1, 1966; or (5) any transaction by a member bank with another bank the deposits of which are insured by the Federal Deposit Insurance Corporation, if more than 50 per centum of the voting stock of such other bank is owned by the member bank or held by trustees for the benefit of the shareholders of the member bank."

(b) Section 25 of the Federal Reserve Act, as amended (12 U.S.C. 601), is amended by striking out "either or both of" immediately preceding "the following powers" in the introductory paragraph and by inserting after the paragraph designated "Second." the following new paragraph:

"Third. To acquire and hold, directly or indirectly, stock or other evidences of ownership in one or more banks organized under the law of a foreign country or a dependency or insular possession of the United States and not engaged, directly or indirectly, in any activity in the United States except as, in the judgment of the Board of Governors of the Federal Reserve System, shall be incidental to the international or foreign business of such foreign bank; and, notwithstanding the provisions of section 23A of this Act, to make loans or extensions of credit to or for the account of such bank in the manner and within the limits prescribed by the Board by general or specific regulation or ruling."

(c) Section 18 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1828), is further amended by adding at the end thereof the following new subsection:

"(j) The provisions of section 23A of the Federal Reserve Act, as amended, relating to loans and other dealings between member banks and their affiliates, shall be applicable to every nonmember insured bank in the same manner and to the same extent as if such nonmember insured bank were a member bank; and for this purpose any company which would be an affiliate of a nonmember insured bank, within the meaning of section 2 of the Banking Act of 1933, as amended, and for the purposes of section 23A of the Federal Reserve Act, if such bank were a member bank shall be deemed to be an affiliate of such nonmember insured bank."

SEC. 13. (a) Subsection (b) of section 2 of the Banking Act of 1933, as amended (12 U.S.C. 221a), is further amended by inserting before the period at the end thereof the following: "; or

"(4) Which owns or controls, directly or indirectly, either a majority of the shares of capital stock of a member bank or more than 50 per centum of the number of shares voted for the election of directors of a member bank at the preceding election, or controls in any manner the election of a majority of the directors of a member bank, or for the benefit of whose shareholders or members all or substantially all the capital stock of a member bank is held by trustees".

(b) Subsection (c) of section 2 of the Banking Act of 1933, as amended (12 U.S.C. 221a), is repealed.

(c) Section 5144 of the Revised Statutes, as amended (12 U.S.C. 61), is amended to read as follows:

"SEC. 5144. In all elections of directors, each shareholder shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit; and in deciding all other questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock held by him; except that (1) this shall not be construed as limiting the voting rights of holders of prefered stock under the terms and provisions of articles of association, or amendments thereto, adopted pursuant to the provisions of section 302(a) of the Emergency Banking and Bank Conservation Act, approved March 9, 1933, as amended; (2) in the election of directors, shares of its own stock held by a national bank as sole trustee, whether registered in its own name as such trustee or in the name of its nominee, shall not be voted by the registered owner unless under the terms of the trust the manner in which such shares shall be voted may be determined by a donor or beneficiary of the trust and unless such donor or beneficiary actually directs how such shares shall be voted; and (3) shares of its own stock held by a national bank and one or more persons as trustees may be voted by such other person or persons, as trustees, in the same manner as if he or they were the sole trustee. Shareholders may vote by proxies duly authorized in writing; but no officer, clerk, teller, or bookkeeper of such bank shall act as proxy; and no shareholder whose liability is past due and unpaid

shall be allowed to vote. Whenever shares of stock cannot be voted by reason of being held by the bank as sole trustee such shares shall be excluded in determining whether matters voted upon by the shareholders were adopted by the requisite percentage of shares."

(d) Paragraph (c) of section 5211 of the Revised Statutes (12 U.S.C. 161) is amended by striking out the second sentence thereof.

(e) The last sentence of the sixteenth paragraph of section 4 of the Federal Reserve Act, as amended (12 U.S.C. 304), is amended by striking out all of the language therein which follows the colon and by inserting in lieu thereof the following: "*Provided*, That whenever any member banks within the same Federal Reserve district are subsidiaries of the same bank holding company within the meaning of the Bank Holding Company Act of 1956, participation in any such nomination or election by such member banks, including such bank holding company if it is also a member bank, shall be confined to one of such banks, which may be designated for the purpose by such holding company."

(f) The nineteenth paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 334) is amended by striking out the last sentence of such paragraph.

(g) The twenty-second paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 337) is repealed.

(h) The third paragraph of section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended by striking out that part of the first sentence that reads "For the purpose of this section, the term 'affiliate' shall include holding company affiliates as well as other affiliates, and"; and by changing the word "the" following such language to read "The".

(i) Paragraph (4) of section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–3) is repealed.

(j) Paragraph (11) of section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2) is amended by striking out the words "or any holding company affiliate, as defined in the Banking Act of 1933" and substituting therefor the words "or any bank holding company as defined in the Bank Holding Company Act of 1956".

Mr. PATMAN (interrupting the reading.) Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with, and that the amendment be printed in full in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and it is so ordered.

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas for the present consideration of the bill and the Senate amendment?

Mr. BROYHILL of Virginia. Mr. Speaker, reserving the right to object—and I shall not object—I wonder if the gentleman from Texas would be willing to advise the House whether or not there was any discussion during the consideration of the various items in controversy in this bill as to the possibility of a tax bill that would provide some measure of relief for the companies that are required to sell their holdings by virtue of this pending legislation.

Mr. PATMAN. I will state to the distinguished gentleman from Virginia [Mr. BROYHILL] that there were discussions. I will insert in the RECORD, if permission is granted to consider the bill, a statement from the Treasury Department which is favorable in the direction the gentleman is stating, and also a letter to Senator A. WILLIS ROBERTSON, chairman of the Committee on Banking and Currency, from the Honorable WILBUR D. MILLS, chairman of the Committee on Ways and Means, that fully explains this matter.

Those who are affected by this will be protected by a law that will be passed—and there will be no objection to the passage of it, so far as we are able to ascertain—to give them the same privilege under the tax laws that has been given to others under similar circumstances.

Mr. BROYHILL of Virginia. Mr. Speaker, I should like to inform the House that I have discussed this matter with the chairman of the Committee on Ways and Means and this tax legislation which has been discussed is pending before the committee. It is anticipated it will be promptly considered by the Committee on Ways and Means and will be pending before the House in the very near future.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, I urge the House to accept the Senate amendments to H.R. 7371, to amend the Bank Holding Company Act of 1956.

The Senate version consists essentially of those provisions included in bills favorably reported by your Committee on Banking and Currency last year, namely H.R. 7371 and H.R. 7372. The Federal Reserve Board and the Federal Deposit Insurance Corporation have by letter urged passage of the amended bill. While the Justice Department and the Comptroller of the Currency expressed some reservations, the American Bankers Association, and the Independent Bankers Association are not opposed to the Senate bill.

On balance, the amended bill is a good bill and there is no question that this is the best bill obtainable. Those in the House before 1956 remember the very difficult time we had in enacting any holding company legislation at all. But what we got in 1956 was a great step forward and H.R. 7371 represents a great improvement. Of that there can be no mistake. We have plugged the most important, the most serious loopholes in the holding company law by accepting the Senate amendments and it was entirely unrealistic to hope that the Senate would accept the House bill. This is particularly true in that many of those affected by the House-passed bill had no opportunity to testify before your committee. While many of us would prefer a more comprehensive bill as the House passed, we must be patient for further improvements in the act, at least until the next Congress.

The most important parties affected by the present bill, the Du Pont Trust and the Financial General-International Bank empire were accorded ample opportunity to testify before House and Senate committees. In fact, Mr. Edward Ball, representing the Du Pont Trust, testified twice before your committee—in 1964 and on my bill H.R. 10668, and in 1965 on my bill H.R. 7371, which is now before us. The Senate, in the exercise of its legislative discretion, would permit greater flexibility in the time allotted for divestiture of the nonbanking assets of these two groups. Furthermore, the distinguished chairman of the Committee on Ways and Means and Chairman LONG of the Senate Finance Committee have by letter expressed their intention of speedy action on appropriate tax relief with respect to divestiture of assets. Both the Treasury Department and the Bureau of the Budget have informed the Congress that there is no objection to such tax relief, similar, in fact, to what we provided in 1956.

This bill represents a distinct improvement in the scope of the Bank Holding Company Act. Mr. Speaker, the Committee on Banking and Currency, including our ranking minority member, recommend acceptance of the Senate amendments without a conference.

TREASURY DEPARTMENT,
Washington, D.C., June 2, 1966.

HON. WILBUR D. MILLS,
Chairman, Committee on Ways and Means,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to the Committee's request for the views of this Department on H.R. 11257, "A bill relating to the income tax treatment of certain distributions pursuant to the Bank Holding Company Act of 1956, as amended."

This bill would provide, for corporations first becoming a bank holding company by enactment of H.R. 7371, relief of a type generally comparable to that provided in 1956 by the enactment of sections 1101–1103 of the Internal Revenue Code. As noted in our report to the Committee on H.R. 7372, dated September 10, 1965, this Department is not opposed to legislation that provides relief of that general type to corporations first becoming a bank holding company by current amendments of the Bank Holding Company Act. Accordingly, this Department would not oppose the enactment of this bill.

As stated in our report on H.R. 7372, advancing the May 15, 1955, cutoff date in sections 1101–1103 of the Code is appropriate for corporations first becoming a bank holding company by current amendments to the Act. H.R. 11257 would advance that date to September 23, 1965 (the date the House first proposed to eliminate the "one bank exemption" in the Bank Holding Company Act, when it amended H.R. 7371 on the floor). However, should H.R. 7371 be enacted in a form comparable to that recommended by the Senate Committee on Banking and Currency, so that the one bank exemption is retained and only the Investment Company exemption (together with certain other exemptions not material for this purpose) is eliminated, April 12, 1965, would appear to be an appropriate cutoff date.

Since that date, when H.R. 7372 was introduced, there has been strong evidence that the Investment Company exemption might be eliminated from the Act, and a later cutoff date might be said to encourage the acquisition of properties with a view to their tax-free distribution to shareholders.

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 presentation of this report.

Sincerely yours,

STANLEY S. SURREY,
Assistant Secretary.

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 6, 1966.

Hon. A. WILLIS ROBERTSON,
Chairman, Committee on Banking and Currency, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In reply to your letter of May 19 suggesting that the Committee on Ways and Means might consider action on Mr. MULTER'S bill, H.R. 11257, I have been advised that the Committee staff has received a favorable report on this bill from the Treasury Department. The Treasury Department did suggest that an appropriate cutoff date would be April 12, 1965, instead of the date contained in the Multer bill.

In light of this favorable report with this suggested change from the Treasury Department, I will ask the Committee to consider this bill just as soon as our Committee schedule will permit. I would now expect this to be in the next 4 to 6 weeks.

Sincerely yours,

WILBUR D. MILLS,
Chairman.

U.S. SENATE,
COMMITTEE ON FINANCE,
June 6, 1966.

Hon. A. WILLIS ROBERTSON,
Chairman, Senate Banking and Currency Committee, Washington, D.C.

DEAR MR. CHAIRMAN: On May 19 you wrote the Chairman of the Committee on Ways and Means of the House of Representatives regarding a change in the tax law necessitated by reason of amendments to the Bank Holding Company Act of 1956 which your Committee has approved. You favored me with a copy of that letter.

I understand the substance of the necessary tax amendments is reflected in H.R. 11257 now pending before the Committee on Ways and Means. The Treasury has indicated that in general it favors easing the tax consequences of the divestitures which your bill would require. The tax relief contemplated by H.R. 11257 (tax-free distributions coupled with a carry-over basis) largely conforms to the relief this Committee approved in 1956 when the Bank Holding Company Act was approved.

That being the case, I see no reason why the Committee on Finance cannot act with dispatch to take up the appropriate amendmends soon after they are passed by the House. You recognize in your letter that the Constitution requires that the House act first on tax measures.

With every good wish, I am,

Sincerely,

RUSSELL LONG,
Chairman.

FEDERAL EMPLOYEES COMPENSATION ACT

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10721) to amend the Federal Employees Compensation Act to improve its benefits, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 17, after "than" insert "75 per centum of the monthly pay of".

Page 5, strike out lines 7 to 17, inclusive, and insert:

"'(c) Upon the application of any employee or former employee in receipt of compensation under this Act to the United States Civil Service Commission, said Commission shall enter his name on each appropriate register or employment list, or both, maintained by the Commission, for certification for appointment to any vacant position for which he is physically and otherwise qualified, in accordance with regulations of the Commission. Employees or former employees with career or career-conditional status shall be entitled to the same priority in certification which the Commission accords a career or career-conditional employee who has been involuntarily displaced from his position through no fault of his own. For the purpose of this subsection, "employee" means an employee as defined by section 40(b)(1) of this Act, but does not include an individual who, pursuant to any other Act, is deemed an employee for the purpose of this Act.'"

Page 6, after line 6, insert:

"(b) Section 6(a)(2)(C) of the Act is amended by adding at the end thereof the following new sentence. 'Notwithstanding any other provision of this section, compensation payable for a child which would otherwise be terminated because such child has reached the age of 18 shall be continued if he or she is a student (as defined in section 10(M) of this Act) at the time he or she reaches the age of 18 for so long as the child continues to be such a student or until he or she marries.'"

Page 6, line 7, strike out "(b)" and insert "(c)".

Page 6, strike out lines 9 to 13, inclusive, and insert:

"'(M) For the purposes of this section, a person shall be considered a student while he is regularly pursuing a full-time course of study or training at an institution which is—

"'(i) a school or college or university operated or directly supported by the United States, or by any State or local government or political subdivision thereof, or

"'(ii) a school or college or university which has been accredited by a State or by a State-recognized or nationally recognized accrediting agency or body, or

"'(iii) a school or college or university not so accredited but whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited, or

"'(iv) an additional type of educational or training institution as defined by the Secretary.

but not after he reaches the age of twenty-three or has".

Mr. O'HARA of Michigan (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the amendments be dispensed with and that they be printed in the RECORD.

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

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object, I would like to inquire of the distinguished gentleman from Michigan what the Senate amendments are. Can he outline them for us very briefly?

Mr. O'HARA of Michigan. Mr. Speaker, I shall outline them briefly. First, the Senate amendments make a small adjustment in the minimum compensation benefits payable to totally disabled Federal employees. Second, they limit the reemployment rights provided by the House bill for disabled Federal employees to those who are career employees or career-conditional employees. The third Senate amendment provides special treatment for the children of disabled Federal employees who are still attending school after the normal cutoff age of 18, whereas the House bill had provided such treatment only for children of Federal employees who had died from injuries received in line of duty. The last Senate amendment defines the kinds of institutions of higher education where attendance will be considered to confer eligibility under the last provision. The House bill had left that question to regulations to be promulgated by the Secretary of Labor.

Mr. GERALD R. FORD. As I understand it, the minority members on the subcommittee had agreed to these amendments and agreed to the Senate bill as passed?

Mr. O'HARA of Michigan. The gentleman is correct. The minority members on the subcommittee which handled the bill have agreed to the Senate amendments.

Mr. GERALD R. FORD. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

MASSACHUSETTS BUS TAXATION AGREEMENT

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 13935) to give the consent of Congress to the State of Massachusetts to become a party to the agreement relating to bus taxation proration and reciprocity as set forth in title II of the act of April 14, 1965 (79 Stat. 60), and consented to by Congress in that act and in the act of November 1, 1965 (79 Stat. 1157), with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate.

The Clerk read the title of the bill.

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

Mr. STAGGERS. Mr. Speaker, reserving the right to object, I should like to have some clarification from the chairman of the Judiciary Committee with regard to the amendment to this bill put on by the Senate. They attached an amendment onto the bill, which amendment should have come before the House Interstate and Foreign Commerce Committee for consideration. However, this subject has never come before the committee and no hearings have been held on it. Therefore, I want

to know if the chairman of the Judiciary Committee will knock out the amendment and stand fast in the conference.

Mr. CELLER. I will say to the gentleman from West Virginia that the amendment the Senate added to the bill certainly was not germane to the bill itself. It should not have been added, and I shall do everything in my power to knock out the provision added by the Senate.

Mr. STAGGERS. Mr. Speaker, I would have to object, unless I know the amendment will be stricken completely from the bill.

Mr. CELLER. I would not want to cross the gentleman from West Virginia. I believe he is eminently sound. Although I dislike to pledge what I will do in a conference, inasmuch as the amendment added by the Senate is utterly nongermane and has nothing whatsoever to do with the original bill, I will agree with the gentleman from West Virginia not to agree to the Senate amendment.

Mr. STAGGERS. I thank the gentleman. Mr. Speaker, I withdraw my reservation.

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

Mr. RYAN. Mr. Speaker, reserving the right to object, let me say I concur with the views of the distinguished chairman of the Committee on Interstate and Foreign Commerce on the amendment. I am very happy we have the assurance of the distinguished chairman of the Judiciary Committee that he will oppose the nongermane rider which was added by the other body and simply has no place in this bill.

The subject matter of the Senate amendment is within the jurisdiction of the Committee on Interstate and Foreign Commerce. It would jeopardize the claims of some 8,000 individuals under the War Claims Act of 1948, as amended in 1962.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from New York? The Chair hears none, and appoints the following conferees: Messrs. CELLER, WILLIS, TENZER, MCCULLOCH and POFF.

FOREIGN AGENTS REGISTRATION ACT AMENDMENTS

Mr. CELLER. Mr. Speaker, I call up the conference report on the bill (S. 693) to amend the Foreign Agents Registration Act of 1938, as amended, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

Mr. CELLER. Mr. Speaker, I note that there should be a correction. The last sentence of the statement of the managers on House amendment No. 1, page 3, should be corrected to read as follows:

Second, it applies a somewhat more rigid test for exemption in the case of foreign concerns with U.S. subsidiaries, by requiring as a further condition of the exemption that whenever the foreign concern owns or controls the domestic concern, the activities in question are substantially in furtherance of the business interests of the domestic concern.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, was the bill amended by the other body; and, if so, are any of the amendments germane to the bill?

Mr. CELLER. The amendments resulted from the deliberations of this body, on this side—the House.

Mr. GROSS. Therefore, the amendments are germane to the bill?

Mr. CELLER. Yes.

Mr. GROSS. I thank the gentleman. Mr. Speaker, I withdraw my reservation.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1632)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 693) to amend the Foreign Agents Registration Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment Numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"party;

"(q) For the purpose of section (3)(d) hereof, activities in furtherance of the bona fide commercial, industrial or financial interests of a domestic person engaged in substantial commercial, industrial or financial operations in the United States shall not be deemed to serve predominantly a foreign interest because such activities also benefit the interests of a foreign person engaged in bona fide trade or commerce which is owned or controlled by, or which owns or controls, such domestic person: *Provided*, That (i) such foreign person is not, and such activities are not directly or indirectly supervised, directed, controlled, financed or subsidized in whole or in substantial part by, a government or a foreign country or a foreign political party, (ii) the identity of such foreign person is disclosed to the agency or official of the United States with whom such activities are conducted, and (iii) whenever such foreign person owns or controls such domestic person, such activities are substantially in furtherance of the bona fide commercial, industrial or financial interests of such domestic person."

And the House agree to the same.

Amendment Numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"(g) Any person qualified to practice law, insofar as he engages or agrees to engage in the legal representation of a disclosed foreign principal before any court of law or any agency of the Government of the United States: *Provided*, That for the purposes of this subsection legal representation does not include attempts to influence or persuade agency personnel or officials other than in the course of established agency proceedings, whether formal or informal."

And the House agree to the same.

EMANUEL CELLER,
WM. M. TUCK,
ROBERT W. KASTENMEIER,
RICHARD H. POFF,
EDWARD HUTCHINSON,
Managers on the Part of the House.
J. W. FULBRIGHT,
JOHN SPARKMAN,
MIKE MANSFIELD,
BOURKE B. HICKENLOOPER,
GEO. AIKEN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the Senate bill (S. 693) to amend the Foreign Agents Registration Act of 1938, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House passed S. 693 with two amendments. The Senate disagreed to the amendments and requested a conference; the House then agreed to the conference. The conference report recommends that the Senate recede from its disagreement to the House amendments and agree to the same with amendments, the amendments being to insert in lieu of the matter inserted by the House amendments the matter agreed to by the conferees, and that the House agree thereto. The conference report retains the substance of the House amendments with certain modifications.

HOUSE AMENDMENT NO. 1

House Amendment No. 1 defines the exemptive scope of a part of proposed Section 3(d) of the Foreign Agents Registration Act. As amended by S. 693, Section 3(d) would, among other things, exempt from registration any person engaging in activities not serving predominantly a foreign interest. House Amendment No. 1 provides that, for the purpose of Section 3(d) of the Act, activities in furtherance of the bona fide business interests of a domestic concern engaged in substantial business in the United States shall not be deemed to serve predominantly a foreign interest because such activities also benefit a foreign business concern which is owned by or owns the domestic concern. The House amendment imposes three conditions on this exemption: (1) the foreign concern must not be a foreign government or political party, (2) the activities must not be directly or indirectly controlled or subsidized in substantial part by a foreign government or political party, and (3) the relationship with the foreign concern must be disclosed.

The conference report makes two changes in House Amendment No. 1. First, it substitutes the word "operations" for the word "activities," the second time the latter word appears, in order to correct an inadvertent ambiguity. Second, it applies a somewhat more rigid test for exemption in the case of United States concerns with foreign subsidiaries, by requiring as a further condition of the exemption that whenever the foreign concern owns or controls the domestic concern, the activities in question are substantially in furtherance of the business interests of the domestic concern.

HOUSE AMENDMENT NO. 2

House Amendment No. 2 in substance exempts from registration any person qualified to practice law, insofar as he engages or

agrees to engage in legal representation of a disclosed foreign principal before any court of law or any agency or official of the Government (other than a Member or committee of Congress).

The conference report makes two changes in House Amendment No. 2. First, it deletes reference to any "official" as unnecessary and rearranges and shortens the requirement of disclosure. Second, it defines "legal representation" to exclude attempts to influence or persuade agency personnel or officials other than in the course of established agency proceedings, whether formal or informal.

EMANUEL CELLER,
WILLIAM M. TUCK,
ROBERT W. KASTENMEIER,
RICHARD H. POFF,
EDWARD HUTCHINSON,
Managers on the Part of the House.

Mr. CELLER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON RULES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

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

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is the call of the Private Calendar. The Clerk will call the first bill.

WON LOY JUNG

The Clerk called the bill (H.R. 1822) for the relief of Won Loy Jung.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

KATHERINE NABOKOFF AND OTHERS

The Clerk called the bill (H.R. 10846) for the relief of Katherine Nabokoff, and others.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

PEDRO IRIZARRY GUIDO

The Clerk called the bill (H.R. 2914) for the relief of Pedro Irizarry Guido.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

RENE HUGO HEIMANN

The Clerk called the bill (H.R. 1336) for the relief of Rene Hugo Heimann.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

EMANUEL G. TOPAKAS

The Clerk called the bill (H.R. 3233) for the relief of Emanuel G. Topakas.

There being no objection, the Clerk read the bill as follows:

H.R. 3233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 205(c) of the Immigration and Nationality Act shall not be applicable in the case of Emanuel G. Topakas ([redacted]).

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, in the administration of the Immigration and Nationality Act, the provisions of section 204(c) of that Act shall be inapplicable in the case of Emanuel G. Topakas."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. WILLIAM W. WATKIN, JR.

The Clerk called the bill (H.R. 12031) to authorize the appointment of Col. William W. Watkin, Jr., professor, of the U.S. Military Academy, in the grade of lieutenant colonel, Regular Army, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

H.R. 12031

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President may appoint Colonel William W. Watkin, Junior, [redacted], professor, of the United States Military Academy, in the grade of lieutenant colonel, Regular Army, and enter his name on the Army promotion list in the place it would occupy had it not been removed from that list because of his appointment as a professor of the United States Military Academy on October 1, 1961. All service performed by Colonel Watkin as a professor of the United States Military Academy shall be deemed, of all purposes, to have been service as an Army promotion-list officer.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

EUGENE L. RAYMOND, PRESIDENT, CIGAR INSTITUTE OF AMERICA, INC.

Mr. SECREST. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. SECREST. Mr. Speaker, Eugene L. Raymond, 54, president and executive director of the Cigar Institute of America, Inc., died June 12, 1966, of internal causes. Mr. Raymond was returning from St. Louis to his home at 33 Morewood Oaks, Port Washington, Long Island. He had just addressed the Missouri tobacco convention in Springfield.

Mr. Raymond was the man who taught America how to wear a cigar. Born in Pittsburgh, Pa., September 28, 1911, he devoted more than 25 years to promoting the attributes of cigar smoking, first as eastern field supervisor and then since 1956, as president and executive director of the Cigar Institute of America, Inc.

It was the public relations efforts of Mr. Raymond and his organization that achieved one of the best business success stories—the reestablishment of the cigar as a symbol of gracious and enjoyable living.

Mr. Raymond was a constant traveler throughout the country and he probably clocked more air flight time than any association president anywhere.

A great public speaker, Mr. Raymond was quick to ascend any speaker's platform that offered him a chance to advance his theory that everyone should "wear a cigar."

Mr. Raymond was an innovator of note and many of his public relations creations have won the plaudits of the advertising fraternity as well as the public relations industry.

A suit designed especially for cigar smokers, and the Cigar Smokers of America whose many chartered humidors are located in different sections of the country are some of the special efforts fostered by Mr. Raymond as adjuncts to the regular public relations program of the Cigar Institute.

Another special creation of Mr. Raymond was the cigar clinic. This was programed assault on dry cigars in the fifties. And Mr. Raymond had a simple but dramatic way of getting the humidification idea across—he would just pour a glass of water onto the speaker's rostrum. Those nearby never forgot the lesson.

In February 1965 the Tobacco Table of New York, honored Mr. Raymond, awarding him the 1965 Tobacco Industry Distinguished Service Award, heretofore awarded to only three leaders of the industry.

Prior to joining the cigar industry, Mr. Raymond was assistant sales manager of a major distiller where he conducted a joint program of sales and public relations. Three and a half war years in the Aleutian Islands, serving as the skipper of an Army vessel, failed to dampen his tremendous enthusiasm for people and particularly for the cigar business.

A leading chronicler in discussing the theme, "Cigars as the Last Stronghold of Virile Men," recently stated:

I have read of men with a deep abiding philosophy that strive to make their business prime movers for a better way of life but never have I heard of a product produced solely for enjoyment, to carry the therapeutic qualities as zealously fostered by Mr. Raymond.

He added this observation by Mr. Raymond:

A cigar is like the earth, it remains stationary and a friend to all who come to it.

Mr. Raymond was a leader in many civic affairs and has contributed substantially to the promulgation of association operations.

Survivors include his widow, Marie, a son, Robert Raymond, and a sister, Mrs. Mary Scarito.

Services were held at the Ignatius Loyola Church in New York City. Interment was at Pinelawn Memorial Cemetery, Pinelawn, Long Island.

Mr. Raymond has many friends in both Houses of Congress and was a frequent visitor to the Nation's Capital.

TILE IMPORTS FROM JAPAN

Mr. HERLONG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include extraneous matter.

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

There was no objection.

Mr. HERLONG. Mr. Speaker, the ceramic tile industry in this country has been hard hit by low-priced wall tile imports from Japan—imports which are now under investigation by the U.S. Treasury as being dumped in the U.S. market at less than fair value.

The American producers have alleged in their complaint that Japanese dumping of this product is widespread, injurious, flagrant, and predatory; it involves a dumping price ranging from 35 to 45 percent below prices of similar tile in Japan's home market.

Despite the existence of this investigation, just released Government statistics show that tile imports from Japan, in March and April 1966, have increased more than 50 percent over the previous 2 months, and more than 20 percent over the same period a year earlier. Furthermore, the average price of the tile coming in now is reported at substantially lower prices than any time in 1965 or the first 2 months of 1966.

Thus, after Treasury began its investigation of the Japanese wall tile dumping in December 1965 and the Japanese learned of the possible legal action against them, their reaction seems to have been to dump even more tile in the U.S. market, before a possible ruling that they have been violating our antidumping statutes.

U.S. tile manufacturers are confident of their ability to compete with anyone willing to obey our laws. But predatory dumping is not fair competition, particularly when the Japanese accompany it with other unfair trade practices such as those documented in the industry's brief filed with the U.S. Bureau of Customs.

While Treasury is still investigating the antidumping complaint on glazed wall tile, these census figures show that Japanese tile manufacturers have continued to lower their export prices, even below the prices claimed in the dumping complaint, and have deluged the U.S. market with tile in the last few months.

I would like to submit, for the record with these remarks, a table showing the official U.S. Census statistics on Japanese glazed wall tile imported into the United States for the period from January 1 through April 30 of this year.

Mr. Speaker, this is an example of why I am convinced that passage of some legislation which would eliminate the predatory dumping of the type which the Japanese industry has apparently been using to inflict such great harm on a small U.S. industry and its workers is so essential:

Glazed wall tile imported from Japan

	Quantity (thousand square feet)		Average unit value (cents) per square foot	
	1965	1966	1965	1966
January	2.678	3.882	19.2	18.0
February	3.522	3.110	17.8	19.0
Subtotal	6.260	6.992		
March	4.995	5.276	20.0	15.0
April	3.925	7.134	19.3	15.3
Subtotal	8.920	12.410		
Total	15.120	19.402		

Source: Bureau of the Census, U.S. Department of Commerce, Foreign Trade Report No. IM 146.

EXEMPTION OF PUERTO RICO FROM $15,000 PURCHASE CEILING ESTABLISHED FOR FEDERAL NATIONAL MORTGAGE ASSOCIATION

Mr. POLANCO-ABREU. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include extraneous matter.

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

There was no objection.

Mr. POLANCO-ABREU. Mr. Speaker, I am today introducing a bill to exempt properties located in the Commonwealth of Puerto Rico from the $15,000 purchase ceiling, which has been established for the Federal National Mortgage Association for mortgage purchases in its secondary market operations.

As you know, the Association has modified its $15,000 purchase ceiling with respect to properties located in the States of Alaska and Hawaii, but it is without authority to provide an exemption for the ceiling for properties in Puerto Rico

The existence of the Federal National Mortgage Association's $15,000 purchase ceiling causes a distressing situation in Puerto Rico, which is one of the most active areas building under the FHA in the entire country.

It is evident that there is heavy competition in all areas for investment money which has driven interest rates to an alltime high. Because of the relatively low yields that investors can realize from Government-insured FHA mortgages, these investors have been turning recently to more lucrative loans. The result is a shortage of funds available for FHA housing mortgages. To attract the necessary funds to complete Puerto Rico's extremely vital housing program going forward, it is obvious that the mortgages on these new homes must provide a competitive rate of return to those investors.

FHA has recently indicated a recognition of this need by raising the interest rate on their housing mortgages from 5¼ to 5¾ percent. The bankers in Puerto Rico who bring the necessary investor funds to the island to finance FHA mortgages are having difficulty in attracting sufficient money to keep our housing programs going, even at the higher 5¾ percent interest rates. In an effort to do so, they must discount these mortgages in amounts up to $1,000 to $1,200 per house. This is another way of saying that the cost of a $15,000 house in Puerto Rico today must include that much for "cost of mortgage money."

In the past, under conditions of tight money, the housing industry has enjoyed the assurance that Fannie Mae—Federal National Mortgage Association—would provide the floor for FHA guaranteed mortgages by stepping into the mortgage market and buying FHA mortgages—that is, investing in them—at reasonable discount prices where the private sector did not provide sufficient funds or did so at an unreasonably high cost. The Federal National Mortgage Association was created to provide such a backstop for the FHA programs and, historically, has provided a stabilizing influence on the costs of housing related to the cost of money.

Today there is the situation where the Federal National Mortgage Association has placed a top limit of $15,000 on the mortgages it will finance—except in Hawaii and Alaska—which is complicating the issue of a housing money shortage for Puerto Rico and which, if allowed to continue, could cause a disastrous drop in new housing construction in Puerto Rico with the attendant serious implications for the island's social and economic well-being.

With the average FHA mortgage in Puerto Rico running over $16,000 today, and with rapidly rising costs of labor, land and materials, it is understandable that the $15,000 purchase limitation has virtually eliminated the Federal National Mortgage Association from its role of supporter of FHA programs in Puerto Rico.

A special characteristic of the Puerto Rican housing market makes the island's economy exceedingly vulnerable to the situation I have just described. In Puerto Rico, approximately 90 percent of all new private residence construction is built under various sections of the FHA mortgage insurance programs, whereas in the United States the average utilization of FHA mortgage insurance programs is about 15 percent. The difference is a reflection of the fact that low

downpayment, long-term housing loans are vital to the solution of Puerto Rico's housing problems. These facts make it easy to understand why the Federal National Mortgage Association's support role is so vital to the economic and social climate of the Puerto Rican community, probably more so than in any other area in the States today. It is desirable and urgent that that role be reestablished to avoid a serious housing crisis in Puerto Rico.

I expressed these thoughts recently in a letter to the Federal National Mortgage Association, and I was informed by Mr. J. S. Baughman, President of the Association, that FNMA was powerless to create an exemption of the $15,000 purchase ceiling to Puerto Rico without authorizing legislation duly enacted and approved as law.

Mr. Speaker, I hope that I have set out the reasons here why this legislation is necessary, and I hope that this statement may present our problem with this respect succinctly and clearly and, most of all, persuasively, because I will have to have the support of our colleagues if this legislation is to be approved and this important problem solved.

REPLICA OF INDEPENDENCE HALL AT KNOTT'S BERRY FARM

Mr. UTT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. UTT. Mr. Speaker, I take this time for the purpose of bringing to the attention of the Congress, an occasion which I believe will be of interest to all of my colleagues.

On the Fourth of July, appropriately enough, an exact replica of Independence Hall, birthplace of our Declaration of Independence, and our great Constitution, will be opened to the public at Knott's Berry Farm in Buena Park, Calif.

This occasion will also mark a culmination of a many-years-long dream of Mr. and Mrs. Walter Knott. When asked why he was building Independence Hall, Mr. Knott replied:

> I was asked that same question 25 years ago when we started Ghost Town. Mrs. Knott and I were 50 years old then. Our restaurant business was just getting started, and there were so many places on the farm that needed improvement. Yet we felt stirred by the historical past that Ghost Town was to portray, so we let other things wait while we proceeded to build Ghost Town.
>
> Now, as I write this, Mrs. Knott and I are 75, and we feel this project can wait no longer, or it might never be done.
>
> Our Declaration of Independence was worked out and signed there by 56 brave men who closed it with these famous words: "And for the support of this Declaration, with a firm reliance on the Protection of Divine Providence, we mutually pledge to each other our lives, our Fortunes, and our sacred Honor." Truly great men! Then after nearly ten years of war, when victory finally came, other great, and I believe divinely guided, men again met at Independence Hall to decide what kind of government we should have. They, too, produced one of the world's outstanding documents—our Constitution. These two documents are among the greatest ever conceived by man. They have changed the course of liberty.
>
> Independence Hall is a beautiful and stately building, and one all of us at the farm will be very proud of. I think, like starting Ghost Town 25 years ago, that building Independence Hall will be a milestone in the history of the Farm. It will be our reminder of some of the most crucial events in all history.

Mr. Speaker, I believe my colleagues will be interested in knowing of the meticulous attention to detail which was expended in assuring as nearly an exact replica of Independence Hall as was humanly possible.

In reproducing the Liberty Bell, for example, research was needed which included, of course, trips to Philadelphia to see the original on developing the alloy, the size, the unique shape of the bell and the clapper, and the placement of the crack in the original. The actual casting of the bell presented problems of a unique nature. Many months were expended—a nationwide search was launched for a tree which would provide the wood for an exact replica of the yoke which holds the original Liberty Bell, and, finally, a reproduction was produced which was so exact that it came within a mere five pounds of the weight of the original bell, which weighs 2,080 pounds.

So, too, would the Knotts approach the building of the structure itself. The brickwork, for example, is as exact a duplicate of the original brickwork as could possibly be produced. The bricks had to be aged, handmade with the ends rough and weathered, and composed of a mixture of clay of a unique nature.

Mr. Speaker, I am sure that my colleagues will want to join me in extending congratulations and best wishes to Mr. and Mrs. Knott on the occasion of the opening of Independence Hall.

The story of the Knotts is a story of a couple, who, in the best American tradition, built with their own hands an industry employing nearly 1,000 people, while at the same time, providing a recreational facility of educational value and historical inspiration. In the best American tradition, the Knotts share their good fortune with their employees through a profit-sharing arrangement, and they share their good fortune with the American people through a never-ending display of patriotism and devotion to their country, no better exemplified than by their untiring efforts to create a new shrine to liberty, the reproduction of Independence Hall, at a cost of $750,000. This will be a continuing memorial to the patriotism, dedication, and faith of two great Americans, Walter and Cordelia Knott.

In the development of the huge complex, nationally referred to as Knott's Berry Farm, Mr. and Mrs. Knott have had the loyal and dedicated service and support of their children, each of whom takes an individual responsibility in one or more of the projects within this huge complex, as well as sharing in the ownership and direction of the farm.

AMA HONORS MINNESOTA PHYSICIANS

Mr. DUNCAN of Tennessee. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. QUIE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. QUIE. Mr. Speaker, Dr. Thomas P. Comer and Dr. Norman W. Hoover of Rochester, Minn., were honored by the American Medical Association at the 113th annual meeting of the Minnesota State Medical Association. The two Mayo Clinic doctors have recently returned from a voluntary medical mission to South Vietnam. Dr. Comer is now completing a residency in surgery at the Mayo Clinic, and Dr. Hoover has resumed his position as an orthopedic surgeon on the clinic staff.

Dr. James Z. Appel, president of the American Medical Association, cited the two physicians for their meritorious service for the medical profession, the U.S. Government, and the people of South Vietnam by treating the ill and injured during a voluntary medical mission.

At the Minnesota State Medical Association annual dinner for new members, councilors, and delegates on May 15, Dr. Appel presented the AMA certificate of humanitarian service to Dr. Hoover. Dr. G. R. Diessner, a councilor from Rochester, presented the award, signed by Dr. Appel, to Dr. Comer who was unable to attend the dinner.

Dr. Comer and Dr. Hoover served in Vietnam as part of the medical volunteer program, Project Vietnam. Operating with U.S. Government funds, this program was created as the result of an appeal from South Vietnam for medical help.

Upon his return from South Vietnam, Dr. Hoover stated:

> There's no doubt in my mind that medicine is a concrete, humanitarian and most effective way to win the population . . . Medicine is of vital psychological importance, and the program must not only be continued, but expanded.

Both physicians served in civilian hospitals in South Vietnam treating both the victims of disease and civilian war casualties.

For Dr. Hoover this was not a new experience. He has long been interested in programs such as Project Vietnam. In 1961, he served a tour of duty on the mercy ship SS *Hope* in Saigon, Vietnam, and was instrumental in establishing an orthopedic hospital in that city. According to Dr. Hoover:

> It is projects like this that will earn us friends throughout the world.

Mr. Speaker, it is men like Drs. Hoover and Comer who are so instrumental in achieving the goals of freedom and peace. We in the Congress and all Americans owe them a debt of thanks for their outstanding dedication to humanity and their personal sacrifice.

RENT SUBSIDY

Mr. DUNCAN of Tennessee. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. DICKINSON] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. DICKINSON. Mr. Speaker, you are now being taxed to pay not only the rent, but the light bills, moving expenses, household furnishings and utensils and social activities of the family being moved into your neighborhood.

The rent subsidy pattern has been set, the official guidelines established, and the program to pay the underprivileged to move in on the people who earn their own living is beginning to roll. Take, for example, the pilot program authorized by the Balitimore, Md., Board of Estimate.

According to the Baltimore Sun of June 9, the city welfare department will spend $400,000 of Federal money to move 300 underprivileged families into expensive apartment houses or neighborhoods. Their basic living costs will, of course, continue to be paid by normal welfare allowances but they will also be given, on the average $30 for overdue electric bills, $25 for moving expenses, $54 to make up $115 a month rent, $125 to buy new furniture, and so forth, and $5 a month to get around socially.

Just to make sure that this rent subsidy is spent, not with a trickle but with a gush, 20 new Baltimore welfare jobs will be created to dish out this largesse. This additional pork will include an assistant welfare director at $12,000 a year, a community relations chief at $9,320, the inevitable publicity man at $8,560, and other professional taxeaters.

This is what the Great Society calls its rent supplement program. It is no longer a matter of you trying to keep up with the Joneses; it amounts to making you pay to have the Joneses keep up with you.

SECOND-ANNIVERSARY COMMEMORATION OF JAMES CHANEY, ANDREW GOODMAN, AND MICHAEL SCHWERNER, WHO GAVE THEIR LIVES FOR THE CAUSE OF LIBERTY

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 25 minutes.

Mr. RYAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. RYAN. Mr. Speaker, 2 years ago, today, June 21, 1964, three courageous young Americans gave their lives for the cause of liberty. James Chaney, Andrew Goodman, and Michael Schwerner died brutal deaths in Mississippi in order that others might live as free men and women with the civil and political rights and equal opportunities which are the inheritance under the Constitution of all Americans.

Mr. Speaker, today, 12 miles east of Philadelphia, Miss., there stands a newly built church, the Mount Zion Methodist Church. It is fitting that this church is dedicated to the memory of those martyred civil rights workers.

Mr. Speaker, you may remember that the old church building was burned to the ground by night riders in June of 1964. Three young men, James Chaney, Andrew Goodman, and Michael Schwerner, visited that burned-out church on Sunday afternoon, June 21, 1964, to see for themselves this outrageous example of racial injustice and hatred, and to interview those citizens of that community who might have knowledge of the circumstances of the fire.

Mr. Speaker, as you recall, we know that they disappeared that afternoon and were not seen again. Some weeks later the Federal Bureau of Investigation discovered their bodies, buried in an earthen dam on a pond near Philadelphia.

Now, Mr. Speaker, within that church there is a bronze plaque which tells that their concern—I quote the plaque:

> Their concern for others and, more particularly, those of this community, led to their early martyrdom.

Mr. Speaker, the inscription also reads—and I quote it:

> Their death quickened man's conscience and more firmly established justice and liberty and brotherhood in our land.

Mr. Speaker, their common dedication to the cause of justice, liberty, freedom, and brotherhood, brought together Andrew Goodman and Michael Schwerner, both young men of New York, and James Chaney, a young Negro from Meridian, Miss.

They had joined the Council of Federated Organizations, a council composed of an alliance of several civil rights groups—the Congress of Racial Equality, the Southern Christian Leadership Conference, the National Association for the Advancement of Colored People, and the Student Nonviolent Coordinating Committee.

It was their purpose, along with their fellow workers in COFO to help to bring Negroes in Mississippi to the full exercise of their political and constitutional rights and to help them prepare themselves for greater economic opportunities.

Michael Schwerner and his wife, Rita, established a Freedom School in Meridian. In this 5-room school they had a collection of something like 10,000 books. Together with other volunteers in Freedom Schools which were established in Mississippi that summer, they were anxious that Mississippi Negroes, particularly young people, find the educational opportunities which had been denied to them.

The heroic example of these young men, and the fact that they sacrificed their lives, should clarify for us our present duty. It is an example which has been brought home very dramatically and very clearly in the past few days by James Meredith's march along the Mississippi highway and the dastardly ambush which resulted in his multiple wounds. Now the steady march through Mississippi in the blood-stained footsteps of James Meredith is bringing day by day closer to reality the ideals of our Founding Fathers and bringing closer to reality the goals and objectives for which James Chaney and Andrew Goodman and Michael Schwerner gave their lives that Sunday afternoon in Philadelphia, Miss.

Mr. Speaker, we have the obligation to secure to every individual the opportunity to realize his full potential. We have the obligation to secure to every individual the right to live and to work and to participate in our democracy at every level. We cannot believe that we have progressed significantly toward these goals until we have assured every citizen of this land security against violence, against the abhorrent violence which resulted in the martyrdom of these three civil rights workers and which resulted in the near martyrdom of James Meredith.

These deaths and this attack from ambush should make us realize that there are people in this land who fear that the liberation of the Negro citizen is such a threat to their own status that they will resort to all kinds of violence—even murder—as well as economic reprisals to deprive our Negro citizens to their full civil and political rights.

Mr. Speaker, nothing could more forcefully show the inadequacy of existing Federal laws to protect the exercise of federally guaranteed rights than the fact that local law enforcement officers and private individuals who have been accused of murdering the three civil rights workers have never been indicted for murder in a State court and cannot be tried for murder in a Federal court. Let us hope that through the Federal court system some measure of justice will be found—but, as we know, the Federal statutes are silent when it comes to making it a crime to commit acts of violence and murder against civil rights workers.

I refer Members of this House to the report of the U.S. Commission on Civil Rights, which found that Negroes and civil rights workers are not protected in the exercise of their rights by State and local law enforcement officers, prosecutors, and juries in so many parts of the South.

In its 1965 report, which was entitled "Law Enforcement and Equal Protection in the South," the Commission said, at page 172:

> The Commission's investigation has disclosed that in some communities in the South, local officials have defied the Constitution and repudiated their oath by denying the protection of the laws to Negro citizens. In some instances, law-enforcement officers have stood aside and permitted violence to be inflicted upon persons exercising rights guaranteed by Federal law. In others, prosecutors have failed to carry out their duties properly. In the few cases in which persons have been prosecuted for violence against Negroes, grand and petit juries—from which Negroes have been systematically excluded, and which express deeply rooted community attitudes—have failed to indict or convict.

I quote further from the Commission's report:

The purpose and end of violence and abuse of legal process has been to maintain and reinforce the traditional subservient status of Negroes by discouraging the exercise of the rights of citizenship. The occurrence of even a single instance of unpunished racial violence often serves to deter Negroes in a community from asserting their rights. In these circumstances racial violence injures not only the victim but the entire community.

Mr. Speaker, the three civil rights workers whom we commemorate today knew that education is the indispensable condition of real freedom. They were killed by men who wished to deny the Negro equal opportunity in education in order to withhold from him the basic fulfillment of his freedom.

In a recent report prepared jointly by the American Jewish Committee and the Southern Regional Council there were listed 125 instances of violence in the South between September, when some little integration of schools took place, and February 1966. Ten murders were listed as well as evictions of Negro families from farms and firing of Negroes from jobs in reprisal for enrolling Negro children in previously segregated schools.

Mr. Speaker, we shall never be able to provide the most basic protection—protection against violence, intimidation, and reprisal—until racial discrimination is eliminated from the process of jury selection everywhere in the South.

In his recent testimony before the House Judiciary Committee, Attorney General Katzenbach said that the Justice Department had found indication of jury discrimination in both Federal and State courts in several States of the South. So long as juries represent prejudicial attitudes toward Negroes and civil rights workers, men like those who killed Andrew Goodman, Michael Schwerner, and James Chaney will not be restrained by threat of any penalty from resorting to desperate and criminal measures to keep the Negro community in subjection.

It is urgent that Congress enact legislation in order to insure nondiscriminatory selection of Federal and State juries. The administration's bill, H.R. 14765, is intended to do this. However, I have introduced, and testified before the Judiciary Committee in support of, H.R. 14111, the Jury Selection Act of 1966, which in my judgment would be more effective.

I think that Congress should authorize the U.S. courts of appeals to take over supervision and control of jury selection through its own jury commissioners, whenever any person or the Attorney General proves that jury discrimination has occurred in a Federal district court. H.R. 14111, the Jury Selection Act of 1966, which I introduced, gives such authority to the courts of appeals.

The administration's bill, H.R. 14765, prohibits discrimination in jury selection for State courts, and authorizes the Attorney General to sue in the Federal courts to obtain orders enjoining such discrimination.

The U.S. Government must have this authority in order to insure to every person the equal protection of the law. But I think that the Federal Government must have more authority than this. The Federal Government must have the right to exercise direct control over the jury selection process in State courts wherever there is evidence or there has been a finding of jury discrimination. H.R. 14111, the Jury Selection Act of 1966, provides for appointment of Federal jury commissioners by the Civil Service Commission to control jury selection for State courts in counties where there is evidence of jury discrimination, or where courts have found discrimination. Such counties would be designated by the Attorney General on the basis of objective criteria, and the U.S. District Court for the District of Columbia would be authorized to review any such designation. The jury commissioners would compile the venire list themselves, and would supervise selection of jurors from that list. Moreover, property and certain other qualifications for jury service would be suspended in such counties, and a sixth grade education would be regarded as qualifying anyone for jury service. Federal jury commissioners would retain control of jury selection for a period of 3 to 10 years in counties which have discriminated.

H.R. 14111 provides not only for Federal supervision of State jury selection wherever necessary, but also authorizes removal of cases from State to Federal courts whenever there is found a pattern or practice of systematic exclusion of persons from jury service on account of race or color.

Mr. Speaker, Negroes and civil rights workers in the South will not be adequately protected until the United States is able to impose criminal penalties upon anyone who tries to deprive them of their rights by violence, intimidation, and reprisal.

It is ironic that rights guaranteed by the Constitution are not protected by adequate Federal sanctions. On March 28 of this year, the Supreme Court of the United States did reinstate Federal charges against the State officials and private individuals accused of killing James Chaney, Andrew Goodman, and Michael Schwerner, and the trial has been scheduled for September. But the most serious charge which the Attorney General can bring against them is that of conspiracy under section 241 of title 18 of the United States Code. The maximum penalty is $5,000 fine and 10 years' imprisonment.

Title V of H.R. 14765, the administration's bill which is similar to my bill, H.R. 14972, should give needed additional protection to the exercise of federally guaranteed rights including the right to vote, the right to equal opportunity in public education and in employment, the right to equal treatment in the housing market, the right to equal treatment and service in places of public accommodation, the right to serve on Federal and State juries, and other rights. It should give additional protection by providing adequate Federal criminal penalties for violence, intimidation, or economic reprisal used to prevent the exercise of constitutional rights. It will apply to private individuals as well as to public officials acting under color of law.

Mr. Speaker, I firmly believe that the community owes any victim of civil rights violence or his family indemnification for suffering as a consequence of exercise of Federal rights. H.R. 14972, the bill which I have introduced, would create an indemnification board within the U.S. Civil Rights Commission, with authority to compensate those who had suffered anti-civil-rights violence.

But protection from violence, intimidation, and reprisal is merely the indispensable condition for the exercise of those rights and opportunities for which James Chaney, Andrew Goodman, and Michael Schwerner made the ultimate sacrifice.

The right to vote is the essential right the exercise of which the individual should take for granted. Yet we know what the facts are today.

The Voting Rights Act of 1965 has begun to bring the opportunity to register and vote to citizens who were so long denied.

As of February 1 of this year, Federal examiners in 37 counties in Southern States had registered more than 100,000 Negro citizens. And local registration officials in Alabama, Louisiana, Mississippi, South Carolina, and Georgia had, by the same date, registered more than 200,000 additional Negro citizens since passage of the act.

The fact remains, however, that half or more of the age-eligible Negroes in the South are not yet registered. In part this is due to the failure of the Justice Department to assign registrars to more counties.

There is an obligation on the Federal Government to implement this Voting Rights Act of 1965 to its fullest extent. This must be done by the assignment of Federal examiners to every county in the South where there has been discrimination in voting. This must be done, Mr. Speaker.

Mr. Speaker, we cannot depend solely on the Voting Rights Act to conduct all Negroes to full citizenship. As Attorney General Katzenbach said in a speech before the Southern Regional Council on February 28, residual fear among Negroes remains, and violence and reprisal remain as ever-present threats in some places in the South.

In addition to the Voting Rights Act, the Federal Government must have additional legislation to protect voters and would-be voters and civil rights workers against violence and economic pressure.

And then we should encourage civil rights groups, like the voter education project of the Southern Regional Council, in their efforts to prepare Negroes to register and vote and to lead them to take part in the process of self-government. Those who conduct voter registration campaigns follow in the footsteps of the three young men whom we remember today.

No right is more essential to all of the other rights and opportunities of Americans than the right to equal opportunity in public education.

The Supreme Court, in Brown against Board of Education, found racial segre-

gation to be in violation of the equal protection clause of the 14th amendment. The Court said with reference to Negro children:

To separate them from others of similar age and qualifications solely because of their race generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely ever to be undone.

By consequence, the Court declared that separation of pupils by race is inherently unequal, and contrary to the Federal Constitution.

The Brown case was decided in 1954. Last fall, no more than 6.01 percent of all Negro pupils in the 11 States of the South attended school with white children, according to the Southern Regional Council. The command of the Supreme Court and the requirement of the 14th amendment are not being fulfilled. It is imperative that the United States have increased executive authority to vindicate the Federal right to equal educational opportunity.

Title IV of the 1964 Civil Rights Act empowered the Attorney General to bring civil actions for school desegregation, but only upon written complaints by private persons aggrieved and only after he has determined that such persons are unable to initiate and maintain such suits themselves. The Attorney General has testified that these conditions have inhibited or delayed action by the Justice Department.

A few minutes ago I cited a recent report prepared by the American Jewish Committee and the Southern Regional Council which related the extent of violence in the South during the first half of the school year 1965 to 1966. Such violence undoubtedly makes many Negro parents afraid to complain to the Justice Department about school discrimination. The Attorney General declared that:

The requirement of a written complaint as a prerequisite to a suit by the federal government, and intimidation of Negroes have proved to be mutually reinforcing obstacles to the orderly progress of desegregation.

Title III of the administration's 1966 Civil Rights Act would eliminate these disadvantages by authorizing the Attorney General to initiate civil actions for school desegregation on his own determination of discrimination. This amendment would not only unhinder the Justice Department, but would render intimidation of Negro parents ineffective as a means of preventing the U.S. Government from acting.

Nothing is more essential, Mr. Speaker, than that every person, regardless of race or color, have equal opportunity to realize his personal abilities by acquiring the highest technical qualifications of which he is capable, and equal opportunity for employment at his highest productive level. Equal opportunity in training and employment is essential in terms both of justice to individuals and of economic advantage to the country. Technological innovation is increasing industry's demand for highly skilled people and decreasing its demand for semiskilled or unskilled workers. At the same time, past and present discrimination have deprived the Negro more than any one else of the possibility of acquiring new and needed skills and of contributing as much as he is capable of contributing to the national product.

Congress passed title VII of the 1964 Civil Rights Act in an effort to establish equal opportunity for all persons without regard to race or color in training and employment. Title VII established rights, but failed to provide adequate enforcement authority to vindicate those rights. The 1964 act created an Equal Employment Opportunity Commission authorized only to investigate and to attempt to conciliate. It was left up to the aggrieved individual to seek court enforcement of his right to nondiscrimination, or to the Justice Department if it finds a pattern or practice of employment discrimination.

The Equal Employment Opportunity Act of 1966, H.R. 10065, which this House passed by an overwhelming majority on April 27, should provide the Federal Government with enforcement authority to match the rights to equal opportunity which it creates. The Equal Employment Opportunity Commission would be able to back up its efforts at conciliation with authority to issue cease-and-desist orders and orders for corrective action. And the Commission could seek to have its orders judicially enforced by the Federal courts whenever it meets noncompliance. Moreover, H.R. 10065 gives to the Commission authority to find the existence of a pattern or practice of discrimination as justification for a civil action by the Attorney General.

Nondiscrimination in apprenticeship and on-the-job training programs is the most important condition of equal employment opportunity, and the Commission is directed by H.R. 10065 to make a continuing study of such programs and to report its findings to Congress quarterly. The Commission would be enabled to get at the facts by having the right to inspect the records of training programs kept by managements and unions.

I should like to note also that many more working men and women will find themselves protected against discrimination by the Equal Employment Opportunity Act of 1966 than by title VII.

Racial discrimination in housing, Mr. Speaker, both perpetuates lack of equal educational opportunity and precludes the Negro from seeking the just return for his contribution to the national product.

The most essential way of ensuring integrated public schools is to facilitate the integration of urban and suburban neighborhoods. Children who must attend ghetto schools too often begin the process of learning at a disadvantage. The disadvantage may well carry through to adult life and preclude equal economic opportunity.

At the same time, the Negro who has bettered his economic position by effort and saving is too often prevented by racial discrimination from buying or renting a place to live wherever he can afford to live and wherever he would like his family to be.

Title IV of the Civil Rights Act of 1966, and H.R. 14971, a bill which I introduced on May 10 and which is identical with title IV, would answer our pressing need for Federal legislation to prohibit discrimination in housing.

Mr. Speaker, as we reflect today, 2 years after the tragic deaths of these young men, we should note that some progress has been made—and their work and martyrdom contributed to this progress—but we should also note that much remains to be done.

It is really a sad commentary that every one of the major civil rights bills passed by this Congress has been passed in the wake of violence. The 1964 bill followed the violence in Birmingham. The 1965 bill followed the violence in Selma, and before that, the violence in Mississippi. Now, as we address ourselves to the Civil Rights Act of 1966, it is in the wake of violence on Federal Highway No. 51, along which James Meredith strode, in an effort to dispel the climate of fear which grips the Negro community in Mississippi.

So, Mr. Speaker, let us pause today to pay tribute to James Chaney, Andrew Goodman, and Michael Schwerner, who gave their lives in order to hasten the coming fulfillment of the human rights to which we in Congress must give statutory recognition. Let us hope that the tragic deaths of these young men will so quicken the conscience of every American that these rights will find a most enduring basis in a general affirmation of mind, heart, and spirit.

A WORLD PATENT SYSTEM

Mr. McDADE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. YOUNGER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. YOUNGER. Mr. Speaker, on the evening of June 16, I had the pleasure of attending a banquet given by the Patent, Trademark & Copyright Research Institute of the George Washington University, at which time the Charles F. Kettering Award was given to Gen. David Sarnoff in recognition of his outstanding contributions as communicator, electronics pioneer, industrial statesman, and public servant and for meritorious work in patent, trademark, and copyright research and education.

In responding to the award, General Sarnoff addressed the group on the very interesting subject of a world patent system. Like many of General Sarnoff's ideas, it may be well in advance of immediate possibility of achievement but he certainly has given a very intelligent and possible solution to our patent difficulties and setting a mark for which we should devote our energies. His address, "A World Patent System," follows:

A WORLD PATENT SYSTEM

(Address by David Sarnoff, chairman, Radio Corp. of America, at the Kettering Award Dinner, Patent, Trademark & Copyright Research Institute, Washington, D.C., June 16, 1966)

I have come to Washington many times on patent matters, but this is the first time I

have received a medal for doing so. I am most grateful for this distinguished award, and I am indeed honored by this association of my name with that of Charles F. Kettering.

It was my privilege to know Charles Kettering personally. I respected him as a distinguished scientist, inventor, industrialist, practical philanthropist and humanitarian. Above all, I admired him as a great American.

Boss Kettering personified the distinctive qualities of our country and its people—a spirit of enterprise and invention founded on the conviction that anything of value can be improved and that research must seek and find answers to problems impeding the flow of progress. He often said that the price of progress was trouble, but he insisted that it was not too high a price to pay.

His philosophy as well as his pioneering inventions have become part of our American heritage. One thought of his sums up the basic principle of his own life, which we share as a Nation. "My interest is in the future," he said, "because I am going to spend the rest of my life there."

Although he always looked to the future, Charles Kettering was aware that the spirit of American invention and enterprise had deep roots in the past. The rights of inventors were established in Article One of the Constitution, and the Congress, in 1790, gave legal substance to those rights.

Since then, more than 3 million American patents have resulted from the government's encouragement to "science and the useful arts." Taken as a group, they have contributed profoundly to America's technological, economic, military, and political leadership, and have reshaped the course of history.

The patent procedures which made possible this early flow of inventiveness were attuned to the requirements of individual artisans and inventors who worked independently on their own inventions. With their limited resources, they sought to create for a market that extended no farther than the boundaries of their region or nation, and the device or product they created could nearly always be clearly defined as their own.

Today, the character and scope of the inventive process has changed profoundly. The application of new ideas to practical uses has created new industries and stimulated the growth of old ones, giving new impetus to a growing economy.

The search for new ideas commands the resources of government, education and private enterprise. Under the stimulus of new concepts, vast and complex facilities have been constructed and industries have grown up almost overnight. The development of new products, processes, and systems has engaged hundreds of thousands of our finest minds, and the fruits of their interlocking efforts are evident wherever civilization extends.

Against this background of extraordinary technological growth, it is ironic that the very instrument designed to advance this progress has not kept pace with the progress it has stimulated. In this age of mass invention which has produced deep space probes, supersonic flight, and satellite communications, the patent structure of most nations is no longer capable of meeting the requirements imposed by technological change and economic growth.

The United States, for example, is the world leader in quantity and variety of invention, but an average of three years is still required for passage from patent application to patent issue. In some instances, both here and abroad, this time period is even longer. These delays have in some cases retarded the progress of an idea from the mind to the marketplace.

When we can transmit an idea around the world in less than one-seventh of a second, why must years elapse before that idea can be validated within or outside the country of origin? Why must an inventor still make separate application in every country where he wishes to protect his idea? Why should some countries make no provision at all for patent filings, or impose severely restrictive conditions upon the inventor?

The answers lie in the fragmented array of national patent systems, most of them working in isolation from the others. This condition inhibits the swift and equitable worldwide distribution of patent benefits—through new technology, new industry and expanded markets. The consequences are unfortunate enough in the industrialized nations, but they are even more damaging to the underdeveloped members of the world community.

As technology becomes more complex, the problem of sharing it with others becomes more difficult to solve. Today, material wealth is largely concentrated in a group of nations with only one-third of the world's population. The remaining two-thirds accounts for less than one-tenth of the world's industrial production, generates less than one-quarter of the world's energy, and produces little more than one-third of the world's food.

In the face of growing abundance induced by technology, the supreme paradox of our times is the fact that the gap between the have and have-not nations continues to widen. This imbalance obviously carries the seeds of new disorders and further violence in an uneasy world. In 87 per cent of the nations classified by the World Bank as very poor—those with a per capita income of less than $100 a year—there has been an average of two major outbreaks of violence per country during the last decade.

To help overcome this disturbing situation, I believe there must be a more equitable distribution of technical know-how and stronger encouragement of inventiveness in the nations that have been left behind in the wake of modern technology. True, the problem cannot be solved overnight, and it certainly will not be solved without the full cooperation of the underdeveloped nations themselves. But through an appropriate international patent structure, we can make an intellectual as well as a capital investment in these countries.

The input of know-how and ideas can be as great a stimulant to their progress as money and machinery. As Oliver Wendell Holmes said, "A man's mind stretched by a new idea can never go back to its original dimensions."

One of today's principal challenges is to design an international patent structure that can accommodate the revolutionary changes in technology and spread its benefits more evenly around the world. Through the tremendous advances that have been made in one aspect of this technology—in communications—the physical means are available to accomplish this purpose. It is now technically feasible to establish a universal patent system, utilizing the latest communications devices and concepts, to bring swiftness, order, and reasonable uniformity to the entire patent structure.

The concept of a global patent system has been proposed both here and abroad, but a combination of political and technical problems has until now prevented its achievement. Today, however, the mounting pressure of economic necessities may overcome the political obstacles. And a global patent system could now be accommodated technically in a world wide communications service just as readily as global television, global weather reporting, and global computer services.

Hovering in synchronous orbit above the equator is the first stage of a worldwide system of high capacity communications satellites. Soon a complete system of such satellites and their ground terminals will link all points on earth with thousands of channels for simultaneous voice, data and message transmission.

A new generation of electronic data processing systems is emerging, capable of storing up to 100 million bits of information and retrieving them in fractional millionths of a second. These systems are beginning to provide central computing and reference services for subscribers scattered over large areas.

Other new electronic devices are being joined to computers to transmit, store and retrieve information by sight or sound, and by the display of words, diagrams, or pictures. It will become commonplace, for example, to speak directly over any distance to a computer and to receive the answer within seconds in either sound or sight, on a display screen or in electronically printed form.

These various systems can be combined to perform all of the technical functions for a world patent center that could receive and process applications from inventors everywhere. This center would be the focus of the world patent system, linked to all countries by high-capacity satellite communications and built around a large data processing and information storage system.

Incoming data on inventions, appropriately coded in the country of origin, would be compared with key data on prior patents in the same field, retrieved from the computer memory. The novelty and patentability of the idea could be determined within an infinitely shorter time than is now the case—and it could be determined on a worldwide rather than simply on a national basis. In addition, the means of instant access to all data could speed immensely the comparison and adjudication of conflicting claims.

Since vast amounts of data accumulate over a short time in this era of growing invention, it has become increasingly difficult to keep track of the progress being made and the patents being issued. Therefore, the patent center also could serve as an international reference source of invention and technology. It could, upon request, provide copies of patents and distribute technical data to interested parties.

In a project of such magnitude, with its many potentialities for service, we cannot expect universal operation to begin overnight. Practical experience suggests that nations will move slowly toward the concept of a single world patent system. But it should be possible to begin applying such a concept on a limited scale among a few major patent countries, sophisticated in the use of technology and conscious of the need. Later, as its advantages became evident, other nations could join the project and its services would correspondingly expand.

Assuming that such an international agreement can be achieved, it is possible within the next several years to foresee an inventor, patent attorney or other interested party sitting in his office and submitting a patent application and the accompanying designs through a desk instrument linked by satellite to the central or regional computer of the world patent office. Should there be no problems, the inventor would be informed within a matter of days that his patent has been approved and registered in as many countries as requested.

With this transformation in the world patent process, we could expect many advantages to emerge. Among them would be:

A basic simplification of the total process. By providing quick and complete access to all of the relevant information in a patent search, the resolution of conflicting claims could be expedited. The result should be less costly and less time-consuming, and should produce a greater respect for the patent system;

The ready availability of know-how to people in all countries, through a swift and orderly system protecting the interests of inventor and user alike;

A spur to improved education in the underdeveloped nations, in order to take maximum advantage of newly available technology;

A greater incentive to intellectual investment by the governments and enterprises of the industrialized nations, leading to a climate more conducive to invention and innovation everywhere;

And, finally, a narrowing of the gap created by today's imbalance in technology between the have and have-not nations.

Certainly, there are numerous precedents for international cooperation in the distribution of ideas and knowledge. It exists, for example, in the orderly use of the radio spectrum for message traffic, and in the written communication of ideas through the mails. Moreover, progress already is being made in the merging of national patent laws for common use by groups of nations, and in developing patent procedures for the nonindustralized countries.

These developments are moving forward on several continents, and through the United Nations. And, of course, two multinational organizations, the International Patent Bureau and the International Patent Institute, have long been active in the field.

Strong and imaginative steps have already been taken by the United States Patent Office to cut in half the time now required to handle patent applications. Last year, a further major advance toward modernizing our patent structure was made with the Executive Order establishing the President's Commission on the Patent System. These activities deserve the full support of all who are concerned with the problem—government and the legal profession, science and invention, trade and industry.

The great challenge of our time is to match the capabilities of technology to the needs of humanity. A world patent system, functioning as I have suggested here, could play an important role in meeting that challenge.

In his mastery of the electron and the atom, modern man already has given us a glimpse of where technology can lead.

He has invented satellites to carry him through space and circle the globe at 24 times the speed of sound.

He has learned to walk in space around the world in approximately ninety minutes.

He has guided a satellite by remote control to a selected spot on the surface of the moon and televised its features back to earth.

With this remarkable record of achievement, and with his continuing acquisition of new knowledge, is it too much to expect that man can also find the ways and means to fulfill the elemental needs of life for everyone on this planet? Surely, there could be no greater contribution to human welfare and world peace.

APPOINTMENTS TO SERVICE ACADEMIES

Mr. McDADE. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. ELLSWORTH] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ELLSWORTH. Mr. Speaker, today I have introduced legislation which will place appointment to our Nation's service academies on an entirely competitive basis. The advantages of such a system are many, both to the general public and to the academies as educational institutions. Enactment of this bill will remove any hint of political favoritism in the academy system.

Gen. George Marshall never had the opportunity to attend West Point because his family and their Congressman did not embrace the same political point of view. Ulysses S. Grant almost lost his chance to attend the Academy because his father and their Congressman did not see eye to eye politically. Although trying to estimate the number of possible generals and admirals who have been lost to their Nation's service over the years is impossible, the number must be great.

Today, as we face the threat and actuality of Communist aggression on a front which encircles the world, the need to have the best qualified and most responsible leaders in positions of military command has never been greater. This is not possible as long as pressure can be brought to bear on a Congressman to appoint the son of some precinct leader or of some contributor to his last campaign.

Many, but not all, Members of Congress conduct competitive examinations to fill their vacancies at the academies, and congressional nominees in the past have included the Eisenhowers, the Pattons, and the Spruances. But these men would have undoubtedly been selected in any fair competitive system, and we do not know how many other talented potential leaders we have lost because of our inefficient and sometimes unfair selection system. The fact is that Members of Congress are hamstrung by an outmoded selection system which has remained basically unchanged since the first two service academies were established over a century ago.

THE DISABLED AMERICAN VETERANS

Mr. McDADE. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. ELLSWORTH] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ELLSWORTH. Mr. Speaker, last week the Disabled American Veterans commemorated the 34th anniversary of the granting of its charter by the Congress of the United States. The wisdom and farsightedness of that 72d Congress in granting recognition to this fine organization, composed exclusively of those men and women who suffered wounds, injuries, or other disabilities in the defense of our Nation during war or emergency, has been amply demonstrated over the years.

The Disabled American Veterans' splendid record of achievement in the field of rehabilitation and legislation has enabled thousands of Americans, disabled by war, to resume their rightful place in society.

Their nationwide rehabilitation program under the guidance and direction of a corps of expert national service officers stationed in every Veterans' Administration regional office in the United States, has earned an outstanding reputation for the Disabled American Veterans. These service officers quietly and efficiently pursue their daily tasks of counseling and representing thousands of veterans and dependents in their claims for benefits.

This organization's singleness of purpose—that of providing for the welfare of the Nation's service connected disabled veteran, his widow, and children—merits the attention and support of all citizens. Their unwillingness to be sidetracked from this commendable objective is best evidenced by the DAV legislative program under the capable guidance and direction of Chet Huber, national legislative director. It is clear, concise, and most important, it is reasonable. Because it is reasonable and seeks only to improve the lot of the service connected, the DAV program commands the respect of the Congress. These are the things that make the DAV voice a respected one in Washington and throughout the Nation.

I am pleased to join my colleagues in saluting National Commander Claude Callegary and those DAV leaders in Kansas who have worked so hard to make their organization a potent force in our State. Men like Pinky Pinkleman, George Berlin, Dan Bolton, Bill Lawson, and Fred Theurer deserve the congratulations of all veterans in the State of Kansas.

TORNADO RESEARCH AND DETECTION

Mr. McDADE. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. ELLSWORTH] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ELLSWORTH. Mr. Speaker, today I have introduced the Tornado Research, Detection, and Control Act of 1966. This important legislation is introduced in the wake of tornadoes which ripped through Topeka and Manhattan, Kans., killing 17 persons and costing over $100 million in damage in Topeka alone.

Tornadoes are the most violent winds that sweep the earth's surface. To quote from the Department of Commerce publication, "Tornadoes":

> The winds of the tornado vortex have not been successfully measured, but are estimated to be more than 300 miles per hour. Their deep roar is like the rumble of a large bomber squadron, and can be heard as far away as 25 miles.

I was in Kansas when the tornadoes struck. A tour of Topeka, following the storm was a sad experience. While it serves no purpose here to describe in detail the acres and acres of foundations that were the day before nice homes, the uprooted trees, and the piles of rubble—suffice to say that in the face of this massive destruction, obliteration, and havoc, it is a modern miracle that hundreds of lives were not lost. After the disaster, the response of the Weather Bureau, civil defense, the Office of Emergency

Planning, State and local government, and thousands of private citizens and organizations was magnificent.

But, for a nation capable of putting a man on the moon, it is a shame that we know so little about tornado control. With all of America's sophisticated radar, acoustic, and computer devices it is unfortunate that we often rely on the naked eye of a public-spirited citizen—who may not even be able to get through to the Weather Bureau—to spot a deadly twister. The Topeka tornado was spotted by the naked eye before it appeared on radar screens. Nothing could be done to prevent or minimize this destruction and devastation.

We are a nation that will spend an estimated $23 billion to put a man on the moon. We spend an estimated $35.6 million a day to fight a war in southeast Asia. Congress spent over $100 million to construct an office building for 169 Congressmen. Certainly we can afford a few million to begin a tornado research, detection, and control program which could save thousands of lives and hundreds of millions of dollars in property damage.

We must immediately begin the intensive research that will lead to tornado control, authorized in my bill. We must immediately establish the Tornado Meteorological Service, to provide the optimum system for detection of tornadoes and related severe storms.

We are dealing with a national problem. The tornado that ripped open Topeka set down in a suburb of Chicago. Last year alone, 898 tornadoes struck in 42 States and killed 299 Americans.

The need is clear and present. The Weather Bureau and Environmental Science Services Administration must have the tools for tornado and related severe storm research, control, and detection enabled by my bill. This is must legislation, and I urge its early adoption.

I include the text of the Ellsworth Tornado Act as an extension of my remarks:

H.R. 15812

A bill to provide for a research and development program into the nature of tornadoes, their forecasting, detection and control, to establish a specialized Tornado Meteorological Service in the Department of Commerce to provide maximum detection coverage in the United States and timely and effective communication of tornado forecasts and warnings to the public in all areas where tornadoes are prevalent.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce is authorized to—

(1) conduct a comprehensive research and development program on the nature of tornadoes, their forecasting, detection, and control, and the communication and dissemination of information concerning tornadoes to the public;

(2) prepare a comprehensive plan for a specialized Tornado Meteorological Service, including a National Tornado Detection, Control, and Warning System, in the United States and shall report on this plan to the President and to the Congress within 180 days from the date of the enactment of this Act;

(3) provide for the implementation of this plan during the one-year period following presentation of the report to the President and to the Congress referred to in paragraph (3); and

(4) prepare a report containing a plan for the continued operation and improvement of the Tornado Meteorological Service and an evaluation of the system, which report shall be submitted to the President and to the Congress not later than one year plus 180 days after the date of enactment of this Act, and shall contain proposals for the continuation and expansion of the research and development program and for the continuation and expansion of the National Tornado Detection, Control, and Warning System.

SEC. 2. In carrying out the purposes of this Act the Secretary of Commerce shall—

(1) make full use of all applicable resources in the United States, including industry, consulting meteorologists, and specialists in universities and other private organizations, in order to supplement the professional personnel of the Department of Commerce; and

(2) consider the application of radar, acoustic, and other devices, and the use of computers and computer simulation models, in order to provide for the optimum system and most effective coverage of tornadoes and related severe storms.

SEC. 3. There is authorized to be appropriated such sums, not to exceed $40,000,000, as may be necessary to carry out the provisions of this Act.

STRATTON'S EFFORTS TO SAVE CAPITOL APPLAUDED

Mr. McDADE. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CLEVELAND. Mr. Speaker, I was much disturbed, as I am sure other Members were, with the announcement the other day that the Architect of the Capitol intends to ask Congress this year for $34 million to go ahead with his plan for extending the west front of the Capitol over some 5 additional acres, incidentally adding a restaurant, 2 movie theaters, and 109 new congressional office spaces.

I do not believe this project is necessary. We have enough office space in the Rayburn Building and more when the Cannon and Longworth House Office Buildings are refurbished. While movie briefing rooms are doubtless desirable for tourists, they are hardly necessary, at least not in the Capitol itself, and certainly not now when the President has urged mayors and Governors around the country to postpone all unnecessary building projects.

VISITORS CENTER STUDY ALREADY PLANNED

It may be that the Architect of the Capitol feels that some of this additional space is necessary to take care of visitors to Congress. If so, his unilateral action is even more outrageous. My committee on Public Works has just reported legislation authorizing a study of facilities and services for visitors to the Nation's Capital with particular concern for visitors to Congress. I supported this proposal with the understanding that the study could be undertaken now and the building and construction postponed to a day when our national budget was in a lot better shape and at a time when we are not fighting a war.

The Architect's proposal is of doubtful merit. It would completely destroy the original west front of our Capitol as we have come to know it, and thus distort, deface, and cover over what is probably the No. 1 historic shrine of our Republic. Surely if the west front is really crumbling, American architectural ingenuity can find a way to save it without destroying it. Surely we can find competent architects somewhere who can preserve the west front without adding 4.5 unnecessary acres and spending $34 million we do not have to do it.

Therefore, Mr. Speaker, I want to commend the gentleman from New York [Mr. STRATTON] for the statement he made on this floor yesterday in opposition to the Architect's proposal, and want to join with him in his effort to enlist public support against this improper and unnecessary defacement of our Capitol.

In that connection I include with my remarks a thoughtful editorial from today's Washington Post. I hope Members will read and ponder this editorial. The Post ought to know that in fact there are indeed, and here in Congress too, many Americans "of equal devotion to the temple of American democracy" who are already insisting that any repairs or reinforcements that have to to be made in that temple will not replace or destroy it, but will keep it "as it was."

The editorial follows:

THE TEMPLE PROFANED

"We have built no national temples but the Capitol," said Rufus Choate. Now that temple is to be profaned and the architectural genius of Thornton, Bulfinch, Latrobe, and Walter is to be buried under cafeterias and other conveniences.

Allan Nevins has described the Capitol as "the best-loved and most revered building in America." He has called it "the spirit of America in Stone." He has said it is "History—the Major Symbol of the Nation."

But the noble western front of the building with its handsome classic walls and its cascading staircases must give way to the convenience and comfort of Congressmen who need more room. Whether the exterior walls are or are not safe is a matter for competent engineers to decide. They have stood less than 200 years and sandstone structures of the kind elsewhere have lasted for hundreds of years. If they are unsafe, they can be rebuilt and replaced without alteration of the original design.

When bombs destroyed the British House of Commons in the 900-year-old palace of Westminster on the River Thames on May 10, 1941, the impulse of the whole British nation was its restoration, not its modification. When he visited the vast ruin on Oct. 29, 1943, Winston Churchill gazed upon the wreckage and said: "There I learnt my craft, and there it is now, a heap of rubble. I am glad that it is in my power, when it is rebuilt, to keep it as it was."

The English people, led by Churchill, insisted that the House be restored, even though the reproduction can seat but 437 of the 627 members.

The wrecker's ball soon will do for the west front of the Capitol what the Nazi bombers did for the House of Commons. Is there no American of equal devotion to the temple of American democracy who can insist that when it is rebuilt, it will be kept as it was?

TITLE 4 OF NEW CIVIL RIGHTS BILL OPPOSED

Mr. McDADE. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ASHBROOK. Mr. Speaker, the Daily Jeffersonian of Cambridge, Ohio, on June 15, 1966, carried a provocative article on the new civil rights bill and especially on title 4, the housing section. This section of the bill promises to cause widespread discussion on the basic rights of private ownership, an area of concern for the vast majority of citizens. I commend the editorial, "Title 4 of Rights Bill Ill Advised," for its balanced approach to an extremely difficult issue, and include it in the RECORD at this point:

TITLE 4 OF RIGHTS BILL ILL ADVISED

The Cambridge Board of Realtors has expressed strong opposition to Title 4 of the new Civil Rights Bill (H.R. 14765 and S. 3296).

Realtors elsewhere oppose it. Many others likewise should take a dim view of the provision regardless of their race, religion or nationality.

Title 4 is the housing section of the bill.

The entire bill would outlaw discrimination in sale or rental of all types of housing, ban segregation in federal and state juries, make attacks on civil rights workers a federal crime, and allow the government to file segregation suits against schools and public facilities.

We are aware of discrimination in housing. Nobody can fully appreciate the evils of discrimination unless he is a member of a minority group . . . a Protestant living in Spain, a Catholic in an all-Protestant community, a Republican living in some parts of the Democratic-dominated south, a Democrat in some GOP-dominated areas of the north, etc.

We believe in equal rights, but we cannot subscribe to the housing section of the rights bill.

It would authorize the U.S. attorney general to proclaim to the owner of property that he must rent a room or sell the home to a person with whom he does not choose to execute a rental or sales agreement.

Deep in our basic law and tradition is the concept that a man's home is his castle. Nobody has the right to buy or rent property from another citizen who does not want to sell or rent it to him.

With public property, or property purchased with public funds, it is a different matter. But the right of an individual to sell or rent his property to whomever he wishes should remain. This goes for anything a person owns—his car, his lawn mower, etc.

We believe Title 4 in its present form is unwise. The reaction of the people to this proposal should be such that lawmakers will see fit to change or eliminate it even before the bill gets out of committee.

VIRGINIA POLYTECHNIC INSTITUTE

Mr. McDADE. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. POFF] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. POFF. Mr. Speaker, American Broadcasting Co. newscaster, Paul Harvey, recently visited the campus of Virginia Tech, the Virginia land-grant college. I am pleased to reproduce herewith the script from Mr. Harvey's May 3 broadcast in which he paid tribute to this great university:

The largest institution of higher learning in the State of Virginia is Virginia Tech.

Technically, it's called Virginia Polytechnic Institute.

Up until just two years ago, VPI was a military college. It still has a Corps of Cadets But it also has coeds, now.

And its more than seven thousand students can get degrees in agriculture and architecture, arts and sciences, business and engineering . . . and home economics.

It's one of our nation's five biggest engineering schools. And the 2,300 acre campus of Virginia Tech is the throbbing academic heart of Blacksburg, Virginia.

With its own drill field and its own golf course . . . With 80 principal buildings and 60 lesser ones but surrounded by a campus with room for its own amphitheatre and its own experimental farms and orchards and forests . . . And an hour or so from now I'll be landing on Tech's own campus airport.

So the environment at VPI is quite different than that in the concrete cloisters of some of our big city brain factories where a student may matriculate for years and never see a tree.

I've been invited to speak at Virginia Tech this afternoon . . . to a convocation of students and public . . . It's part of their Visiting Scholar Program. It is a terrifying responsibility; leading others when we are, ourselves, so often uncertain.

I'll pray some greater Wisdom than mine provides words for my lips worthy of that audience. Enroute there it was a convenience to spend last night in Georgetown, to broadcast this visit today from Washington, D.C. It was a necessity in fact, but—you and I really must get into The District of Columbia once in a while. If only to encourage our elected lawmakers to visit the United States more often.

JULIUS KLEIN

Mr. FINDLEY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

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

There was no objection.

Mr. FINDLEY. Mr. Speaker, the Washington Post today, in news coverage of the inquiry of the Senate Ethics Committee, pointed out that a lobbyist named Julius Klein of Chicago had indicated his desire to testify before the committee, but the news story also related that Klein was in Europe for several weeks and hence not available to testify.

It might be that some would conclude from this that Klein went to Europe expressly to avoid testifying to the Senate Ethics Committee.

I should like to suggest to this body that there may be another explanation.

A negotiating team from the Department of Defense is now in Dusseldorf, Germany, supposedly completing the final arrangements with the West German Government for a contract under which about $73 million worth of machineguns will be purchased from the Rheinmetall Co., one of Julius Klein's clients. It could well be that Klein feels it important to be in Dusseldorf at this time to help smooth the way in these contract negotiations.

The gun contract has become controversial because up to this very day this gun—rejected as unsatisfactory five years ago by the German Army—has not measured up to the normal requirements of the U.S. Army testing. To be classified Standard A the Defense Department in at least five instances lowered or waived its standards. Of course, this raises a question in my mind as to whether we may be buying a "lemon" in this deal with the West German manufacturer.

The Senate Ethics Committee might be able to get some useful information about Julius Klein if they would seek the reports which he should have been making over the past few years under the Foreign Agents Registration Act. Klein does have some documents filed in the Foreign Agents Registration Department of the Department of Justice, but I have made a careful search of all those documents and fail to find one single item relating his representation of the Rheinmetall Company. Yet other documents which I placed last week in the CONGRESSIONAL RECORD show very clearly this same Julius Klein is indeed a representative for this foreign firm. Under the terms of this law, he should have filed with the Department of Justice all the details of his representation agreement and every 6 months all the details of income and expenditure under the terms of that agreement. I have asked the Attorney General to explain why these documents are not filed. It might be helpful if the Senate Ethics Committee would also take an interest in this matter.

ACA PROMOTES CONSERVATISM

The SPEAKER pro tempore (Mr. McGRATH). Under previous order of the House, the gentleman from Ohio [Mr. ASHBROOK] is recognized for 10 minutes.

Mr. ASHBROOK. Mr. Speaker, as an ardent conservative, I have always been impressed with the fine work of the Americans for Constitutional Action. Affectionately known as ACA, this fine organization works tirelessly to promote Americanism, political awareness, and the basic precepts of our Constitution. I am, myself, the chairman of the American Conservative Union which works toward these same conservative goals. Our approach is different, our goals the same. Then there is the Free Society Association which is also doing a terrific job in promoting our ideals.

Once in a while we hear that there are too many groups selling the conservative cause. That may be so but all Americans can look with pride to the ACA, ACU, and FSA as the forerunners in the conservative field. There is plenty of work to be done and I personally believe there is room for all three. There is a constant attack on the conservative philosophy. None of us feel we must

defend conservatism, we feel we must promote it. Conservatism represents the only successful political philosophy which has been known to man. Statism whether it has taken the form of socialism, feudalism, despotism, communism, fascism, or now liberalism-welfarism has not withstood the test of time. Liberalism and welfarism has developed the same failures. Only free enterprise, individual liberty, and limited government hold promise for America. Only conservatism proudly promotes these ideals.

Ray McHugh, of the Copley News Service, recently wrote an excellent column on the ACA in which he pointed out their fine work. Mr. Speaker, this article should be read by every Member of this body and I include it with these remarks for the consideration of my colleagues:

CONSERVATIVES

(By Ray McHugh, Chief, Washington Bureau, Copley News Service)

WASHINGTON.—Since the defeat of Sen. Barry Goldwater in 1964, "Conservative" has been a muted word in many political circles—particularly those that revolve in Washington.

A variety of right-of-center groups—some allied with the Republican Party, some claiming to be non-partisan—have tried their wings. Few have flourished. Some died quick deaths. Some are sputtering.

But one out-and-out conservative organization grows bigger and stronger every year. Even the most liberal Democrats extend it grudging respect.

The Americans for Constitutional Action weathered its 1964 ordeal in surprisingly good shape. It saw 56 percent of its congressional candidates elected despite the overwhelming weight of President Johnson's landslide.

Now, two years later, it is talking confidently about eclipsing the 67 percent performance registered in 1964 by COPE, the political action arm of the AFL–CIO.

It has already seen two of its candidates win off-year elections—Representative CLARENCE BROWN, Republican, of Ohio, and Representative ALBERT WATSON, Republican, of South Carolina.

"We expect a major comeback by conservative forces in both political parties this year," said ACA executive director Charles McManus. "We're ready to help those candidates who are opposed to socialism and financial irresponsibility."

The ACA is best known for its congressional rating system. The vote of each representative and senator is carefully cataloged at the organization's headquarters located almost in the shadow of the Capitol.

Each vote is weighed against ACA rules of "constitutional conservatism."

A few blocks away, the rival Americans for Democratic Action keep similar tallies, weighing votes on the basis of what they call "forward-looking social responsibility."

The two rating systems usually collide, but they have become accepted as two of the most reliable indexes of a legislator's political philosophy.

While ADA is an avowed arm of the Democratic Party, the ACA vigorously defends its non-partisan label.

McManus, a stocky, thirtyish newsman and legislative aide, and Adm. Ben Moreell, USN, ret., founder of the World War II Seabees and one-time steel company executive who acts as ACA chairman, acknowledge that Republicans often dominate their distinguished service award lists, but both men are adamant about attempts to link their group to the GOP.

Vice President HUBERT HUMPHREY once described the ACA as representing "a legitimate conservative point of view.

"I don't criticize the organization," HUMPHREY added, "for they have a function to perform."

Adm. Moreell says "it is the fixed policy of ACA to refrain from impugning the motives, the integrity or the loyalty of a senator or representative.

"We do sometimes raise questions as to their judgment in voting on specific issues," he said. "But ACA never resorts to name-calling or to other forms of vilification. We are interested in principles, policies and practices, not personalities.

"ACA lets a congressman's record speak for itself."

McManus' office publishes annual indexes that carefully trace each vote in the House and Senate. Between indexes, his office frequently fires barbs at men from both parties whose voting records jar ACA philosophy.

One congressman smarted recently when ACA pointed out that while he spoke out loudly against continued aid to any nation dealing with North Viet Nam, he cast a quiet vote against any restrictions on aid.

In the first session of the 89th Congress, the ACA blistered several first term Democrats with charges that they were "rubber stamps" for President Johnson and that some tried to "vote on both sides of the fence" by casting votes against certain-to-be-passed amendments, then reversing themselves and voting for a bill.

"Whenever we see evidence of this," McManus said, "we issue statements that are made available to the news media in the congressman's district or the senator's home state.

"We want the people he represents to be aware of our judgment."

The reaction of the lawmakers is sometimes sharp.

Rep. JOSEPH RESNICK, D-N.Y., called the ACA an extremist group and alleged that it was affiliated with other such organizations.

The ACA reaction was just as sharp.

It repudiated RESNICK's charge and quoted Edgar Eisenhower, one of its trustees, who said:

"Certainly I would not be associated with an organization related to any group which has challenged the patriotism of my brothers Ike and Milton."

During the 1964 campaign when the ultra conservative John Birch Society was a target of Democrats, liberals and some Republicans, the ACA conducted a private survey. It found that 47 percent of the general public would oppose any candidate backed by the Birch Society. Less than 6 percent said they would vote against an ACA-backed candidate.

In 1964 the ACA supported 218 candidates, of whom 121 were elected.

McManus declines to estimate how many candidates will get ACA help this year.

"It's too early to tell," he said. "We offer help, but not all candidates want it. And not all need it.

"We make our material available to those who want to use it, but we do not make direct financial contributions to any campaign. If an eligible candidate asks for help, we supply clerical workers, speech writers or researchers to help him."

McManus denied suggestions that ACA candidates represent a narrow political outlook.

"They occupy a broad middle ground of constitutional conservatism," he said. "We are not interested in extremists, racists or would-be demagogues."

Founded in 1959, the ACA is supported by voluntary contributions. These reached an election year high of $187,500 in 1964 and an "off-year" peak of $123,000 in 1965.

How do the 1966 elections look to the ACA?

"We're counting on some real gains in the House," said McManus. "I'm not talking about Republican gains now. I think constitutional conservatives are going to run strong in both parties. The primaries are already pointing out the public's concern about fiscal responsibility and too much government."

PLAYGROUND LIGHT DRIVE NEARING SUCCESS

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. HELSTOSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HELSTOSKI. Mr. Speaker, the drive for $70,000 to provide temporary lighting at 47 Washington playgrounds is nearing success.

The Washington Post of yesterday carried the story that all but $18,000 has been raised—with $27,000 in money and equipment pledged last week, and the goal should be met very shortly.

I am proud of the fact that a corporation from my congressional district has made, what is thought to be, one of the largest single contributions to this lighting program. This contribution for the installation of lighting equipment will not be of the temporary nature advocated for the Washington playgrounds. Its equipment will be a permanent feature and will add greatly to the reduction of juvenile delinquency in the area served by the Rosedale Recreation Center, where these lights of the Duro-Test Corp. will be installed.

This North Bergen, N.J., corporation, with a long record of interest in combating juvenile delinquency, can be credited with a major assist in Vice President HUBERT H. HUMPHREY'S campaign to provide lighting for playgrounds in the District of Columbia.

The Duro-Test Corp., the country's fourth largest manufacturer of light bulbs, has contributed $6,000 worth of high-intensity outdoor lamps to the Nation's Capital for use in lighting a baseball and softball facility. The 60 Fluomeric brand lamps represent the latest advance in outdoor floodlighting technology. By combining fluorescent, incandescent, and mercury vapor elements in one unit, the lamps provide high intensity and very long life at long lower electrical cost. Duro-Test officials estimate that with average use the lamps will last at least 5 years. The fixtures for the lamps were formerly in use at Griffith Stadium, once the home of baseball's Washington Senators and football's Redskins.

The Fluomeric lamps are earmarked for use at the Rosedale Recreation Center, 17th and Gale Streets NE., Washington. With the installation of the lamps, the Rosedale ball field will have one of the most modern lighting systems available anywhere.

In order to insure efficient use of the new lamps, Duro-Test technicians worked closely with District officials in

planning the layout of the Rosedale facility and in testing the lamps in the Griffith Stadium fixtures.

The Duro-Test Corp. has pioneered in the promotion of modern lighting for outdoor recreational facilities and the establishment of nighttime recreational programs for youth. A leader in this effort has been company vice president, Herbert A. Anderson. Mr. Anderson is chairman of a committee composed of members of the National Electrical Manufacturers Association which is interested in promoting, on a nationwide basis, lighting campaigns for playgrounds, ball fields, and other amateur recreational facilities.

In 1963, Duro-Test and Mr. Anderson worked closely with the Sports Boosters Club of Leonia, N.J., in establishing a summer basketball league for teenagers in the northern New Jersey suburban area. The club was concerned about the lack of planned summer activities for the community's high school students. They helped to meet this need by establishing a basketball league, and Duro-Test contributed new Fluomeric lamps for the lighting of the basketball court at Leonia's Wood Park.

Now entering its third season, the league consists of 8 teams with nearly 100 youngsters participating. The twice-weekly games, in addition, draw between 200 and 500 teenage and adult spectators.

The District of Columbia's playground lighting program, under the aegis of the Washington youth opportunity campaign headed by Vice President HUMPHREY, set a goal of $70,000 to light 47 Washington playgrounds this summer. According to a recent announcement by the Vice President, $18,000 is still needed to complete the campaign. Due to contributions like that from Duro-Test Corp., the goal is on its way to being met.

Mr. Speaker, I would also like to bring to the attention of my colleagues the program of the Leonia, N.J., Sports Boosters Club in fighting juvenile delinquency with nighttime basketball. The program being made possible with the cooperation of the fathers of Leonia and the Duro-Test Corp. in establishing a lighted field for these basketball games.

When a group of fathers in commuterville Leonia, N.J., enrolled in a Sports Boosters Club, opens the third season of nighttime outdoor basketball in their community during the week of June 20, it is not just another incident in summer America 1966. It is a prototype of a major trend—the turning to nighttime summer sports activities as an outlet for youth, in a growing campaign to combat juvenile delinquency and vandalism.

In Washington, D.C., additional playgrounds are being illuminated this summer, bringing the city's total to 76—compared to a total of only 17 last year. Vice President HUBERT HUMPHREY is spearheading the campaign to get all the playgrounds illuminated, manned, and maintained for nighttime use.

Cities across the country are in the throes of similar efforts. Among the places where playground lighting projects are being carried forward are Philadelphia, Dallas, Staten Island, Albuquerque, East Liverpool, Ohio; Carbondale, Ill.; and Pine Grove, Pa. Cities in which new baseball park lighting for recreational leagues is in the works include Reading, Pa.; Long Beach, Calif.; Tacoma, Wash.; Franklin, Ind.; Linden, N.J.; Chillicothe, Ohio; Fairmont, Ind.; Sonora, Calif.; Grovetown, Ga.; Newton, Ill.; Mendota, Ill.; Payson, Utah; Lindsborg, Kans.; Freeburg, Ill., and Moore, Okla.

To fulfill positive need of older teenagers, high school, and college youths for wholesome evening activities, the Leonia Sports Boosters together with the Leonia Recreation Commission, set up the Leonia, N.J., summer basketball league in 1963. At that time, P. Bernard Nortman, now president of the Leonia Sports Boosters, and chairman of the Leonia summer basketball league, suggested this program. He, together with Lee Clark, basketball coach at Leonia High School and director of the Leonia summer basketball league, spearheaded the administration and operation of the league, with the further assistance of other boosters: Hank Meyer, Joe Mulligan, Jack Price, Dave Janelli, Charles Rossiter, and Superintendent of Recreation Don Cardea.

The Sports Boosters Club was concerned over the void in planned activities during the summer, a period when youth has the most free time on its hands. Living in a medium to high income suburban community, teenagers have easy access to cars and that mobility often results in delinquency. The club fought this with the best possible facilities available for healthy summertime activity—a basketball court at the city's Wood Park.

As a first step, the boosters installed additional lighting. A new type of bulb called Fluomerics were obtained from the manufacturer, Duro-Test Corp., whose vice president, Herbert A. Anderson, was a resident of the area. These lights won immediate approval due to their self-ballasting characteristics. The new lights screw directly into the old fixtures, eliminating the problem of installing extensive ballasts and special wiring. The lamps carry a life rating of 16,000 hours. This means no lighting worries for many seasons to come.

During the second year, the boosters provided an electric scoreboard. With their own labor, they enlarged the playing court to the official 84- by 50-foot playing size.

The results have proved gratifying not only for the more than 90 players involved, but for the 200 to 500 teenagers and adults who come to watch the games. Evenly matched and well played, the hotly fought games ended in a two-way tie in 1963 and a three-way tie in 1964.

The teams play under regular basketball rules, with a number of features added to provide zest and interest. The new rules, which originated in Leonia, have since been copied by other summer leagues in the area. They state: No boy may sit on the bench for more than one quarter at a time—every player gets two full quarters of action each game. Each team must be coached and managed by a player designated as squad leader. Also, each team makes its own pattern and plays without outside coaching. No more than two members of any high school roster can play on one team. A league consists of eight teams with eight players on each team. Each team plays two games a week over the 7-week season. The games take place 4 nights a week with a doubleheader each night. Thus the season consists of a 56-game schedule.

A total of 64 players comprise the 8 teams, plus a reserve list of 33 available for call in the event a regular member cannot play.

Over 50 percent of the players in the league are from Leonia, with the remainder from 14 other Bergen County towns: Bogota, Fort Lee, Ridgefield, Waldwick, Glen Rock, Hillsdale, Maywood, Dumont, New Milford, Edgewater, Little Ferry, Palisades Park, Emerson, Fair Lawn. Coaches from Fort Lee, Ridgefield, Bogota, and Don Bosco have enrolled six players and each coach officiates 1 night a week or provides an official. The league is open to boys from the high school freshman year to 4 years after high school graduation.

The assistance and officiating of the coaches and others is an important aspect of the success of the program. Referees are Lee Clark, Leonia; Phil Matoska, Bogota; Lou Carcich, Fort Lee; John Rosenmeier, Ridgefield; Dave Janelli, Leonia; Dick Hughes, Leonia; Rich O'Brien, Don Bosco.

The Leonia Board of Education provided two sets of grandstands for the spectators. They are usually filled.

NO TIME FOR FRILLS

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, late last week it was announced plans have been approved to spend the unbelievable sum of $34 million to repair the west front of the Capitol and add some frills which would be very nice but which are not needed nor can they be justified at this time.

Therefore, I feel compelled to strongly protest this construction and urge that it be abandoned immediately.

If the west front of the Capitol is unsafe then immediate work should be undertaken to make it sound. But this is the only expenditure which can be justified.

It is noted that the plans for renovation call for the addition of 106 congressional offices.

It should be pointed out that we have just opened a new $125 million House Office Building with 169 office suites, that we are already running 9 months late in the conversion of the Cannon Building to provide additional space and that there are plans to provide more space for Members in the Longworth Building.

It is noted that additional dining facilities are to be added under the west front Capitol expansion for Members of the Congress.

It should be pointed out that there are already adequate facilities for eating throughout the Capitol and in the House and Senate Office Buildings. Additional facilities would be nice but they are certainly not a necessity.

It is noted that two theaters and tourist facilities are planned under the west front expansion. I am unaware of any great need for theater facilities and if we are to aid our tourists, money would be much better spent in providing them with some place to park rather than in a center which they could not reach anyway.

If there is $34 million available for this work then I say there is greater need for it elsewhere.

Our military operations in Vietnam require huge sums which are causing considerable strain on our economy.

Our domestic commitments face short funding because of our military operations.

I do not see how we can even consider the spending of $34 million for remodeling frills when we are not certain at this time that we may not be asked in the near future to increase Federal taxes.

This is no time for frills.

We can do without them. We had better do without them.

If we are prepared to ask the American people to sacrifice in order to meet our national objectives then the Congress can do without the luxuries offered by this proposed expansion. We must do without them.

MUSIC AND SERVICE TO MANKIND

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, Sertoma International, the 54-year-old service to mankind organization with 479 clubs and 18,757 members in the United States, Canada, Mexico, and Puerto Rico commences its annual convention in Washington this week.

As a Sertoman of several years, I would like to take this opportunity to welcome the delegates and express my best wishes for a thoroughly successful convention.

Tomorrow, opening day, will be highlighted by the candidate's rally and convention for the choosing of new officers for the coming year. And while this bit of political activity may highlight the convention, the keynote or notes will come Thursday when the Sertomans will feature the Singing Capital Chorus from the District of Columbia Chapter of the Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Inc., at the cabaret night dinner.

Sertoma, long-famed as a singing service club, will also hear Thursday evening from the past international championship chorus while the District of Columbia chapter will present the 20-member Precisionists. This is the very same group which, a few years ago, toured Europe entertaining our servicemen stationed there. Also on the billboard for cabaret night are two fine quartets, the Filibusters and the Lads and Dads. The show is being produced under the direction of Art Gearhart.

The Washington Sertoma Club, host for the convention, was founded by Ed Place, a 21-year member of the District of Columbia barbershoppers, who will sing in the chorus with three other Sertomans, Harter Williams, convention general chairman, Mickey Beall, convention songleader and Charleton Smith, alternate delegate.

Place, Beall and a third Sertoman, Vincent Gingerich, singing with the District of Columbia Keys, have twice represented Washington in Mid-Atlantic district competition, finishing second and third in successive years.

It promises to be a festive evening. As a resident of Nashville, Tenn., "Music City U.S.A.," and a Sertoman, I want to welcome the delegates and commend them for their interest in the promotion of music "Americana," a valuable national resource.

EDUCATIONAL BENEFITS FOR WIDOWS

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. DANIELS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DANIELS. Mr. Speaker, I have introduced a bill today identical with one introduced last week by our distinguished colleague, the gentleman from New York [Mr. RESNICK], which would make widows eligible for educational benefits under the War Orphans Educational Assistance Act.

Under present law, widows of those who have fallen in battle are not able to receive educational benefits which would enable them to better their lot in life.

Mr. Speaker, Abraham Lincoln, in his second inaugural address in 1965 said that it was the policy of this Nation to "care for him who shall have borne the battle and for his widow and orphan." I am proud to join with my friend from New York in cosponsoring this amendment.

THE ATTORNEY GENERAL VERSUS THE COMPTROLLER OF THE CURRENCY

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, recent newspaper stories yesterday and today relate the plans of the Comptroller of the Currency to fight publicly with the Attorney General over the Justice Department's suit to block a proposed bank merger in Pennsylvania. If, on the basis of these stories, some citizen were to ask, "Who's in charge here?" what could any of us in Congress answer?

Earlier this year a few of us fought passage of the Bank Merger Act amendments. One of the grounds for our opposition to this misguided effort to clarify the law on bank mergers was the section providing that any Federal banking agency approving a merger would be permitted to intervene, as a matter of right, in a suit opposing the merger instituted by the Attorney General. This provision was added to the bill literally as an afterthought, following the conclusion of all public hearings. There was no testimony or evidence to support such a provision. There was no discussion of it. It was simply ramrodded through Congress by persons who, in my opinion, were very solicitous toward the wishes of the Comptroller of the Currency.

Those few of us who opposed the Bank Merger Act pointed out that this particular provision was entirely unwarranted and undesirable. In the dissenting view that I attached to the Banking and Currency Committee report, I stated:

> This provision is a bad precedent, one that fragmentizes the authority of the Attorney General to enforce the law, and one that could lead to internecine squabbling amongst separate agencies of the Federal Government.

I repeated this objection on the floor of the House both during debate of the bill and afterward while I was urging the President to veto it. In a letter I addressed to the President on February 10, 1966, I stated:

> The provision will result in the unique situation of Federal government attorneys appearing on both sides of a suit involving a bank merger. We thus regress into the 19th Century when the legal business of the government instead of being handled by the Department of Justice was scattered among different public officers, departments and branches. Under this bill the Attorney General is demoted to the rank of Lieutenant with no more legal authority to represent the interests of the Federal government than any of the other attorneys employed by several Federal agencies.

Mr. Speaker, I repeat my initial objections to the Bank Merger Act Amendments of 1966 today with particular reference to the provision authorizing the Comptroller of the Currency to challenge the authority of the Attorney General to represent the Federal Government in courts of law. I modify my objections only in this respect: I originally objected on the grounds that the law would lead to "internecine squabbling amongst separate agencies of the Federal Government." It is not internecine squabbling

that we are to witness, but internecine warfare.

For the recent reports are that the Comptroller of the Currency, James Saxon, now plans to "fight" the suit by the Department of Justice opposing a proposed bank merger. As the Wall Street Journal put it this morning, "Saxon Plans To Fight Agency Suit on Merger of Two Small Banks." I am inserting this article, dated June 21, 1966, at this point in the RECORD:

SAXON PLANS TO FIGHT AGENCY SUIT ON MERGER OF TWO SMALL BANKS—JUSTICE DEPARTMENT "HARASSING" THEM, COMPTROLLER SUGGESTS; HE HAD APPROVED CONSOLIDATION

WASHINGTON.—Comptroller of the Currency James Saxon said he will seek to intervene in a Justice Department attempt to block the State College, Pa., bank merger he has approved.

Mr. Saxon suggested that the department is "harassing small banks," and said his office will "defend the case to the Supreme Court, if necessary."

The Justice Department said last week that it had filed suit in U.S. District Court in Philadelphia to block the proposed merger of the town's First National Bank, with assets of $23 million, and Peoples National Bank, with $18 million.

READ IT IN THE PAPER

Complaining that his "sole notice" of the Justice Department action came through a Wall Street Journal story yesterday, Mr. Saxon said he "can only surmise" that the department believes the merger will substantially increase commercial banking concentration in Centre County, Pa.

Mr. Saxon said he approved the merger only after "careful consideration" that indicated the two banks compete with four savings and loan associations whose combined assets are much larger, four finance companies and a credit union, and nine other banks.

As a result, Mr. Saxon said, "it seems apparent that the effect upon competition due to this merger is insignificant," and that his banking analysts found that the area "is seriously in need of a greater degree of concentration of capital resources in order to provide for its capital needs."

Mr. Saxon said the news reports indicate that the department intends to test the 1966 Bank Merger Act's application to small banks. This attitude, he said, "seems to ignore the fact that within the past week the Department of Justice concluded the prosecution of a bank merger case in Nashville" under the act, that it has an untried case pending in St. Louis, a newly filed case in Honolulu, is awaiting a decision in another case tried in San Francisco, and that the Philadelphia district already has pending the first case filed under the 1966 law.

HIS PREDICTION FULFILLED

By suing "these two very small institutions," Mr. Saxon said, he can only conclude that the department has done what he "rightly predicted" when the 1966 act was under consideration—that its "mimeographed machine would be substituted for the sound discretion of a local district judge.

Mr. Saxon's reference was to the portion of the law that prevents a merger from being consummated if the Justice Department challenges it in court within 30 days of its approval by a bank regulatory agency. A court has the power to lift the ban, however.

Because of the cases already in litigation, the comptroller said, "it appears that ample opportunity to 'test' the breadth of the legislation exists without harassing small banks whose financial resources will be pressed beyond reason in defending against protracted and costly litigation which substantially duplicates pending matters."

Mr. Speaker, it is a sorry situation when one Federal agency can challenge the authority of the Attorney General to carry out his responsibilities to represent the views of the Federal Government. If the public is now confused as to who is supposed to bring suits in the name of the Federal Government and who is to represent the views of the Federal Government in courts of law, if the public cannot tell whether the Attorney General has been demoted to the rank of lieutenant, if the public becomes offended by the forthcoming spectacle of the Comptroller of the Currency challenging the Attorney General in open combat, we who are responsible for permitting the Bank Merger Act Amendments of 1966 to become law have only ourselves to blame.

Personally, I believe that this particular provision in the act is an example of the outrageous conduct and the excesses that a powerful vested interest is capable of perpetrating against the public and Congress sometimes unwitting joinder.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HANNA, for 1 hour, on Tuesday, June 28.

Mr. RYAN, for 25 minutes, today; to revise and extend his remarks and to include extraneous matter.

Mr. KUPFERMAN (at the request of Mr. MCDADE), for 30 minutes, on June 29; and to revise and extend his remarks and include extraneous matter.

Mr. ASHBROOK (at the request of Mr. MCDADE), for 10 minutes, today, and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. MAILLIARD.

(The following Members (at the request of Mr. ANNUNZIO) and to include extraneous matter:)

Mr. LOVE.

Mr. ICHORD.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2102. An act to protect and conserve the North Pacific fur seals, to provide for the administration of the Pribilof Islands, to conserve the fur seals and other wildlife on the Pribilof Islands, and to protect sea otters on the high seas; to the committee on Merchant Marine and Fisheries.

S. 2218. An act to establish a contiguous fishery zone beyond the territorial sea of the United States; to the Committee on Merchant Marine and Fisheries.

S. 3096. An act to amend the Federal Airport Act to extend the time for making grants thereunder, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6438. An act to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof;

H.R. 6515. An act to supplement the act of October 6, 1964, establishing the Lewis and Clark Trail Commission, and for other purposes;

H.R. 7042. An act to amend section 402(d) of the Federal Food, Drug, and Cosmetic Act;

H.R. 7402. An act to provide for the establishment of the Chamizal National Memorial in the city of El Paso, Tex., and for other purposes; and

H.R. 10357. An act to provide for the striking of medals in commemoration of the 100th anniversary of the founding of the U.S. Secret Service.

ADJOURNMENT

Mr. ANNUNZIO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 53 minutes p.m.) the House adjourned until tomorrow, Wednesday, June 22, 1966, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

2504. Under clause 2 of rule XXIV, a letter from the Assistant Secretary, Treasury Department, transmitting amendments to the regulations governing the reporting of boating accidents by uninspected numbered vessels, pursuant to the provisions of 46 U.S.C. 527d, was taken from the Speaker's table, referred to the Committee on Merchant Marine and Fisheries, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATMAN: Committee on Banking and Currency. S. 3368. An act to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; without amendment (Rept. No. 1640). Referred to the Committee of the Whole House on the State of the Union.

Mr. PEPPER: Committee on Rules. House Resolution 892. Resolution providing for the consideration of H.R. 13196, a bill to amend the Public Health Service Act to increase the

opportunities for training of medical technologists and personnel in other allied health professions, to improve the educational quality of the schools training such allied health professions personnel, and to strengthen and improve the existing student loan programs for medical, osteopathic, dental, podiatry, pharmacy, optometric, and nursing students, and for other purposes; without amendment (Rept. No. 1641). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 893. Resolution providing for the consideration of H.R. 15119, a bill to extend and improve the Federal-State unemployment compensation program; without amendment (Rept. No. 1642). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. POAGE:

H.R. 15808. A bill to authorize the establishment of the Dinosaur Trail National Monument in the State of Texas; to the Committee on Interior and Insular Affairs.

By Mr. BERRY:

H.R. 15809. A bill to amend the act of September 2, 1964; to the Committee on Interior and Insular Affairs.

By Mr. DANIELS:

H.R. 15810. A bill to amend the war orphans' educational assistance program of title 38 of the United States Code to extend to widows of servicemen who died on active duty after January 31, 1955, the same educational benefits which are provided for war orphans; to the Committee on Veterans' Affairs.

By Mr. ELLSWORTH:

H.R. 15811. A bill to revise the system of congressional nominations for appointments to the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy; to the Committee on Armed Services.

H.R. 15812. A bill to provide for a research and development program into the nature of tornadoes, their forecasting, detection, and control, to establish a specialized Tornado Meteorological Service in the Department of Commerce to provide maximum detection coverage in the United States and timely and effective communication of tornado forecasts and warnings to the public in all areas where tornadoes are prevalent; to the Committee on Intertsate and Foreign Commerce.

H.R. 15813. A bill to amend the Internal Revenue Code of 1954 to increase the maximum amount of, and provide a longer carryover period for, the investment credit allowed with respect to covered hopper cars and general purpose boxcars; to the Committee on Ways and Means.

H.R. 15814. A bill to establish a Small Tax Division within the Tax Court of the United States; to the Committee on Ways and Means.

By Mr. HELSTOSKI:

H.R. 15815. A bill to establish a Department of Consumers in order to secure within the Federal Government effective representation of the economic interests of consumers, to coordinate the administration of consumer services by transferring to such Department certain functions of the Department of Health, Education, and Welfare, the Department of Labor, and other agencies, and for other purposes; to the Committee on Government Operations.

H.R. 15816. A bill to exclude from income certain reimbursed moving expenses; to the Committee on Ways and Means.

By Mr. MacGREGOR:

H.R. 15817. A bill to encourage smaller contributions to political candidates and parties and to broaden participation in political activities; to the Committee on Ways and Means.

By Mr. MURPHY of New York:

H.R. 15818. A bill to place deputy U.S. marshals under the competitive civil service, and for other purposes; to the Committee on the Judiciary.

By Mr. POLANCO-ABREU:

H.R. 15819. A bill to provide that any dollar ceiling established by the Federal National Mortgage Association for purchases of mortgages in its secondary market operations shall not apply to mortgages covering property in Puerto Rico; to the Committee on Banking and Currency.

By Mr. PUCINSKI:

H.R. 15820. A bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extensions of credit; to the Committee on Banking and Currency.

By Mr. ROBERTS:

H.R. 15821. A bill to exclude from income certain reimbursed moving expenses; to the Committee on Ways and Means.

By Mr. RONCALIO:

H.R. 15822. A bill relating to the appointment of postmasters and rural carriers from civil service registers; to the Committee on Post Office and Civil Service.

By Mr. SCHNEEBELI:

H.R. 15823. A bill to establish a National Commission on Reform of Federal Criminal Laws; to the Committee on the Judiciary.

By Mr. SLACK:

H.R. 15824. A bill to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H.R. 15825. A bill to authorize the establishment of the Dinosaur Trail National Monument in the State of Texas; to the Committee on Interior and Insular Affairs.

By Mr. HALPERN:

H.J. Res. 1175. Joint resolution to authorize the President to proclaim November 16, 1966, as National Grandparents' Day; to the Committee on the Judiciary.

By Mr. MORRISON:

H. Con Res. 792. Concurrent resolution to express the sense of the Congress that Government employees in the Washington, D.C., area should be excused from duty to attend the parade of the National Convention of the American Legion on August 29, 1966; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. FINO:

H.R. 15826. A bill for the relief of Pietro Manicioto; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 15827. A bill for the relief of Luciano Farina; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 15828. A bill for the relief of Corazon H. Lomotan; to the Committee on the Judiciary.

By Mr. McCARTHY:

H.R. 15829. A bill to provide for the free entry of certain stained glass windows for St. John Vianney Seminary, of Buffalo, N.Y.; to the Committee on Ways and Means.

By Mr. RONCALIO:

H.R. 15830. A bill for the relief of Richard J. Buck; to the Committee on the Judiciary.

SENATE

TUESDAY, JUNE 21, 1966

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

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O merciful God, whose law is truth and whose statutes stand forever, we beseech Thee to grant unto us, who in the morning seek Thy face, the benediction which a sense of Thy presence lends to each new day. Unite our hearts and minds to bear the burdens that are laid upon us. Grant us this day the grace to live on the altitudes of our aspirations. As servants of Thine and of the Nation and of the peoples of this shattered earth, stricken, bleeding, starving, save us from false choices and guide our hands and minds to heal and bind and build and bless.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 20, 1966, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of June 16, 1966,

Mr. SMATHERS, from the Special Committee on Aging, on June 20, 1966, submitted a report (No. 1287) entitled "The War on Poverty as It Affects Older Americans," which was printed.

ENROLLED BILLS SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of June 16, 1966,

The ACTING PRESIDENT pro tempore announced that on June 17, 1966, the Vice President signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

H.R. 14266. An act making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1967, and for other purposes; and

H.R. 15124. An act to amend section 316 of the Agricultural Adjustment Act of 1938, as amended.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Jones, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages

from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1160) to amend section 3 of the Administrative Procedure Act, chapter 324, of the act of June 11, 1946 (60 Stat. 238), to clarify and protect the right of the public to information, and for other purposes.

The message also announced that the House had passed a bill (H.R. 12389) to increase the amount authorized to be appropriated for the development of the Arkansas Post National Memorial, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 6438. An act to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof;

H.R. 6515. An act to supplement the act of October 6, 1964, establishing the Lewis and Clark Trail Commission, and for other purposes;

H.R. 7042. An act to amend section 402(d) of the Federal Food, Drug, and Cosmetic Act;

H.R. 7402. An act to provide for the establishment of the Chamizal National Memorial in the city of El Paso, Tex., and for other purposes; and

H.R. 10357. An act to provide for the striking of medals in commemoration of the 100th anniversary of the founding of the U.S. Secret Service.

HOUSE BILL REFERRED

The bill (H.R. 12389) to increase the amount authorized to be appropriated for the development of the Arkansas Post National Memorial, was read twice by its title and referred to the Committee on Interior and Insular Affairs.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, all committees were authorized to meet during the session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that following the vote on the protocols, which is to take place at 12:20 o'clock this afternoon, there be a period for the transaction of routine morning business, with statements limited to 3 minutes.

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

AMENDMENT OF ADMINISTRATIVE PROCEDURE ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1194, S. 1336.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1336) to amend the Administrative Procedure Act and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments on page 1, line 7, after the word "of", to strike out "1965" and insert "1966"; on page 2, at the beginning of line 4, to strike out "Territories" and insert "territories"; on page 5, line 17, after the word "rules", to insert "of general applicability"; on page 6, line 14, after "(C)", to insert "administrative"; on page 7, line 11, after the word "Records.", to strike out "Every agency shall," and insert "Except with respect to the records made available pursuant to subsections (a) and (b), every agency shall, upon request for identifiable records made"; in line 15, after the word "place,", to insert "fees to the extent authorized by statute,"; in line 16, after the word "make", to strike out "all its" and insert "such"; in line 22, after the word "records", to strike out "and information"; in line 23, after the word "records", to strike out "or information"; on page 8, line 20, after the word "from", to strike out "the public" and insert "any person"; at the beginning of line 22, to strike out "dealing solely with matters of law or policy;" and insert "which would not be available by law to a private party in litigation with the agency;"; on page 9, line 3, after the word "party;", to strike out "and"; in line 7, after the word "financial", to strike out "institutions." and insert "institutions; and (9) geological and geophysical information and data (including maps) concerning wells."; on page 16, line 17, after the word "adjudication", to strike out "except those involving inspections and tests,"; on page 17, line 2, after the word "the", to strike out "hearings" and insert "proceedings"; on page 18, line 1, after "(b)", to strike out Practice by Attorneys" and insert "Representation Before Federal Agencies"; in line 5, after the word "any", to strike out "agency; and whenever such a person acting in a representative capacity appears in person or signs a paper in practice before an agency, his personal appearance or signature or on any paper filed in the proceeding shall constitute a representation that he is both properly qualified and authorized to represent the particular party in whose behalf he acts" and insert "agency upon filing with the agency a written declaration that he is currently qualified as provided by this subsection and is authorized to represent the particular party in whose behalf he acts."; in line 15, after "(2)", to insert "Any person who is duly qualified to practice as a certified public accountant in any State, possession, territory, Commonwealth, or the District of Columbia may represent others before the Internal Revenue Service of the Treasury Department upon filing with that agency a written declaration that he is currently qualified as provided by this subsection and is authorized to represent the particular party in whose behalf he acts."; at the beginning of line 23, to insert "(3)"; in the same line, after the word "either", to strike out "(A)" and insert "(i)"; in line 24, after the word "not", to strike out "a lawyer" and insert "qualified as provided in subsections 6(b)(1) and (2)"; on page 19, line 2, after the word "proceeding;", to strike out "(B)" and insert "(ii)"; in line 4, after the word "agency;", to strike out "(C)" and insert "(iii)"; in line 7, after the word "regulation", to strike out "of an agency"; in line 8, after the word "or", to strike out "(D)" and insert "(iv)"; in the same line, after the word "requiring", to strike out "a power of attorney before the agency transfers funds to the attorney for the party whom he represents." and insert "a power of attorney as a condition to the settlement of any controversy involving the payment of money."; after line 12, to insert:

(4) This subsection shall not be applicable to practice before the Patent Office with respect to patent matters which shall continue to be covered by chapters 3 (sections 31 to 33) of title 35 of the United States Code.

In line 17, after "(c)", to strike out "Service."; in line 18, after the word "by", to strike out "an attorney at law or other qualified representative, and that fact has been made known in writing or in person by the representative to the agency" and insert "a person qualified pursuant to subsections 6 (b) (1) and (2)"; in line 23, after the word "to", to strike out "or by"; in the same line, after the word "participant", to insert "in such matter"; in line 24, after the word "to", to strike out "or by"; on page 20, line 1, after the word "one", to strike out "attorney or other" and insert "such"; in line 2, after the word "service", to strike out "by or"; on page 28, line 18, after the word "agency.", to insert "If an application is made for review to the agency, in addition to the exceptions enumerated in subsection 8 (c) (1), the private party may request the agency to reconsider its policy."; in line 25, after the word "therefor.", to insert "In a proceeding in which there is more than one private party, and an application is filed for review by the agency, if the agency declines consideration of the application, it may refer the appeal to an appeal board."; on page 29, line 8, after "(3)", to strike out "Except where the agency simply affirms the decision of the presiding officer by denying the application for a determination of the exceptions, there shall be a ruling" and

insert "Except where the agency declines consideration of an application for review or where the agency denies the application for a determination of the exceptions, there shall be a ruling by the agency, or the appeal board if it decides the appeal,"; on page 30, line 6, after the word "agency", to strike out "raises any issue of fact it deems material," and insert "determines that further evidence is necessary on an issue of fact"; in line 24, after the word "law.", to insert "Any agency proceeding or investigation not within the jurisdiction delegated to the agency and authorized by law may at any time be enjoined by any court of competent jurisdiction."; on page 32, line 3, after "(2)", to strike out "judicial review of agency discretion is precluded by law" and insert "agency action is by law committed to agency discretion"; in line 6, after the word "person", to strike out "adversely affected in fact by any reviewable agency action shall have standing and be" and insert "suffering legal wrong because of any agency action, or adversely affected or aggrieved by such action within the meaning of any relevant statute, shall be"; on page 34, line 11, after the word "review", to strike out "proceedings." and insert "proceedings whether or not any application therefor shall have been made to the agency."; and on page 36, line 1, after the word "of", to strike out "1923, as amended, except that the provisions of paragraphs (2) and (3) of subsection (b) of section 7 of said Act, as amended, and the provisions of section 9 of said Act," and insert "1949, as amended, except that the provisions of sections 507(a)(5), 701(a)(B), and 702 of said Act, as amended, and the provisions of the Performance Rating Act of 1950,"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrative Procedure Act (5 U.S.C. 1001–11) is amended to read as follows:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Administrative Procedure Act of 1966'.

"DEFINITIONS

"SEC. 2. As used in this Act—

"(a) AGENCY.—'Agency' means each authority (whether or not within or subject to review by another agency) of the Government of the United States other than Congress, the courts, or the governments of the possessions, territories, Commonwealths, or the District of Columbia. Nothing in this Act shall be construed to repeal delegations of authority as provided by law. Except as to the requirements of section 3, there shall be excluded from the operation of this Act courts-martial and military commissions, and military or naval authority exercised in the field in the time of war or in occupied territory. Except as to the requirements of sections 3 and 4, there shall be excluded from the operation of this Act, agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them.

"(b) PERSON AND PARTY.—'Person' includes individuals, partnerships, corporations, associations, or public or private organziations of any character other than agencies. 'Party' includes any person or agency named or admitted as a party, or properly seeking and entitled as of right to be admitted as a party, in any agency proceeding; but nothing herein shall be construed to prevent an agency from admitting any person or agency as a party for limited purposes. 'Private party' means any party other than an agency.

"(c) RULE AND RULEMAKING.—'Rule' means the whole or any part of any agency statement of general applicability and future effect designed to implement, interpret, or prescribe law or policy or to describe the organization, procedure, or practice requirements of any agency and includes any exception from a rule. 'Rulemaking' means agency process for the formulation, amendment, repeal of, or exception from a rule.

"(d) ORDER, OPINION, AND ADJUDICATION.—'Order' means the whole or any part of the final disposition (whether affirmative, negative, injunctive, or declaratory in form) by any agency in any proceeding, including, licensing, to determine the rights, obligations, and privileges of named parties. 'Opinion' means the statement of reasons, findings of fact, and conclusions of law, upon all the material issues of fact, law, or discretion presented on the record, issued in explanation or support of an order. 'Adjudication' means agency process for the formulation, amendment, or repeal of an order.

"(e) AGENCY LICENSE AND LICENSING.—'License' includes the whole or any part of agency permit, certificate, approval, registration, charter, membership, statutory exemption, or other form of permission. 'Licensing' includes agency process respecting the grant, renewal, denial, revocation, suspension, annulment, withdrawal, limitation, amendment, or modification of a license, and the prescription or requirement of terms, conditions, or standards of conduct for named licensees thereunder.

"(f) SANCTION AND RELIEF.—'Sanction' includes the whole or part of any agency (1) prohibition, requirement, limitation, or other condition affecting the freedom of any person; (2) withholding of relief; (3) imposition of any form of penalty or fine; (4) destruction, taking, seizure, or withholding of property; (5) assessment of damages, reimbursement, restitution, compensation, costs, charges, or fees; (6) requirement, revocation, or suspension of a license; or (7) taking of other compulsory or restrictive action. 'Relief' includes the whole or part of any agency (1) grant of money, assistance, license, authority, exemption, exception, privilege, or remedy; (2) recognition of any claim, right, immunity, privilege, exemption, or exception; or (3) taking of any other action upon the application or petition of, and beneficial to, any person.

"(g) AGENCY PROCEEDING AND ACTION.—'Agency proceeding' means any agency process as defined in subsections (c), (d), and (e) of this section. 'Agency action' includes the whole or part of every agency rule, order, license, sanction, relief, or the equivalent or denial thereof, or failure to act.

"PUBLIC INFORMATION

"SEC. 3. Every agency shall make available to the public the following information—

"(a) PUBLICATION IN THE FEDERAL REGISTER.—Every agency shall separately state and currently publish in the Federal Register for the guidance of the public (A) descriptions of its central and field organization and the established places at which, the officers from whom, and the methods whereby, the public may secure information, make submittals or requests, or obtain decisions; (B) statements of the general course and method by which its functions are channeled and determined, including the nature and requirements of all formal and informal procedures available; (C) rules of procedure, descriptions of forms available or the places at which forms may be obtained, and instructions as to the scope and contents of all papers, reports, or examinations; (D) substantive rules of general applicability adopted as authorized by law, and statements of general policy or interpretations of general applicability formulated and adopted by the agency; and (E) every amendment, revision, or repeal of the foregoing. Except to the extent that a person has actual and timely notice of the terms thereof, no person shall in any manner be required to resort to, or be adversely affected by any matter required to be published in the Federal Register and not so published. For purposes of this subsection, matter which is reasonably available to the class of persons affected thereby shall be deemed published in the Federal Register when incorporated by reference therein with the approval of the Director of the Federal Register.

"(b) AGENCY OPINIONS AND ORDERS.—Every agency shall, in accordance with published rules, make available for public inspection and copying (A) all final opinions (including concurring and dissenting opinions) and all orders made in the adjudication of cases, (B) those statements of policy and interpretations which have been adopted by the agency and are not published in the Federal Register, and (C) administrative staff manuals and instructions to staff that affect any member of the public, unless such materials are promptly published and copies offered for sale. To the extent required to prevent a clearly unwarranted invasion of personal privacy, an agency may delete identifying details when it makes available or publishes an opinion, statement of policy, interpretation, or staff manual or instruction; provided, that in every case the justification for the deletion must be fully explained in writing. Every agency also shall maintain and make available for public inspection and copying a current index providing identifying information for the public as to any matter which is issued, adopted, or promulgated after the effective date of this Act and which is required by this subsection to be made available or published. No final order, opinion, statement of policy, interpretation, or staff manual or instruction that affects any member of the public may be relied upon, used, or cited as precedent by an agency against any private party unless it has been indexed and either made available or published as provided by this subsection or unless that private party shall have actual and timely notice of the terms thereof.

"(c) AGENCY RECORDS. Except with respect to the records made available pursuant to subsections (a) and (b), every agency shall, upon request for identifiable records made in accordance with published rules stating the time, place, fees to the extent authorized by statute, and procedure to be followed, make such records promptly available to any person. Upon complaint, the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are situated shall have jurisdiction to enjoin the agency from the withholding of agency records and to order the production of any agency records improperly withheld from the complainant. In such cases the court shall determine the matter de novo and the burden shall be upon the agency to sustain its action. In the event of noncompliance with the court's order, the district court may punish the responsible officers for contempt. Except as to those causes which the court deems of greater importance, proceedings before the district court as authorized by this subsection shall take precedence on the docket over all other causes and shall be assigned for hearing and trial at the earliest practicable date and expedited in every way.

"(d) AGENCY PROCEEDINGS.—Every agency having more than one member shall keep a record of the final votes of each member in every agency proceeding and such record shall be available for public inspection.

"(e) EXEMPTIONS.—The provisions of this section shall not be applicable to matters

that are (1) specifically required by Executive order to be kept secret in the interest of the national defense or foreign policy; (2) related solely to the internal personnel rules and practices of any agency; (3) specifically exempted from disclosure by statute; (4) trade secrets and commercial or financial information obtained from any person and privileged or confidential; (5) inter-agency or intra-agency memorandums or letters which would not be available by law to a private party in litigation with the agency; (6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy; (7) investigatory files compiled for law enforcement purposes except to the extent available by law to a private party; (8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of any agency responsible for the regulation or supervision of financial institutions; and (9) geological and geophysical information and data (including maps) concerning wells.

"(f) LIMITATION OF EXEMPTIONS.—Nothing in this section authorizes withholding of information or limiting the availability of records to the public except as specifically stated in this section, nor shall this section be authority to withhold information from Congress.

"RULEMAKING

"SEC. 4. (a) INFORMAL CONSULTATION PRIOR TO NOTICE.—Prior to notice of proposed rulemaking and either with or without public announcement, an agency may afford opportunity to interested persons to submit suggestions for rulemaking or with respect to proposed rules.

"(b) NOTICE.—Notice of rulemaking to be undertaken by the agency on its own motion or pursuant to petition shall (1) be published in the Federal Register, (2) give all interested persons a reasonable time in which to prepare and submit matter for consideration, and (3) state the time, place, and manner in which any interested person may submit matter for consideration, the authority under which the rule is proposed, and either the terms or substance of the proposed rule or a description of the subjects and issues involved.

"(c) PROCEDURES.—After notice required by this section—

"(1) The agency shall afford interested persons an opportunity to participate in rulemaking through the submission of written data, views, or arguments with an opportunity to present the same orally unless the agency determines that oral argument is inappropriate or unwarranted; and, after consideration of all relevant matter presented, the agency shall make its decision.

"(2) Where rules are required by the Constitution or by statute to be made on the record after opportunity for an agency hearing, the requirements of section 7 shall apply in place of the provisions of subsection (c) (1) except that the presiding officer may be any responsible officer of the agency.

"In proceedings in which the agency has not presided at the hearing, the officer who presided shall make a recommended decision. The parties may file exceptions to the recommended decision within such time and in such form as the agency shall provide by rule. After prompt consideration of the recommended decision and all exceptions thereto, the agency shall make its decision. In any proceeding, the agency may omit a recommended decision when the agency finds upon the record that due and timely execution of its functions imperatively and unavoidably so requires. When the recommended decision is omitted or when the agency has presided at the hearings, the agency, after prompt consideration of all relevant matter presented, shall make its decision.

"(3) The agency shall incorporate in any rules adopted a concise general statement of the basis and purpose of such rules.

"(d) EMERGENCY RULES.—In any situation in which an agency finds (and incorporates the finding and a brief statement of the reasons therefor in the rule issued) that rulemaking without the notice and procedures provided by subsections (b) and (c) of this section is necessary in the public interest, an agency may issue an emergency rule which shall be effective for not more than six months from the effective date thereof. The agency may extend such emergency rule for a period not to exceed one year only by commencement, prior to the expiration of the original effective period, of a rulemaking proceeding dealing with the same subject matter as did the emergency rule and upon giving notice required by subsection (b) of this section. Such notice shall contain an express statement of the extension of such emergency rule and the period for which it is extended. Nothing herein shall preclude use of emergency rulemaking procedures as provided by other statutes.

"(e) RULEMAKING DOCKETS.—Each agency shall maintain a rulemaking docket showing the current status of all published proposals for rulemaking.

"(f) EFFECTIVE DATES.—The required publication of any rule shall be made not less than thirty days prior to the effective date thereof except as otherwise provided by the agency upon good cause found and published with the rule.

"(g) PETITIONS.—Every agency shall accord any interested person the right to petition for the issuance, amendment, exception from, or repeal of a rule.

"(h) EXEMPTIONS.—The provisions of this section shall not apply to (1) rulemaking required by an Executive order to be kept secret in the interest of the national defense or foreign policy; (2) rulemaking that relates solely to internal personnel rules and practices of an agency; (3) advisory interpretations and rulings of particular applicability; (4) minor exceptions from, revisions of, or refinements of rules which do not affect protected substantive rights; and (5) rules of agency organization.

"ADJUDICATION

"SEC. 5. (a) In those cases of adjudication which are required by the Constitution or by statute to be determined on the record after opportunity for an agency hearing—

"(1) NOTICE.—Persons entitled to notice of an agency proceeding shall be timely informed of (A) the nature of the proceeding; (B) the legal authority and jurisdiction under which the proceeding is to be held; (C) the matters of fact and law asserted; and (D) the time and place of each hearing; and (E) if the issues or matters at the hearing are to be limited, the particular issues or matters to be considered at the hearing. In fixing the times and places for hearings, due regard shall be had for the convenience of the parties or their representatives.

"(2) PLEADINGS AND OTHER PAPERS.—Every agency shall provide adequate rules governing its pleadings, including responsive pleadings, and other papers. To the extent practicable, such rules shall conform to the Rules of Civil Procedure or the Rules of Criminal Procedure for the United States district courts.

"(3) PREHEARING CONFERENCES.—Every agency shall by rule provide for prehearing conferences for use in such proceedings as the agency or the presiding officer may designate. Prehearing conferences shall provide for a discussion and, to the extent practicable, determination of the facts and issues involved in the proceeding. Such conferences shall be conducted by a presiding officer who may at any appropriate time require (A) the production and service of relevant matter upon all parties; (B) oral or written statements of the facts and issues; and (C) arguments in support thereof. At the conclusion of a prehearing conference, the presiding officer shall issue an order setting forth all action taken at the conference, amendments allowed to the pleadings and the agreements made by the parties as to any of the matters considered. The order shall limit the issues for hearing to those not disposed of by admissions or agreements and shall control the subsequent course of the proceedings, unless modified thereafter to prevent manifest injustice.

"(4) REGULAR HEARING PROCEDURE.—Where modified procedures have not been designated or to the extent that the controversy has not been settled or adjusted, there shall be a hearing and decision upon notice and in conformity with sections 7 and 8.

"(5) MODIFIED HEARING PROCEDURE.—Every agency shall by rule provide for abridged procedures which shall be on the record and be reasonably calculated to promptly, adequately, and fairly inform the agency and the parties as to the issues, facts and arguments involved. The agency may designate hearing examiners or agency personnel of appropriate ability to conduct such abridged proceedings. The procedures shall be for use by consent of the parties in such proceedings as the agency may designate. Without delay after the conclusion of the abridged proceeding, the officer who conducted it shall make his decision based on the record and subject to the provisions of section 8.

"(6) SEPARATION OF FUNCTIONS.—(A) No officer who presides at the reception of evidence shall be responsible to or subject to the supervision or direction of any officer, employee, or agent engaged in the performance of investigating, prosecuting, or advocating functions for any agency. No officer, employee, or agent, other than a member of an agency, engaged in the performance of investigating, prosecuting, or advocating functions for any agency in any case shall, in that or a factually related case, participate or advise in the decision, or in agency appeal or review pursuant to section 8, except as witness or counsel in public proceedings.

"(B) Save to the extent required for the disposition of ex parte matters as authorized by law, no presiding officer or member of an agency appeal board, other than a member of an agency, shall consult with any person or agency on any fact in issue unless upon notice and opportunity for all parties to participate, except that a member of an agency appeal board may consult with other members of the appeal board.

"(7) EMERGENCY ACTION.—Upon a finding that immediate action is necessary for the preservation of the public health or safety, or where otherwise provided by law, an agency may take action without the notice or other procedures required by this subsection. Such action shall be subject to immediate judicial review in accordance with the provisions of section 10, unless the agency provides for an immediate hearing to be conducted in accordance with this Act and takes such other action as will effectively protect the rights of the persons affected. Nothing herein shall be construed to preclude a person from obtaining injunctive relief to stay the taking of emergency action by the agency in appropriate cases.

"(b) In all other cases of adjudication the agency shall by rule provide procedures which shall promptly, adequately and fairly inform the agency and the parties of the issues, facts and arguments involved. Without delay after conclusion of the proceeding, the officer who has conducted it shall make his decision. Such decision shall constitute final agency action, subject only to such appeal and review as may be provided by agency rule.

"(c) SETTLEMENT.—The agency shall afford all parties an opportunity, at such time in advance of the proceedings as the agency

may by rule prescribe, or, in the discretion of the agency, at any time thereafter where time, the nature of the proceeding, and the public interest permit, to submit and have considered offers for the settlement or adjustment of the questions presented.

"ANCILLARY MATTERS

"SEC. 6. Except as otherwise provided in this Act—

"(a) APPEARANCE.—Any person appearing voluntarily or involuntarily before any agency or representative thereof in the course of an investigation or in any agency proceeding shall be accorded the right to be accompanied, represented, and advised by counsel or, if permitted by the agency, by other qualified representative. Every party shall be accorded the right to appear in person or by or with counsel or other duly qualified representative in any agency proceeding or investigation. So far as the orderly conduct of public business permits, any interested person may appear before any agency or its responsible officers or employees for the presentation, adjustment, or determination of any issue, request, or controversy in any proceeding (interlocutory, summary, or otherwise) or in connection with any agency function.

"(b) REPRESENTATION BEFORE FEDERAL AGENCIES.—(1) Any person who is a member in good standing of the bar of the highest court of any State, possession, territory, Commonwealth, or the District of Columbia may represent others before any agency upon filing with the agency a written declaration that he is currently qualified as provided by this subsection and is authorized to represent the particular party in whose behalf he acts.

"(2) Any person who is duly qualified to practice as a certified public accountant in any State, possession, territory, Commonwealth, or the District of Columbia may represent others before the Internal Revenue Service of the Treasury Department upon filing with that agency a written declaration that he is currently qualified as provided by this subsection and is authorized to represent the particular party in whose behalf he acts.

"(3) *Nothing herein* shall be construed either (i) to grant or to deny to any person who is not qualified as provided in subsections 6(b) (1) and (2) the right to appear for or represent others before any agency or in any agency proceeding; (ii) to authorize or to limit the discipline, including disbarment of persons who appear in a representative capacity before any agency; (iii) to authorize any person who is a former officer or employee of an agency to represent others before an agency where such representation is prohibited by statute or regulation; or (iv) to prevent an agency from requiring a power of attorney as a condition to the settlement of any controversy involving the payment of money.

"(4) This subsection shall not be applicable to practice before the Patent Office with respect to patent matters which shall continue to be covered by chapter 3 (sections 31 to 33) of title 35 of the United States Code.

"(c) When any participant in any matter before an agency is represented by a person qualified pursuant to subsections 6(b) (1) and (2), any notice or other written communication required or permitted to be given to such participant in such matter shall be given to such representative in addition to any other service specifically required by statute. If a participant is represented by more than one such qualified representative, service upon any one of such representatives shall be sufficient.

"(d) INVESTIGATIONS.—No process, requirement of a report, inspection, or other investigative act or demand shall be issued, made, or enforced in any manner or for any purpose except as authorized by law. Every person who submits data or evidence shall be entitled to retain or, on payment of lawfully prescribed costs, procure a copy or transcript thereof.

"(e) SUBPENAS.—Unless otherwise provided by statute, every agency shall by rule provide for the issuance of subpenas and shall issue subpenas upon request to any party to an adjudication and shall by rule designate officers, including the presiding officer, who are authorized to sign and issue such subpenas. When objection is made to the general relevance or reasonable scope of such subpena, the presiding officer or the agency may quash or modify the subpena. Agency subpenas authorized by law shall be issued to any party to a rulemaking proceeding upon request upon a showing of general relevance and reasonable scope of the evidence sought. Upon contest in the district court in the judicial district in which the appearance is required or in which the person to whom the subpena is directed is found, resides, or has his principal place of business, the court shall upon request by the agency or by any party sustain any such subpena or similar process or demand to which no objection has been made or which has been sustained by the presiding officer or the agency, to the extent that it is found to be in accordance with law. In any proceeding for enforcement, the court shall issue an order requiring the appearance of the witness or the production of the evidence of data within a reasonable time under penalty of punishment for contempt in case of contumacious failure to comply.

"(f) DENIALS.—Prompt notice shall be given of the denial in whole or in part of any written application, petition, or other request of any interested person made in connection with any agency proceeding. Except in affirming a prior denial, or where the denial is self-explanatory or of an application for agency review such notice shall be accompanied by a simple statement of reasons.

"(g) COMPUTATION OF TIME.—Any period of time prescribed or allowed by this Act, by any other statute administered under this Act, or by rule or order of an agency, shall not include the day of the act, event, or default after which the designated period of time begins to run. However, the last day of the period so computed is to be included unless it is a Saturday, Sunday, holiday or half holiday, in which event the period runs until the end of the next day which is neither a Saturday, Sunday, holiday nor half holiday.

"(h) DEPOSITIONS AND DISCOVERY.—Depositions and discovery shall be available to the same extent and in the same manner as in civil proceedings in the district courts of the United States except to the extent an agency deems such conformity impracticable and otherwise provides for depositions and discovery by published rule.

"(i) CONSOLIDATION.—Upon reasonable notice an agency may consolidate related proceedings or order joint hearings on common or related issues in different proceedings.

"(j) NATIONAL DEFENSE OR FOREIGN POLICY.—Every agency proceeding or action exempted by this Act because the national defense or foreign policy is involved, from the procedures otherwise required by this Act shall be governed by rules of procedure which conform to the greatest extent practicable to the procedures provided in this Act.

"(k) DECLARATORY ORDERS.—An agency shall act upon requests for declaratory orders and is authorized with like effect as in the case of other orders, to issue a declaratory order to terminate a controversy or remove an uncertainty. Any action taken shall constitute final agency action within the meaning of section 10.

"(l) SUMMARY DECISIONS.—An agency is authorized to dispose of motions for summary decisions, motions to dismiss or motions for decision on the pleadings.

"HEARINGS

"SEC. 7. In hearings which section 4 or 5 requires to be conducted pursuant to this section—

"(a) PRESIDING OFFICERS.—There shall preside at the taking of evidence (1) the agency, (2) one or more members of the body which comprises the agency, or (3) one or more examiners appointed as provided in this Act; but nothing in this Act shall be deemed to supersede the conduct of specified classes of proceedings in whole or part by or before boards or other officers specially provided for by or designated pursuant to statute. The functions of all presiding officers and of officers participating in decisions in conformity with sections 4(c)(2) and 8 shall be conducted in an impartial manner. Any such officer may at any time withdraw if he deems himself disqualified; and, upon the filing in good faith of a timely and sufficient affidavit of personal bias or disqualification of any such officer, the agency shall determine the matter as part of the record and decision in the proceeding. In any proceeding in which a presiding officer is disqualified or otherwise becomes unavailable, another presiding officer may be assigned to continue with the proceeding unless substantial prejudice to any party is shown to result therefrom. In event substantial prejudice is shown, the agency may determine the manner in which and the extent to which the proceedings shall be reheard.

"(b) HEARING POWERS.—Presiding officers shall have, if within the powers of the agency, authority to (1) administer oaths and affirmations; (2) sign and issue subpenas; (3) rule upon offers of proof and receive relevant evidence; (4) take or cause depositions to be taken and require compliance with other discovery procedures as the ends of justice require; (5) regulate the course of the hearing; (6) direct the parties to appear for prehearing conferences and such other conferences as may be desirable for the settlement or simplification of the issues by consent of the parties; (7) dispose of procedural requests or similar matters; (8) dispose of motions for summary decisions, motions for decisions on the pleadings or motions to dismiss; (9) make decisions in conformity with section 4(c) (2) or 8; and (10) take any other action, including action to maintain order, authorized by agency rule consistent with this Act.

"(c) EVIDENCE.—Except as statutes otherwise provide, the proponent of a rule or order shall have the burden of proof. Any oral or documentary evidence may be received, but every agency shall provide for the exclusion of irrelevant, immaterial, or unduly cumulative or repetitious evidence. No sanction shall be imposed or rule or order be issued except upon consideration of the whole record or such portions thereof as may be cited by any party and as supported by and in accordance with the reliable, probative, and substantial evidence. Every party shall have the right to present his case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. Any presiding officer may, where the interest of any party will not be prejudiced thereby, require the submission of all or part of the evidence in written form.

"(d) RECORD.—The transcript of testimony and exhibits, together with all papers and requests filed in the proceedings, shall constitute the exclusive record for decision in accordance with section 4(c) (2) and (8) and, upon payment of lawfully prescribed costs, shall be made available to the parties. Official notice may be taken of all facts of

which judicial notice could be taken and of other facts within the specialized knowledge of the agency. Where any decision rests on official notice of a material fact not appearing in the evidence in the record, any party shall on timely request be afforded an opportunity to show the contrary.

"(e) INTERLOCUTORY APPEALS.—A presiding officer may certify to the agency, or allow the parties an interlocutory appeal on, any material question arising in the course of a proceeding, where he finds that to do so would prevent substantial prejudice to any party or would expedite the proceeding. No interlocutory appeal shall otherwise be allowed, except by order of the agency upon a showing of substantial prejudice and after a denial of such appeal by the presiding officer. The presiding officer or the agency may stay the proceeding during the pendency of the interlocutory appeal to protect the substantial rights of any party. The agency, or one or more of its members as it may designate, shall determine the question forthwith, and further proceedings shall be governed accordingly.

"DECISIONS

"SEC. 8. In all adjudications subject to section 5(a)—

"(a) GENERAL.—The same officers who preside at the reception of evidence shall make the decision except where such officers become unavailable to the agency. In the absence of either an appeal to the agency or review by the agency within time provided by statute or by rule, such decision shall without further proceedings then become the decision of the agency. In proceedings in which the agency presides at the taking of evidence, its decision shall be the final agency action in the proceeding.

"(b) SUBMITTALS AND DECISIONS.—Prior to each decision of presiding officers the parties shall be afforded a reasonable opportunity to submit for the consideration of the officers participating in such decisions (1) proposed findings and conclusions and (2) supporting reasons for such proposed findings and conclusions with the opportunity, in the discretion of the presiding officer, for oral argument thereon. The record shall show the ruling upon each such finding or conclusion presented. All decisions shall become a part of the record, shall be served by the agency on the parties, and shall include (A) the opinion, and (B) the appropriate order, sanction, relief, or denial thereof.

"(c) APPEAL AND REVIEW.—(1) Any party may appeal the decision of the presiding officer by serving upon the agency and the other parties, within the time prescribed by agency rule after being served with the decision, written exceptions and the reasons in support thereof which shall state specifically and concisely the manner in which (A) prejudicial error was committed in the conduct of the proceeding; (B) the findings or conclusions of material fact were clearly erroneous; (C) the conclusions of law were erroneous; (D) the decision was contrary to law or to the duly promulgated rules or decisions of the agency; or (E) there was a novel question brought into issue. The record for appeal shall include all matters constituting the record upon which the decision of the presiding officer was based. Any portion of the record relied upon shall be identified by detailed page references. Except for good cause shown, no exceptions by any party shall rely on any question of fact or law upon which the presiding officer had not been afforded an opportunity to pass. The appeal shall be limited to the questions raised by the exceptions.

"(2) Except to the extent that the establishment of an agency appeal board is clearly unwarranted by the number of proceedings in which exceptions are filed or that agency appellate procedures have been otherwise provided by Congress, each agency shall establish by rule one or more agency appeal boards composed of agency members, hearing examiners (other than the presiding officer), or both. Proceedings before the appeal board shall be as provided by agency rule and shall include oral argument if requested by a party. In an appeal board has been established, exceptions shall be considered and determined by the appeal board unless a private party shall promptly file an application for a determination of the exceptions by the agency. If an application is made for review to the agency, in addition to the exceptions enumerated in subsection 8(c)(1), the private party may request the agency to reconsider its policy. If the agency denies the application, it shall be deemed to have considered and denied each exception and affirmed the decision of the presiding officer. If the agency grants the application, it shall determine the exceptions after considering the reasons therefor. In a proceeding in which there is more than one private party, and an application is filed for review by the agency, if the agency declines consideration of the application, it may refer the appeal to an appeal board.

"If no appeal board has been established, the exceptions shall be considered and determined by the agency after considering the reasons therefor.

"(3) Except where the agency declines consideration of an application for review or where the agency denies the application for a determination of the exceptions, there shall be a ruling by the agency, or the appeal board if it decides the appeal, upon each material exception; the record shall show the ruling and the reason therefor; and the decision of the presiding officer shall be affirmed, set aside, or modified to conform with such rulings or remanded with instructions.

"(4) After entry of the decision of the presiding officer or after the action of the appeal board, the agency in its discretion may, within the time prescribed by agency rule, order the case before it for review but only upon the ground that the decision or action may be contrary to law or agency policy, that the agency wishes to reconsider its policy, or that a novel question of policy has been presented. The agency shall state in such order the specific agency policy or novel question of policy involved. On such review the agency shall have all the power it would have if it were initially deciding the proceeding; provided that if the agency determines that further evidence is necessary on an issue of fact the agency shall remand the case with instructions for further proceedings before the presiding officer.

"(5) The action on review or on appeal if no review is taken shall be on the record and be the final action of the agency except when the decision is remanded or set for reconsideration or rehearing.

"SANCTIONS AND POWERS

"SEC. 9. In the exercise of any power or authority—

"(a) IN GENERAL.—Every agency shall have a duty, with due regard for the rights and privileges of all interested parties or adversely affected persons and with reasonable dispatch, to set and complete any investigation or proceedings required to be conducted pursuant to this Act or other proceedings required by law and to make its decision. No sanction shall be imposed, investigation commenced, or substantive rule or order be issued except within jurisdiction delegated to the agency and as authorized by law. Any agency proceeding or investigation not within the jurisdiction delegated to the agency and authorized by law may at any time be enjoined by any court of competent jurisdiction.

"(b) PUBLICITY.—Publicity, which a reviewing court finds was issued by the agency or any officer, employee, or member thereof, to discredit or disparage a person under investigation or a party to an agency proceeding, may be held to be a prejudicial prejudging of the issues in controversy, and the court may set aside any action taken by the agency against such person or party or enter such other order as it deems appropriate.

"(c) LICENSES.—Except in cases of willfulness or those in which the public health, interest, or safety requires otherwise, no withdrawal, suspension, revocation, or annulment of any license shall be lawful unless, prior to the institution of agency proceedings therefor, facts or conduct which may warrant such action shall have been called to the attention of the licensee by the agency in writing and the licensee shall have been accorded opportunity to demonstrate or achieve compliance with all lawful requirements. In any case in which the licensee has, in accordance with agency rules, made timely and sufficient application for a renewal or a new license, no license with reference to any activity of a continuing nature shall expire until such application shall have been finally determined by the agency.

"JUDICIAL REVIEW

"SEC. 10. Except so far as (1) statutes preclude judicial review or (2) agency action is by law committed to agency discretion—

"(a) RIGHT OF REVIEW.—Any person suffering legal wrong because of any agency action, or adversely affected or aggrieved by such action within the meaning of any relevant statute, shall be entitled to judicial review thereof.

"(b) JURISDICTION, VENUE, AND FORM OF ACTION.—The district courts of the United States shall have (1) jurisdiction to review agency action reviewable under this Act, except where a statute provides for judicial review in a specific court; and (2) jurisdiction to protect the other substantial rights of any person in an agency proceeding. Agency action shall also be subject to judicial review in civil or criminal proceedings for judicial enforcement of agency action except to the extent that prior, adequate, and exclusive opportunity for such review is provided by law. The form of the proceeding for judicial review shall be any special statutory review proceeding or, in the absence or inadequacy thereof, any applicable form of legal action (including actions for declaratary judgments, proceedings in the nature of mandamus, writs of prohibitory or mandatory injunction or habeas corpus). The proceeding for judicial review of agency action shall be commenced by the filing of a complaint in the district court in the judicial district in which the complainant resides or has his principal place of business, or in which the acts giving rise to the agency action took place, or in which any real property involved in the action is situated, except where a special judicial review procedure is otherwise provided by statute. The action for judicial review may be brought against the agency by its official title.

"(c) REVIEWABLE ACTIONS.—Every agency action made reviewable by statute and every final agency action for which there is no other adequate remedy in any court shall be subject to judicial review. Any preliminary, procedural, or intermediate agency action or ruling not directly reviewable shall be subject to review upon the review of the final agency action. Except as otherwise expressly required by statute, agency action otherwise final shall be final for the purposes of this subsection whether or not there has been presented or determined any application for a declaratory order, for any form or reconsideration, or (unless the agency otherwise requires by rule and provides that the action meanwhile shall be inoperative) for an appeal to superior agency authority.

"(d) INTERIM RELIEF.—Pending judicial review any agency is authorized, where it

finds that justice so requires, to postpone the effective date of any action taken by it. Upon such conditions as may be required and to the extent necessary to prevent irreparable injury, every reviewing court (including every court to which a case may be taken on appeal from or upon application for certiorari or other writ to a reviewing court) is authorized to issue all necessary and appropriate process to postpone the effective date of any agency action or to preserve status or rights pending conclusion of any review proceedings whether or not any application therefor shall have been made to the agency.

"(e) SCOPE OF REVIEW.—So far as necessary to decision, and where presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of any agency action. It shall (A) compel agency action unlawfully withheld or unreasonably delayed; and (B) hold unlawful and set aside agency action, findings, and conclusions found to be (1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; (2) contrary to constitutional right, power, privilege, or immunity; (3) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right; (4) without observance of procedure required by law; (5) unsupported by substantial evidence in any case subject to the requirements of sections 7 and 8 or otherwise reviewed on the record of an agency hearing provided by statute; or (6) unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court. In making the foregoing determinations the court shall review the whole record or such portions thereof as may be cited by any party, and due account shall be taken of the rule of prejudicial error.

"EXAMINERS

"SEC. 11. Subject to the civil service and other laws to the extent not inconsistent with this Act, there shall be appointed by and for each agency as many qualified and competent examiners as may be necessary for proceedings pursuant to sections 7 and 8, who shall be assigned to cases in rotation so far as practicable and shall perform no duties inconsistent with their duties and responsibilities as examiners. Examiners shall be removable by the agency in which they are employed only for good cause established and determined by the Civil Service Commission (hereinafter called Commission) after opportunity for hearing and upon the record thereof. Examiners shall receive compensation prescribed by the Commission inedependently of agency recommendations or ratings and in accordance with the Classification Act of 1949, as amended, except that the provisions of sections 507(a)(5), 701(a)(B), and 702 of said Act, as amended, and the provisions of the Performance Rating Act of 1950, as amended, shall not be applicable. Agencies occasionally or temporarily insufficiently staffed may utilize examiners selected by the Commission from and with the consent of other agencies. For the purposes of this section, the Commission is authorized to make investigations, require reports by agencies, issue reports, including an annual report to the Congress, promulgate rules, appoint such advisory committees as may be deemed necessary, recommend legislation, subpena witnesses or records, and pay witness fees as established for the United States courts.

"CONSTRUCTION AND EFFECT

"SEC. 12. (a) GENERAL.—Nothing in this Act shall be held to diminish the constitutional rights of any person or to limit or repeal additional requirements imposed by statute or otherwise recognized by law. Except as otherwise required by law, all requirements or privileges relating to evidence or procedure shall apply equally to agencies and persons. If any provisions of this Act or the application thereof is held invalid, the remainder of this Act or other applications of such provisions shall not be affected. Every agency is granted all authority necessary to comply with the requirements of this Act through the issuance of rules or otherwise. No legislation shall be held to supersede or modify the provisions of this Act except to the extent that such legislation shall do so expressly."

(b) EFFECTIVE DATE.—This Act shall take effect six months following the date of its enactment. No change in procedure shall be mandatory with respect to any proceeding initiated prior to the effective date of such change.

OVERHAUL OF THE ADMINISTRATIVE PROCEDURE ACT

Mr. DIRKSEN. Mr. President, 3 years ago I introduced for myself and the distinguished Senator from Missouri [Mr. LONG], who is chairman of the Subcommittee on Administrative Practice and Procedure, of which I have been the minority member, a bill to amend the Administrative Procedure Act.

That bill was the result of the work of many people, both in and out of the Government. It was based upon the recommendations of the Hoover Commission appointed by President Truman, a conference on administrative procedures called by President Eisenhower, and an administrative conference called by President Kennedy, as well as on the recommendations of the American Bar Association and other legal groups. It was further the subject of careful study and comment by scholars in the field of administrative law and by those within the administrative agencies, as well as by those who practice before them. All of these people have generously contributed their time and efforts.

Now, 3 years have passed during which the myriad of departments and agencies have had a chance to study the provisions of the bill and comment on it, both informally and in public hearings. Their testimony and comments have been of the greatest value to the subcommittee in determining the effect of this legislation. Comments were also received from other sources. For example, in March of 1964 at a 3-day on-the-record meeting, the representatives of the American Bar Association gave their views and suggestions.

But the subcommittee did not stop there. It called to its service a group of consultants comprising some of the most highly qualified experts in administrative law.

After receiving comments from all of these sources, the subcommittee began the task of refashioning the provisions of the bill so as to take account of the many suggestions which it had received. Every proposal was analyzed and tested. Some were rejected; others were modified. Our purpose was to contrive a set of procedures which would meet the needs of the public as well as the needs of the agencies.

It is important that both needs be met, because there is scarcely a facet of our life which is not affected by the decisions of these administrative agencies. They do not regulate just big business or little business; they determine the price of milk for babies and old-age pensions, the acreage allotments of farmers, unfair labor practices, union representation, civil rights, social security benefits, and, under legislation now enacted, they would decide the benefits under medicare. Each time we expand the functions of our pervasive Government, it means either creating a new agency or expanding an old one to take care of the administration of that new activity.

These administrative agencies may be independent agencies or they may be departments or parts of departments. A list, even in rather small print, of all the administrative agencies which we now have takes up a large section of a wall. They have been called the headless fourth branch of our Government, for they are a governing force in our lives. Yet they are not mentioned in the Constitution; they are neither Congress, the President, nor the courts. But they exercise legislative, executive, and judicial functions. They establish policies which have the force of law; they administer those policies; and they act as a tribunal to decide cases involving the policies.

Fortunately, we have many good people in these agencies. The difficulty is that they are buried under an avalanche of work. Where there were 10 cases to be decided two decades ago, there are a hundred waiting to be decided in the same period of time today. Our population has exploded, and our activity and our problems have equally proliferated in the past 20 years. Adding more people is not enough, because there are some problems of our agencies which cannot be solved by adding more people. These are the problems arising out of the requirements of the Administrative Procedure Act, which sets out the way in which these agencies must operate. It is a good act, but it needs to be brought up to date. That we propose to do by this bill.

The current amendment of the Administrative Procedure Act makes no change in section 2(a) which section, among other things, excludes "courts" from the operation of the act. For purposes of section 2(a), the term "courts" includes the Tax Court, Court of Customs and Patent Appeals, the Court of Claims, and similar courts. This act does not apply to their procedure nor affect the requirement of resort thereto.

First of all, take the duties which the act imposes on those who head the various administrative agencies. They are a small and select group of men and women whom the Congress has usually required to be nominated by the President and confirmed by the Senate because of their responsibility for guiding the overall operations of these vast and powerful administrative agencies. But frequently they have little opportunity to give such guidance because they are also given the duty of deciding cases, both large and small, and the more time they spend doing that, the less time they have to consider questions of policy. The flow of cases which they must decide because people are waiting for an answer is so great that they usually find it necessary to dispose of them first and

to put off making policies in the hope that some time can be found for that at a later date. But that day never seems to come. The flow of cases is continuous and it is increasing rather than diminishing.

And so the first thing which must be done is to relieve those who are responsible for making agency policy from the duty of deciding cases as well. The bill does this in two ways. First, it deletes the requirement that as a part of the rulemaking activity they "approve or prescribe" for the future "all rates, wages, corporate or financial structures or reoganizations thereof, prices, facilities, appliances, services or allowances therefor, or valuations, costs, or accounting, or practices bearing on any of the foregoing." Instead such cases would be decided under the adjudicative procedures of the agency. Second, the responsibility for making the decision under such adjudicative procedures would be placed on those who actually hear the evidence instead of on those at the head of the agency who have only secondhand knowledge of the evidence. Under the present law delegation of this duty has been suggested as a solution to the problem, but delegation is not the answer because it leaves the responsibility just where it was before, with the person who has delegated it his duty. Thus, the bill provides that the decision of the presiding officer shall be the decision of the agency, subject to appeal and review of the agency on particular grounds; and to insure that the time of the agency members is not too greatly consumed by the consideration of such appeals, the bill also provides for the establishment of agency appeal boards which may be composed of agency members and hearing examiners other than the presiding officer in the case itself.

The sum of these changes from the present law is that agency members will no longer be required to decide matters involving particular persons or particular facts except where they decide to review policy questions or, on limited issues, if one of the parties appeal. This will give those responsible for agency policy the opportunity and the time to carefully consider the general principles involved in the types of cases before the agency and to formulate the agency policy for such cases; and it will leave to that highly qualified group of hearing examiners the task of applying those general policies to the facts of particular cases. This division of the task could go a long way toward the elimination of the tremendous backlogs which exist in many agencies. These are not necessarily backlogs of the agencies' own making but of the increasing volume of rates, wages, and other types of cases which the agencies must decide.

Next, something needs to be done to improve the procedures for handling cases involving particular persons and particular facts. These cases will constitute the bulk of the work of the agency but not, of course, the bulk of the work of the agency members who will be more free to concentrate on the formulation of general agency policies. Since, under the bill, the decisions in these cases will be made by the persons who hear the evidence, the bill draws heavily upon all the many techniques which the courts are now applying to speed up their own procedures. Three of these techniques relate particularly to the prehearing stage of a proceeding. First of all, the bill provides for utilizing the pleadings in a case to narrow the legal issues to the greatest extent possible. In this connection there has been built up in the last 20 years in our courts a great body of law on pleadings and, to the extent practicable, this would apply to pleadings in administrative proceedings as well.

The second device for speeding up the determination of cases is discovery of the facts. To the extent that all the facts of a case can be ascertained in advance, the subsequent hearing will be shortened and the parties may be more inclined to settle or dispose of the controversy on its actual merits. This saving of time is of benefit to the public which directly or indirectly bears the cost of administrative proceedings. Third, a specific provision has been made for prehearing conferences. These conferences usually offer the first opportunity for the parties or their attorneys or other representatives to be brought together in the presence of the presiding officer to discuss the issues and facts in the case. This is the time at which irrelevant or unimportant issues can be eliminated and undisputable facts can be agreed upon. There is no question but what such conferences, if effectively directed by the presiding officer, can be of immeasurable value in making administrative proceedings less costly and less time consuming.

Next, the bill provides a means of tailoring the procedure to fit the case. Not every case needs every step in a formal procedure—either because it is a small case, or, perhaps because the nature of the subject requires the most expeditious procedure. In such cases the bill authorizes the use of an abridged procedure if the parties agree and the agency approves. Then too, the bill contains a provision for emergency action where the agency makes a finding that immediate action is necessary for the preservation of the public health or safety and in other situations provided by law. But unless the agency grants an immediate hearing, the bill provides for immediate judicial review of any emergency action taken by the agency.

Even the time for settlement of cases is speeded up. Under the bill the agency is given the power to establish a time in advance of the hearing at which the absolute right of a party to settle a case ends. After that time it will be in the discretion of the agency to determine whether time, the nature of the case and the public interest permit further time to be taken for the consideration of offers of settlement. Thus, a party intending to offer a settlement must do so at an early date and not put the agency, the other parties if there are any, and the taxpayers to the expense of going through a hearing in the hope that by doing so he will obtain a more favorable settlement.

Another new feature is a provision for interlocutory appeals. The purpose of such appeal is to permit the determination by the highest agency authority of material questions which may arise in the course of a proceeding if such a final determination would expedite the proceeding or prevent substantial prejudice to any party. There are strict tests to prohibit abuse of the use of such appeals. Indeed, such an appeal cannot be made without the approval of the presiding officer or, if he refuses, of the agency itself upon a showing of substantial prejudice.

We have also done many things to make the public better informed about its Government and the work of the administrative agencies. Much of this, my good friend, the Senator from Missouri and the distinguished chairman of the Subcommittee on Administrative Practice and Procedure, has already explained to you in connection with S. 1160, passed last year by the Senate. That bill is the text of this proposed overhaul of section 3 of the Administrative Procedure Act. So let me just say that, except in the areas of national defense and foreign policy, the bill changes the availability of Government information from a question of agency discretion to a requirement that the information be made available unless it fall within certain exempted categories. Then too, for the first time, agencies would be required to identify the officer, or more correctly the position whose incumbent makes decisions on the public's cases. The people have a right to know who is actually deciding their cases. And, to the extent that the man is supposed to be making the decision has had his discretion removed and the rules in some staff manual substituted for it, the public should be entitled to see that staff manual.

Now I have mentioned the need for speeding up the disposition of cases before administrative agencies and I have referred to a number of techniques which have been contrived in the bill to reach that result. The bill goes further. It provides that every agency shall have a duty with reasonable dispatch to set and complete any investigation or proceeding and to make its decision. Thus, for the first time, the agencies are required to move with dispatch and the public will have its remedy under our laws of their failure to do so.

In other areas as well, the bill protects the public. In the present law a person who appears before any agency against his will is entitled to counsel but a person who appears voluntarily has no such right and that right to counsel does not extend to agency investigations which are likely to be of great consequences to the members of the public. The bill corrects those anomalies by giving all persons the right to counsel whether they appear voluntarily or involuntarily before any agency and whether it is in the course of an investigation or an agency proceeding.

The bill also takes a step forward by incorporating legislation enacted into law last year to permit qualified representatives to practice before the Federal agencies without any further requirement.

Another agency activity about which there has been no small amount of adverse comment is the use of press releases and other publicity to disparage or discredit a person before the final decision has been reached in proceedings involving him. The courts are dealing even now with the issue as it applies to court proceedings, and we must deal in stern fashion with those situations in the agencies, which I hope are rare, where the might of Government publicity is brought to bear upon a person before the case is proved against him.

Mr. President, the subcommittee has labored for 6 years in this difficult field to identify the problem areas which have caused discontent with the administrative process and to devise means of resolving them. I hope that the House will give this bill, which has been smoothed, polished, and refined by the comments of so many people within and without the Government, careful yet speedy consideration so that the recommended improvement may be made in the Administrative Procedure Act.

I observe in the Chamber the distinguished Senator from Nebraska, who doubtless wishes to comment on the bill.

Mr. HRUSKA. Mr. President, I wish to make a brief comment to supplement the statement of the Senator from Illinois.

Mr. President, I support the passage of S. 1336, which updates the Administrative Procedure Act.

Over 20 years ago, the Administrative Procedure Act was passed to meet the need for orderly and intelligible procedures for the conduct of Federal activities. In those 20 years, new agencies have come into being, agencies which existed at that time have found new problems to meet, and the entire scope of Federal activity has expanded in a fashion which could not have been fully anticipated by the framers of that act.

Overall, that legislation provided a framework of procedures which has proven itself to be workable. There are, however, numerous improvements which can be made, and that is what the bill is designed to do. The two goals of this legislation are: first, provide agencies with procedures which allow them to fulfill their duties efficiently and expeditiously, and second, provide adequate protection for those affected by administrative action.

Judge Learned Hand observed that—

> I think I am right in saying that the history of commissions is very largely this. When they start they are filled with enthusiasts; the problems are before them and they are themselves flexible and adaptive. Like all of us (and this as you know is the fault constantly charged and properly charged, against the courts) after they have proceeded a while they get their own sets of precedents, and precedents have "the intolerable labor of thought." So they fall into grooves, just as the judges are so apt to do. And when they get into grooves, then God save you to get them out of the grooves. It has become the customary way, and the safe way, and we find it so easy to follow the safe and customary way.
>
> On the other hand, they do get an expertness and acquaintance with the subject matter that we judges cannot possibly have. The thing that teases me most, and I confess seems to be insoluble as far as I have been able to judge, is whereas the courts have a more widespread knowledge, it is nothing like the commissions' accurate knowledge of the precise subject matter. Where are the courts to intervene? I am perfectly satisfied that somewhere along the line you cannot leave the last word with an administrative tribunal; I am sure that that will run in the end into a sclerosis that will be fatal. But how shall the judges, who do not know the intricacies, know when to intervene; and where and how? Do not say the Supreme Court will do it; they could not possibly do it. The amount of it is far beyond the power of any conceivable nine men. It must be somewhere further down and for ordinary judges. I wish I had some light on it; frankly I feel bankrupt.

The responsibility for regulating the regulators falls upon Congress. This is rightly so because each Senator is acquainted with the volume of mail occasioned by administrative actions which comes into his office from constituents. Our goal is justice for these people, and that end can be better achieved if adequate procedural safeguards are provided. This is an opportunity for us to respond to some of the criticism of the Federal Government.

An example of the kind of practice which the bill seeks to prevent involved the Federal Trade Commission. An investigative hearing was initiated in Indianapolis, Ind., in March of 1962. Business concerns in the area were directed to bring in their records. No information was given as to specific charges or practices which were being questioned. The adverse publicity of the investigation was substantial. Evidence was taken under oath, yet none of those involved was allowed normal benefit of counsel. No attorneys were allowed to make a statement. Witnesses could not be cross-examined.

In short, the basic rights of those involved were abused. It is this kind of administrative action which would be kept in check by the proposed legislation. It would not hamper the proper actions of the administrative agencies.

The work of the Hoover Commissions on Organization of the Executive Branch of the Government, the first appointed by President Truman and the second by President Eisenhower, laid the groundwork for this legislation. The American Bar Association translated the recommendations of those Commissions into its "Code of Administrative Procedure." Further study in the executive branch and in the Judiciary Subcommittee on Administrative Procedure resulted in this bill, which Senator DIRKSEN and Senator LONG have sponsored. The proposed legislation has had long study, and many improvements have been developed in that study.

The bill makes a number of technical changes in the act, and puts in statute form some of the case law which has developed. There are a number of specific provisions which I would like to mention.

The provisions relating to rulemaking have been drafted so as to encourage their use, and the provisions relating to adjudication have been drafted so as to discourage their use. By making public participation in the rulemaking process, it is submitted that rules can be more fairly developed. This will result in a more uniform application of agency action upon the conduct of individuals.

Public participation is encouraged by requiring notice of rulemaking proceedings in the Federal Register. The procedure in developing rules follows the pattern of decisionmaking in adjudicatory proceedings. A new section has been added allowing emergency rules to be made, but they will only be effective for 6 months, unless public participation is provided before they are made permanent. A rulemaking docket must be maintained by the agency.

The provisions relating to exempted rulemaking have been narrowed, limiting the exceptions to those covered by Executive order requiring secrecy in the interest of defense or foreign policy.

Public loans, grants, benefits, or contracts have been brought in under the act. With the growth of this activity in the Federal Government, this will be of assistance in the fair and impartial administration of these programs.

In the adjudicatory process, the provisions relating to pleadings would make agencies follow rules of practice similar to those followed in U.S. district courts. This should serve to improve the orderly disposition of disputes.

An effort is made to provide a better separation of the adjudicatory function from the investigating, prosecuting, or advocating functions of an agency. By including specifically the word "advocating," this activity is recognized as a part of the prosecuting function. These areas have been the subject of much comment by legal scholars. The image of impartial adjudication is very much damaged where the lines between these functions are not clearly drawn.

Provision is made for appearance with counsel, and it is extended to voluntary appearances. Current provisions do not grant a right to appear with counsel except when appearance is involuntary. Also, access to the transcript of the record is broadened. These improvements will give the individual of limited legal experience the benefit of assistance in protecting his legal rights.

The provisions relating to issuance of subpenas have been revised to encourage their use.

Interlocutory appeals, while sometimes used now, would be specifically authorized under the bill.

Unlawful investigations have been brought within the class of agency actions which may be challenged in a court of a competent jurisdiction.

Section 9(b), relating to use of damaging publicity by an agency, provides that a court may set aside a decision on the basis that there was a prejudicial prejudging of the issues.

These last two points were involved in the Indianapolis case. Unfair use of publicity by a Government agency can be most damaging. An unlawful investigation used for publicity purposes even further violates our sense of fair play. These improvements are welcome steps in our effort to protect the basic rights of citizens.

This bill provides many desirable improvements in the act. It is a workable compromise of the interests involved. The long period of development which it has undergone reenforces that conclusion, but also has increased the need for prompt action on its passage. I urge my colleagues to support S. 1336.

I wish to commend the Senator from Illinois [Mr. DIRKSEN] and the Senator from Missouri [Mr. LONG], and also the staff members who assisted in developing this bill. It was a long and tedious task, one not calculated to reach the headlines or to provide great publicity or glory of any kind, but a very much needed task for which I am sure all of us are grateful.

In addition to Senator LONG and Senator DIRKSEN, I would like to commend the staff members who have assisted in developing this bill. Bud Fensterwald and Bernie Waters of the Administrative Practice and Procedure Subcommittee have contributed greatly to this legislation, as has Tom Collins of the staff of the Committee on the Judiciary. A great deal of work has been done on the bill by Neal Kennedy and Charles Helein who, although no longer members of the subcommittee staff, worked to develop the bill when they were with the subcommittee.

Mr. LONG of Missouri. Mr. President, it is a pleasure for me to join the distinguished Senator from Illinois, a friend and member of the Subcommittee on Administrative Practice and Procedure, in speaking for this bill to make a number of amendments to the Administrative Procedure Act.

In the 3 years during which I have been chairman of this subcommittee, I have become increasingly aware of the need for dealing with the constantly increasing caseload of the agencies which is making it more and more difficult, and sometimes impossible, for them to keep up with their work. The result has been backlogs of discouraging size, long drawn-out, expensive proceedings, and a lack of decision on major policies to guide the agency staffs. The effect of all of this is not just on the agency and the participants in cases before the agency; it is borne by all of the people of this country. Delay in authorizing new services and new products results in loss to the country. Delay in the decision of rate refund cases, unemployment benefits, and similar matters is a loss to the pocketbook of those affected and frequently a grave hardship on them.

Procedures which worked in 1946 when the Administrative Procedure Act was first passed, and when the number of cases was smaller than it is now, are in many instances no longer adequate to deal with the increased caseload of the agencies. The problem has been of sufficient importance to cause the appointment of commissions and conferences by three Presidents. They have studied the problems and have made recommendations. In addition, studies have been made by the American Bar Association and by other organizations of scholars and lawyers familiar with administrative proceedings, as well as by many individuals. The agencies themselves have made many suggestions. All of these proposals have been carefully studied by the subcommittee.

Three years ago I joined with the distinguished Senator from Illinois in introducing legislation which contained a number of these suggestions with the thought that they could be studied and commented upon by all interested parties and the subcommittee has received such comment from the agencies and from those who practice before them. In addition, at my request, a group of scholars and experts in the field of administrative procedure was created as a board of consultants to contribute their knowledge to this project.

The bill which is now being considered is the result of all this study. A major feature of this bill is the attempt to provide those who head the various agencies with the necessary time to devote to policymaking. The workload of agencies will continue to become an increasing backlog unless sufficient attention is given to policymaking. Only if they have policies to guide them can the staffs of the agencies dispose of the cases which must be decided. The alternative is for those who make agency policies to also decide every case, and that has proved to be a physical impossibility unless they are to merely rubberstamp the decisions of their subordinates. Just a look at the dockets of some of the regulatory agencies indicates all too clearly how little attention can be paid to particular cases when there are thousands of them on the docket to be decided.

Then, too, improvements must also be made in the manner in which individual cases are handled. The basic reason for the establishment of a multitude of Federal administrative agencies was the general belief that the matters coming within their jurisdiction could be dealt with more expeditiously by administrative rather than by legislative and judicial procedures. However, developments of the last few years and the complaints of the public have cast some doubt on this basic premise. Administrative procedures have become tremendously complicated, often very lengthy, and usually terribly expensive. Indeed, it has been said that the courts have made more progress in modernizing and streamlining their procedures than agencies have made. There are even suggestions made today that the administrative process be abandoned because it is so much slower than the judicial process.

Take prehearing conferences, for example. Few agencies use them at the present time and yet the courts have found them to be a most effective way of reducing the time needed for the hearing which follows. It is possible that such conferences, which are held under the supervision of the officer who will preside at the hearing, can be used to reduce the number of contested issues and to obtain agreement on facts which are not subject to dispute. Agreements can also be worked out with respect to the testimony of expert witnesses.

Then there is discovery. Most lawyers today find it an invaluable tool in preparing for a hearing because it means that the facts can be developed in advance of the hearing and the time the hearing takes can be greatly reduced. Furthermore, to the extent that a knowledge of all of the facts increases chance of settlement, discovery has still greater utility.

The bill also provides a means for speeding up the hearing itself. It provides for the use of abridged procedures and for interlocutory appeals to decide key issues where necessary. But speed is not the only consideration. The bill also provides a basic standard of fairness for cases of adjudication which are not subject to the formal hearing procedures and it requires that the decision in such cases must be made without delay after the conclusion of the proceeding. These constitute important steps forward in the interest of the public.

In one sense an administrative proceeding is like an iceberg. The time consumed in the prehearing and hearing stage is frequently far less than the time consumed before the agency decision is finally issued. This is due in some measure to the requirement in the existing statute that all decisions be finally made or approved by the head of the agency. At the present time the agencies get around this requirement by utilizing faceless opinion-writing staffs to do the work. But this is not as satisfactory as bringing the whole process into the open. Therefore, the bill provides that the officer who hears the evidence shall make the actual decision which shall be subject to appeal or review by the agency. The bill also creates an agency appeal board to hear appeals from that decision. It is to be hoped that the type of procedure will greatly speed up the final decisions in cases before the administrative agencies.

In addition, this bill incorporates the provisions of S. 1160 which I introduced on behalf of myself and a number of other Senators. This legislation is commonly known as the freedom of information bill and it will greatly enhance the public's right to know what is being done by its Government.

The bill also includes the provisions of legislation enacted last year to permit qualified representatives to practice before administrative agencies without further qualifications. The restrictive practices of some agencies in this regard have been thought to reduce the representation to which the public is entitled and to increase the cost and complexity of administrative proceedings before those agencies.

I shall not attempt to catalog all of the other changes which the bill makes. It is my hope, however, that the bill will receive the attention of those in the House who are concerned with administrative reform. The preparation of this bill has not been an easy task. I want to pay tribute to Senator DIRKSEN for taking the lead in this matter for so many years and to the members of the board of consultants who have been so helpful to the subcommittee. I also want to compliment Bud Fensterwald, Chuck Helein, and the entire staff of the subcommittee for the job they have done on this bill. They have worked long

hours on a bipartisan, or rather on a nonpartisan basis on the consideration and drafting of these provisions.

Mr. MAGNUSON. Mr. President, I wish to advise the Senate of my strong objection to S. 1336.

In its present form, S. 1336 could have the practical substantive effect of disrupting essential railroad passenger service in ICC "train-off" cases. The bill could protract proceedings before the Federal Power Commission and impair the public interest effectiveness of the Federal Power Act and Natural Gas Act.

The report of the Committee on the Judiciary accompanying S. 1336 is silent as to the strong opposition of the Department of Justice and the independent agencies to the bill both before the committee, and in its present amended form.

The overall purpose of S. 1336, according to the committee report is "to revise and update existing administrative procedures with new ones designed to increase the efficiency and fairness of the administrative process." While conscientiously offered as a procedural reform, the Chairmen of the Interstate Commerce Commission and the Federal Power Commission advise me that S. 1336 could have a disastrous impact on their ability to cope with increasingly heavy caseloads, and nullify their efforts to reduce regulatory lag.

When committee hearings were held on S. 1336 and other bills in May of 1965, the Department of Justice and the independent agencies urged amendment of this bill to avoid creating new backlogs and other problems. From the silence of the committee report, and the 36 amendments listed, it might be assumed that these agency and administration objections have been overcome. This is not the case. Chairman White of the Federal Power Commission advises me that the problems raised by this proposed legislation have not been obviated and new problems have been created by the final version now before the Senate.

Chairman Bush of the Interstate Commerce Commission advises me that the provisions of S. 1336 could have a disastrous impact on the Commission's ability to cope with its increasingly heavy workload, and its ability to implement and administer the provisions of the Interstate Commerce Act. The practical, substantive effect of the bill on the ICC would make it difficult, if not impossible, for the Commission to halt passenger train discontinuances before the statutory 4-month period expires, and to halt unreasonable or discriminatory rates before the statutory 7-month period expires. S. 1336 would render largely useless the Commission's existing modified procedure. Furthermore, it would entrust to a single hearing officer rather than the Commission itself such important decisions as the determination of the competitive consequences of huge railroad mergers. Chairman White of the Federal Power Commission advises me that the provisions of S. 1336 could well take some 5 or 10 years of court litigation, to the detriment of the taxpayer, the consumer and the regulated industries to find out just what might be the effect of this legislation. He points out that S. 1336 could wreak havoc with the programs which the regulatory commissions are responsible to administer, S. 1336 would require that all Federal Power Commission cases without exception be initially decided by the presiding examiner, even gas certificate cases where at times additional service is urgently needed. S. 1336 would allow any party to seek from a district court anywhere in the country an injunction against any pending case, thus inviting delay.

In its present form S. 1336 is not merely a bill making minor procedural changes, as the silence of the report might indicate. The bill would have a substantive impact on the ability of the Federal Power Commission, the Interstate Commerce Commission, and other agencies to protect the public interest.

I ask unanimous consent that the letters dated June 20, 1966, from the Chairman of the ICC and the Chairman of the FPC be printed in the RECORD following my remarks.

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

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., June 20, 1966.

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

DEAR CHAIRMAN MAGNUSON: On behalf of the Commission I wish to express our deep concern over the practical substantive effects which S. 1336—a bill which would extensively revise the Administrative Procedure Act—will have on our ability to implement and administer the provisions of the Interstate Commerce Act. It is our understanding that S. 1336 is to be considered and voted upon by the Senate on Wednesday, June 22, 1966.

In particular we wish to emphasize provisions of the bill which, in our judgment, could have a disastrous impact on our ability to cope with our increasingly heavy caseload. Under section 5(a)(5) our existing modified procedures—which have proven so effective in reducing the so-called "regulatory lag"—would be rendered largely useless since they could be used only "by consent of the parties."

Section 8(a) of the bill requires issuance of a presiding officer's decision in all adjudications. Under section 15(7), the Commission is authorized to suspend proposed changes in carrier rates for periods not to exceed 7 months and to enter upon a hearing to determine the lawfulness of the proposed changes. If the proceeding is not concluded within the 7-month period, the Commission cannot prevent changes from becoming effective. Specific provisions also require the Commission to give preference to these proceedings and to decide them as speedily as possible. Under section 13a(1) the Commission may require the continuance of certain train service pending the determination of the lawfulness of the proposed discontinuance but not for a longer period than 4 months. The Commission has barely been able to meet these time limits by omitting the hearing officer's report. When a hearing officer's report is omitted in such cases, the parties are entitled under the Interstate Commerce Act and the Commission's rules to seek reconsideration. The present procedure thus preserves the substantial rights of parties, while much time is saved and confusion avoided where, as in the case of rate suspensions and interstate train discontinuances, statutory time limits are met.

Under section 8(c)(1) of the bill, hearing examiners' findings or conclusions of material fact would be subject to exceptions by the parties only upon the ground that they are "clearly erroneous." We submit, for example, that no such weight should be attached to the findings of a single hearing officer as to the competitive consequences of a huge railroad merger.

A more complete statement of our concern with these and other sections of S. 1336 is contained on pages 233–250 of the printed report of hearings before the Subcommittee on Administrative Practice and Procedure of the Senate Judiciary Committee. These comments are applicable to S. 1336 as reported.

We will be happy to furnish any additional information you may request.

Sincerely,

JOHN W. BUSH, *Chairman.*

FEDERAL POWER COMMISSION,
Washington, June 20, 1966.

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

DEAR MR. CHAIRMAN: In accordance with my discussion today with Committee staff, I am writing out of concern that enactment of a bill about to be considered by the Senate may frustrate the effective administration of the statutes entrusted to the Federal Power Commission. The bill is S. 1336, to amend the Administrative Procedure Act, which was reported by Senator LONG of Missouri for the Judiciary Committee on June 9, 1966.

The bill would substantially rewrite the Administrative Procedure Act of 1946, a statute which has been thoroughly tested in the courts and under which we have learned to operate effectively. I fear that enactment of the bill could protract proceedings before us and impair the public interest effectiveness of the Federal Power Act and Natural Gas Act. In any event, it could well take some five or ten years of court litigation, to the detriment of the taxpayer, the consumer and the regulated utilities to find out just what might be the effect of this legislation.

I think it is significant that the Federal Power Bar Association, whose members represent electric utilities, gas companies, consumer interests, competing energy suppliers and other intervenors, has united in opposition to S. 1336 and testified against it before the Senate Judiciary Committee. As our specialized practitioners realize, even though the general American Bar may not, an overall restructuring of the Administrative Procedure Act could wreak havoc with the programs which the regulatory Commissions are responsible to administer.

The provisions of the bill are complex and I cannot be certain that any individual provisions will have as bad an effect on our operations as we fear. However, you will appreciate that almost every contested proceeding before the Federal Power Commission has one or more parties whose interests would be furthered by delay and that such parties are certain to test every opportunity which such legislation affords them. S. 1336, conscientiously offered as a procedural reform, could instead turn out to be a source of repeated delays. The Federal Power Commission, with the support of Congress, has overcome one of the worst administrative agency backlogs, and I am confident that Congress would not wish to enact legislation which could create new backlogs.

Among the provisions which most seriously concern us are the proposed requirements of Section 8(c) for creation of an intermediate appeal board to consider appeals from examiners decisions before the case comes to the full Commission; the provision of Section 9(a) allowing any party to seek from a district court anywhere in the country an injunction against any pending case; and the provisions of Section 2 and 5(a)(6) which page 14 of the Judiciary Committee's report construes as forbidding the Commissioners

from securing the advice of anybody but another Commissioner in the course of deciding the major cases which come before us.

Another example of a provision which concerns us is the requirement of Section 8 that all cases without exception be initially decided by the presiding examiner. While this Commission has generally sought the benefit of an examiner's decision in contested cases, there are times when expedition requires that the Commission decide the case initially on its own. This occurs in gas certificate cases, if additional service is urgently needed, and in rate cases if the Commission can resolve some of the issues quickly and provide an immediate consumer benefit while other issues are being argued out before the examiner. Sustaining expedited decision in a rate case, Mr. Justice Clark recently said the procedure employed by the Federal Power Commission is "in the best tradition of effective administrative practice". *F.P.C.* v. *Tennessee Gas Transmission Co.*, 371 U.S. 145. This procedure would be forbidden by S. 1336.

I enclose for your further information a copy of the Federal Power Commission's report transmitted July 17, 1964, to the Judiciary Committee on the predecessor bill (S. 1663, 88th Congress). The report listed a number of serious impacts of the proposed legislation on the work of the Federal Power Commission. These problems have not been obviated and new problems have been created by the final version now before the Senate.

Sincerely,

LEE C. WHITE,
Chairman.

Enclosure No. 8141.

Mr. LONG of Missouri. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

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

Mr. LONG of Missouri. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business until 12:20 p.m.

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

ENROLLED BILL SIGNED

The ACTING PRESIDENT pro tempore announced that on today, June 21, 1966, the Vice President signed the enrolled bill (H.R. 15202) to provide, for the period beginning on July 1, 1966, and ending on June 30, 1967, a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act, which had previously been signed by the Speaker of the House of Representatives.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON OVEROBLIGATION OF AN APPROPRIATION

A letter from the Assistant Secretary for Administration, Department of Agriculture, Washington, D.C., reporting, pursuant to law, on the overobligation of an appropriation in the Federal Crop Insurance Corporation; to the Committee on Appropriations.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of readiness status of idle ammunition-production facilities, Department of the Army, dated June 1966 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of administration of certain transfers of Coast Guard members between permanent duty stations, U.S. Coast Guard, Treasury Department, dated June 1966 (with an accompanying report); to the Committee on Government Operations.

REPORTS ON VISA PETITIONS ACCORDING THE BENEFICIARIES THIRD PREFERENCE AND SIXTH PREFERENCE CLASSIFICATION

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports concerning visa petitions according the beneficiaries of such petitions third preference and sixth preference classification (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Chazaros Kevork Ghazarian from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on May 1, 1965 (with an accompanying paper); to the Committee on the Judiciary.

ADDITIONAL COPY OF CERTAIN PUBLICATIONS FOR GENERAL SERVICES ADMINISTRATION

A letter from the Deputy Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize the Public Printer to print for and deliver to the General Services Administration an additional copy of certain publications (with accompanying papers); to the Committee on Rules and Administration.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A concurrent Resolution of the Legislature of the State of Mississippi; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION 109

"Concurrent resolution ratifying a proposed amendment to the Constitution of the United States relating to succession to the presidency and vice presidency, and to govern occasions when the President is unable to discharge the powers and duties of his office

"Whereas, Senate Joint Resolution No. 1 of the 1st Session of the 89th Congress proposes an amendment to the Constitution of the United States to more clearly define the order of succession to the presidency and vice presidency, and to occasion when the President is unable to discharge the powers and duties of his office; and

"Whereas, the amendment so proposed was the will of the Congress and is believed to be a legal and workable compromise on the question of presidential succession and presidential disability; and

"Whereas, said proposed amendment shall be valid to all intents and purposes as part of the Constitution of the United States when ratified by the legislatures of three-fourths of the several states within seven years from the date of its submission by the Congress; and

"Whereas, our Nation has heretofore been faced with grave and serious problems of presidential succession when near fatal or prolonged illnesses have struck down the President, and that to insure an orderly and responsible exercise of the powers and duties vested in the highest executive office of our National Government; and thence to insure the proper discharge of the powers and duties of the office of the President of the United States and Vice President of the United States: Now, therefore, be it

"Resolved by the Legislature of the State of Mississippi, That the herein proposed amendment to the Constitution of the United States be, and the same is hereby ratified and approved:

"ARTICLE —

" 'SECTION 1. In case of the removal of the President from office or of his death or resignation, the Vice President shall become President.

" 'SEC. 2. Whenever there is a vacancy in the office of the Vice President, the President shall nominate a Vice President who shall take office upon confirmation by a majority vote of both Houses of Congress.

" 'SEC. 3. Whenever the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that he is unable to discharge the powers and duties of his office, and until he transmits to them a written declaration to the contrary, such powers and duties shall be discharged by the Vice President as Acting President.

" 'SEC. 4. Whenever the Vice President and the majority of either the principal officers of the executive departments or of such other body as Congress may by law provide, transmit to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office, the Vice President shall immediately assume the powers and duties of the office as Acting President.

" 'Thereafter, when the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that no inability exists, he shall resume the powers and duties of his office unless the Vice President and a majority of either the principal officers of the executive department or of such other body as the Congress may by law provide, transmit within four days to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office. Thereupon, Congress shall decide the issue, assembling within forty-eight hours for that purpose if not in session. If the Congress, within twenty-one days after receipt of the latter written declaration, or, if Congress is not in session, within twenty-one days after Congress is required to assemble, determines by two-thirds vote of both Houses that the President is unable to discharge the powers and duties of his office, the Vice President shall continue to discharge the same as Acting President; otherwise, the President shall resume the powers and duties of his office.'; and be it further

"*Resolved*, That the Secretary of State of the State of Mississippi transmit certified copies of this resolution to the Administrator of General Services of the United States, to the Secretary of State of the United States, to the Presiding Officer of the United States Senate, and to the Speaker of the House of Representatives of the United States.

"Adopted by the Senate February 3, 1966.

"CARROLL GARTIN,
"President of the Senate.

"Adopted by the house of representatives March 10, 1966.

"GRAY PAYNE COSSAR,
"Acting Speaker of the house of representatives."

A resolution adopted by the board of directors of the James Valley Electric Cooperative, Inc., of Edgeley, N. Dak., relating to farm income; to the Committee on Agriculture and Forestry.

A resolution adopted at a mass meeting of Americans of Baltic descent in Rochester, N.Y., reaffirming their support of the administration in South Vietnam; to the Committee on Foreign Relations.

Four resolutions adopted by the U.S. Section of the Women's International League for Peace and Freedom, in Webster Groves, Mo., relating to Vietnam, nuclear weapons, and so forth; to the Committee on Foreign Relations.

A resolution adopted by the U.S. Section of the Women's International League for Peace and Freedom, in Webster Groves, Mo., relating to the Civil Rights Act of 1966; to the Committee on the Judiciary.

A letter in the nature of a petition, signed by Ralph Boryszewski, of Rochester, N.Y., relating to the case of *Ralph Boryszewski, Erie W. Jackson, Mary M. Grooms, LeRoy Peasley, Harvey Kravetz, and William Del Conte, plaintiffs*, v. *Stephen S. Chandler;* to the Committee on the Judiciary.

A resolution adopted by the U.S. Section of the Women's International League for Peace and Freedom, in Webster Groves, Mo., relating to economic welfare; to the Committee on Labor and Public Welfare.

A resolution adopted by the Tennessee Pharmaceutical Association, Nashville, Tenn., favoring the issuance of a commemorative postage stamp in recognition of pharmacy; to the Committee on Post Office and Civil Service.

A resolution adopted by the executive committee of the Saginaw County (Mich.) Democratic Committee, relating to the death of the late Senator Patrick V. McNamara; was ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. YARBOROUGH, from the Committee on Post Office and Civil Service, without amendment:

H.R. 7423. An act to permit certain transfers of Post Office Department appropriations (Rept. No. 1288); and

H.R. 13822. An act to provide for an additional Assistant Postmaster General to further the research and development and construction engineering programs of the Post Office Department, and for other purposes (Rept. No. 1289).

By Mr. YARBOROUGH, from the Committee on Post Office and Civil Service, with amendments:

H.R. 2035. An act to provide for cost-of-living adjustments in star route contract prices (Rept. No. 1290).

By Mr. HILL, from the Committee on Labor and Public Welfare, with amendments:

H.R. 14050. An act to extend and amend the Library Services and Construction Act (Rept. No. 1291).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3484. A bill to amend the act of June 3, 1966 (Public Law 89–441, 80 Stat. 192), relating to the Great Salt Lake relicted lands (Rept. No. 1292).

By Mr. RANDOLPH, from the Committee on Post Office and Civil Service, without amendment:

S. 2206. A bill to extend certain benefits of the Annual and Sick Leave Act, the Veterans' Preference Act, and the Classification Act to employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes (Rept. No. 1293).

By Mr. RANDOLPH, from the Committee on Post Office and Civil Service, with amendments:

H.R. 1535. An act to amend the Classification Act of 1949 to authorize the establishment of hazardous duty pay in certain cases (Rept. No. 1294).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MONRONEY, from the Committee on Post Office and Civil Service:

One hundred postmaster nominations.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. MANSFIELD (for Mr. SPARKMAN):

S. 3529. A bill to stimulate the flow of mortgage credit for residential construction; to the Committee on Banking and Currency.

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

By Mr. BARTLETT (for himself, Mr. BREWSTER, Mr. BASS, Mr. PROUTY, and Mr. SCOTT):

S. 3530. A bill to amend title II of the Merchant Marine Act, 1936, to create the Federal Maritime Board-Administration, and for other purposes; to the Committee on Commerce.

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

By Mr. FONG:

S. 3531. A bill for the relief of Peter Soon Sang Rhee and his wife, Ruth I. Rhee; to the Committee on the Judiciary.

By Mr. MONTOYA:

S. 3532. A bill to provide for the coinage of proof sets of subsidiary silver coins and minor coins bearing the date 1966; to the Committee on Banking and Currency.

By Mr. GORE:

S. 3533. A bill to amend section 123(c) of title 28, United States Code, so as to transfer Haywood County from the western to the eastern division of the western district of Tennessee; to the Committee on the Judiciary.

By Mr. LONG of Missouri:

S. 3534. A bill for the relief of Lagrimas P. Estaris; to the Committee on the Judiciary.

By Mr. ERVIN (for Mr. SPARKMAN):

S. 3535. A bill for the relief of Dr. Fernando O. Garcia-Hernandez; to the Committee on the Judiciary.

By Mr. TALMADGE:

S. 3536. A bill for the relief of Clarence A. Pope; to the Committee on the Judiciary.

By Mr. HARRIS:

S.J. Res. 169. A Joint resolution to authorize the President to issue a proclamation designating the 30th day of September in 1966 as "Bible Translation Day"; to the Committee on the Judiciary.

(See remarks of Mr. HARRIS when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

ADDITIONAL FUNDS FOR THE COMMITTEE ON APPROPRIATIONS

Mr. HAYDEN submitted the following resolution (S. Res. 274); which was referred to the Committee on Rules and Administration:

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-ninth Congress, $30,000, in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946, and Senate Resolution 101, agreed to May 20, 1965.

STIMULATION OF MORTGAGE CREDIT FOR RESIDENTIAL CONSTRUCTION

Mr. MANSFIELD. Mr. President, at the request of the Senator from Alabama [Mr. SPARKMAN], who is necessarily absent today, I introduce for him a bill, and read for him his prepared remarks concerning the bill.

STATEMENT BY SENATOR SPARKMAN READ BY SENATOR MANSFIELD

Mr. SPARKMAN. Mr. President, one of the most critical problems facing our economy today is the shortage of mortgage capital for home financing. The situation is growing worse and, unless it is corrected, it is predicted that large segments of our economy involved in the construction, sale, and financing of homes will be forced to shut down.

Families seeking homes are frustrated for lack of available mortgage credit at prices they can afford; homebuilders are cutting back their production by a third; real estate transfers are drastically reduced, and savings institutions, which specialize in mortgage finance, have cut their commitments in half. All of this is occurring because of the extreme shortage of residential mortgage capital.

The basic cause of the mortgage credit shortage is, of course, the overall shortage of capital needed to finance an economy operating at near full capacity levels, aggravated by imperfections in our financial structure which fail to spread the impact of the shortage equitably and fairly over all segments of the economy.

It is clear that homebuilders and home buyers are being forced to carry an unfair share of the burden of the present shortage. Borrowers for home purchases are most sensitive to high interest rates and obviously react adversely against conditions where money is short and interest rates are high. Commercial and industrial borrowers are less dependent on mortgage credit and can afford to bid high for financial needs because of their high income expectancy.

Up to the present time housing construction has dropped off only slightly because of financial commitments issued by mortgage lenders prior to the current tight money emergency. However, most of these commitments are now running out and the National Association of Home Builders predict that, unless there is a change, new housing starts for the remainder of the year will be one-third less than expected.

The May figure for nonfarm housing starts, just announced by the Census Bureau today, are at an annual seasonally adjusted rate of 1,275,000, 15 percent down from May of 1965.

According to a survey recently conducted by the National Association of Home Builders, housing construction volume will be cut by 34 percent for the remainder of the year under their original estimates. The most important reason for builders cutting plans for the remainder of 1966 is the shortage of money with nearly 60 percent stating this as a reason. The other reasons were labor and material cost increases and general economic conditions.

In some places mortgage loans are not available at all, but in practically all regions of the United States, the interest cost has gone up to unprecedented levels. Interest rates for first mortgages for new homes are not uncommon at 7 percent on the west coast. The average for the United States as a whole is 6½ percent. Even FHA-insured mortgages, where the lender receives the full protection of the U.S. Government against economic loss, require yields of 6.3 percent in most places.

One of the primary reasons for the shortage of mortgage capital is the shift that has taken place in large quantities of savings from savings and loan associations to the commercial banks. In recent years, the savings and loan associations were financing over 40 percent of residential construction in the Nation. The source of funds for this purpose was the savings of our people. A critical cutback in these savings or a shift from savings institutions into commercial banks would of course have serious adverse effects on the supply of lendable mortgage funds.

Both of these have happened. In April, the combined effect of less savings and high withdrawals resulted in a net outflow of $744 million from the savings and loan associations. The word is out that this is only a beginning and that the worst is yet to come unless something was done.

Many economists felt strongly that the withdrawals from the savings and loan associations were largely due to the large volume of certificates of deposit being issued by commercial banks at high rates of interest.

The Federal Reserve Board in December 1965 authorized banks to pay up to 5½ percent on the certificates of deposit but cautioned against an abuse of the authority so as not to disrupt seriously the traditional flow of savings into the specialized savings institutions.

Unfortunately, competitive pressures for capital broke down all the good intentions of Chairman Martin of the Federal Reserve Board and it was not too long before many large banks began paying the full 5½ percent for certificates of deposit of both the consumer and corporate type. The savings institutions reacted to this competition by raising their dividend rates to the highest in history, but were fighting a losing battle against overwhelming odds.

Of course, not all banks went along with this indiscriminate use of the certificate-of-deposit instrument. One bank, the Chicago City Bank & Trust Co., strongly opposed banks paying such high rates for savings and labeled the certificate-of-deposit instrument as a gimmick. Mr. W. Norbert Engles, president of the Chicago City Bank & Trust Co., strongly denounced the rate hikes and placed an advertisement in the Chicago Tribune to that effect.

Mr. President, I ask unanimous consent to place in the RECORD, a copy of the advertisement entitled "Bankers, Gimmicks, and Discrimination."

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

[Advertisement to run in the Chicago Tribune, May 25, 1966]

BANKERS, GIMMICKS, AND DISCRIMINATION

Four percent is currently the highest rate of interest which any bank can pay on regular savings deposits. This maximum limit is established by the Federal Reserve Board and imposed on all banks in the nation.

However, some bankers devised a gimmick in order to advertise higher interest rates. Variously called a savings certificate, savings bond, and the like, the gimmick carries a rate of interest higher than paid to regular savings customers and apparently set by the whim of the banker involved.

We earnestly believe that the extensive advertising of this gimmick has produced many adverse effects.

It has started a rate race among both banks and savings and loan associations in defiance of official Washington warnings of caution from Secretary of the Treasury Fowler on down.

It has added fuel to the inflationary fire, both real and psychological, from which no one will benefit—except perhaps the inflation speculators.

It has forced loan rates up for both commercial paper and home loans. Instead of trimming back new expansion, it simply has raised the cost-plus factor which will be passed on to the ultimate consumer.

It has made the purchase and rehabilitation of homes almost impossible, for this is the first to be cut back in the lending market.

And it has made second-class depositors of the savings customers at the banks using this gimmick. Those banks are not paying—and by regulation can not pay—more than 4 percent interest to regular passbook savings accounts.

Of course, the savings customer who finds his regular savings account has become a second-class citizen in the bank he deals with, should immediately switch to a gimmick certificate or the like.

Or he should move his account to Chicago City Bank and Trust Company where the savings passbook is still a first-class citizen.

Perhaps we are a bit old-fashioned, but we believe that a banker's primary responsibility in the savings field is to encourage thrift which will lead people to save money. We believe that a savings habit developed early in life contributes to character building and in later years to peace of mind. It certainly takes a lot of will power to save money. This cannot be accomplished with gimmicks.

We do not intend to enter the rate race. Instead, we are providing sound, strong banking services for all our customers.

CHICAGO CITY BANK & TRUST CO., 63D AND HALSTED STREET, CHICAGO, 60621, TRIANGLE 3-8800; MEMBER FDIC,
W. NORBERT ENGLES, *President*.

Mr. SPARKMAN. Mr. President, these developments have grown much more serious in recent weeks and I feel that the time has come for the Congress to step in and enact legislation to help remedy the tight mortgage market situation before the market deteriorates further.

The bill which I am introducing cannot expect to do miracles by solving all the complex problems resulting from our international activity and a full employment level of economic activity. However, I feel that it can serve to stabilize the market and give confidence to those concerned so as to reverse the present dangerous trend to higher and higher interest rates and restore the mortgage credit market to its former levels.

The bill I am introducing today has three main provisions: First, to increase the purchasing authority of the Federal National Mortgage Association for the acquisition of FHA and VA mortgages in order to bolster that market, which is in very poor shape right now; second, to place an interest rate ceiling on short-term noncorporate time deposits in commercial banks so as to slow down the flow of savings from the specialized savings institutions to the commercial banks; and third, to provide new authority to national banks for mortgage lending.

The FNMA provisions in the bill are in two sections. One would provide new borrowing authority to the secondary mortgage facility by authorizing FNMA to issue debentures up to 15 times its capital instead of the current authority of 10 times. The effect of this is to add about $2 billion new purchasing authority under this facility.

Mr. President, because there has been some allegations made that such action would impair FNMA's existing obligations, I ask unanimous consent to place in the RECORD a copy of a memorandum from the Department of Housing and Urban Development on the legality of such action.

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

MEMORANDUM ON THE CONSTITUTIONALITY OF FEDERAL LEGISLATION TO INCREASE FNMA SECONDARY MARKET BORROWING AUTHORITY FROM 10 TO 15 TIMES CAPITAL AND SURPLUS

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., June 14, 1966.

This memorandum discusses whether Federal legislation amending section 304(b) of the National Housing Act to increase funds available for secondary market operations by changing FNMA's borrowing ratio from 10 to 15 times the sum of its capital, capital surplus, general surplus, reserves, and undistributed earnings would be susceptible to successful challenge on constitutional grounds. It has been suggested that an increase in this ratio would constitute an impairment of vested property rights of secondary market operations debenture holders in contravention of the due process clause.

We believe legisative revision of the FNMA Charter Act to authorize a 15 to 1 borrowing ratio would clearly be constitutional.

The FNMA is a corporate instrumentality of the United States which exists pursuant to the FNMA Charter Act. It is a creature of the United States, and since its charter specifies that it exists at the will of the Congress, it is subject to legislative control.

The power of the Congress to alter, amend, or repeal its charter is not subject to serious question. However, a proposed change in the FNMA charter must be tested against the legal principles which require that legislative action which alters a Federal corporate charter and affects vested property rights thereby, must be in keeping with the constitutional doctrine of due process. In other words, the change in the charter cannot result in a taking or in an invalidation of a vested property right, or result in impairing the obligation of contracts of third persons. *Sinking Fund Cases*, 99 U.S. 700 (1878); *Cf. Coombes* v. *Getz*, 285 U.S. 434 (1932).

The question of the constitutionality of the proposed alteration of the FNMA charter thus turns directly on whether the alteration results in the taking or invalidation of a vested property right or an impairment of the obligation of contracts of third persons.

The general prospectus concerning FNMA secondary market operations debentures, and the face of the debenture itself, make clear that these debentures are corporate obligations of FNMA. The holders of these debentures are simply creditors of FNMA.

Neither the general prospectus nor the debenture confer upon the debenture holder any vested right in the FNMA Charter Act. The debenture holders have only a property right in the obligation incurred by FNMA when it issued the debentures.

A change in the Charter Act which increases FNMA's borrowing authority does not affect this property right. *Ettor* v. *Tacoma*, 228 U.S. 148 (1912); *Hawthorne* v. *Calef*, 69 U.S. 10 (1864). An increase in the borrowing authority does not affect FNMA's legal obligation to repay debentures previously issued, nor impair FNMA's ability to honor payment of these debentures. As the general prospectus makes clear by paraphrasing section 304(b) of the Charter Act, "[a]dditional obligations cannot be issued if, as a consequence, the total amount then outstanding would exceed the Association's ownership under the Secondary Market Operations, free from any liens or encumbrances, of cash, Government-insured or guaranteed mortgages, or direct or guaranteed obligations of the United States."

The very same sort of change in the charter of a corporate instrumentality of the United States now contemplated with respect to FNMA was before the Congress very recently. In Public Law 89–237 (October 4, 1965) the Congress enacted legislation which, *inter alia*, amended the Farmer's Home Administration Act of 1961 to authorize credit banks under that Act to issue debentures outstanding in an amount equal to 12 times (rather than 10 times, under the pre-existing law) collective surplus and paid-in capital. See H. Rep. 114, 89th Cong., 1st sess.; S. Rep. 630, 89th Cong., 1st sess. No doubt was expressed as to the constitutionality of this legislation, which had the same effect on the owners of debentures issued by Federal Intermediate Credit Banks as the proposed action would have on holders of debentures issued by FNMA.

ASHLEY A. FOARD,
Acting Director,
Office of General Counsel.

Mr. SPARKMAN. Mr. President, the other FNMA provision would also increase FNMA's purchasing authority by restoring FNMA's program X under its special assistance function with a $1 billion new authority. The funding would come from two sources—$500 million from the Presidential authority which now has an uncommitted balance of about $1.8 billion and $500 million new Treasury borrowing. In view of FNMA's new authority to sell participations, the impact on the budget of such borrowing should be minor.

The $15,000 ceiling on purchases under the special assistance function should permit the FNMA to revise upward its present administrative ceiling on secondary market purchases. The purpose of the new purchasing authority is to fund adequately the FNMA operation but not to open the floodgates to high-priced mortgage loans which, under today's money conditions, should not expect the same special consideration as for loans for moderate-cost housing where the need is greatest. The FNMA mortgage price should be set with the same principle in mind.

The section of the bill to establish an interest rate ceiling on certain types of time deposits is intended to slow down the interest rate war among financial institutions now rampant in many areas and to diminish the outflow of funds from the specialized savings institutions which carry the major burden for home financing. It is temporary legislation for a 1-year period to permit the present very volatile situation to settle down and to give time for necessary adjustments.

I recognize that there are objections to arbitrary interest rate ceilings set by statute and I would be pleased to adopt some other method to accomplish the same purpose if one could be found. However, ceilings on interest paid for savings are not new. Regulation Q has been on the books for over 30 years and was placed there for very good reasons. Regulation Q prohibits banks from paying interest on demand deposits and authorizes the Federal Reserve Board to place ceilings on time deposits, which at the present time are 4 percent on passbook savings deposits and 5½ percent on other time deposits.

My bill would not disturb the ceiling on certificates of deposit purchased by profitmaking corporations or on any other time deposit with a term of at least 1 year.

Mr. President, the most disturbing development involving mortgage lending is the constant upward push on interest rates that U.S. families are paying to buy a home. This trend has occurred over the last 10 years and has now reached a level that I believe is unconscionable. A family committing itself to a 6½- or 7-percent mortgage loan over the life of the mortgage is incurring a burden which it surely will regret over time. I hope that when we have hearings on the bill, testimony can be received relative to this matter on what action may be taken as a matter of public policy to cut back on these high rates of interest.

I hope that the Banking and Currency Committee will hold hearings and report a bill soon which will receive early approval by the Senate and the House. It is imperative that we act promptly to provide the tools that are needed to provide some relief to those who are carrying an unfair share of the burdens of a capital-short economy.

Mr. President, I ask unanimous consent that at the conclusion of my remarks, the bill, with section-by-section summary thereof, be printed in full in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and section-by-section summary will be printed in the RECORD.

The bill (S. 3529) to stimulate the flow of mortgage credit for residential construction, introduced by Mr. MANSFIELD (for Mr. SPARKMAN), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S. 3529

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 "Mortgage Credit Act of 1966".

SEC. 2. The first sentence of section 304(b) of the National Housing Act is amended by striking out "ten" and inserting in lieu thereof "fifteen".

SEC. 3. Section 305(g) of the National Housing Act is amended to read as follows:

"(g) with a view to further carrying out the purposes set forth in section 301(b), and notwithstanding any other provision of this Act, the Association is authorized to make commitments to purchase and to purchase, service, or sell any mortgages which are insured under title II of this Act or guaranteed under chapter 37 of title 38, United States Code, if the original principal obligation of any such mortgage does not exceed $15,000. The total amount of such purchases and commitments made after the date of enactment of the Mortgage Credit Act of 1966 shall not exceed $1,000,000,000 outstanding at any one time, and no such commitment shall be made unless the applicant therefor certifies that construction of the housing to be covered by the mortgage has not commenced. For the purposes of this subsection, $500,000,000 of the authority hereinabove provided shall be transferred from the amount of outstanding authority specified in subsection (c), and the amount of outstanding authority so specified shall be reduced by the amount so transferred."

SEC. 3. Notwithstanding section 19 of the Federal Reserve Act, section 18 of the Federal Deposit Insurance Act, or any other provision of law, no bank the deposits of which are insured by the Federal Deposit Insurance Corporation shall pay interest at a rate exceeding 4½ per centum per annum on any time deposit made or renewed at such bank during the one year period which begins on the day after the date of enactment of this Act, unless (1) the depositor is ineligible to hold savings deposits in member banks of the Federal Reserve System, or (2) the deposit is a deposit of public funds, or (3) the deposit is payable only upon the expiration of twelve months or longer after the date it was made.

SEC. 4. Section 24 of the Federal Reserve Act is amended—

(1) by striking out "when the entire amount of such obligation is sold to the association" in the second sentence and inserting in lieu thereof "in whole or in part and at any time or times prior to the maturity of such obligation";

(2) by striking out the third sentence and inserting in lieu thereof the following: "The amount of any such loan hereafter made

shall not exceed 50 per centum of the appraised value of the real estate offered as security and no such loan shall be made for a longer term than five years; except that (1) any such loan may be made in an amount not to exceed 66⅔ per centum of the appraised value of the real estate offered as security and for a term not longer than ten years, if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize 40 per centum or more of the principal of the loan within a period of not more than ten years, (2) any such loan may be made in an amount not to exceed 66⅔ per centum of the appraised value of the real estate offered as security and for a term not longer than twenty years, if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the entire principal of the loan within a period of not more than twenty years; (3) any such loan may be made in an amount not to exceed 80 per centum of the appraised value of the real estate offered as security and for a term not longer than twenty-five years, if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the entire principal of the loan within twenty-five years from its date: *Provided,* That any such loan made to finance the construction of one or more buildings on such real estate may be made for a term not longer than twenty-eight years, if such installment payments are sufficient to amortize the entire principal of the loan within twenty-eight years from its date, and such amortization commences within three years from the date of the loan; and (4) any such loan may be made on one- to four-family residential buildings and on farm and ranch property in an amount not to exceed 80 per centum of the appraised value of the real estate offered as security and for a term not longer than thirty years, if the loan is being made for resale to another lender and is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the entire principal of the loan within thirty years from its date: *Provided,* That no association shall hold such loans in an aggregate sum in excess of 10 percent of the capital stock of such association paid in and unimpaired plus 10 percent of its unimpaired surplus fund. The foregoing limitations and restrictions shall not prevent the renewal or extenson of loans heretofore made and shall not apply to real estate loans which are insured under the provisions of title II, title VI, title VIII, section 8 of title I, or title IX of the National Housing Act, or which are insured by the Secretary of Agriculture pursuant to title I of the Bankhead-Jones Farm Tenant Act, or the Act entitled 'An Act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes', approved August 28, 1937, as amended, or title V of the Housing Act of 1949, as amended, and shall not apply to real estate loans which are fully guaranteed or insured by a State, or by a State authority for the payment of the obligations of which the faith and credit of the State is pledged, if under the terms of the guaranty or insurance agreement the association will be assured of repayment in accordance with the terms of the loan.";

(3) by striking out "when the entire amount of such obligation is sold to the association" in the second sentence of the second paragraph and inserting in lieu thereof "in whole or in part and at any time or times prior to the maturity of such obligation"; and

(4) by striking out the last paragraph and inserting in lieu thereof the following:

"Loans made to any borrower (i) where the association looks for repayment by relying primarily on the borrower's general credit standing and forecast of income, with or without other security, or (ii) where the association relies on other security as collateral for the loans (including but not limited to a guaranty of a third party), and where, in either case described in clause (i) or (ii) above, the association wishes to take a mortgage, deed of trust, or other instrument upon real estate (whether or not constituting a first lien) as a precaution against contingencies, such loans shall not be considered as real estate loans within the meaning of this section but shall be classed as ordinary non-real estate loans."

The section-by-section analysis presented by Mr. MANSFIELD (for Mr. SPARKMAN) is as follows:

MORTGAGE CREDIT ACT OF 1966

Section 1 would increase FNMA purchasing authority under its secondary market function by changing the borrowing ratio from 1 to 10 to 1 to 15. (The effect of this is to provide an additional $2 billion borrowing authority.)

Section 2 would reactivate FNMA's Special Assistance Program X with $1 billion new authority by shifting $500 million from existing authority and adding a new $500 million for use in purchasing FHA and VA mortgage loans of less than $15,000.

Section 3 would impose a temporary (1 year) 4½ percent ceiling on the rates of interest paid on time deposits with maturities less than 12 months made by depositors in banks whose deposits are insured by the FDIC unless the depositor is ineligible to hold savings deposits in member banks of the Federal Reserve System or the deposit is of public funds.

Section 4 would clarify existing law regarding the authority of National Banks to buy participations in existing real estate mortgage loans.

Section 5 would authorize National Banks to make a combined construction and permanent mortgage loan for a term not to exceed 28 years, the amortization to begin no later than three years after the date of the loan.

Section 6 would authorize National Banks to make 30 year mortgage loans on one- to four-family dwellings and farm properties up to 80 percent of value provided that the aggregate of such loans shall not exceed 10 percent of its unimpaired capital stock and surplus funds.

Section 7 would authorize the revision of the "abundance of caution" clause to permit National Banks to classify as a non real estate loan a loan for which the security will rely primarily on the borrower's credit rather than the value of the real estate taken as a precaution against contingencies.

FEDERAL MARITIME BOARD-ADMINISTRATION

Mr. BARTLETT. Mr. President, for myself and Senators BREWSTER, BASS, PROUTY, and SCOTT, I introduce, for appropriate reference, a bill to amend title II of the Merchant Marine Act, 1936, to create the Federal Maritime Board-Administration, and for other purposes. It is hoped that a separate maritime board-administration will find the independence and leadership needed to assure a stronger and more competitive high seas merchant fleet for the future. Too often in the past new merchant marine policies have been thwarted by a heavy bureaucratic overhead. It is, in fact, amazing to me that the United States has been able to make tough and exacting decisions on questions involving Vietnam, tax policy, education, and other major national issues, but we have been stymied for several years when confronted with the direction to take for our American merchant marine. I am absolutely convinced that a careful study today would indicate that the Defense Department and American exporters are wasting millions of dollars annually through the continued employment of obsolete, 20-year-old, World War II-built ships that are shockingly inefficient compared to the larger, faster, modern vessels with up-to-date cargo-handling equipment. If the United States had a fleet of modern merchant vessels, our cost for ocean transportation, not only for Defense Department but also for commercial traffic, could be reduced substantially. This inability to make any policy decision has been comparable to the situation we would have had if the Defense Department and other Government agencies would have insisted upon employing propeller rather than jet-propelled aircraft. My hope is that this legislation will encourage positive and needed action.

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

The bill (S. 3530) to amend title II of the Merchant Marine Act, 1936, to create the Federal Maritime Board-Administration, and for other purposes, introduced by Mr. BARTLETT (for himself and other Senators) was received, read twice by its title, and referred to the Committee on Commerce.

Mr. BARTLETT subsequently said: Mr. President, earlier today I introduced Senate bill 3530, to create the Federal Maritime Board-Administration. I ask unanimous consent that the bill lie on the desk for a period of 10 days for additional cosponsors.

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

DESIGNATION OF BIBLE TRANSLATION DAY

Mr. HARRIS. Mr. President, I introduce, for appropriate reference, a joint resolution to authorize the President to issue a proclamation designating the 30th day of September 1966, as Bible Translation Day.

The President of the United States, I am informed, has proclaimed this year of 1966 to be the Year of the Bible, and I am particularly interested in the extension of that thought, as embodied in this resolution, because of my admiration and respect for the Wycliffe Bible Translators, Inc., which operates a linguistics institute, among other places, at the University of Oklahoma.

We in Oklahoma are so impressed with the work which this outstanding organization is doing that we have recently been trying to make arrangements to secure the establishment of their international headquarters in our State.

The Wycliffe Bible Translators, Inc., is a nonsectarian organization, incorporated in the State of California. In its

national and international operations, Wycliffe is affiliated with two sister corporations. The Summer Institute of Linguistics, also a California corporation, is the scientific and educational organization through which most of Wycliffe foreign activity is carried. The Jungle Aviation & Radio Service, Inc., a North Carolina corporation, supplies the transportation and communications services for remote areas in which they operate.

The ultimate goal of the Wycliffe Bible Translators and its affiliate organizations is to study the more than 2,000 unwritten languages of the world, to provide alphabets and written form, and to translate the Scriptures into these languages.

The corporations are linked together by agreement to a set of interlocking objectives, stated by them as follows:

(1) Our spiritual and moral goal is to translate parts of the Bible without sectarian bias and thus to establish among the bypassed tribespeople of the world a basis of hope, courage and trust in God that will help them to face and survive the inevitable and frequently deadly impact of the modern world.

(2) Our scientific goal is to produce and preserve for museums and history unwritten languages in written form—a dictionary, grammar, and taped or written sets of legends for each of the languages brought into the scope of our activity.

(3) Our cultural goal—usually in official cooperation with local government agencies—is to produce and print basic literacy and educational materials, and to assist in introducing tribespeoples to elements of social and economic progress such as hygiene, community planning, agriculture, animal husbandry, and light industry. A program of bilingual education has proven an effective bridge to national and cultural integration.

The personnel of the boards of directors and the corporation membership of the Wycliffe Bible Translators and the Summer Institute of Linguistics, the educational and scientific affiliate, are identical. Wycliffe is currently pursuing its objective, generally under contract and by Government invitation, in 18 countries on 5 continents. Its 1,800 members are currently working in nearly 400 languages.

The Summer Institute of Linguistics, including its over 30 Ph. D.'s in linguistics and related subjects, has the responsibility for the scientific training of its linguists. SIL operates seven linguistic institutes around the world, the three in the United States being affiliated with the Universities of Oklahoma, Washington, and North Dakota, respectively. In addition, it is the vehicle for field work overseas. The Jungle Aviation & Radio Service, with its own international headquarters at Waxhaw, N.C., maintains the radio communications net for the fieldwork, screens airplane pilot-mechanics and operates a fleet of 30 airplanes.

The Wycliffe Bible Translators, with its highly skilled and trained scientists and educators—career personnel—is in a position to render unique and welcomed service around the world. Numerous sources have acknowledged the urgently needed and strategic nature of the work, as well as the spiritual impact of the group which has been described as "a Peace Corps with wings and a soul."

In 1965 President Macapagal of the Philippines wrote:

My congratulations to the director and members of the Summer Institute of Linguistics in their praise worthy objective which is a true manifestation of a close feeling of kinship, love and esteem for the Filipinos, and for their help in spreading the light of knowledge and civilization to the remotest barrio of our archipelago.

In 1961 the President of Mexico, Lic. Adolfo Lopez Mateos wrote:

The work of the Summer Institute of Linguistics in my country has achieved notable success and my government will continue to back such a transcendental task.

Former President of Ecuador, Dr. Jose Maria Velasco Ibarra, expressed the wish:

I earnestly hope that you may have complete success in your civilizing labors. Yours is the way to bring about closer relationships between the United States and Latin America. Your efforts to get peoples to understand each other, drawing them together culturally, will develop indestructible ties on this continent.

The February 1964 issue of the National Geographic magazine in describing "The Five Worlds of Peru," noted that in the Amazonian "green world of jungle" the Summer Institute of Linguistics was a "major influence in helping prepare the Indians for the severe adjustment they face" as roads and planes threaten their isolation.

Mr. Gomes de Matos, professor of linguistics at the University of Recife, Brazil, and linguistics supervisor of AID's intensive Portuguese program, summarized in the Linguistic Reporter the scientific and cultural contribution of the Summer Institute of Linguistics in that land. At the University of Brasilia the SIL group helped set up a full-scale linguistics program having even a broader scope, leading to a Ph. D. degree. With national educators they have joined in the planning of intensive courses in applied linguistics for Brazilian professors who may be called upon to hold chairs in the 80-odd teachers colleges scattered all over the country.

Mr. President, I have made special reference to the Wycliffe Bible Translators because of my special and personal knowledge of their work and my friendship with their general director, Mr. W. Cameron Townsend. In further explanation of the joint resolution which I introduce today and to indicate the interest of other organizations, I ask unanimous consent that a copy of a letter addressed to President Lyndon B. Johnson, dated May 19, 1966, and signed by Mr. Townsend and Louis Hartman, C. SS. R., secretary, Catholic Biblical Association, be inserted in the RECORD at this point in my remarks.

Mr. President, I ask unanimous consent that the joint resolution I introduce today be printed at this point in the RECORD, and held at the desk for 10 days to give other Senators an opportunity to become cosponsors of it.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and without objection the joint resolution will be printed in the RECORD and held at the desk as requested by the Senator from Oklahoma, and the letter will be printed in the RECORD.

The joint resolution (S.J. Res. 169) to authorize the President to issue a proclamation designating the 30th day of September in 1966 as Bible Translation Day, 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.J. RES. 169

Whereas the calendar year 1966 has been designated as the "Year of the Bible"; and

Whereas we are greatly indebted to the scholars who translated the Bible into the English language; and

Whereas there are over 2,000 languages spoken in out-of-the-way areas of the world into which the Bible has never yet been translated; and

Whereas there are hundreds of dedicated pioneers laboring at this difficult task who need our encouragement; and

Whereas several thousand more young people need to be inspired to offer themselves to help carry out the task of translating the Bible, and their friends in the homeland need to be inspired to provide the funds necessary for their support; and

Whereas the Bible translation task that remains to be done is far greater than that which has been accomplished during the past nineteen centuries; and

Whereas the condition of most of the 2,000 linguistic groups without a written Bible is one of poverty, ignorance and superstition, a condition that lends itself to the propagation of dangerous political philosophies; and

Whereas it has been found that this condition is alleviated where groups receive the Bible and learn to read it; and

Whereas this alleviation should be brought about as soon as possible; and

Whereas it has been demonstrated by a large group of linguistic specialists trained at the Universities of Oklahoma, North Dakota, Washington, Michigan, Indiana, California, Pennsylvania, Texas, and elsewhere that this task can be accomplished by the end of this century provided sufficient public interest is aroused in the problem; and

Whereas the first great translator of the whole Bible, Saint Jerome, died on the 30th of September: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the 30th day of September in 1966 as "Bible Translation Day" and inviting the governments of States and communities and the people of the United States to observe such day with appropriate ceremonies and activities.

The letter presented by Mr. Harris is as follows:

WYCLIFFE BIBLE TRANSLATORS, INC.,
Charlotte, N.C., May 19, 1966.

President LYNDON BAINES JOHNSON,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: We who believe that the Bible is the greatest spiritual treasure of mankind applaud the emphasis you gave to its worth when you proclaimed this year 1966 to be the "Year of the Bible." As we rejoice and celebrate the fact that we have the Book of books in our own mother tongue, would it not be fitting to call to the minds of our people the need of sharing it on a non-sectarian basis with the numerous minority groups of humanity in whose exotic tongues it does not yet exist?

The proclamation of a "Bible Translation Day" would do this. It would also constitute a great encouragement to the hundreds of young American linguists and their colleagues such as jungle pilots, radio technicians, doctors, nurses, literacy workers and printers who are presently engaged in this tremendous undertaking in out-of-the-way corners of many lands including our own.

We humbly submit to your consideration the enclosed draft of what might well be included in such a proclamation. You will note that we suggest the date September 30th inasmuch as it is the date on which the first great translator of the Bible, Saint Jerome, died.

In case this suggestion should meet with your approval, we would like to present to you on the date that you might designate as "Bible Translation Day" one or more extraordinary significant and recent translations of the Scirptures such as the Apache New Testament just off the press.

Desirous of sharing the Word with long neglected groups of our fellow-men, we beg to remain,

Yours respectfully,

W. CAMERON TOWNSEND,
General Director of the Wycliffe Bible Translators, and The Summer Institute of Linguistics.

LOUIS HARTMAN, C. SS. R.,
Secretary, Catholic Biblical Association.

ECONOMIC OPPORTUNITY CORPORATION

AMENDMENT NO. 610

Mr. JAVITS. Mr. President, on behalf of myself, the Senator from California [Mr. KUCHEL], the Senator from Vermont [Mr. PROUTY], the Senator from California [Mr. MURPHY], the Senator from Michigan [Mr. GRIFFIN], I send to the desk an amendment to the antipoverty bill, S. 3164, and ask that it be appropriately referred, to organize an Economic Opportunity Corporation, capitalized at $1 billion, entitled to issue stock to the extent of $600 million to the public and $400 million to the Federal Government, with certain restrictions as to the size of individual stockholdings. The Corporation would permit individuals, organizations, and private businesses to invest in the elimination of poverty in the United States. The Corporation would be empowered to undertake a wide variety of tasks within the antipoverty program, for example, manpower training, slum clearance, housing and loans to small business.

One outstanding feature of this proposal is that the Corporation would be ancillary to the present program. It will not replace anything, but if it works, as I anticipate it will, it can gradually add to, improve and take over suitable aspects of the antipoverty program—all without appreciable cost to the United States.

The legislation I am introducing today would:

First. Authorize the Economic Opportunity Corporation to issue stock in a total amount not to exceed $1 billion. Government would be allowed to purchase 40 percent of the stock, with the remaining 60 percent open to public purchase. No stockholder, however, can hold more than 10 percent of the public stock, and 5 percent of such stock can be used by the directors as incentive awards to individuals who have participated successfully in Corporation programs.

Second. Establish a nine-man board of directors to run the Corporation—four would be appointed by the President and confirmed by the Senate, and five elected by the stockholders. At least one of the President's appointees would have to be from among the poor.

Third. Empower the Corporation to carry out any program which its directors and stockholders believe would reduce poverty in the United States and would be appropriate for such a Corporation. The proposed legislation leaves the organizational framework as flexible as possible to permit adaptation to local needs and to encourage maximum participation of the poor.

We have seen in Comsat that the people will invest in mixed Government-business corporations. I know of none that is more appealing, from a humanitarian point of view, than poverty; and this is an effort to bring the public, through investment, into the antipoverty program. It also will introduce businesslike management techniques, which the program can certainly use very advantageously. It will provide a new source of antipoverty funds—not just the Federal Government. It would bring the poor into the economic mainstream of our country, because it would involve them in a business venture. Such a corporation could take over, for example, manpower training, slum clearance, and low-income housing, such as, for example, the housing projects undertaken by leading corporations, like the U.S. Gypsum Corp. in New York. It could provide small business investment and loans, technical assistance, and other features.

Such a corporation might not make a great deal of money, Mr. President, but it could be viable, and it would be an outlet for citizens who are small or large investors, who feel that they would like to have a direct, businesslike share in the war against poverty.

For many years it has been my firm conviction that U.S. private enterprise can be an enormously valuable ally in the achievement of national goals, and I have sought in a variety of ways to provide in Federal legislation for incentives to business, including management and labor, to achieve valuable goals in the public interest. There is clearly, in my judgment, a great need for such incentives in the war on poverty, in which the enormous capability of U.S. private enterprise has not yet been adequately engaged.

This is a serious failing of the existing programs, which I have supported from their inception and which I continue to support, but which I believe can be very materially improved in many respects. A number of major aspects of the program as it now exists would be improved by adding a mechanism for broad-scale participation by the private sector.

One is the need for businesslike management techniques: the confusion, overlapping of functions, and waste which are plaguing so many of the existing programs could undoubtedly be reduced if business management, which handles enormously complex enterprises with efficiency, could be utilized. Our defense establishment has long recognized this valuable private capability, but our human resource agencies have not done so to any comparable extent.

Another benefit from establishing a public-private corporation is providing a new source of antipoverty funds particularly now when public funds are under extremely heavy budgetary pressure because of the war in Vietnam. Why should there not be an opportunity for private industry, the great welfare and pension funds of labor and business, the individual American investor himself, to participate in the national effort against poverty, just as they have been given an opportunity, through the stock of the Communications Satellite Corp. and several other public-private, federally chartered corporations, to participate in other national programs?

Finally, and perhaps most important, a crucial element in our national antipoverty effort is bringing the poor into the economic mainstream, in other words, making sure they have jobs. A number of approaches to this are being tried under existing programs, particularly the Jobs Corps, Neighborhood Youth Corps, and work experience programs under the Economic Opportunity Act, and the work study, manpower development and training, and various vocational education programs. I believe these are worthwhile approaches which should be perfected, expanded, and linked together—along with public and private placement efforts and with public and private job development efforts. But I feel deeply that, even then, there will remain a huge unfilled gap. In an era of rapidly accelerating automation where are the long-term jobs for the trainees to fill? There are only two possible answers: either in government or in the private sector. A number of reputable groups, including the high level National Commission on Technology, Automation, and Economic Progress established by Congress, have recommended expanded public employment, as an "employer of last resort."

My own belief is that this is not the answer to our long-range job development problems. Instead the U.S. private enterprise system, which has expanded thus far to bring unprecedented economic growth and development to our Nation, must be stimulated—and I believe can be stimulated—to meet the future needs. We can stimulate industry to do this job if we involve them fully in the antipoverty programs with which we are experimenting. This we have not yet begun to do in any significant way. Only the Job Corps and the on-the-job training program under the Manpower Development and Training Act specifically involve contracts with private business. So far the latter program has found a small but growing receptivity among private companies; the former program is not big enough to satisfy the number of industrial applicants. But neither program really stimulates in a massive way, and neither can ensure that the needs of business expansion and development are effectively met.

The proposed Economic Opportunity Corporation would, like Comsat, be initiated by incorporators appointed by the President and confirmed by the Senate. They would be authorized to issue capital stock in a total amount not exceeding $1 billion, of which 40 percent may be purchased by the U.S. Government and 60 percent by the public. After the initial stock offering, a board of nine directors would be established consisting of four appointees of the President confirmed by the Senate, and five elected by the stockholders annually. At least one of the President's appointees would be from among the poor. Stockholders other than the Government would be limited to no more than 10 percent of the stock. Five percent of the stock could be used by the directors for making incentive awards to individuals for participating successfully in programs carried out by or for the corporation.

The Corporation would be specifically empowered to carry out any programs that the directors feel are appropriately and effectively designed to reduce poverty in the United States. This could include programs such as the Job Corps and the Manpower Development and Training Act on-the-job training programs. But it could also be beyond these, to develop whatever new programs it determined to be desirable.

Several particular areas in which business and industry clearly have great interest and great potential are specified in the bill: manpower training, for example, especially in the technical and subprofessional occupations. It is possible that an entire industry—or the industries in one area—might contract with the Corporation or a subsidiary of the Corporation to pool all their manpower training for certain job classifications, and this kind of pooling would save money for all the participating companies. The National Association of Manufacturers has initiated a series of programs which seek to achieve similar efficiencies and industrial involvement.

A second field of clear business interest is redevelopment projects involving the poor. The Mitchell-Lama middle-income housing program in New York State has proved that there is a great demand for privately financed, limited profit housing. A number of companies—notably U.S. Gypsum Co. in New York City—have initiated similar projects for low-income housing. The Economic Opportunity Corporation could involve companies with experience and expertise in housing and urban redevelopment in cooperative projects to eradicate slums and degenerating central cities. The sit-in of Mississippi Negroes in Lafayette Park across from the White House recently dramatized the failings of the poverty program in the area of rural housing.

A third major area of business involvement could be providing investment, loans and technical assistance to small business owned by the poor. A start in this direction is being made under title IV of the Economic Opportunity Act, administered by the Small Business Administration. But it is basically a Government-operated program, which can draw upon business expertise only tangentially and which is totally dependent upon Federal budgetary considerations. It is hopelessly oversubscribed in cities like New York.

These and other programs may be carried out by the Corporation on any geographic or organizational basis it chooses: it could establish subsidiaries of its own on regional, State, municipal, or local lines or it could contract with profitmaking or nonprofit entities to achieve particular purposes or to manage particular projects. The Corporation might wish to contract with existing components of the antipoverty program. The bill deliberately leaves the organizational framework, below the level of the Corporation itself, as flexible as possible in order to permit adaptation to the specifics of local needs and to encourage maximum participation of the poor themselves.

The bill clearly contemplates development corporations, for example, in the Watts area of Los Angeles, in Harlem and Bedford-Stuyvesant in New York City, and in similar disadvantaged areas in other cities.

The Corporation's programs may or may not be profitmaking in any particular instance. I believe there is a significant enough desire in the business community and among the American people at large that the antipoverty program should be made to work, that substantial investment can be expected even without any guarantee of large profits. The great interest industry has shown in obtaining Job Corps contracts is proof that, with all the difficulties encountered in running a program under Government standards and restrictions, companies are still willing to invest in manpower training and basic literacy education for a much lower profit than their investment could bring elsewhere.

Some of this is motivated by enlightened self-interest in general community development, some by public relations reasons, some by long-range market interest in equipment and services to be developed, and some simply by the need for the trained manpower. Whatever the motivations, the interest is there and can be harnessed in the national interest in a meaningful antipoverty program. In my view it would be a great mistake not to give this concept a chance, by adding the Economic Opportunity Corporation to the Nation's arsenal in the war on poverty.

As far as I can see, Mr. President, this is the first idea that has come along which tries to do something about this effort in a businesslike way, and to get the public involved directly as partners in a highly humanitarian effort which calls for cooperation from the heart.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred.

The amendment (No. 610) was referred to the Committee on Labor and Public Welfare.

THE NATION'S WAR ON POVERTY—AMENDMENTS

AMENDMENT NO. 611

Mr. FANNIN submitted amendments, intended to be proposed by him, to the bill (S. 3164) to provide for continued progress in the Nation's war on poverty, which were referred to the Committee on Labor and Public Welfare and ordered to be printed.

AMENDMENT NO. 612

Mr. KENNEDY of Massachusetts. Mr. President, I send to the desk and ask to be printed an amendment intended to be proposed to the Economic Opportunity Act Amendments of 1966, to give greater attention to the problems of the elderly poor in the war on poverty.

I realize that the war on poverty has many detractors. I am not one of them, nor are the people I speak for today. The Office of Economic Opportunity has performed well in the face of problems and complexities that would have stymied lesser men and organizations.

But there has been a great deal of concern among our elderly population that the war on poverty is not being waged for them. The underpinnings of the entire concept of our poverty program was, and is today, the breaking of poverty's cycle at its most vulnerable point—out Nation's poor youth. This is OEO's major direction, and it should continue to be its major emphasis. Yet we cannot forget that there are 5.4 million aged poor—that represents one-sixth of the total poor in this country. More important, however, is the fact that one-third of all poor families are headed by persons 55 years of age or older. We must do more in this older category if we are to be successful with our young. I am told by those who are vitally interested in the plight of this age group that they have not received due consideration in the OEO program.

The representatives of older Americans have long sought an inclusion in this war's strategy at a meaningful level. The Senate Special Committee on Aging has made as its first recommendation in its just-published report, that there be an Assistant Director of OEO for the elderly. Chairman SMATHERS of that committee successfully amended the poverty bill last year with a section declaring the intent of Congress that the elderly poor have a greater place in the poverty program. Still, not enough is being done, and I believe this problem will not be handled until there is a high-level official and an all-encompassing program for the aged in OEO.

My amendment would create such an official. It would also briefly describe his mandate to develop elderly programs in the area of employment opportunities, public service opportunities, and educational activities. This mandate is in keeping with President Johnson's recently stated bill of rights for the elderly where he said if the elderly want to work, they should have that right, if they want schooling they should have that right, if they want to volunteer their

services to the community, they should have that right.

Director Shriver and I have discussed this matter in the past. I take it to be his view that a proliferation of Assistant Directors in OEO, such as for Indians, the rural poor, and so on would not be a healthy development. I agree with that, but the elderly can be differentiated. OEO is a youth oriented agency. The establishment of an Assistant Director for the elderly would provide a badly needed balance, so that there would be greater emphasis on programs for the older Indian, the older rural poor, the older urban poor and so forth. The point is, I am talking about the entire elderly population regardless of category, as the Director of OEO spoke in Senate hearings this morning with emphasis on the younger American.

In essence, Mr. President, we all know that the next 5 years will prove that the most imaginative new social programs for the poor and for the Nation as a whole will be the result of OEO's stimulation and energy. I want to be assured that the elderly and their problems will also be exposed to this experimentation and new thought.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred.

The amendment (No. 612) was referred to the Committee on Labor and Public Welfare.

FEDERAL SALARY AND FRINGE BENEFITS ACT OF 1966—AMENDMENT

AMENDMENT NO. 613

Mr. ERVIN (for Mr. SPARKMAN) submitted an amendment, intended to be proposed by Mr. SPARKMAN, to the bill (H.R. 14122) to adjust the rates of basic compensation of certain employees of the Federal Government, and for other purposes, which was ordered to lie on the table and to be printed.

PROPOSED AGREEMENTS FOR COOPERATION WITH UNITED KINGDOM

Mr. GORE. Mr. President, as chairman of the Joint Atomic Energy Committee's Subcommittee on Agreements for Cooperation, I wish to inform the Senate that pursuant to section 123c of the Atomic Energy Act of 1954, as amended, the Atomic Energy Commission has submitted to the Joint Committee the following: A proposed new agreement for cooperation in the civil power applications of atomic energy with the Government of the United Kingdom, and an amendment to the existing agreement for cooperation with the United Kingdom on the civil uses of atomic energy. Both the proposed new agreement and the amendment were received by the Joint Committee on June 2, 1966.

Section 123c of the Atomic Energy Act requires that these proposed agreements lie before the Joint Committee for a period of 30 days while Congress is in session before becoming effective.

The proposed amendment to the existing civil agreement, which will expire on July 21, 1966, would extend the basic agreement for a period of 10 years. The principal objective of the amendment is to permit the transfer by the United States of an additional 2,000 kilograms of U^{235} for fueling reactors in the United Kingdom's civil research and development program.

The proposed new civil power agreement would have a term of 10 years, and provides for the transfer by the United States of up to 8,000 kilograms of U^{235} during that period for use in the United Kingdom's civilian nuclear power program. The agreement further provides that the International Atomic Energy Agency will be requested to assume responsibility for applying safeguards to the materials transferred under the agreement.

It is the general practice of the Joint Committee to publish proposed civilian agreements for cooperation in the RECORD and to hold public hearings thereon. In keeping with this practice, I ask unanimous consent to have printed in the RECORD the text of these agreements together with supporting correspondence.

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

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 2, 1966.

Hon. CHET HOLIFIELD,
Chairman,
Joint Committee on Atomic Energy,
Congress of the United States.

DEAR MR. HOLIFIELD: Pursuant to Section 123c of the Atomic Energy Act of 1954, as amended, there are submitted with this letter:

a. an executed "Amendment to the Agreement for Cooperation on the Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland";

b. an executed "Agreement for Cooperation in the Civil Power Applications of Atomic Energy Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland";

c. a copy of the letter from the Commission to the President recommending approval of the Amendment and the Agreement; and

d. a copy of the letter from the President to the Commission containing his determination that performance of the Amendment and the Agreement will promote and will not constitute an unreasonable risk to the common defense and security, and approving the Amendment and the Agreement and authorizing the execution of each.

The proposed Amendment which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would extend for a period of ten years the existing Agreement between the United States and the United Kingdom which was signed on June 15, 1955. The principal objective of the Amendment is to provide for the transfer of an additional 2,000 kilograms of U-235 from the United States for fueling reactors in the United Kingdom's civil research and development program.

Materials, equipment and devices transferred pursuant to the extended Agreement will continue to be subject to the guarantees in Article IX of the original Agreement that no such material, equipment, or devices will be utilized for military purposes.

The proposed new Agreement for Civil Power Applications which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would provide for the supply of up to 8,000 kilograms of U-235 for use in the United Kingdom's civil nuclear power program during the ten year term of the Agreement. The United Kingdom estimates that it will need this material to help meet its requirements for fueling its 8,000 megawatt nuclear power program which is planned for startup in the 1970–75 period.

In addition to providing for the sale of this material, Article IV of the proposed Agreement provides that prices for the enriched uranium and for services performed, as well as the advance notice required for delivery, will be those in effect at the time of delivery for users in the United States. The same Article would permit the transfer to the United Kingdom of material enriched to more than 20% in the isotope U-235 when there is a technical or economic requirement for such a transfer. Article IV would also provide for "toll" enrichment of United Kingdom uranium in United States' facilities after December 31, 1968. Article VI reflects the recent changes in the Atomic Energy Act of 1954 permitting private ownership of special nuclear material by enabling private parties in the United States and the United Kingdom to be parties to arrangements for the transfer of special nuclear material. Previously, such transfers were confined to Governments. In light of the possibility of toll enrichment, Article V provides for the calculation of the quantity of material transferred on the basis of the net adjusted formula.

The new Agreement contains our usual statutory guarantees that no material, equipment or devices transferred pursuant to the Agreement will be used for military purposes. It also provides that the International Atomic Energy Agency will be requested to assume responsibility for applying safeguards to the materials transferred under the Agreement. Either party may terminate the Agreement in the event that the parties do not reach agreement on the application of IAEA safeguards.

The Amendment and the new Agreement will enter into force on the day on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for entry into force.

Cordially,

(Signed) GLENN T. SEABORG,
Chairman.

Enclosures:

1. Amendment to the Agreement for Cooperation on the Civil Uses of Atomic Energy with the Government of the United Kingdom (3).
2. Agreement for Cooperation in the Civil Power Applications of Atomic Energy with the Government of the United Kingdom (3).
3. Letter from the Commission to the President (3).
4. Letter from the President to the Commission (3).

AMENDMENT TO AGREEMENT FOR COOPERATION ON THE CIVIL USES OF ATOMIC ENERGY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

The Government of the United States of America (including the United States Atomic Energy Commission) and the Government of the United Kingdom of Great Britain and Northern Ireland, on its own behalf and on behalf of the United Kingdom Atomic Energy Authority;

Desiring to amend further and to extend the term of the Agreement for Cooperation on the Civil Uses of Atomic Energy (hereinafter referred to as the "Agreement for Cooperation") signed between them at

Washington on June 15, 1955, as amended by the Notes signed October 20, 1955, and November 3, 1955, as amended by the Agreement signed at Washington on June 13, 1956, as modified by the Agreement signed at Washington on July 3, 1958, as amended by the Agreement signed at Washington on June 5, 1963, as amended by the Agreement signed at Washington on June 29, 1964, and as amended by the Agreement signed at Washington on July 15, 1965;

Have agreed as follows:

ARTICLE I

Article IV, Paragraph (d), of the Agreement for Cooperation, as amended, is modified by changing "400", which appears before the word "kilograms" in the first sentence thereof, to read "2400".

ARTICLE II

Article XI of the Agreement for Cooperation, as amended, is modified by changing the word "eleven", which appears before the word "years" at the end thereof, to read "twenty-one".

ARTICLE III

This Amendment, which shall be regarded as an integral part of the Agreement for Cooperation, shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of this Amendment and shall remain in force for the period of the Agreement for Cooperation, as hereby amended.

In witness whereof, the undersigned, duly authorized, have signed this Amendment.

Done at Washington this second day of June 1966, in two original textsts.

For the Government of the United States of America:

———.

GLENN T. SEABORG.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

PATRICK DEAN.

AGREEMENT FOR COOPERATION IN THE CIVIL POWER APPLICATIONS OF ATOMIC ENERGY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

The Government of the United States of America including the United States Atomic Energy Commission (hereinafter referred to as the United States) and the Government of the United Kingdom of Great Britain and Northern Ireland, on its own behalf and on behalf of the United Kingdom Atomic Energy Authority (hereinafter referred to as the United Kingdom);

Desiring to engage in cooperation in furthering the use of atomic energy in civil power applications;

Have agreed as follows:

ARTICLE I. SCOPE OF AGREEMENT

A. Subject to the availability of personnel and material, and the applicable laws, directives, regulations and license requirements in force in their respective countries, the Parties shall assist each other, as hereinafter described, in furthering the use of atomic energy in civil power applications, including merchant marine propulsion. It is the intent of the Parties that such assistance shall be rendered on a reciprocal basis.

B. Restricted Data shall not be communicated under this Agreement, and no material shall be transferred and no service shall be furnished under this Agreement if the transfer of such material or the furnishing of such service involves the communication of Restricted Data.

C. This Agreement shall not require the exchange of any information which the Parties are not permitted to communicate because the information is privately owned or has been received from another Government.

ARTICLE II. EXCHANGE OF INFORMATION

The Parties shall exchange general information in the development of atomic energy in civil power applications. Detailed information and applied information in this field shall be exchanged to such an extent and under such terms and conditions as may be agreed.

ARTICLE III. RESPONSIBILITY OF RECEIVING PARTY

The application or use of any information (including design drawings and specifications) or material exchanged or transferred under this Agreement shall be the responsibility of the Party receiving it, and the other Party does not warrant the accuracy or completeness of such information and does not warrant the suitability of such information or material for any particular use or application.

ARTICLE IV. MATERIALS FOR CIVIL POWER APPLICATIONS

A. The Commission is prepared to sell to the United Kingdom, on terms and conditions to be agreed, such quantities as may be agreed of uranium enriched in the isotope U–235 for fueling reactors in the United Kingdom civil nuclear power programs (including programs for merchant marine propulsion).

B. The Commission is also prepared to enter into contracts for the producing or enriching, or both, after December 31, 1968, in facilities owned by the Commission, of special nuclear material for the account of the United Kingdom, for the uses specified in paragraph A of this Article to such extent and subject to such terms and conditions as may be established by the Commission.

C. With regard to the transactions provided for in this Article it is understood that:

(1) contracts specifying quantities, enrichments, delivery schedules and other terms and conditions of supply or service will be executed on a timely basis between the Commission and the Authority;

(2) prices for enriched uranium sold or for services performed, and the advance notice required for delivery, will be those in effect at the time of delivery for users in the United States. The Commission may agree to supply enriched uranium or perform enrichment services upon shorter notice, subject to assessment of such surcharge to the usual base price as the Commission may consider reasonable to cover abnormal production costs incurred by the Commission by reason of such shorter notice.

D. The enriched uranium supplied hereunder may contain up to twenty percent (20%) in the isotope U–235. The Commission, however, may make available a portion of the enriched uranium supplied hereunder as material containing more than 20% in the isotope U–235 when there is a technical or economic justification for such a transfer.

E. It is agreed that, should the total quantity of enriched uranium which the Commission has agreed to provide pursuant to this and other Agreements for Cooperation reach the maximum quantity of enriched uranium which the Commission has available for such purposes, and should the United Kingdom not have executed contracts covering the adjusted net quantity specified in Article V, the Commission may request, upon reasonable notice, that the United Kingdom execute contracts for all or any part of such enriched uranium as is not then under contract. It is understood that, should the United Kingdom not execute contracts in accordance with a request by the Commission hereunder, the Commission shall be relieved of all obligations to the United Kingdom with respect to the enriched uranium for which contracts have been so requested.

ARTICLE V. QUANTITY OF MATERIAL AVAILABLE FOR TRANSFER

The adjusted net quantity of U–235 in enriched uranium transferred from the United States to the United Kingdom under Article IV and Article VI during the period of this Agreement for Cooperation shall not exceed 8,000 kilograms in the aggregate. The following method of computation shall be used in calculating transfers, within the said ceiling quantity of 8,000 kilograms of U–235, made under said Articles:

From:

(1) The quantity of U–235 contained in enriched uranium transferred under said Articles, minus

(2) The quantity of U-235 contained in an equal quantity of uranium of normal isotopic assay,

Subtract:

(3) The aggregate of the quantities of U–235 contained in recoverable uranium of United States origin either transferred to the United States or to any other nation or group of nations with the approval of the United States pursuant to this Agreement, minus

(4) The quantity of U–235 contained in an equal quantity of uranium of normal isotopic assay.

ARTICLE VI. COOPERATION BETWEEN PERSONS UNDER THE JURISDICTION OF THE PARTIES

With respect to the subject matter of this Agreement, it is understood that arrangements may be made between either Party or authorized persons under its jurisdiction and authorized persons under the jurisdiction of the other for the transfer of materials, including special nuclear material, and for the performance of services. Such arrangements shall be subject to the limitations in Articles I and V and to the policies of the Parties with regard to transactions involving the authorized persons referred to in the preceding sentence.

ARTICLE VII. APPLICATION OF SAFEGUARDS

A. The United States and the United Kingdom, recognizing the desirability of making use of the facilities and services of the International Atomic Energy Agency, agree that the Agency will be requested to assume responsibility for applying safeguards to materials transferred under this Agreement.

B. In the event the Parties do not reach a mutually satisfactory agreement on the terms of the trilateral arrangement envisaged in paragraph A of this Article, either Party may, by notification, terminate this Agreement. In the event of termination by either Party, the United Kingdom shall, at the request of the United States, return to the United States all special nuclear material received pursuant to this Agreement and still in its possession or in the possession of persons under its juridiction. The United States will compensate the United Kingdom for its interest in such material so returned at the Commission's schedule of prices then in effect domestically.

ARTICLE VIII. GUARANTEES

The Parties guarantee that:

A. No material transferred pursuant to this Agreement shall be used for atomic weapons or for research on or development of atomic weapons or for any other military purpose.

B. No material transferred pursuant to this Agreement shall be transferred to any unauthorized person or beyond the jurisdiction of the Party receiving it without the written consent of the Party to this Agreement from which or by permission of which it was received. Such consent will not be given on behalf of the United States unless the transfer in respect of which it is requested is within the scope of an agreement for cooperation made in accordance with Section 123 of the United States Atomic Energy Act of 1954, as amended.

C. No special nuclear material produced through the use of any material transferred pursuant to this Agreement shall be used for atomic weapons or for research on or development of atomic weapons or for any other military purpose, or shall be transferred beyond the jurisdiction of the Party in whose jurisdiction it is produced without the written consent of the other Party.

D. Their respective undertakings set forth in Article VII with regard to safeguards shall be maintained.

ARTICLE IX. DEFINITIONS

For the purpose of this Agreement:

"The Authority" means the United Kingdom Atomic Energy Authority.

"The Commission" means the United States Atomic Energy Commission.

"Person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, government agency or government corporation other than the Commission and the Authority.

"Restricted Data" means all data concerning: (1) design manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the category of Restricted Data by the appropriate authority.

"Special nuclear material" means (1) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which the Commission and the Authority determine to be special nuclear material; or (2) any material artificially enriched by any of the foregoing.

ARTICLE X. ENTRY INTO FORCE

This Agreement shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of the Agreement and shall remain in force for a period of ten years.

In witness whereof, the undersigned, duly authorized, have signed this Agreement.

Done at Washington this second day of June, 1966, in two original texts.

For the Government of the United States of America:

———— ————.

GLENN T. SEABORG.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

PATRICK DEAN.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., May 27, 1966.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve (1) the enclosed "Amendment to the Agreement for Cooperation on the Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland" and (2) the enclosed "Agreement for Cooperation in the Civil Power Applications of Atomic Energy Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland;" determine, with respect to each of them, that its performance will promote and will not constitute an unreasonable risk to the common defense and security; and authorize the execution of each. The Department of State supports the Commission's recommendation.

The proposed Amendment which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would extend for a period of ten years the existing Agreement between the United States and the United Kingdom which was signed on June 15, 1955. The principal objective of the Amendment is to provide for the transfer of an additional 2,000 kilograms of U–235 from the United States for fueling reactors in the United Kingdom's civil research and development program. It is expected that the United Kingdom will desire 93% enrichment for much of its uranium requirements under this Amendment.

Materials, equipment and devices transferred pursuant to the extended Agreement will continue to be subject to the guarantees in Article IX of the original Agreement that no such material, equipment, or device will be utilized for military purposes.

The proposed new Agreement for Civil Power Applications which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would provide for the supply of up to 8,000 kilograms of U–235 for use in the United Kingdom's civil nuclear power program during the ten year term of the Agreement. The United Kingdom estimates that it will need this material to help meet its requirements for fueling its 8,000 megawatt nuclear power program which is planned for startup in the 1970–1975 period.

Article I of the proposed Agreement provides that Restricted Data shall not be communicated under the Agreement. Article IV contains a provision to assure comparability of domestic and foreign prices for United States enriched uranium and enrichment services. The same Article would permit the transfer to the United Kingdom of material enriched to more than 20% in the isotope U–235 when there is a technical or economic requirement for such a transfer. Article IV also contains the usual provision for "toll" enrichment of United Kingdom uranium in United States' facilities after December 31, 1968. Article VI reflects the recent changes in the Atomic Energy Act of 1954 permitting private ownership of special nuclear material by enabling private parties in the United States and the United Kingdom to be parties to arrangements for the transfer of special nuclear material. Previously, such transfers were confined to Governments.

The new Agreement contains our usual statutory guarantees that no material, equipment or device transferred pursuant to the Agreement will be used for military purposes. It also provides that the International Atomic Energy Agency will be requested to assume responsibility for applying safeguards to the materials transferred under the Agreement. Either party may terminate the Agreement in the event that the parties do not reach agreement on the application of IAEA safeguards.

Following your determination, approval, and authorization, the proposed Amendment and new Agreement will be formally executed by appropriate authorities of the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland. In compliance with Section 123c of the Atomic Energy Act of 1954, as amended, the Amendment and the new Agreement, together with your approval and determination, will then be submitted to the Joint Committee on Atomic Energy.

Respectfully yours,

/S/ ———— ————,
Chairman.

Enclosures:

1. Proposed Amendment to the Agreement for Cooperation on the Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland.

2. Proposed Agreement for Cooperation in the Civil Power Applications of Atomic Energy Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland.

THE WHITE HOUSE,
Washington, June 2, 1966.

Hon. GLENN T. SEABORG,
U.S. Atomic Energy Commission,
Washington.

DEAR DR. SEABORG: In accordance with Section 123a of the Atomic Energy Act of 1954, as amended, the Atomic Energy Commission has submitted to me by letter dated May 27, 1966, a proposed "Amendment to the Agreement for Cooperation on the Civil Uses of Atomic Energy Between the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland," and a proposed "Agreement for Cooperation in the Civil Power Applications of Atomic Energy Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland," and has recommended that I approve the proposed Amendment and the proposed new Agreement, determine, with respect to each of them, that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize the execution of each.

Pursuant to the provisions of Section 123b of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby:

(a) Approve the proposed Amendment and the proposed new Agreement and determine that their performance will not constitute an unreasonable risk to the common defense and security of the United States of America;

(b) Authorize the execution of the proposed Amendment and the proposed new Agreement on behalf of the Government of the United States of America by appropriate authorities of the Department of State and the Atomic Energy Commission.

Sincerely,

LYNDON B. JOHNSON.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTION

Mr. JAVITS. Mr. President, at its next printing, I ask unanimous consent that the name of the Senator from Maryland [Mr. TYDINGS] be added as a cosponsor of the bill (S. 3304) to provide a deduction for income tax purposes, in the case of a disabled individual, for expenses for transportation to and from work; and to provide an additional exemption for income tax purposes for a taxpayer or spouse who is disabled.

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

Mr. JAVITS. Mr. President, I also ask unanimous consent that my name be added as a cosponsor to Senator WILLIAMS' bill, S. 3491, relating to urban open space land acquisition and development.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at its next printing the name of the Senator from Rhode Island [Mr. PELL] be added as a cosponsor of Senate Concurrent Resolution 95, to establish a Joint Committee on National Service and the Draft.

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

NOTICE OF PUBLIC HEARINGS ON NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for Wednesday, June 29, 1966, beginning at 11 a.m., in room 2300, New Senate Office Building, on the following nominations:

Virgil Pittman, of Alabama, to be U.S. district judge, middle and southern districts of Alabama, to fill a new position created by Public Law 89–372, approved March 18, 1966.

Raymond J. Pettine, of Rhode Island, to be U.S. district judge, district of Rhode Island, to fill a new position created by Public Law 89–372, approved March 18, 1966.

Walter R. Mansfield, of New York, to be U.S. district judge, southern district of New York, vice John M. Cashin, retired.

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

The subcommittee consists of the Senator from Mississippi [Mr. EASTLAND], Chairman; the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Nebraska [Mr. HRUSKA].

NOTICE OF PUBLIC HEARINGS ON NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for Tuesday, June 28, 1966, beginning at 10:30 a.m., in room 2300, New Senate Office Building, on the following nominations:

John W. Peck, of Ohio, to be U.S. circuit judge, sixth circuit, to fill a new position created by Public Law 89–372, approved March 18, 1966.

A. Andrew Hauk, of California, to be U.S. district judge, southern district of California, vice William M. Byrne, retiring.

William P. Gray, of California, to be U.S. district judge, southern district of California, vice Harry C. Westover, retired.

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

The subcommittee consists of the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Nebraska [Mr. HRUSKA] and myself, as chairman.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BURDICK:

Statement by him concerning the 22d anniversary of the independence of Iceland.

THE 40TH ANNIVERSARY OF THE INDEPENDENT GROCERS' ALLIANCE

Mr. MANSFIELD. Mr. President our former colleague, Senator Wiley, of Wisconsin, has called to my attention, on the occasion of its 40th anniversary, the accomplishments of the Independent Grocers' Alliance.

This organization has helped independent grocers in 46 States to increase their sales and modernize their stores. IGA has become the world's largest voluntary foodstore chain. It has given its members the same tools as those of their larger corporate competitors, and there are several markets where IGA independent grocers are the sales volume leaders.

One of the features of the IGA system is that when an independent grocer joins, he remains independent. He still owns his own business while following IGA methods of advertising and merchandising.

From an operation of 55 stores 40 years ago to 4,198 at present, IGA is significant proof of the adaptability of the free enterprise system and that the system still flourishes in America. Here are some unusual facts in documentation thereof:

Seventy-two IGA supply depots now serve 4,198 IGA retailers. Half of the supply depots joined IGA since 1950, and two-thirds (48) have warehouses which were built new, or enlarged substantially, in the past ten years.

IGA Wholesale Supply Centers physically represent about 150 million cubic feet of warehouse space, or 189.5 acres under roof, including nearly 16 million cubic feet of refrigerated space, or about 12% of total square foot area. The 72 warehouses have total docking facilities for 442 rail cars and 850 trucks. Warehouses use a total of 1,489 delivery trucks and semis. Nearly 7,000 people work in IGA warehouses, 2,916 in the office, and 3,927 in the warehouse or on delivery.

Thirty of the 72 supply depots have installed a magnetic type computer, 27 use a punched card data system, and 15 are on a manual record system.

The total retail volume in 1965 of all stores served by IGA supply depots was $3,511,773,000.

On July 25, 26, and 27, 4,300 members of IGA will gather at McCormick Place in Chicago to celebrate their 40th anniversary. In recognition of the work of this organization on behalf of the small, independent businessman, I take this occasion to send congratulations to its president, Mr. Don R. Grimes, as well as to each of the 4,198 IGA grocers whose businesses are spread throughout 46 States.

CONTINUATION OF FEDERAL AIRPORT PROGRAM

Mr. RANDOLPH. Mr. President, it is gratifying that the Senate has acted with what I consider to be foresight and wisdom in approving S. 3096, a bill to amend the Federal Airport Act. The measure, brought to the floor by the able and energetic chairman of the Senate Subcommittee on Aviation, Senator MONRONEY, would continue this valuable program for 3 additional years, through fiscal 1970, at the present authorization level of $75 million per year.

I was necessarily absent yesterday when the Senate unanimously agreed, without a rollcall, to S. 3096. At that time I was attending a gathering to commemorate the 30th anniversary of the enactment of legislation to permit the blind to operate vending stands on Federal and non-Federal locations.

An efficient system of modern airports is an indispensable factor in the continued economic growth of the United States, and is vital to our national security. More and more we depend on air transportation to meet the need for rapid movement of both people and material over long distances. It is obvious that without a sufficient number of strategically located airports this burgeoning need cannot be met.

In 1950, 14 percent of all passenger-miles traveled in intercity common carriage was provided by air. Ten years later, in 1960, aviation provided 52 percent of all passenger-miles traveled in intercity common carriage, with buses and rails sharing the remaining 48 percent. The increase recorded by the airlines during that decade was from 8 billion passenger-miles to over 60 billion passenger-miles.

These figures appeared in an informative article by Cole Morrow, Director of the Airport Service of the Federal Aviation Agency, in the June 1966 issue of American Road Builder magazine. Mr. Morrow is an authority in the overall field of aviation, particularly airport construction and its corollaries.

He wrote:

Let's take a look at another trend in our economy, while keeping the foregoing statistics in mind. Before World War II, about 9 out of every 10 of the new factories built were located in a metropolitan area. By 1962, 8 out of 10 new factories built were located in small, rural type areas.

Mr. President, it is a fact that industry is looking to outlying areas in the construction of new facilities, as Mr. Morrow indicates. This trend underscores the increased requirements for air transportation which have been felt. With airline passenger miles increasing at a rate of about 12 percent annually, and with approximately two-thirds of all airlines passengers traveling on business, it is evident that our marketplace is irrevokably tied to airports and air travel. The continuation and strengthening of programs carried on under provisions of the Federal Airport Act are of the utmost importance in maintaining and augmenting the prosperity which we know and the expansion which we are experiencing.

As a Member of the House of Representatives it was my responsibility to be an original sponsor of the Federal Airport Act, which was signed into law by President Harry S. Truman on May 13, 1946. It is encouraging to note the significant degree in which this legislation has helped to further the growth of the aviation industry and this Nation's social and economic expansion.

Since the program was inaugurated the combined capital outlay of Federal and sponsored funds for eligible items totaled $1.75 billion. Federal cash expenditures have amounted to more than $750 million. Allocations have been made to over 6,000 projects and more than 2,000 public airports in all parts of the United States.

West Virginia has shared in this progress. Today our State is served by six airlines—Allegheny, American, Eastern, Lake Central, Piedmont, United—and has a total of 54 airports, 15 of which are public. In the decade between 1950 and 1960, the number of commercial passengers originating at West Virginia airports more than doubled; scheduled and nonscheduled aircraft departures increased by one-third; and the mail, air express, and air freight tonnage totals were also doubled. This rapid rate of growth has continued to the present day, and we are expected to experience even sharper upturns in coming years.

Reliable figures indicate that last year 83 million persons made use of commercial airlines. By 1970 this figure is expected to increase some 30 percent to a total of 107 million.

Growth in private aviation will doubtless keep pace with commercial flying. The airlines fly approximately 3 million miles per year. General aviation, which is composed for the most part of private operators, logged about five times that figure.

Mr. President, I offer another quote from the excellent article by Cole Morrow, that "while all of us in aviation can be proud of our progress, we cannot afford to sit back and watch the potential contribution of our air transportation system being delayed by inadequate airport development."

I believe that the passage of S. 3096 is an indication that the Senate intends for the Federal aid to airports program to be continued as an effective stimulus to aviation. I commend the senior Senator from Oklahoma [Mr. MONRONEY] for his leadership in moving this legislation through the Senate, and assure him, and other colleagues active in this legislative program, of cooperative efforts.

Mr. MONRONEY. I want to express my appreciation to my distinguished colleague, Senator RANDOLPH, for his early and continuing support of this vital Federal-aid-to-airports program. He was one of the original sponsors of this legislation when he was a Member of the House. He has carried forward this enthusiasm as a constant and effective supporter of the program in the Senate in each of the several 3-year extensions that have been voted. The knowledgeable and loyal support of the distinguished Senator from West Virginia has helped immeasurably in keeping this program current and providing the necessary funds for general aviation airports as well as metropolitan airports. His constant encouragement of the program has greatly stimulated local interest and helped to generate the local matching funds provided by many of the communities of West Virginia.

THE FEDERAL AIRPORT PROGRAM IS EXTENDED: DESIRABLE AND NEEDED LEGISLATION

Mr. GRUENING. Mr. President, it is with gratification I take note of the passage by the Senate yesterday of S. 3096 which will extend the Federal Airport Act for an additional 3 years or until June 30, 1970. Federal assistance for airports in Alaska has contributed more benefits to the development of a modern transportation system in Alaska than any other form of transportation assistance extended by the Federal Government.

While the State of Alaska has suffered greatly because of discrimination against it in the allocation of Federal-aid highway funds and while it has been seriously hurt by high transportation costs imposed by water carriers, Alaska's system of air transportation has proved the one means of dependable access to communities within the State and to and from the other States of the Union.

Alaska is the flyingest State in the Union. The people of Alaska, per capita, fly more miles, own more planes, and are more completely dependent on air transportation than those of any other State. Measured by passenger miles or per capita flights, Alaskans fly about 30 to 40 times as much as citizens of the other States. With the least population of any State—less than 300,000, our State boasts more airports than any other with the exception of California and Texas.

While commercial air transportation connections were late in coming to Alaska—we had none until 1940, Alaska is now an important hub of international commercial and military aviation. Our international airport at Anchorage is a major intermediate point for over the pole flights to Europe and the Far East. It has become the air cross-way of the Northern Hemisphere linking its continents, Europe, North America, and Asia.

As I pointed out in the beginning of this statement, Alaska depends on air transportation to a greater degree than any other State for intrastate transportation.

In no respect is the contrast between Alaska and all the other States more marked than in surface transportation. Alaska entered the Union unique in that not merely a few but a majority of her communities are unconnected with any others by highway or railroad. By the same token, these isolated Alaska communities are unconnected with the continental highway system.

Perhaps nowhere in the other 49 States does there exist a community, no matter how small, to which it is not possible to drive in an automobile or ride in a train. The whole economy and civilization of 20th-century America is based on this free and ready access for goods and people. The very character of the American citizen is undoubtedly conditioned in an important way by the circumstance that, no matter where he lives, he can get in the family automobile and drive somewhere—to the nearest city, to the capital of his State or Nation.

In Alaska, five of the seven largest cities, including Juneau, the capital, have no road system which leads to any other place. A dozen cities with a population of 1,000 or more have neither road nor rail connection with any other city. In Alaska, there is but one railroad—the Government-owned Alaska Railroad which runs for 480 miles from Seward to Fairbanks. In terms of surface transportation, when Alaska entered the Union in 1959, it was in about the same situation as other States found themselves in 1950 before the construction of transcontinental railroads or a nationwide road network.

The reason for this state of affairs in the 49th State is not far to seek. It is owing to long-standing and almost totally unrelieved discrimination in the matter in which Federal highway programs have been enacted. Until 1956, Alaska was totally excluded from Federal aid highway legislation. From 1956 to 1961, Alaska was included, but on a sharply reduced basis. The State is still totally excluded from the interstate or throughway part of Federal programs—except that Alaska is included in the collection of excise taxes which support the interstate program. In view of this long history of lack of participation in national programs for the development of surface transportation, Alaskans welcome with special enthusiasm the helpful, progressive program of the Federal Aviation Agency which will be funded by the extension of the Federal Airport Act.

The national airport plan for 1965 shows the progress that lies ahead for even more efficient air transportation services in Alaska than we have experienced in the past. With the State of Alaska's participation from proceeds of its bonding program, 38 new airports will be constructed and important improvements will be made at nearly 100 of the extremely important local service airports of which Alaska has more than any other State.

I congratulate the administration and the members of the Senate Commerce Committee who have done such fine work in bringing the Federal Airport Act extension to the point at which it has passed the Senate, and to Senator MIKE MONRONEY, of Oklahoma, who has been a consistently vigorous supporter of our airways needs.

SCIENCE AND TECHNOLOGY DIFFERENTIATION—ADDRESS BY VICE ADM. H. G. RICKOVER, U.S. NAVY

Mr. AIKEN. Mr. President, on June 2, 1966, Vice Adm. H. G. Rickover, U.S. Navy, delivered an outstanding speech at the Athens Meeting of the Royal National Foundation in Athens, Greece.

In this speech Admiral Rickover takes notice of the benefits to humanity which are inherent in science, and also issues a warning of the dangers which are inherent in the misuse of technology.

I believe that this speech which differentiates so clearly between science and technology should be required reading.

I ask unanimous consent to have printed in the RECORD the speech by Vice Adm. H. G. Rickover, entitled "Liberty, Science, and Law."

Mr. FULBRIGHT. Mr. President, I am glad to join the distinguished Senator from Vermont in his comments on the address delivered by Admiral Rickover, entitled "Liberty, Science, and Law," and in his request to have the address printed in the RECORD.

Admiral Rickover is well known to the Members of this body, and to a much wider audience. I am sure that all will be interested in his statement at the Royal National Foundation in Athens, Greece. There is much to be learned from his remarks.

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

LIBERTY, SCIENCE AND LAW

(By Vice Adm. H. G. Rickover, U.S. Navy, at the Athens meeting of the Royal National Foundation, Athens, Greece, June 2, 1966)

I deeply appreciate your invitation to address this meeting. It is an honor and a moving experience—especially for an American—to speak here where the ancient Ecclesia had its seat, where men first practiced the difficult art of self-government, succeeding brilliantly for a time but failing in the end. My country, as you know, picked up the torch of liberty they had lighted and established the first representative democracy in modern times, even as Athens had established the first direct democracy in all history.

Twenty-four centuries separate these two great innovative acts in time, over five thousand miles in space. One took place in a small city-state possessing few material resources, the other in a huge country of great natural wealth. Yet there is a close inner link between them. They had the same objective. The principles they adopted to achieve their purpose were similar. Both sought to create—and did create—the political framework for a society of free men.

Even as Solon, Cleisthenes and Pericles before them, the framers of the American Constitution of 1789 were political thinkers, as well as experienced practical politicians. They drew upon Greek political theory and practice with which they were thoroughly familiar, adopting what had proved successful, ingeniously improving where the earlier structure had shown weakness. They were men of the Enlightenment, when classical rationalism sparked a new Age of Reason throughout the western world; when philosophers were inspired to mount an attack on every custom and institution that shackles the mind of man and arbitrarily restrains his actions—from superstition to class privilege, from tyranny by an established church to tyranny by a secular autocrat. The political institutions of all the nations of the free world today—beginning with my own—had their inception in the turmoil of that last phase of the Renaissance.

Western civilization is set apart from civilizations elsewhere, both past and present, by its dynamism, its extraordinary creativity, its intense preoccupation with things of the mind. All this started with the Renaissance. Not until modern western man rediscovered and retrieved his classical heritage did he begin to outstrip the rest of the world.

To borrow a Churchillian phrase, it can be said of Athens, of Greece in general, that never before or since did so few human beings leave so deep and lasting an imprint on so many others, differing in race and faith, distant in time and space from this cradle of western civilization. Their mark is on all our science, our art, architecture, literature, theater, and on our political thinking and practice as well. Here in this city, on this hill where I am privileged to stand, the Athenians proved that free men could govern themselves; that it was possible to live in a civilized society without having to relinquish personal freedom.

This was an epochal achievement. In all his long life on earth, man has had but brief moments of freedom. His own nature is the cause of the paradoxical situation that civilization and liberty are interdependent, yet at the same time antithetical. One cannot be had without the other, yet reconciling them remains to this day what it has always been—the most difficult political, social and economic problem.

Civilization and liberty are interdependent because basic to freedom is exercise of mind and spirit, of the faculties that set us apart from other living things and make us fully human. For this there must be a modicum of leisure which comes only with civilization, when men no longer need devote all their time and energy to appeasement of hunger and protection against the elements—as must the animals.

But release from endless toil for mere survival does not automatically set men free. Indeed, the very opportunity to cultivate mind and spirit which civilization opens to man lies at the root of the antithesis between civilization and liberty, for this opportunity is not seized to the same degree by everyone.

Always and everywhere, civilization results in much greater enlargement of the scope of human thought and action among the minority possessing high intelligence than among the majority of average people. Nature endows men with unequal capacities for acquiring knowledge and competence. More so in the realm of the intellect, which is all-important in civilized life, than in the realm of physical strength and courage, which counts most in primitive society. Men become, as it were, more unequal as civilization advances.

When life is simple, it can be understood by nearly everyone, and the competencies needed to function effectively are within the grasp of all. This makes for the rough equality of status that is so favorable to mutual respect of one another's personal liberties. There can be no freedom unless it is mutually conceded.

With civilization, life grows complex, harder to understand for ordinary people, demanding competencies many are unable to acquire. In understanding and competence, the gifted swiftly forge ahead. What they achieve is beyond the capacity of the average. The result is that men grow apart, their interests diverge. Society tends to divide into segments according to superiority of competence or superiority of numbers. The temptation is great for each segment to use the power its particular superiority confers to bend the whole of society to its will, thus putting an end to freedom.

The Athenians were first to devise a political system that preserved the citizen's liberty by counteracting the natural human inequalities which are the root cause of segmented power centers. So precise and clear was their thinking, that the basic principles of their system remain to this day the best protection of individual freedom. Government of the people, by the people and for the people was their great invention; political equality their crowning achievement. They inaugurated the reign of mind over force by providing for resolution of differences in point of view and interest through public dialogue leading to consensus, instead of by the exercise of power. Perhaps the most remarkable feature of their polity was that it engaged the continuous participation in public business of a large part of the citizenry—somewhere between one-fifth and one-fourth at any given time. It was obvious to them that only when the people are personally involved with their government will public officials be responsive to the popular will. Citizens who shunned public service were called idiotes and considered useless; in some cases, failure to do one's public duty resulted in loss of civil rights.

To quote Edith Hamilton, the American classicist who was made an honorary citizen of Athens, "the idea of the Athenian state was a union of individuals free to develop their own powers and live their own way, obedient only to the laws they passed themselves and could criticize and change at will." This is the political ideal that to western man spells liberty and that is rejected in toto by all autocracies, modern as well as ancient.

The Greeks, I think, understood better than most of us what it means to be free. In his play, *The Persians*, Aeschylus who fought at Marathon puts his finger unerringly on what distinguished free Greece from unfree Persia. He has the Queen of Persia ask about the Athenians: "Who is their master?" To which she received the answer, "they are not subject to any man"; they obey only the law. When she is told of her son's defeat, the Queen remarks: "Even if he fail, there is no law can call him to account." How better could one express the contrast between the protagonists in today's cold war?

Acton wrote that "power corrupts and absolute power corrupts absolutely." The Greeks penetrated more deeply and saw that power erodes man's reason. One senses cool contempt in Herodotus' report of the wrath of Xerxes when the bridge he ordered built across the Hellespont was torn apart in a storm. Straightway he "gave orders that the Hellespont should receive three hundred lashes, and that a pair of fetters should be cast into it," and he "commanded that the overseers of the work should lose their heads." Here stands revealed the totalitarian mind—the same today as in the past.

Liberty, never gained without enormous effort and sacrifice, is all too easily lost. Those who enslave their own people seem irresistibly driven to extinguish freedom everywhere. When we understand them, we are better prepared to ward off their aggression. More important still is awareness of the forces within free societies that endanger liberty. In both respects there is still much we can learn from the Athenians.

It seemed to me, therefore, that the setting here would be eminently suited to a discussion of certain developments in modern democracies that have an adverse effect upon the liberties of the individual and the social and moral values cherished by free men. The causative factor of this new threat to liberty is science and science-based technology.

This new science-technological threat is but the latest version of the age-old conflict between civilization and liberty—a conflict that has no permanent solution but reappears perennially in new form.

Liberty is never gained for once and for all. Each generation must win it anew. Each must defend it against new perils. These perils arise because men, being endowed with free will, continually alter the conditions of life. Countless decisions made in pursuit of private objectives may so transform society that institutional safeguards once adequately protecting human liberty become ineffective. It is then necessary to return to first principles and to adapt them to altered circumstances.

The title of my speech—"Liberty, Science and Law"—expresses my conviction that unless certain practices in the technological exploitation of scientific knowledge are re-

strained by law, they will cost us our liberties.

Science and technology are, of course, of immense benefit to man. They are so highly regarded that no one would, or for that matter could, prevent their spreading to areas that at present are retarded in this respect. But they may bring about changes in our physical environment of greatest potential danger. Certain technologies admittedly injure man, society and nature. Yet, even in countries where the people are sovereign and where they recognize the danger, efforts to bring these technologies under social control have had little success. Those who have the use of technology are powerful enough to prevent legal restraint, the main prop of their power being the esoteric character of modern science.

Much of it is incomprehensible even to intelligent and educated laymen. When scientific-technological consideration enters into public issues—as is often the case today—the issues cannot be understood by the electorate, frequently not even by the public officials who are directly concerned. There is then no recourse but to call on scientists for expert advice. In effect, the issue will be decided by them, yet they have not been elected, nor are they accountable to the people. What is left of self-government when public policy no longer reflects public consensus? And, when the public finds that it cannot judge and evaluate issues involving science, will it not become apathetic toward all public issues? Does this not spell the doom of self-government, hence of freedom for modern man? Though all the institutions established to safeguard his liberties may remain intact, the substance of freedom will have been lost.

By one of those ironies of fate beloved of Greek dramatists, this new threat to liberty has its source in the noblest Greek achievement, the freeing of the human mind to roam at will in pursuit of truth and knowledge. All things are to be examined and called into question, said the Greeks. Unless men understood the world in which they lived, and because of this understanding felt at home in it and could be useful citizens, they were not truly free. Never before or since was intellectual freedom valued so greatly. "All things were in chaos when mind arose and made order," said Anaxagoras, the mathematician and astronomer.

Everywhere else, the domain of the intellect was the special preserve of powerful priesthoods who jealously guarded their monopoly of knowledge. "To teach the people so that they would begin to think for themselves would destroy the surest prop of their power," wrote Edith Hamilton. "Ignorance was the foundation upon which the priest power rested." The legends of most people are replete with stories of divine punishment for trying to know more than was deemed proper—clear evidence of the determination of this priestly elite to discourage ordinary people from seeking knowledge. Not so in Greece. There curiosity and search for knowledge were held to please the gods, for through these the marvels of the gods were revealed to man. Wisdom and intelligence had their own protective deity—Athena.

When Renaissance man recovered his classical heritage, the most precious treasure he found was freedom of the mind. With his mental powers set free, it took him but three and a half centuries to build on foundations laid in classical Greece the whole magnificent edifice of modern science. No one could have foreseen that in its ultimate consequences the Scientific Revolution might diminish human liberty.

But it has brought us back full circle. Science—the vital area of knowledge today—is for most of us virtually a closed book; again it has become the monopoly of a small elite. This is not the fault of the scientists. Unlike ancient priesthoods, they have no wish to bar others from knowledge or to use to enslave the ignorant. Many scientists make strenuous efforts to explain science to the lay public. Nevertheless, we find ourselves in much the same position as the ancient Egyptians whose very lives depended on knowing when the waters of the Nile would rise and fall—knowledge possessed by their priesthood alone.

As in the past, it is not the knowledge gap per se that is most detrimental to freedom, not the fact that the majority cannot follow scholars into the realm of higher mathematics and science; rather it is the effect ignorance of science has on public attitudes toward science and science-based technology. The impact of technology, in particular, on the individual and on society at large is profoundly affected by prevailing concepts of what technology is and what purpose it should serve.

If people understood that technology is the creation of man, therefore subject to human control, they would demand that it be used to produce maximum benefit and do minimum harm to individuals and to the values that make for civilized living. Unfortunately, there is a tendency in contemporary thinking to ascribe to technology a momentum of its own, placing it beyond human direction or restraint—a tendency more pronounced in some countries but observable wherever there is rapid technological progress.

It manifests itself in such absurd statements as that technology demands some action the speaker favors, or that "you can't stop progress." Personalizing abstractions is a favorite means of semantic misdirection; it gives an air of authority to dubious statements. Most people are easily pressured by purveyors of technology into permitting so-called progress to alter their lives, without attempting to control it—as if they had to submit meekly to whatever is technically feasible. If they reflected, they would discover that not everything hailed as progress contributes to happiness; that the new is not always better, nor the old always outdated.

The notion is also widespread—doubtless fostered by users of technology—that, having wrought vast changes in the material conditions of life, technology perforce renders obsolete traditional concepts of ethics and morals, as well as accustomed ways of arranging political and social relationships. Earnest debates are currently taking place whether it is possible to act morally in the new technological society, and proposals have been made—quite seriously—that science must now replace traditional ethics! We have here a confusion that must be cleared up.

Through technology we are relieved of much brutal, exhausting, physical labor as well as boring routine work; we are provided with numerous mechanical servants who do certain kinds of work faster, cheaper and more efficiently than people. Why should the ease and affluence technology makes possible affect moral precepts that have guided western men for ages? This may brand me as old-fashioned but I have not yet found occasion to discard a single principle that was accepted in the America of my youth.

Technology is tools, techniques, procedures, things; the artifacts fashioned by modern industrial man to increase his powers of mind and body. Marvelous as they are, let us not be overawed by these artifacts. Certainly they do not dictate how we should use them nor, by their mere existence, do they authorize actions that were not anteriorly lawful. We alone bear responsibility for our technology. In this, as in all our actions, we are bound by the principles governing human behavior in our society.

Does it make sense to abandon principles one has lived by because he has acquired better tools? Tools are for utilizing the external resources at our disposal; principles are for marshaling our inner, our human resources. Tools enable us to alter our physical environment; principles serve to order our personal life and our relations with others. The two have nothing to do with each other.

This should be obvious, but erroneous concepts of science and technology abound because people tend to confuse the two. Not only in popular thinking but even among the well-informed, science and technology are not always clearly distinguished. Characteristics pertaining to science are frequently attributed to technology, even as science itself is confounded with ethics.

Science has to do with discovering the true facts and relationships of observable phenomena in nature, and with establishing theories that serve to organize masses of verified data concerning these facts and relationships. By boring into the secrets of nature, scientists discover keys that unlock powerful forces which can be made to serve man. It is through technology that these forces are then put to human use.

Science is a body of systematized knowledge; technology is the apparatus through which knowledge is put to practical use. The difference is important.

Because of the care scientists take to verify the facts supporting their theories, and their readiness to alter theories when new facts prove them imperfect, science has acquired great authority. What the scientific community accepts as proven is not questioned by the public. No one disputes that the earth circles the sun, or that atomic fission produces energy.

Technology cannot claim the authority of science and is therefore properly a subject of debate, not alone by experts but by the public as well. Little thought is customarily given to the possibility of harmful after effects by those responsible for technological exploitation of scientific knowledge. In consequence, technology has proved anything but infallibly beneficial. Indeed, much damage has been done because no thought was given to the interaction of technology with nature. More of this presently.

A certain ruthlessness is encouraged, in the mistaken belief that to disregard human considerations is as necessary in technology as it is in science. The analogy is false.

Rigorous exclusion of the human factor is required by the methods of science. These were developed to serve the needs of scientists, whose sole interest is to comprehend the universe; to know the truth; to know it accurately and with certainty. The searcher for truth cannot pay attention to his own or other people's likes and dislikes, or to popular ideas of the fitness of things. What he discovers may shock or anger people—as did Darwin's theory of evolution. But even an unpleasant truth is worth having; besides one can choose not to believe it. Science, being pure thought, harms no one.

Technology, on the other hand, is action, often potentially dangerous action. Never has man possessed such enormous power to injure his fellow humans and his society as has been put into his hands by modern technology. This is why technology can have no legitimate purpose but to serve man—man in general, not merely some men; future generations, not merely those who currently wish to gain advantage for themselves; man in the totality of his humanity, encompassing all his manifold interests and needs, not merely some one particular concern. Technology is not an end in itself; it is a means to an end, the end being determined by man himself in accordance with the laws prevailing in his society.

A word may be in order concerning the disparate meaning of the term *law*, depending on whether it is used in the ordinary sense—which is also the original sense of the word—or by scientists.

Law, as commonly understood, refers to those rules of human conduct prescribed and enforced by society. Its purpose is to resolve human conflicts by the application of definitive rules. These rules are always debatable and can be changed when there is demand for a change.

The scientists have appropriated the term law to describe regularities exhibited by physical phenomena—the rules by which the universe governs itself. In the transition, the word has taken on a new meaning.

From the layman's point of view, what the scientists calls law is fact, rather than law—immutable fact. Or, if you prefer, it is law operating in a sphere where human beings can exercise no influence. We cannot alter the laws of the cosmos; we can only discover them. A law of science expresses mechanical regularity where no choice of action, no free will comes into play; it deals with constancy of behavior in nature. It has relevance for us because it makes the universe comprehensible and so enables us to utilize the forces of nature for human purposes.

We are bound by the laws that science has disclosed when we exploit these forces by means of technology. Likewise we are bound by the man-made laws of our society, for our actions affect fellow human beings. Technology straddles, as it were, the law of the universe and the law of man; it is subject to both.

Much confusion in popular thinking arises from this fact. The two laws are confounded. Or, to put it differently, they are thought to be part of a single system of law so that one or the other must perforce take precedence.

Ever since scientists discovered that the earth is not the center of the universe, as had been maintained by the highest human authorities, we have been learning painfully that the laws of nature cannot be overturned by human fiat. It has taken a long time to attain this rational attitude; we are now conscious of the consequences of intolerance in the past. Perhaps this is why we are so tolerant toward those who claim the right to use technology as they see fit, and who treat every attempt by society to regulate such use in the public interest as if it were a modern repetition of the persecution of Galileo!

The right to be protected by law against injurious action by others is basic to civilized society. Yet, opponents of legislation intended to restrain use of potentially dangerous technologies are often able to prevent or delay enactment of such laws by playing upon the layman's respect for science. It is their common practice to argue as if at issue were a law of science when, in fact, what is being considered is not science but the advisability or legality of the technological exploitation of a scientific discovery. The public would not be deceived by such arguments if it clearly understood the fundamental difference between science—which is knowledge—and technology—which is action based on knowledge.

To guard against being misled, one should cultivate an attitude of skepticism whenever the word science is used. Is it science that is being discussed or is it technology? If technology, the question at once arises whether the proposed action is legally permissible and socially desirable. These are matters that lie outside the domain of science. Just as the law of the cosmos cannot be overturned by human fiat, so is human law supreme within its own proper sphere of operation. Technology must therefore conform to that most basic of all human laws, the maxim of the "mutuality of liberty," the principle that one man's liberty of action ends where it would injure another. Without this maxim, freedom would be a barren privilege.

Whether or not a particular technology has harmful potentialities should not be decided unilaterally by those who use it. For the user, destructive technologies are often highly profitable. He is, therefore, an interested party to the conflict between private and public interest that every potentially harmful technology poses. Nearly always he is also a practical man.

I think one can fairly say that the practical man's approach to a new scientific discovery and its technological exploitation is short-range and private, concerned with ways to put scientific discoveries to use in the most economic and efficient manner. Rarely will he give thought to the long-range and public consequences of his actions, that is, to the effects that a new technology may have on people, on the Nation, on the world, on present and future generations.

To illustrate the disastrous consequences of a narrow practical approach, let me give some examples of technological damage to our natural environment.

Carelessly emitted, the waste products of new technologies create a massive problem of soil, water and air pollution. We may be permanently damaging the atmosphere by changing its chemical composition. New products, profitable to manufacturers and useful to consumers, are often themselves intractable pollutants. For instance, detergents which unlike soap do not dissolve in water, or pesticides and weed killers which, carelessly applied, will poison soil, crops, birds, animals, fish and eventually man.

Other technologies enable man to alter the very contours of the land—as with new strip mining machinery. Because it cuts the cost of extraction, such machinery is used in some places. Huge chunks of earth and rock with their topsoil and vegetation are gouged out, changing fertile country into a desolute lunarscape—a land robbed not only of its irreplaceable mineral wealth but of its fertility as well.

Man now has the means to slaughter all the wild animals on earth and he is well on his way of doing so. Consider what has been done to the vast riches of the seas.

With modern techniques, deep-sea fishing is so efficient that a few enterprises could rapidly sweep the oceans free of commercial fish. And this is what fishermen of all nationalities wish to do. As practical men they have no other interest than to use the latest technology that will increase their catch, preserve it and get it to market as speedily as possible.

We witness at the moment the end of one of the saddest cases of misuse of technology by greedy fishing interests. Unless these interests are curbed by truly effective international action, the great whales—the blue, the finback, the sperm—will soon disappear, victims of man's "practical" folly.

These and other whales once populated the high seas in immense numbers. For hundreds of years whaling remained a reasonably fair contest between man and the intelligent, swift-moving mammals he hunted. Modern technology has turned it into brutal genocide. Blindly pursuing what they doubtless consider an eminently practical objective—maximum profit today—the whalers are wiping out the very resources that could insure them a profit tomorrow.

In April of this year Japanese ships had to return home after only three of the normal five months at sea because they could find no whales.

Practical considerations aside, is anyone justified in using technology to exterminate a species that has existed on this earth for eons—the largest animal the world has ever seen? Are we certain our descendants may not at some future time have need of these mammals?

How we use technology profoundly affects the shape of our society. In the brief span of time—a century or so—that we have had a science-based technology, what use have we made of it? We have multiplied inordinately, wasted irreplaceable fuels and minerals and perpetrated incalculable and irreversible ecological damage. On the strength of our knowledge of nature, we have set ourselves above nature. We presume to change the natural environment for all the living creatures on this earth. Do we, who are transients on this earth and not overly wise, really believe we have the right to upset the order of nature, an order established by a power higher than man?

These are complicated matters for ordinary citizens to evaluate and decide. How in future to make wiser use of technology is perhaps the paramount public issue facing the electorates of industrial countries. It will tax their mental resources and challenge their political acumen. Certain measures suggest themselves:

Experience shows that by itself, the legal maxim of "the mutuality of liberty" will not prevent commitment to technologies that may later prove harmful. The maxim must be implemented by preventive public action—action of the kind that has long been operative in the field of public health. There is need for laws requiring that before a particular technology may be used, reliable tests must have been made to prove it will be useful and safe. A few such laws have been enacted; more are needed.

I suggest that, as a special public service, lawyers take on the task of working for better protection against technological injury. This is a new and fruitful area in which they could make important contributions to human welfare—an area which requires no revolutionary change in the political or economic structure of society, merely greater precision and fuller implementation of the traditional principle that injuring the health or causing the death of human beings is unlawful. The term health should not be limited to physical health but should include psychic health and protection of the human personality as well. New technologies based on the uncertain "science" of the social sciences involve snooping into the inner recesses of the human mind, personality testing and pseudo-scientific manipulation of human beings. When they are imposed as conditions of employment or otherwise partake of an element of compulsion, these technologies should be regulated or outlawed entirely.

Much more thought should be given to technological interference with the balance of nature and its consequences for man, present and future. There is need of wider recognition that government has as much a duty to protect the land, the air, the water, the natural environment against technological damage, as it has to protect the country against foreign enemies and the individual against criminals. Conversely, that every citizen is duty bound to make an effort to understand how technology operates, what are its possibilities, its limitations, its potential dangers. The leisure modern technology makes available to ever larger numbers of citizens could not be better spent than in a determined effort to narrow the knowledge gap between those who understand science and technology and those who do not.

Since law and public opinion always lag behind the swift development of new technologies, there is need for more informed and responsible thinking among those who control technologies. This might be achieved by professionalizing the decision-making process in technology. Experience has shown that in the hands of professional persons technology is managed with greater concern for human welfare than when it is controlled, as at present, by nonprofessionals. The classic example is medicine.

Of all technologies, that of the physician has benefited human beings most and harmed them least. The stringent standards

set by the profession and by society for the education and professional conduct of physicians accounts for this happy circumstance. Not only is no one permitted to practice who has not given proof of his competence, but physicians must also be broadly, liberally, humanistically educated men and women. This gives them perspective in evaluating their professional actions, an ability to see these actions against a humanistic background. Moreover, they operate under a code of ethics which requires them to place the needs of patients above all other considerations—a code incorporated twenty-five centuries ago in the Oath of Hippocrates, an oath still taken by young men and women embarking on a medical career.

To Greece we owe the noble idea that special knowledge and skill ought to be used to benefit man, rather than for personal aggrandizement or power, or as a means of extracting maximum gain from those in need of the services of men possessing special expertise. This concept of a trusteeship of knowledge could well be applied to all whose knowledge of science and technology surpasses that of the lay public, as it now is to physicians and surgeons. I have long advocated that engineering pattern itself after medicine and law, thus becoming a truly "learned" profession. It has, I believe, attained that status in some countries, though not in mine.

These are my suggestions; others may have better ones to offer. What seems to me of utmost importance is that we never for a moment forget that a free society centers on man. It gives paramount consideration to human rights, interests and needs. Society ceases to be free if a pattern of life develops where technology, not man, becomes central to its purpose. We must not permit this to happen lest the human liberties for which mankind has fought, at so great a cost of effort and sacrifice, will be extinguished.

NOMINATION OF ROSEL H. HYDE TO BE A MEMBER OF THE FEDERAL COMMUNICATIONS COMMISSION

Mr. DIRKSEN. Mr. President, I commend the President for sending to the Senate the nomination of Rosel H. Hyde to be reappointed to the Federal Communications Commission, and I presume with the understanding and perhaps the suggestion that he will be serving as chairman of that Commission.

Commissioner Hyde is serving the third consecutive term as a member of the Commission. He has been associated with the Federal Communications Commission since its creation in 1934, which means that he has been identified with this agency for a period of 32 years. He was first appointed as a Commissioner in 1946, and at different times has served as the Commission chairman, as vice chairman, and as acting chairman.

I have known the Commissioner almost from the time I first went to the House of Representatives in the early thirties. He has been a very capable, competent, and skilled servant of the public.

Along with that, he has plowed a very straight furrow, indeed.

One cannot say too much for a man who has given his all to the public.

I think that Rosel Hyde will stand out as one of the outstanding men serving in the regulatory services of the Federal Government.

I ask unanimous consent to have printed in the RECORD a biographical sketch of Rosel H. Hyde.

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

BIOGRAPHICAL SKETCH OF ROSEL H. HYDE, COMMISSIONER, FEDERAL COMMUNICATIONS COMMISSION

Commissioner Rosel H. Hyde is serving his third consecutive term as a member of the Federal Communications Commission. Associated with the FCC since the latter's creation in 1934, he was first appointed a Commissioner in 1946, and, at different times, has served as Commission Chairman, Vice Chairman, and Acting Chairman.

Commissioner Hyde was named Commission Chairman by President Eisenhower on April 18, 1953, for a period of one year. On April 19, 1954, he was designated by the Commission to act as Chairman pending Presidential action, and served in that capacity until October 4, 1954.

First appointed to the Commission in 1946, Commissioner Hyde was renominated and confirmed in 1952 and 1959 for seven-year terms. From March 6, 1952, until his appointment as Chairman, he had been Vice Chairman of the Commission.

Commissioner Hyde is a Republican and a legal resident of Bannock County, Idaho, where he was born April 12, 1900. He attended the Utah Agriculture College (1920–1921) and George Washington University (1924–1929).

In 1924, he entered Government service, through competitive Civil Service examination, as a member of the staff of the Civil Service Commission. He was on the staff of the Office of Public Buildings and Parks from 1925 to 1928. In the latter year he became an Assistant Attorney with the Federal Radio Commission and continued to serve with its successor, the Federal Communications Commission.

He has held legal positions of varying degrees of responsibility with the latter Commission, beginning with that of Assistant Attorney and continuing progressively through those of Associate Attorney, Attorney, Attorney Examiner, Senior Attorney, Principal Attorney, Assistant General Counsel, and General Counsel. He occupied the latter position when first appointed to be a member of the Commission.

During his career in federal regulation of electrical communication, he has participated in many hearings on individual cases, as well as in studies and proceedings relating to the development of radio and the expansion of its services. These include the first general frequency allocation proceedings of the Federal Radio Commission in 1928, the frequency allocation hearings conducted by the Federal Communications Commission in 1935, the network investigation of 1938, proceedings which resulted in the inauguration of regular FM and TV broadcasting in 1941, and the general TV proceedings of 1949–1952 which contributed to further improvements and extension of television service.

Commissioner Hyde is Chairman of the Federal Communications Commission Telephone and Telegraph Committees. He has served as Chairman of these two committees since 1954. He is a Member of the Executive Committee of the National Association of Railroad and Utilities Commissioners (NARUC). On June 27, 1961, he was designated Chairman of the Committee on Compliance and Enforcement Proceedings of the Administrative Conference of the United States.

Commissioner Hyde has also been identified with various international telecommunications conferences. He was a member of the United States delegation to the Third Inter-American Telecommunications Conference at Rio de Janeiro in 1945; Chairman of the United States delegation to the Third North American Regional Broadcasting Conference in 1949–1950, and Chairman of the United States delegations which negotiated the 1957 broadcasting agreement between the United States and Mexico. He was Vice Chairman of U.S. Delegation, Plenipotentiary Conference of International Telecommunication Union, Geneva, Switzerland, 1959. He was U.S. Observer to the Second International Meeting on the Submarine Cable Plan for South Asia and the Far East at Tokyo, March 23–25, 1964.**

On September 3, 1924, he married the former Mary Henderson of Arimo, Idaho. They have four children—Rosel Henderson, George Richard, William Henderson and Mary Lynn Hyde.

Commissioner Hyde is a member of the Church of Jesus Christ of Latter-Day Saints. A member of the Bar of the District of Columbia since 1928, he was admitted to practice before the Supreme Court of the United States in 1945. He also holds membership in the Federal Bar Association.

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

Mr. DIRKSEN. I yield.

Mr. PASTORE. Mr. President, I wish to associate myself with the remarks made by our distinguished minority leader in reference to Mr. Hyde.

It has been my privilege to have been the chairman of the Subcommittee on Communications for a number of years. I have had very close contact and many relationships with Mr. Hyde. I have found him a very dedicated and devoted public servant.

Mr. JAVITS. Mr. President, will the Senator yield to me so that I may join in the remarks being made?

Mr. DIRKSEN. I yield.

Mr. JAVITS. Mr. President, I admire Rosel H. Hyde greatly. I join Senators in the many fine tributes which have been paid to him.

Mr. MOSS. Mr. President, I wish to join with the Senator from Illinois [Mr. DIRKSEN] in his remarks about Rosel Hyde.

I have known Rosel Hyde for more than 30 years. I have admired him greatly. Our association has been rather close.

During the period of time that he served in the Federal Communications Commission, and when he was an employee of the Commission, before he became a Commissioner, he rendered devoted and dedicated service. He certainly deserves the recognition that has now come to him if he is chosen to be the Chairman of the Commission.

ORDER OF BUSINESS

Mr. JAVITS and Mr. CARLSON addressed the Chair.

Mr. JAVITS. Mr. President, I shall need 5 minutes and the Senator from Kansas [Mr. CARLSON] may need a shorter time. I ask unanimous consent that I may be recognized immediately after the vote in the morning hour.

The PRESIDING OFFICER (Mr. HARRIS in the chair). Without objection, it is so ordered.

Mr. CARLSON. Mr. President, I thank the distinguished Senator from New York.

**Vice Chairman of International Telecommunication Union Plenipotentiary Conference, Montreux, Switzerland, Sept. 14, 1965–November 12, 1965.

TRIBUTE TO ENVIRONMENTAL SCIENCE SERVICES ADMINISTRATION'S WEATHER BUREAU

Mr. CARLSON. Mr. President, on June 8 the most devastating single tornado ever to strike the United States tore through the heart of Topeka, Kans., cutting a path of almost total destruction along a swath 8 miles long and about four blocks wide.

Seventeen people lost their lives in this terrible storm which caused an estimated $100 million in damages.

But when we consider that the tornado raked the downtown business section of a city with a population of 125,000 residents, 17 fatalities seems a remarkably low figure.

There is no doubt that early and accurate warnings issued by the Weather Bureau gave the citizens of Topeka the time in which to seek shelter.

Some 8 hours before the tornado struck Topeka at 7:15 p.m., the area had been alerted to the likelihood of such a storm through a Weather Bureau "tornado watch" issued at 11 that morning.

When the tornado was actually identified on the outskirts of the city at 7:02 p.m., a "tornado warning" was issued giving the people of Topeka from 13 to 28 precious minutes to clear the streets and protect themselves.

Mr. President, I believe the employees of the Environmental Science Services Administration's Weather Bureau—both at the National Severe Storms Center at Kansas City, Mo., where all tornado forecasting for the United States is done, and at the Weather Bureau Airport Station at Topeka where the progress of the June 8 tornado was communicated to the public—are to be commended for a job well done during a time when mere minutes spelled the difference between life and death.

Mr. President, I ask unanimous consent that two articles which appeared in the Topeka Daily Capital, a report from the ESSA Weather Bureau in regard to statistics on this storm, and a statement by Richard Garnett, be printed in the RECORD.

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

[From the Topeka (Kans.) Daily Capital, June 11, 1966]

PRECAUTIONS CUT TORNADO'S DEATHS

Richard Garrett, meteorologist with the U.S. Weather Bureau today credited a long-range educational program with saving many lives when the tornado funnel rampaged through Topeka Wednesday evening.

"This tornado went through the heart of a city of 100,000. We've had 16 deaths, several hundred injuries and utter destruction," he said. "But the fact that we've not had more deaths and more injuries can be ascribed to a tornado education program that's been carried on for the last 15 years."

ALARMS HELPED

Garrett said warnings sounded by sirens as the funnel approached the city probably saved many lives.

Garrett said the Weather Bureau, assisted by public agencies and local communications media, was greatly responsible for this program.

"We've had warning plans for Topeka," he said. "And I'm confident a great many people profited from this when they heard the sirens. Many had been following preliminary storm developments and had made preliminary preparations when the storm hit Manhattan and they realized it could hit Topeka.

WEATHER BUREAU LEAD

"The Weather Bureau has been spearheading this drive for 15 years and always asked the help of everybody else," he said. "Civil Defense, state agencies and the newspaper were most helpful in educating people. Of course, the television and radio stations are the most effective means of getting the warning out on short notice."

Garrett said the Weather Bureau contemplated some changes in its storm alert system as a result of the tornado. "But this is normal," he said. "We always make changes and improvements after every storm."

[From the Topeka (Kans.) Sunday Capital-Journal, June 12, 1966]

LIVES LOST—AND MANY SAVED

The loss of 17 lives in Wednesday night's storm is appalling. Some were powerless to help themselves as the storm struck savagely. But the cost in lives would have been greater if Kansans had not been properly schooled in what to do in case of a tornado warning.

One of the leaders in this public educational campaign was the late S. D. (Frosty) Flora, widely known Kansas weatherman for many years and a nationally known authority on tornadoes.

He and his successors were aided by newsmen and broadcasters, drumming it home that when a tornado alert was given, people should take certain precautions, depending on their whereabouts at the time.

Flora's advice has been published many times but it is of great interest still. He wrote, in his book, "Climate of Kansas," as follows:

"The best refuge when a tornado is seen approaching is to get underground. The outdoor caves so often constructed adjacent to Kansas farm homes for the storage of fruits and vegetables, furnish excellent protection for persons who reach them. The southwest corner of the basement of a frame house is usually safe, as tornadoes commonly move from the southwest and debris is ordinarily carried to the opposite side of the basement. The most advisable thing to do for a person caught in the open when one of these storms is close is to lie down, preferably in a low place. To remain erect is to invite injury by flying debris or being blown away.

"For a person caught in the business section of a city, the chances of escape becomes largely a matter of luck.

"In that case, probably the safest place is the lower hallway of a substantial building, well away from on side doors or windows, and crouching against a partition which might support the weight of collapsing walls and floors."

This advice served many in good stead last Wednesday night. It will in future times when a tornado alert is on.

Wednesday night's storm, incidently, was following pretty close to pattern time-wise. "Frosty" Flora wrote that the period of most frequent occurrence for tornadoes was between 5 p.m. and 7 p.m.. The Topeka alert Wednesday night came a few minutes past 7 o'clock.

[From the Weather Bureau, Topeka, Kans., June 13, 1966]

SOME STATISTICS ON THE TOPEKA TORNADO OF JUNE 8, 1966

1. Warnings released 7:02 p.m. coincident with radar identification of tornado and simultaneous receipt of three individual visual sightings. Organized storm watchers had been alerted and were at their posts well before the tornado formed.

2. Tornado entered city at 7:15 p.m. giving 13 to 28 minutes' leadtime for city residents, but there was less warning time for rural residents southwest of the city.

3. Almost total destruction along an eight mile long and about a four block wide swath through the heart of the city of Topeka.

4. Preliminary damage estimates are in excess of 100 million dollars. This may well be the highest dollar damage of record for a single tornado as distinct from multiple or family type tornado outbreaks.

5. Red Cross estimates as of June 12th:

Deaths, 17.

Injuries, approximately 550.

Peak hospitalization figure, 85; now reduced to about 65.

Families affected, including apartment dwellers, 2,540.

Dwellings destroyed, 800.

Dwellings, major damage, 810.

Dwellings, minor damage, 400.

6. All major structures on Washburn University campus damaged and several will be a total loss.

7. Heavy damage—central business district with one 10-story building gutted.

8. Warnings timely and very effective. Comments indicate that major proportion of the 125 thousand city residents sought best available shelter. Small death toll as related to huge property damage across this heavily populated area indicative of effectiveness of warning and preplanning programs.

9. Meteorological statistics.

A. Length of damage path, 22 miles.

B. Width of damage path, one-quarter to one-half mile.

C. Direction of movement, southwest to northeast.

D. Forward speed, variable 30 to 35 m.p.h.

E. Path of extreme winds where hard core of funnel touched ground clearly discernible as a dark streak across open fields and pastures when viewed from the air. Streak and associated extreme winds measured as 670 feet wide in alfalfa stubble at municipal airport at northeast edge of city and estimated as 500 to 1,000 feet wide in open areas southwest of city.

F. Lowest barometric pressure at 7:30 p.m., 28.09 inches station elevation which reduces to 28.98 inches sea level. Barometer was 290 feet from left or northwest edge of extreme wind streak.

G. Fastest mile of wind recorded, 72 m.p.h. Wind measuring equipment was 280 feet from right or southeast edge of extreme wind streak. Wind instruments damaged by debris so figure given can be regarded as only a minimum indication of the actual maximum wind at that spot.

To News Media and Residents of Topeka and Adjoining Areas:

The foregoing statistical report on the June 8th Topeka tornado has been released for national distribution through Weather Bureau channels.

In addition I wish to express for the Weather Bureau our sincere appreciation for the cooperation and help rendered to the Weather Bureau by numerous individuals and organizations both prior to and during the storm.

The storm watchers deserve special commendation. This applies to the organized Vest and Kaw Valley radio groups. To the police agencies and to numerous individuals who were at their posts and ready to report the approach or development of a dangerous storm. These people have undertaken a dangerous public service mission. Sometimes it is a lonely and tedious job. They have spent many an evening on the outskirts of the city or beyond waiting out the approach of a storm. They deserve our heartiest thanks.

Radio and television stations are to be commended for the great public service they performed in keeping the public informed of what is happening in critical weather situations. The Weather Bureau is extremely ap-

preciative in recognizing the important public service radio and TV plays in disseminating our product.

It is also desired to acknowledge the cooperation of the civil defense organizations in developing community storm warning plans and renewing such plans each year. Newspapers and again radio and TV have given much space and time in publicizing storm preparedness planning. These efforts produced large dividends in the recent tornado. The small number of deaths can be largely attributed to public awareness of tornado safety measures.

Finally I wish to express my personal commendation to the Weather Bureau staff who remained at their post of duty without adequate shelter in order to provide information to the public while the hard core of the funnel passed within 100 yards of the Weather Bureau office.

RICHARD GARRETT.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to consider executive business, for the purpose of considering the four Executives B, C, D, and H on the Executive Calendar.

The motion was agreed to; and the Senate proceed to the consideration of executive business.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

SUPPLEMENTARY INCOME TAX CONVENTION WITH THE NETHERLANDS; SUPPLEMENTARY TAX PROTOCOL WITH THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND; PROTOCOL WITH THE UNITED MEXICAN STATES; AND AMENDMENTS TO ARTICLES 17 AND 18 OF THE CONVENTION OF THE INTERGOVERMENTAL MARITIME CONSULTATIVE ORGANIZATION

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate Executives B, C, H and D of the 89th Congress.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the four Executives B, C, D, and H of the 89th Congress on the executive calendar on which there will be a single vote, to be set out separately in the RECORD for each.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, do I correctly understand that these treaties have all been unanimously reported by the committee?

Mr. MANSFIELD. The Senator is correct. Explanations were placed in the RECORD yesterday.

Mr. DIRKSEN. I thank the Senator from Montana.

There being no objection, the Senate, as in the Committee of the Whole, proceeded to consider Executives B, C, D, and H of the 89th Congress, the supplementary income tax convention with the Netherlands; the supplementary tax protocol with the United Kingdom of Great Britain and Northern Ireland; the protocol with the United Mexican States; and the amendments to articles 17 and 18 of the convention of the Intergovernmental Maritime Consultative Organization, which were read the second time.

EXECUTIVE B—SUPPLEMENTARY CONVENTION MODIFYING AND SUPPLEMENTING THE CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF THE NETHERLANDS WITH RESPECT TO TAXES ON INCOME AND CERTAIN OTHER TAXES, SIGNED AT WASHINGTON ON APRIL 29, 1948

The Government of the United States of America and the Government of the Kingdom of the Netherlands, desiring to conclude a Supplementary Convention modifying and supplementing the Convention between the United States of America and the Kingdom of the Netherlands with respect to taxes on income and certain other taxes, signed at Washington on April 29, 1948, have appointed for that purpose as their respective Plenipotentiaries:

The Government of the United States of America: Dean Rusk, Secretary of State of the United States of America,

And the Government of the Kingdom of the Netherlands: Carl W. A. Schurmann, Ambassador Extraordinary and Plenipotentiary of the Kingdom of the Netherlands at Washington,

who, having communicated to each other their full powers, found in good and due form, have agreed as follows:

Article II(1)(a) of the Convention shall be deleted and replaced by the following:

"(a) The term 'United States' means the United States of America, and when used in the geographical sense means the States thereof and the District of Columbia."

Article II(1)(i) of the Convention shall be deleted and replaced by the following:

"(i)(A) The term 'permanent establishment' means a fixed place of business in which the business of an enterprise of one of the Contracting States is wholly or partly carried on.

"(B) A permanent establishment shall include especially:

"(i) a branch;

"(ii) an office;

"(iii) a sales outlet;

"(iv) a factory;

"(v) a workshop;

"(vi) a mine, quarry or other place of extraction of natural resources;

"(vii) a building site or construction or assembly project which exists for more than twelve months.

"(C) Notwithstanding sub-paragraph (i)(A) of this paragraph a permanent establishment shall not be deemed to include one or more of the following activities:

"(i) the use of facilities for the purpose of storage, display, or delivery of goods or merchandise belonging to the enterprise;

"(ii) the maintenance of a stock of goods or merchandise belonging to the enterprise for the purpose of storage, display, or delivery;

"(iii) the maintenance of a stock of goods or merchandise belonging to the enterprise for the purpose of processing by another enterprise;

"(iv) the maintenance of a fixed place of business for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise;

"(v) the maintenance of a fixed place of business for the purpose of advertising, for the supply of information, for scientific research or for similar activities, if they have a preparatory or auxiliary character for the enterprise.

"(D) Even if an enterprise of one of the Contracting States does not have a permanent establishment in the other State under sub-paragraph (i)(A) to (C) of this paragraph, nevertheless it shall be deemed to have a permanent establishment in the latter State if it is engaged in trade or business in that State through an agent who has an authority to conclude contracts in the name of the enterprise and regularly exercises that authority in that State, unless the exercise of authority is limited to the purchase of goods or merchandise for the account of the enterprise.

"(E) An enterprise of one of the Contracting States shall not be deemed to have a permanent establishment in the other State merely because it is engaged in trade or business in that other State through a broker, general commission agent or any other agent of an independent status, where such persons are acting in the ordinary course of their business.

"(F) The fact that a resident or a corporation of one of the Contracting States controls, is controlled by, or is under common control with:

"(i) a corporation of the other State or

"(ii) a corporation which engages in trade or business in that other State (whether through a permanent establishment or otherwise)

shall not be taken into account in determining whether such resident or corporation has a permanent establishment in that other State."

ARTICLE II

Article III of the Convention shall be deleted and replaced by the following:

"ARTICLE III

"(1) Industrial or commercial profits of an enterprise of one of the Contracting States shall be exempt from tax by the other State unless the enterprise has a permanent establishment in such other State. If the enterprise has such a permanent establishment, tax may be imposed by such other State on the industrial or commercial profits of the enterprise, but only on so much of them as are attributable to the permanent establishment or are derived within such other State from sales of goods or merchandise of the same kind as those sold, or from other business transactions of the same kind as those effected, through the permanent establishment.

"(2) Where an enterprise of one of the Contracting States has a permanent establishment in the other State, there shall in each Contracting State be attributed to such permanent establishment the industrial or commercial profits which it might be expected to derive if it were an independent enterprise engaged in the same or similar activities under the same or similar conditions and dealing at arm's length with the enterprise of which it is a permanent establishment. Where the enterprise, in addition to the profits derived through the permanent establishment, derives other profits of the kind referred to in paragraph (1), such other profits shall be treated as if they were derived through the permanent establishment.

"(3) In determining the industrial or commercial profits of an enterprise of one of the Contracting States which are taxable in the other State in accordance with paragraphs (1) and (2), there shall be allowed as deductions all expenses, wherever incurred, which are reasonably connected with the profits so taxable, including executive and general administrative expenses.

"(4) No profits shall be attributed to a permanent establishment merely by reason of the purchase by that permanent establishment or by the enterprise itself, of goods or merchandise for the account of the enterprise.

"(5) The term 'industrial or commercial profits' means income derived from the active conduct of a trade or business, but does not include income dealt with in Article VII (dividends), Article VIII (interest), Article IX (royalties), Articles V and X (income from real property and natural resources), Article XI (capital gains) and Article XVI (personal services), other than income described in Articles VII, paragraph 3, VIII, paragraph 2, IX, paragraph 3 and XI, paragraph 2. The term 'industrial or commercial profits' includes profits derived by an enterprise from the furnishing of services of employees or other personnel."

ARTICLE III

Article IV of the Convention shall be deleted and replaced by the following:

"ARTICLE IV

"(1) Where a resident or corporation of a Contracting State and any other person are related and where such related persons make arrangements or impose conditions between themselves which are different from those which would be made between independent persons, then any income which, but for those arrangements or conditions, would have accrued to such resident or corporation, may be included in the income of such resident or corporation for purposes of the present Convention and taxed accordingly.

"(2)(a) A person other than a corporation is related to a corporation if such person participates directly or indirectly in the management, control or capital of the corporation.

"(b) A corporation is related to another corporation if either participates directly or indirectly in the management, control, or capital of the other, or if any person or persons participate directly or indirectly in the management, control or capital of both corporations."

ARTICLE IV

Article V of the Convention shall be deleted and replaced by the following:

"ARTICLE V

"Income from real property (including gains derived from the sale of such property, but not including interest from mortgages or bonds secured by real property) and royalties from the operation of mines, quarries, or other natural resources may be taxed in the Contracting State in which such property is situated."

ARTICLE V

Article VII of the Convention shall be deleted and replaced by the following:

"ARTICLE VII

"(1) Dividends paid by a corporation of one of the Contracting States to a resident or corporation of the other Contracting State shall be taxed as follows in the former State:

"(a) at a rate not exceeding 15 percent of the gross amount actually distributed; or

"(b) at a rate not exceeding 5 percent of the gross amount actually distributed, if during the part of the paying corporation's taxable year which precedes the date of payment of the dividend and the whole of its prior taxable year (if any), the recipient is a corporation owning at least 25 percent of the voting stock of the paying corporation, either alone or in combination with another corporation of such other States, provided each recipient corporation owned at least 10 percent of such voting stock.

"(2) The rules of subparagraph (b) shall not apply if more than 25 percent of the gross income of the paying corporation for such prior taxable year (if any) consisted of interest and dividends (other than interest derived in the conduct of a banking, insurance or financing business and dividends or interest received from subsidiary corporations, 50 percent or more of the voting stock of which was owned by the paying corporation at the time such dividends or interest were received).

"(3) Paragraph (1) of this Article shall not apply if the recipient of the dividends has a permanent establishment in the former Contracting State and the shares with respect to which the dividends are paid are effectively connected with the permanent establishment. In such a case, the provisions of Article III shall apply."

ARTICLE VI

Article VIII of the Convention shall be deleted and replaced by the following:

"ARTICLE VIII

"(1) Interest on bonds, notes, debentures, securities, deposits or any other form of indebtedness (including interest from mortgages or bonds secured by real property) paid to a resident or corporation of one of the Contracting States shall be exempt from tax by the other Contracting State.

"(2) Paragraph (1) of this Article shall not apply if the recipient of the interest has a permanent establishment in the other Contracting State and the indebtedness giving rise to the interest is effectively connected with the permanent establishment. In such a case, the provisions of Article III shall apply.

"(3) Where any interest paid by a person to a related person, as defined in Article IV, exceeds a fair and reasonable consideration in respect of the indebtedness for which it is paid, paragraph (1) of this Article shall apply only to so much of the interest as represents such fair and reasonable consideration; the excess payment shall be characterized and taxed according to the laws of each Contracting State, including the provisions of this Convention where applicable."

ARTICLE VII

Article IX of the Convention shall be deleted and replaced by the following:

"ARTICLE IX

"(1) Royalties paid to a resident or corporation of one of the Contracting States shall be exempt from tax by the other Contracting State.

"(2) For the purposes of this Article, the term 'royalties' means any royalties, rentals or other amounts paid as consideration for the use of, or the right to use:

"(a) copyrights, artistic or scientific works, patents, designs, plans, secret processes or formulae, trademarks, motion picture films, films or tapes for radio or television broadcasting, or other like property or rights, or

"(b) information concerning industrial, commercial or scientific knowledge, experience or skill.

"(3) Paragraph (1) of this Article shall not apply if the recipient of the royalties has a permanent establishment in the other Contracting State and the right or property giving rise to the royalties is effectively connected with the permanent establishment. In such a case, the provisions of Article III shall apply.

"(4) Where any royalty paid by a person to a related person, as defined in Article IV, exceeds a fair and reasonable consideration in respect of the rights for which it is paid, paragraph (1) of this Article shall apply only to so much of the royalty as represents such fair and reasonable consideration; the excess payment shall be characterized and taxed according to the laws of each Contracting State, including the provisions of this Convention where applicable."

ARTICLE VII

Article XI of the Convention shall be deleted and replaced by the following:

"ARTICLE XI

"(1) Gains derived by a resident or corporation of one of the Contracting States from the alienation of a capital asset (other than gain from the alienation of real property to which Article V applies) shall be exempt from tax by the other Contracting State.

"(2) If such resident or corporation has a permanent establishment in the other Contracting State, paragraph (1) of this Article shall not apply to gains derived by such resident or corporation from the alienation of a capital asset which is effectively connected with the permanent establishment. In such a case, the provisions of Article III shall apply.

"(3) Paragraph (1) of this Article shall not apply if:

"(a) the person deriving the gain is an individual who is a resident of the Netherlands and who is present in the United States for a period of 183 days or more during the taxable year, and

"(b) the asset alienated was held by such person for six months or less.

"(4) Paragraph (1) of this Article does not affect the right of the Netherlands to levy, according to its own law, a tax on the gains derived from the alienation of shares, or 'jouissance' shares, in a Netherlands joint stock corporation, by an individual who is a resident of the United States and who at the time of alienation:

"(a) is a Netherlands citizen,

"(b) has, at any time during the five-year period preceding such alienation, been a resident of the Netherlands, and

"(c) owns, either alone or together with his close relatives, at least 25 percent of the voting stock of such corporation."

ARTICLE VIII A

Article XV(1) of the Convention shall be deleted and replaced by the following:

"(1) Wages, salaries and similar compensation and pensions, annuities or similar benefits paid by, or out of funds created by, one of the Contracting States or the political subdivisions thereof to an individual who is a citizen of that Contracting State for services rendered to that Contracting State or to any of its political subdivisions in the discharge of governmental functions shall be exempt from tax by the other Contracting State."

ARTICLE IX

Article XVI of the Convention shall be deleted and replaced by the following:

"ARTICLE XVI

"(1) An individual who is a resident of one of the Contracting States shall be exempt from tax by the other Contracting State with respect to income from personal services if—

"(a) he is present within the latter Contracting State for a period or periods not exceeding in the aggregate 183 days during the taxable year, and

"(b) in the case of employment income—

"(i) such individual is an employee of a resident or corporation of a State other than the latter Contracting State or of a permanent establishment of a resident or corporation of the latter Contracting State located outside the latter Contracting State, and

"(ii) such income is not deducted as such in computing the profits of a permanent establishment in the latter Contracting State.

"(2) For purposes of paragraph (1), the term 'income from personal services' includes employment income and income earned by an individual from the performance of personal services in an independent capacity. The term 'employment income' includes income from services performed by officers and directors of corporations, but does not include income from personal services performed by partners."

ARTICLE X

Article XVII of the Convention shall be deleted and replaced by the following:

"ARTICLE XVII

"(1) An individual who is a resident of one of the Contracting States at the beginning of

his visit to the other Contracting State and who, at the invitation of the Government of the other Contracting State or of a university or other accredited educational institution situated in the other Contracting State, visits the other Contracting State for the primary purpose of teaching or engaging in research, or both, at a university or other accredited educational institution shall be exempt from tax by the other Contracting State on his income from personal services for teaching or research at such educational institution, or at other such institutions, for a period not exceeding two years from the date of his arrival in the other Contracting State.

"(2) This Article shall not apply to income from research if such research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons."

ARTICLE XI

Article XVIII of the Convention shall be deleted and replaced by the following:

"ARTICLE XVIII

"(1)(a) An individual who is a resident of one of the Contracting States at the beginning of his visit to the other Contracting State and who is temporarily present in the other Contracting State for the primary purpose of:

"(i) studying at a university or other accredited educational institution in that other Contracting State or otherwise engaging in research of an educational nature, or

"(ii) securing training required to qualify him to practice a profession or professional specialty,

shall be exempt from tax by that other Contracting State with respect to:

"(A) gifts from abroad for the purpose of his maintenance, education, study, research or training;

"(B) a grant, allowance, or award by a government, educational institution, or nonprofit organization; and

"(C) income from personal services performed in the other Contracting State in an amount not in excess of $2,000 (in the case of services performed in the United States) or 3,600 guilders (in the case of services performed in the Netherlands) for any taxable year.

"(b) The benefits under this paragraph shall only extend for such period of time as may be reasonably or customarily required to effectuate the purpose of the visit, but in no event shall any individual have the benefits of this paragraph for more than five taxable years.

"(2) A resident of one of the Contracting States who is present in the other Contracting State as an employee of, or under contract with, a resident or corporation of the former State, for the primary purpose of:

"(i) acquiring technical, professional, or business experience from a person other than that resident or corporation of the former State or a corporation 50 percent or more of the voting stock of which is owned by such corporation of the former State, or

"(ii) studying at a university or other accredited educational institution in that other Contracting State,

shall be exempt from tax by that other Contracting State for one taxable year with respect to his income from personal services in an amount not in excess of $5,000 (in the case of services performed in the United States) or 18,000 guilders (in the case of services performed in the Netherlands)."

ARTICLE XII

Article XIX of the Convention shall be deleted and replaced by the following:

"ARTICLE XIX

"(1) Notwithstanding any provisions of the present Convention (other than paragraph (1) of Article XV when applicable in the case of an individual who is deemed by each Contracting State to be a citizen thereof), each of the two Contracting States, in determining the taxes, including all surtaxes, of its citizens or residents or corporations, may include in the basis upon which such taxes are imposed all items of income taxable under its own revenue laws as though this Convention had not come into effect.

"(2) The United States shall allow to a citizen, resident or corporation of the United States as a credit against its tax specified in subparagraph (1)(a) of Article I the appropriate amount of taxes paid to the Netherlands. Such appropriate amount shall be based upon the amount of tax paid to the Netherlands on income from sources within the Netherlands but shall not exceed that proportion of the United States tax which taxable income from sources within the Netherlands bears to the entire taxable income. For purposes of this paragraph, taxable income shall be computed without any deduction for personal exemptions. It is agreed that, by virtue of the provisions of paragraph (3) of this Article, the Netherlands has satisfied the similar credit requirement of the Internal Revenue Code with respect to taxes paid to the Netherlands.

"(3) As far as may be in accordance with the provisions of Netherlands law, the Netherlands agrees to allow a deduction from Netherlands tax with respect to income from sources within the United States, in order to take into account the Federal income taxes paid to the United States, whether paid directly by the taxpayer or by withholding at the source. In addition, the Netherlands shall allow a deduction from the Netherlands tax, determined in conformity with paragraph (1), with respect to dividends received from a United States corporation by a resident or corporation of the Netherlands. The amount of this deduction shall be the lesser of the following:

"(a) an amount equal to 15 percent of the dividends; or

"(b) an amount that is the same proportion of the Netherlands tax, determined in conformity with paragraph (1) of this Article, as the amount of the dividends bears to the income which forms the basis for the determination of the Netherlands tax."

ARTICLE XIII

Article XXIV of the Convention shall be deleted and replaced by the following:

"ARTICLE XXIV

"(1) Where a taxpayer shows proof that the action of the tax authorities of the Contracting States has resulted or will result in taxation not in accordance with the provisions of the present Convention, he shall be entitled to present his case to the State of which he is a citizen or a resident, or, if the taxpayer is a corporation of one of the Contracting States, to that State.

"(2) Should the taxpayer's claim be deemed worthy of consideration, the competent authority of the State to which the claim is made shall endeavour to come to an agreement with the competent authority of the other State with a view to avoidance of taxation not in accordance with the provisions of the present Convention. In particular, the competent authorities of the Contracting States may consult together to endeavour to agree:

"(a) to the same attribution of industrial or commercial profits to a permanent establishment situated in one of the States of an enterprise of the other State, or

"(b) to the same allocation of profits between related enterprises as provided for in Article IV.

In the event that the competent authorities reach such an agreement taxes shall be imposed, and refund or credit of taxes shall be allowed, by the Contracting States on such income in accordance with such agreement. If the taxpayer does not accept such agreement, the preceding sentence shall not be construed to deny a taxpayer the right to appeal to the courts the decision reached in such agreement.

"(3) The competent authorities of the Contracting States may communicate with each other directly to implement the provisions of the present Convention. Should any difficulty or doubt arise as to the interpretation or application of the present Convention, the competent authorities shall endeavour to settle the question as quickly as possible by mutual agreement."

ARTICLE XIV

Article XXV (2) and (3) of the Convention shall be deleted and replaced by the following:

"(2) A citizen of one of the Contracting States who is a resident of the other Contracting State shall not be subjected in that other Contracting State to more burdensome taxes than is a citizen of that other Contracting State who is a resident thereof.

"(3) A permanent establishment which a citizen or corporation of one of the Contracting States has in the other Contracting State shall not be subjected in that other Contracting State to move burdensome taxes than is a citizen or corporation of that other Contracting State carrying on the same activities. This paragraph shall not be construed as obliging either Contracting State to grant to citizens of the other Contracting State who are not residents of the former Contracting State any personal allowances or deductions which are by its law available only to residents of that former Contracting State.

"(4) A corporation of one of the Contracting States, the capital of which is wholly or partly owned by one or more citizens or corporations of the other Contracting State, shall not be subjected in the former Contracting State to more burdensome taxes than is a corporation of the former Contracting State, the capital of which is wholly owned by one or more citizens or corporations of that former Contracting State.

"(5) As used in paragraphs 2, 3 and 4 of this Article the term 'taxes' means taxes of every kind and whether imposed at the national, state or local level."

ARTICLE XV

As respects the Kingdom of the Netherlands the Supplementary Convention shall only apply to the part of the Kingdom of the Netherlands that is situated in Europe.

ARTICLE XVI

(1) The present Supplementary Convention shall be ratified and the instruments of ratification shall be exchanged at The Hague as soon as possible.

(2) The present Supplementary Convention shall come into force on the date of the exchange of instruments of ratification and, except as provided in paragraph (3), the articles shall have effect for taxable years beginning on or after the first day of January in the year following the year in which such exchange takes place.

(3) Article VII shall have effect with respect to dividends paid beginning on the day after the date of exchange of instruments of ratification except that the rules of Article VII of the Convention of April 29, 1948, shall continue to apply for a period of two years beginning on the date of exchange of instruments of ratification of this Supplementary Convention with respect to dividends paid to—

(a) a United States corporation or organization operated exclusively for a religious, charitable, scientific, educational or public purpose which is exempt from tax in the United States, or

(b) a trust created or organized in the United States and forming part of a stock bonus, pension, or profit sharing plan of an employer for the exclusive benefit of his employees or their beneficiaries which is exempt

from tax in the United States, if such corporation, organization, or trust owned on April 30, 1965, the shares with respect to which such dividends are paid.

In witness whereof the above-mentioned Plenipotentiaries have signed this Supplementary Convention.

Done at Washington, in duplicate, in the English and Dutch languages, the two texts having equal authenticity, this 30th day of December, 1965.

For the Government of the United States of America:

DEAN RUSK.

For the Government of the Kingdom of the Netherlands:

CARL W. A. SCHURMANN.

The PRESIDING OFFICER. If there be no objection, the Executive B will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification.

The resolution of ratification of Executive B will now be read.

The resolutions of ratification of Executive B was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the supplementary convention, signed at Washington on December 30, 1965, modifying and supplementing the convention between the United States of America and the Kingdom of the Netherlands with respect to taxes on income and certain other taxes signed at Washington on April 29, 1948, as modified by supplementary protocols of 1955 and 1963 (Executive B, Eighty-ninth Congress, second session).

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. BASS], the Senator from Maryland [Mr. BREWSTER], the Senator from Hawaii [Mr. INOUYE], the Senator from Washton [Mr. MAGNUSON], the Senator from Wisconsin [Mr. NELSON], the Senator from Ohio [Mr. LAUSCHE], are absent on official business.

I also announce that the Senator from West Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Maine [Mr. MUSKIE], the Senator from South Carolina [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN], are necessarily absent.

I further announce that, if present and voting, the Senator from Maryland [Mr. BREWSTER], the Senator from Connecticut [Mr. DODD], the Senator from Hawaii [Mr. INOUYE], the Senator from Maine [Mr. MUSKIE], the Senator from Wisconsin [Mr. NELSON], and the Senator from Florida [Mr. SMATHERS], would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] and the Senator from Iowa [Mr. MILLER] are absent on official business.

The Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. PROUTY] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

If present and voting, the Senator from California [Mr. KUCHEL], the Senator from Iowa [Mr. MILLER], the Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. PROUTY], and the Senator from Wyoming [Mr. SIMPSON] would each vote "yea."

The yeas and nays resulted—yeas 83, nays 0, as follows:

[Ex. No. 99]

YEAS—83

Aiken	Griffin	Morse
Allott	Gruening	Morton
Anderson	Harris	Moss
Bartlett	Hart	Murphy
Bayh	Hartke	Neuberger
Bennett	Hayden	Pastore
Bible	Hickenlooper	Pearson
Boggs	Hill	Pell
Burdick	Holland	Proxmire
Byrd, Va.	Hruska	Randolph
Cannon	Jackson	Ribicoff
Carlson	Javits	Robertson
Case	Jordan, N.C.	Russell, Ga.
Church	Jordan, Idaho	Saltonstall
Clark	Kennedy, Mass.	Scott
Cooper	Kennedy, N.Y.	Smith
Cotton	Long, Mo.	Stennis
Curtis	Long, La.	Symington
Dirksen	Mansfield	Talmadge
Dominick	McCarthy	Thurmond
Douglas	McClellan	Tower
Eastland	McGee	Tydings
Ellender	McGovern	Williams, N.J.
Ervin	McIntyre	Williams, Del.
Fannin	Metcalf	Yarborough
Fong	Mondale	Young, N. Dak.
Fulbright	Monroney	Young, Ohio
Gore	Montoya	

NAYS—0

NOT VOTING—17

Bass	Lausche	Prouty
Brewster	Magnuson	Russell, S.C.
Byrd, W. Va.	Miller	Simpson
Dodd	Mundt	Smathers
Inouye	Muskie	Sparkman
Kuchel	Nelson	

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

EXECUTIVE C—SUPPLEMENTARY TAX PROTOCOL WITH THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Supplementary protocol between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland, amending the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income, signed at Washington on the 16th April, 1945, as modified by the supplementary protocol signed at Washington on the 6th June, 1946, the 25th May, 1954, and the 19th August, 1957

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland;

Desiring to conclude a further Protocol amending the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed at Washington on the 16th April, 1945, as modified by the Supplementary Protocol signed at Washington on the 6th June, 1946, by the Supplementary Protocol signed at Washington on the 25th May, 1954, and the Supplementary Protocol signed at Washington on the 19th August, 1957 (hereinafter referred to as "the Convention");

Have agreed as follows:

ARTICLE 1

Article I of the Convention shall be deleted and replaced by the following:

"ARTICLE I

"(1) The taxes which are the subject of the present Convention are:

"(*a*) In the case of the United States of America: The Federal income taxes, including surtaxes (hereinafter referred to as 'United States tax');

"(*b*) In the case of the United Kingdom of Great Britain and Northern Ireland: The income tax (including surtax), the corporation tax, and the capital gains tax (hereinafter referred to as 'United Kingdom tax').

"(2) The present Convention shall also apply to any other taxes of a substantially similar character imposed by either Contracting Party subsequent to the date of signature of the present Convention or by the government of any territory to which the present Convention is extended under Article XXII."

ARTICLE 2

The following new paragraph shall be added at the end of Article II of the Convention:

"(4) Where under Articles VI, VII and VIII of the present Convention income from a source in one of the territories is relieved from tax in that territory, and, under the law in force in the other territory and individual, in respect of the said income, is subject to tax by reference to the amount thereof which is remitted to or received in that other territory and not by reference to the full amount thereof, then the relief to be allowed under those Articles of the present Convention in the first-mentioned territory shall apply only to so much of the income as is remitted to or received in the other territory."

ARTICLE 3

Article III of the Convention shall be deleted and replaced by the following:

"ARTICLE III

"(1) Industrial or commercial profits of an enterprise of one of the Contracting Parties shall be exempt from tax by the other Party unless the enterprise is engaged in trade or business in the territory of such other Party through a permanent establishment situated therein. If such enterprise is so engaged, tax may be imposed by such other Party on the industrial or commercial profits of the enterprise but only on so much of them as are directly or indirectly attributable to the permanent establishment.

"(2) Where an enterprise of one of the Contracting Parties is engaged in trade or business in the territory of the other Contracting Party through a permanent establishment situated therein, there shall be attributed to such permanent establishment the industrial or commercial profits which it might be expected to derive if it were an independent enterprise engaged in the same or similar activities under the same or similar conditions and dealing at arm's length with the enterprise of which it is a permanent establishment.

"(3) In determining the industrial or commercial profits of an enterprise of one of the Contracting Parties which are taxable in the territory of the other Contracting Party in accordance with paragraphs (1) and (2), there shall be allowed as deductions all expenses (including executive and general administrative expenses) which would be deductible if the permanent establishment were an independent enterprise and which are reasonably connected with the profits so taxable, whether incurred in the territory of the Contracting Party in which the permanent establishment is situated or elsewhere.

"(4) No profits shall be deemed to be derived by an enterprise of either Contracting Party merely by reason of the purchase of goods or merchandise by a permanent establishment of the enterprise, or by the enterprise itself, for the account of the enterprise.

"(5) The term 'industrial or commercial profits' means income derived by an enterprise from the active conduct of a trade or business, including income derived by an enterprise from the furnishing of services of employees or other personnel, but does not

include income dealt with in Article VI, excluding paragraphs (4) and (5) (dividends), Article VII, excluding paragraph (3) (interest), Article VIII, excluding paragraph (3) (royalties), and Article XIV, excluding paragraph (3) (capital gains) nor does it include income received by an individual as compensation for personal (including professional) services."

ARTICLE 4

Article VI of the Convention having been terminated by notice given on the 30th June, 1965, under paragraph (3) of that Article, the following new Article shall be inserted in place thereof:

"ARTICLE VI

"(1) The rate of United States tax on dividends beneficially owned by a resident of the United Kingdom which are derived by such a resident from a United States corporation, or are otherwise treated as being from sources within the United States shall not exceed 15 per cent of the gross amount of the dividends.

"(2) The rate of United Kingdom tax on dividends beneficially owned by a resident of the United States which are derived by such a resident from a corporation which is a resident of the United Kingdom, or are otherwise treated as being from sources within the United Kingdom, shall not exceed 15 per cent of the gross amount of the dividends.

"(3) Subject to the provisions of paragraph (5) of Article VII and of paragraph (4) of Article VIII of the present Convention:

"(*a*) The term 'dividends' in the case of the United Kingdom includes any item which under the law of the United Kingdom is treated as a distribution of a company except that this term does not include any redeemable share capital or security issued by a corporation in respect of shares in the corporation otherwise than wholly for new consideration, or such part of any redeemable share capital or security so issued as is not properly referable to new consideration.

"(*b*) The term 'dividends' in the case of the United States includes any item which under the law of the United States is treated as a distribution out of earnings and profits.

"(4) The provisions of paragraph (1) of this Article shall not apply if the recipient of the dividends, being a resident of the United Kingdom and not a corporation, has in the United States a permanent establishment and the holding giving rise to the dividends is effectively connected with such permanent establishment.

"(5) The provisions of paragraph (2) of this Article shall not apply if the recipient of the dividends, being a resident of the United States, has in the United Kingdom a permanent establishment and the holding giving rise to the dividends is effectively connected with a trade carried on through such permanent establishment and, in the case of a corporation, the trade is such that a profit on the sale of the holding would be a trading receipt.

"(6) Either of the Contracting Parties may terminate this Article by giving written notice of termination to the other Contracting Party, through diplomatic channels, on or before the thirtieth day of June in any year after the year 1965, and in such event paragraph (1) of this Article shall cease to be effective as to United States tax on and after the first day of January, and paragraph (2) of this Article shall cease to be effective as to United Kingdom tax on and after the sixth day of April, in the year next following that in which such notice is given."

ARTICLE 5

Article VII of the Convention shall be deleted and replaced by the following:

"ARTICLE VII

"(1) Interest (on bonds, securities, debentures, or on any other form of indebtedness) derived and beneficially owned by a resident of the United Kingdom shall be exempt from tax by the United States.

"(2) Interest (on bonds, securities, debentures, or on any other form of indebtedness) derived and beneficially owned by a resident of the United States shall be exempt from tax by the United Kingdom.

"(3) Paragraphs (1) and (2) of this Article shall not apply if the recipient of the interest, being a resident of the territory of one of the Contracting Parties, has in the territory of the other Contracting Party a permanent establishment and the indebtedness giving rise to the interest is effectively connected with such permanent establishment.

"(4) Subject to paragraph (5) of this Article, the provisions of paragraphs (1) and (2) of this Article shall not apply to any payment of interest which under the law of either Contracting Party is treated as a distribution.

"(5) Any provision in the law of either Contracting Party relating only to interest paid to a non-resident corporation shall not operate so as to require such interest paid to a resident of the other Contracting Party to be treated as a distribution by the corporation paying such interest. The preceding sentence shall not apply to interest paid to a corporation of one Contracting Party in which more than 50 per cent of the voting power is controlled, directly or indirectly, by a person or persons resident in the territory of the other Contracting Party.

"(6) Where, owing to a special relationship between the payer and the recipient, or between both of them and some other person, the amount of the interest paid exceeds the amount which would have been agreed upon by the payer and recipient in the absence of such relationship, the provisions of this Article shall only apply to the last-mentioned amount."

ARTICLE 6

The following new Article shall be inserted immediately after Article VII of the Convention:

"ARTICLE VII A

"Neither Article VI nor Article VII of the present Convention shall apply if the recipient of the dividend or interest is exempt from tax on such income in the territory of the Contracting Party in which it is resident, and either—

"(*a*) in the case of a dividend to which Article VI applies, such recipient owns 10 per cent or more of the class of shares in respect of which the dividend is paid and the dividend is paid in such circumstances that, if the recipient were a resident of the United Kingdom exempt from United Kingdom tax, the exemption would be limited or removed; or

"(*b*) in the case of interest to which Article VII applies, such recipient sells (or makes a contract to sell) the holding from which such interest is derived within three months of the date such recipient acquired such holding."

ARTICLE 7

Article VIII of the Convention shall be deleted and replaced by the following:

"ARTICLE VIII

"(1) Royalties derived and benefically owned by a resident of the United Kingdom shall be exempt from tax by the United States.

"(2) Royalties derived and benefically owned by a resident of the United States shall be exempt from tax by the United Kingdom.

"(3) Paragraphs (1) and (2) of this Article shall not apply if the recipient of the royalty, being a resident of the territory of one of the Contracting Parties, has in the territory of the other Contracting Party a permanent establishment and the right or property giving rise to the royalties is effectively connected with such permanent establishment.

"(4) Royalties paid by a corporation of one Contracting Party to a resident of the other Contracting Party shall not be treated as a distribution by such corporation. The preceding sentence shall not apply to royalties paid to a corporation of one Contracting Party where (*a*) the same persons participate directly or indirectly in the management or control of the corporation paying the royalties and the corporation deriving the royalties, and (*b*) more than 50 per cent of the voting power in the corporation deriving the royalties is controlled, directly or indirectly, by a person or persons resident in the territory of the other Contracting Party.

"(5) The term 'royalties' as used in this Article:

"(*a*) means any royalties, rentals or other amounts paid as consideration for the use of, or the right to use, copyrights of literary, artistic or scientific works (including motion picture films, or films or tapes for radio or television broadcasting), patents, designs or models, plans, secret processes or formulae, trade-marks or other like property or rights, or for industrial, commercial or scientific equipment, or for knowledge, experience or skill (know-how), and

"(*b*) shall include gains derived from the sale or exchange of any right or property giving rise to such royalties.

"(6) Where, owing to a special relationship between the payer and the recipient, or between both of them and some other person, the amount of the royalties paid exceeds the amount which would have been agreed upon by the payer and the recipient in the absence of such relationship, the provisions of this Article shall only apply to the last-mentioned amount."

ARTICLE 8

Article IX of the Convention shall be deleted and replaced by the following:

"ARTICLE IX

"(1) The rate of United States tax on royalties in respect of the operation of mines or quarries or of other extraction of natural resources, and on rentals from real property or from an interest in such property, derived from sources within the United States by a resident of the United Kingdom who is subject to United Kingdom tax with respect to such royalties or rentals and not engaged in trade or business in the United States, shall not exceed 15 per cent: Provided that any such resident may elect from any taxable year to be subject to United States tax on such income on a net basis as if such resident were engaged in trade or business in the United States.

"(2) Royalties in respect of the operation of mines or quarries or of other extraction of natural resources, and rentals from real property or from an interest in such propety, derived from sources within the United Kingdom by an individual who is (*a*) a resident of the United States, (*b*) subject to United States tax with respect to such royalties and rentals, and (*c*) not engaged in trade or business in the United Kingdom, shall be exempt from United Kingdom surtax."

ARTICLE 9

Article XIII of the Convention shall be deleted and replaced by the following:

"ARTICLE XIII

"(1) The United States, in determining United States tax in the case of its citizens, residents or corporations may, regardless of any other provision of this Convention, include in the basis upon which such tax is imposed all items of income taxable under the revenue laws of the United States as if this Convention had not come into effect. Subject to the provisions of the law of the United States regarding the allowance as a

credit against United States tax of tax payable in a territory outside the United States (which shall not affect the general principle hereof), the United States shall, however, allow to a citizen, resident or corporation, as a credit against its taxes, the appropriate amount of United Kingdom income tax paid and, in the case of a United States corporation owning at least 10 per cent of the voting power of a corporation resident in the United Kingdom, shall allow credit for the appropriate amount of United Kingdom tax paid by the corporation paying such dividend with respect to the profits out of which such dividend is paid, if the recipient of such dividend includes in its gross income for the purposes of United States tax the amount of such United Kingdom tax. For this purpose, the recipient of any interest or royalty paid by an individual who is resident in the United Kingdom and the recipient of any dividend paid by a corporation which is resident in the United Kingdom shall be considered to have paid the United Kingdom income tax legally deducted from such interest, royalty or dividend payment by the person by or through whom payment thereof is made (to the extent that it is a tax chargeable in accordance with the present Convention) if such recipient elects to include in his gross income for purposes of United States tax the amount of such United Kingdom tax. The appropriate amount of United Kingdom tax which shall be allowed as a credit under this paragraph shall be based upon the amount of United Kingdom tax paid but shall not exceed that portion of the United States tax which net income from sources within the United Kingdom bears to the entire net income.

"(2) Subject to the provisions of the law of the United Kingdom regarding the allowance as a credit against United Kingdom tax of tax payable in a territory outside the United Kingdom (which shall not affect the general principle hereof),

"(*a*) United States tax payable under the laws of the United States and in accordance with the present Convention, whether directly or by deduction, on profits, income or chargeable gains from sources within the United States (excluding, in the case of a dividend, tax payable in respect of the profits out of which the dividend is paid) shall be allowed as a credit against any United Kingdom tax computed by reference to the same profits, income or chargeable gains by reference to which the United States tax is computed;

"(*b*) In the case of a dividend paid by a company which is a resident of the United States to a company which is resident in the United Kingdom and which controls directly or indirectly at least 10 per cent of the voting power in the United States company, the credit shall take into account (in addition to any United States tax creditable under (*a*)) the United States tax payable by the company in respect of the profits out of which such dividend is paid.

"(3) For the purposes of this Article, compensation, profits, emoluments and other remuneration for personal (including professional) services shall be deemed to be income from sources within the territory of the Contracting Party where such services are performed.

"(4) With respect to dividends paid prior to the 6th April, 1966, the United States, in allowing credit in accordance with the terms of paragraph (1) of Article XIII as in effect prior to the amendments made thereto by the Supplementary Protocol signed at London on the , 1966 to a recipient of a dividend from a corporation which is resident in the United Kingdom, shall continue, to the same extent as prior to the 6th April, 1964, to treat as the United Kingdom tax appropriate to such dividend, the United Kingdom income tax which the person paying such dividend is required to deduct from such dividend except that there shall not be considered to be any United Kingdom tax appropriate to a dividend with respect to which a United States corporation claims, under Section 902 of the Internal Revenue Code, credit for taxes paid or deemed to be paid by the corporation paying such dividend if, and to the extent that, under the applicable provisions of the Internal Revenue Code such dividend is considered paid out of profits of a financial year of the corporation paying such dividend to which the United Kingdom corporation tax applies."

ARTICLE 10

Article XIV of the Convention shall be deleted and replaced by the following:

"ARTICLE XIV

"(1) A resident of the United Kingdom shall be exempt from United States tax on gains from the sale or exchange of capital assets.

"(2) A resident of the United States shall be exempt from United Kingdom tax on chargeable gains accruing to him on the disposal of assets.

"(3) Paragraph (1) or paragraph (2) of this Article shall not apply if the person deriving the gain has a permanent establishment in the United States, for purposes of paragraph (1), or the United Kingdom, for purposes of paragraph (2) and the gain is derived from an asset which is effectively connected with such permanent establishment.

"(4) Paragraph (1) of this Article shall not apply if the person deriving the gain is an individual who is a resident of the United Kingdom and who is present in the United States for a period equal to or exceeding an aggregate of 183 days during the taxable year."

ARTICLE 11

Article XV of the Convention shall be deleted and replaced by the following:

"ARTICLE XV

"Dividends and interest paid by a corporation of one Contracting Party shall be exempt from tax by the other Contracting Party except where the recipient is a citizen, resident, or corporation of that other Contracting Party. This exemption shall not apply if the corporation paying such dividend or interest is a resident of the other Contracting Party."

ARTICLE 12

The following new Article shall be inserted immediately after Article XVI of the Convention:

"ARTICLE XVI A

"In determining for the purpose of United Kingdom tax whether a company is a close company, the term 'recognized stock exchange' shall include any exchange registered with the Securities and Exchange Commission of the United States as a national securities exchange."

ARTICLE 13

The following new Article shall be inserted immediately after Article XIX of the Convention:

"ARTICLE XIX A

"(1) Each of the Contracting Parties will endeavour to collect on behalf of the other Contracting Party, such amounts as may be necessary to ensure that relief granted by the present Convention from taxation imposed by such other Contracting Party does not enure to the benefit of persons not entitled thereto. The United Kingdom will be regarded as fulfilling this obligation by the continuation of its existing arrangements for ensuring that relief from taxation imposed by the laws of the United States does not enure to the benefit of persons not entitled thereto.

"(2) Paragraph (1) of this Article shall not impose upon either of the Contracting Parties the obligation to carry out administrative measures which are of a different nature from those used in the collection of its own tax, or which would be contrary to its sovereignty, security, or public policy. In determining the administrative measures to be carried out each Contracting Party may take into account the administrative measures and practices of the other Contracting Party in recovering taxes on behalf of the first-mentioned Contracting Party.

"(3) The competent authorities of the Contracting Parties shall consult with each other for the purpose of co-operating and advising in respect of any action to be taken in implementing this Article."

ARTICLE 14

Article XX of the Convention shall be deleted and replaced by the following:

"ARTICLE XX

"(1) The competent authorities of the Contracting Parties shall exchange such information (being information available under the respective taxation laws of the Contracting Parties) as is necessary for carrying out the provisions of the present Convention or for the prevention of fraud or the administration of statutory provisions against legal avoidance in relation to the taxes which are the subject of the present Convention. Any information so exchanged shall be treated as secret but may be disclosed to persons (including a court or administrative body) concerned with the assessment, collection, enforcement or prosecution in respect of taxes which are the subject of the present Convention. No information shall be exchanged which would disclose any trade, business, industrial or professional secret or any trade process.

"(2) The term 'competent authorities' means, in the case of the United States, the Secretary of the Treasury or his delegate; in the case of the United Kingdom, the Commissioners of Inland Revenue or their authorized representative; and, in the case of any territory to which the present Convention is extended under Article XXII, the competent authority for the administration in such territory of the taxes to which the present Convention applies."

ARTICLE 15

The following new Article shall be inserted immediately after Article XX of the Convention:

"ARTICLE XX A

"(1) Where a taxpayer considers that the action of the tax authorities of the Contracting Parties has resulted or will result in taxation contrary to the provisions of the present Convention, he shall be entitled to present his case to the Party of or in which he is a citizen or resident. Should the taxpayer's claim be deemed worthy of consideration, the competent authority of the Party to which the claim is made shall endeavour to come to an agreement with the competent authority of the other Party with a view to a satisfactory adjustment.

"(2) The competent authorities of the Contracting Parties may communicate with each other directly to implement the provisions of the present Convention and to assure its consistent interpretation and application. In particular, the competent authorities may consult together to endeavour to resolve disputes arising out of the application of paragraph (2) of Article III or Article IV, or the determination of the source of particular items of income.

"(3) In the United States where the income or profits of an enterprise are adjusted pursuant to Article IV, or paragraph (2) of Article III, or the tax of an enterprise is adjusted as the result of a determination of the source of a particular item of income, taxes shall be imposed on such income or profits, or refund or credit of taxes shall be allowed, in accordance with the agreement

reached by the competent authorities respecting such adjustment.

"(4) In the United Kingdom, where profits on which a United Kingdom enterprise has been charged to United Kingdom tax are also included in the profits of a United States enterprise and the profits so included are profits which would have accrued to the United States enterprise if the conditions made between each of the enterprises had been those which would have been made between independent enterprises, the amount included in the profits of both enterprises shall be treated for the purpose of Article XIII as income from a United States source of the United Kingdom enterprise and credit shall be given accordingly in respect of the extra United States tax chargeable as a result of the inclusion of the said amount."

ARTICLE 16

Article XXI of the Convention shall be deleted and replaced by the following:

"ARTICLE XXI

"(1) A national of one of the Contracting Parties who is resident in the territory of the other Contracting Party shall not be subjected in that other Contracting Party to more burdensome taxes than is a national of that other Contracting Party who is resident therein.

"(2) A permanent establishment which an enterprise of one of the Contracting Parties has in the other Contracting Party shall not be subject in that other Contracting Party to more burdensome taxes than is an enterprise of that other Contracting Party carrying on the same activities. This paragraph shall not be construed as obliging either Contracting Party to grant to residents of the other Contracting Party any personal allowances or deductions which are by its law available only to residents of that former Contracting Party, nor as restricting the right of either Contracting Party to tax in accordance with paragraph (1) or paragraph (2) of Article VI dividends paid to a permanent establishment maintained within its territory by a resident of the other Contracting Party.

"(3) A corporation of one of the Contracting Parties, the capital of which is wholly or partly owned by one or more nationals or corporations of the other Contracting Party, shall not be subjected in the former Contracting Party to more burdensome taxes than is a corporation of the former Contracting Party, the capital of which is wholly owned by one or more nationals or corporations of that former Contracting Party.

"(4) The term 'nationals' as used in this Article means:

"(a) in relation to the United Kingdom, all British subjects and British protected persons (being individuals), from the United Kingdom or any territory with respect to which the present Convention is applicable by reason of extension made by the United Kingdom under Article XXII; and

"(b) in relation to the United States, United States citizens, and all individuals under the protection of the United States, from the United States or any territory to which the present Convention is applicable by reason of extension made by the United States under Article XXII.

"(5) In this Article the word 'taxes' means taxes of every kind or description, whether national, Federal, state, provincial or municipal."

ARTICLE 17

Article XXIV of the Convention shall be deleted and replaced by the following:

"ARTICLE XXIV

"(1) The present Convention shall continue in effect indefinitely but either of the Contracting Parties may, on or before the 30th June in any year after the year 1966, give to the other Contracting Party, through diplomatic channels, notice of termination and, in such event, the present Convention shall cease to be effective:

"(a) as respects United States tax, for the taxable years beginning on or after the 1st January in the year next following that in which such notice is given;

"(b) (i) as respects United Kingdom income tax and surtax, for any year of assessment beginning on or after the 6th April in the year next following that in which such notice is given;

"(ii) as respects United Kingdom corporation tax, for any financial year beginning on or after the 1st April in the year next following that in which such notice is given; and

"(iii) as respects United Kingdom capital gains tax, for any year of assessment beginning on or after the 6th April in the year next following that in which such notice is given.

"(2) The termination of the present Convention or any Article thereof shall not have the effect of reviving any treaty or arrangement abrogated by the present Convention or by treaties previously concluded between the Contracting Parties."

ARTICLE 18

(1) This Supplementary Protocol shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible.

(2) This Supplementary Protocol shall enter into force upon the exchange of instruments of ratification and shall thereupon have effect:

(a) in the United Kingdom:

(i) as respects income tax and surtax for any year of assessment beginning on or after the 6th April, 1966;

(ii) as respects corporation tax for any financial year beginning on or after the 1st April, 1964;

(iii) as respects capital gains tax for any year of assessment beginning on or after the 6th April, 1965;

except that the amendments made by Article 9 of this Supplementary Protocol to Article XIII of the Convention shall not apply:

(i) as respects income tax and surtax for any year of assessment beginning before the date of ratification of this Supplementary Protocol in respect of dividends becoming payable by a United States corporation before the said date;

(ii) as respects corporation tax in respect of dividends becoming payable by a United States corporation before the later of the date of ratification of this Supplementary Protocol and the 6th April, 1966.

(b) in the United States as respects taxable years beginning on or after the 1st January, 1966, except—

(i) Article 4 of this Supplementary Protocol shall be effective on the 1st January, 1966;

(ii) the amendments made by Article 8 of this Supplementary Protocol to Article IX of the Convention shall have effect as respects taxable years beginning on or after the date of ratification of this Supplementary Protocol;

(iii) the amendments made by Article 9 of this Supplementary Protocol to Article XIII of the Convention shall have effect with respect to amounts paid on or after the 6th April, 1966, except that paragraph (4) of Article XIII of the Convention as amended by Article 9 of this Supplementary Protocol shall have effect with respect to amounts paid on or after the 6th April, 1964, and

(iv) the amendments made by Article 10 of this Supplementary Protocol to Article XIV of the Convention shall have effect with respect to gains realized on or after the date of ratification of this Supplementary Protocol.

(3) Where a company resident in the United Kingdom is required to account for income tax for the year beginning on the 6th April, 1966 on any amount by reference to dividends it paid in the year ending on the 5th April, 1966, Article VI of the Convention shall apply to such part of each gross dividend (other than a preference dividend or a part thereof which is paid at a fixed rate) paid in the year ending on the 5th April, 1966 as corresponds to the proportion which the said amount bears to the total of gross dividends (excluding any preference dividend or part thereof which is paid at a fixed rate) paid by the company in the year ending on the 5th April, 1966.

In witness whereof the undersigned, being duly authorized thereto by their respective Governments, have signed this Supplementary Protocol.

Done in duplicate at London, this 17th day of March, 1966.

For the Government of the United States of America:

DAVID K. E. BRUCE

For the Government of the United Kingdom of Great Britain and Northern Ireland.

WALSTON

The PRESIDING OFFICER. If there be no objection, the Executive C will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification.

The resolution of ratification of Executive C will now be read.

The resolution of ratification of Executive C was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the supplementary protocol, signed at London on March 17, 1966, between the United States of America and the United Kingdom of Great Britain and Northern Ireland, amending the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on April 16, 1945, as modified by supplementary protocols signed at Washington on June 6, 1946, May 25, 1954, and August 19, 1957, (Executive C, Eighty-ninth Congress, second session.)

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. BASS], the Senator from Maryland [Mr. BREWSTER], the Senator from Hawaii [Mr. INOUYE], the Senator from Washington [Mr. MAGNUSON], the Senator from Wisconsin [Mr. NELSON], and the Senator from Ohio [Mr. LAUSCHE] are absent on official business.

I also announce that the Senator from West Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Maine [Mr. MUSKIE], the Senator from South Carolina [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN], are necessarily absent.

I further announce that, if present and voting, the Senator from Maryland [Mr. BREWSTER], the Senator from Connecticut [Mr. DODD], the Senator from Hawaii [Mr. INOUYE], the Senator from Maine [Mr. MUSKIE], the Senator from Wisconsin [Mr. NELSON], and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL]

and the Senator from Iowa [Mr. MILLER] are absent on official business.

The Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. PROUTY], and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

If present and voting, the Senator from California [Mr. KUCHEL], the Senator from Iowa [Mr. MILLER], the Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. PROUTY], and the Senator from Wyoming [Mr. SIMPSON] would each vote "yea."

The yeas and nays resulted—yeas 83, nays 0, as follows:

[Ex. No. 100]

YEAS—83

Aiken	Griffin	Morse
Allott	Gruening	Morton
Anderson	Harris	Moss
Bartlett	Hart	Murphy
Bayh	Hartke	Neuberger
Bennett	Hayden	Pastore
Bible	Hickenlooper	Pearson
Boggs	Hill	Pell
Burdick	Holland	Proxmire
Byrd, Va.	Hruska	Randolph
Cannon	Jackson	Ribicoff
Carlson	Javits	Robertson
Case	Jordan, N.C.	Russell, Ga.
Church	Jordan, Idaho	Saltonstall
Clark	Kennedy, Mass.	Scott
Cooper	Kennedy, N.Y.	Smith
Cotton	Long, Mo.	Stennis
Curtis	Long, La.	Symington
Dirksen	Mansfield	Talmadge
Dominick	McCarthy	Thurmond
Douglas	McClellan	Tower
Eastland	McGee	Tydings
Ellender	McGovern	Williams, N.J.
Ervin	McIntyre	Williams, Del.
Fannin	Metcalf	Yarborough
Fong	Mondale	Young, N. Dak.
Fulbright	Monroney	Young, Ohio
Gore	Montoya	

NAYS—0

NOT VOTING—17

Bass	Lausche	Prouty
Brewster	Magnuson	Russell, S.C.
Byrd, W. Va.	Miller	Simpson
Dodd	Mundt	Smathers
Inouye	Muskie	Sparkman
Kuchel	Nelson	

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

EXECUTIVE D—PROTOCOL TO AMEND THE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED MEXICAN STATES CONCERNING RADIO BROADCASTING IN THE STANDARD BROADCAST BAND SIGNED AT MEXICO CITY ON JANUARY 29, 1957

The Government of the United States of America and the Government of the United Mexican States;

Considering that the Agreement between the United States of America and the United Mexican States relating to radio broadcasting in the standard broadcast band, signed at Mexico City on January 29, 1957, will expire on June 9, 1966;

Convinced that their cooperation in that field can be further improved by a new agreement;

And conscious of the necessity that, pending the conclusion of such an agreement, the present Agreement continue to be applied;

Have designated their Plenipotentiaries who, duly authorized, have agreed as follows:

ARTICLE I

Paragraph A of Article V of the Agreement between the United States of America and the United Mexican States, relative to radio broadcasting in the standard broadcast band, signed at Mexico City on January 29, 1957, is modified to state as follows:

A. *Duration.* The present Agreement shall remain in force until December 31, 1967, unless before that date, it is terminated by a notice of denunciation pursuant to paragraph B of this Article or replaced by a new agreement between the Contracting Parties.

ARTICLE II

The present Protocol is subject to ratification by both Contracting Parties and shall enter into force on the date of exchange of the respective instruments of ratification which shall take place in the City of Washington, District of Columbia, as soon as possible.

IN WITNESS WHEREOF, the undersigned sign and seal the present Protocol, in two copies, in the English and Spanish languages, both texts being equally authentic.

DONE at the City of Mexico, Federal District, on the thirteenth day of April, one thousand nine hundred sixty-six.

For the Government of the United States of America:

FULTON FREEMAN,
Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Mexican States.

For the Government of the United Mexican States:

ANTONIO CARRILLO FLORES,
Secretary for External Relations of the United Mexican States.

The PRESIDING OFFICER. If there be no objection, the Executive D will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification.

The resolution of ratification of Executive D will now be read.

The resolution of ratification of Executive D was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the protocol between the United States of America and the United Mexican States, signed at Mexico City on April 13, 1966, amending the agreement concerning radio broadcasting in the standard broadcast band signed at Mexico City on January 29, 1957. (Executive D, Eighty-ninth Congress, second session.)

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. BASS], the Senator from Maryland [Mr. BREWSTER], the Senator from Hawaii [Mr. INOUYE], the Senator from Washington [Mr. MAGNUSON], the Senator from Wisconsin [Mr. NELSON], and the Senator from Ohio [Mr. LAUSCHE] are absent on official business.

I also announce that the Senator from West Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Maine [Mr. MUSKIE], the Senator from South Carolina [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that, if present and voting, the Senator from Maryland [Mr. BREWSTER], the Senator from Connecticut [Mr. DODD], the Senator from Hawaii [Mr. INOUYE], the Senator from Maine [Mr. MUSKIE], the Senator from Wisconsin [Mr. NELSON], and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] and the Senator from Iowa [Mr. MILLER] are absent on official business.

The Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. PROUTY] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

If present and voting, the Senator from California [Mr. KUCHEL], the Senator from Iowa [Mr. MILLER], the Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. PROUTY] and the Senator from Wyoming [Mr. SIMPSON] would each vote "yea."

The yeas and nays resulted—yeas 83, nays 0, as follows:

[Ex. No. 101]

YEAS—83

Aiken	Griffin	Morse
Allott	Gruening	Morton
Anderson	Harris	Moss
Bartlett	Hart	Murphy
Bayh	Hartke	Neuberger
Bennett	Hayden	Pastore
Bible	Hickenlooper	Pearson
Boggs	Hill	Pell
Burdick	Holland	Proxmire
Byrd, Va.	Hruska	Randolph
Cannon	Jackson	Ribicoff
Carlson	Javits	Robertson
Case	Jordan, N.C.	Russell, Ga.
Church	Jordan, Idaho	Saltonstall
Clark	Kennedy, Mass.	Scott
Cooper	Kennedy, N.Y.	Smith
Cotton	Long, Mo.	Stennis
Curtis	Long, La.	Symington
Dirksen	Mansfield	Talmadge
Dominick	McCarthy	Thurmond
Douglas	McClellan	Tower
Eastland	McGee	Tydings
Ellender	McGovern	Williams, N.J.
Ervin	McIntyre	Williams, Del.
Fannin	Metcalf	Yarborough
Fong	Mondale	Young, N. Dak.
Fulbright	Monroney	Young, Ohio
Gore	Montoya	

NAYS—0

NOT VOTING—17

Bass	Lausche	Prouty
Brewster	Magnuson	Russell, S.C.
Byrd, W. Va.	Miller	Simpson
Dodd	Mundt	Smathers
Inouye	Muskie	Sparkman
Kuchel	Nelson	

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

EXECUTIVE H—RESOLUTION A.69(ES.II) ADOPTED ON 15 SEPTEMBER 1964

THE ASSEMBLY,

RECOGNIZING the need

(i) To increase the number of members on the Council,

(ii) To have all members of the Council elected by the Assembly,

(iii) To have equitable geographic representation of Member States on the Council, and

CONSEQUENTLY HAVING ADOPTED, at the second extraordinary session of the Assembly held in London on 10–15 September 1964, the amendments, the texts of which are contained in the Annex to this Resolution, to Articles 17 and 18 of the Convention on the

Inter-Governmental Maritime Consultative Organization,

DECIDES to postpone consideration of the proposed amendment to Article 28 of the Convention on the Inter-Government Maritime Consultative Organization to the next session of the Assembly in 1965,

DETERMINES, in accordance with the provisions of Article 52 of the Convention, that each amendment adopted hereunder is of such a nature that any Member which hereafter declares that it does not accept such amendment and which does not accept the amendment within a period of twelve months after the amendment comes into force shall, upon the expiration of this period, cease to be a Party to the Convention,

REQUESTS the Secretary-General of the Organization to effect the deposit with the Secretary-General of the United Nations of the adopted amendments in conformity with Article 53 of the Convention and to receive declarations and instruments of acceptance as provided for in Article 54, and

INVITES the Member Governments to accept each adopted amendment at the earliest possible date after receiving a copy thereof from the Secretary-General of the United Nations, by communicating an instrument of acceptance to the Secretary-General for deposit with the Secretary-General of the United Nations.

ANNEX

1. The existing text of Article 17 of the Convention is replaced by the following:

The Council shall be composed of eighteen members elected by the Assembly.

2. The existing text of Article 18 of the Convention is replaced by the following:

In electing the members of the Council, the Assembly shall observe the following principles:

(a) six shall be governments of States with the largest interest in providing international shipping services;

(b) six shall be governments of other States with the largest interest in international seaborne trade;

(c) six shall be governments of States not elected under (a) or (b) above, which have special interests in maritime transport or navigation and whose election to the Council will ensure the representation of all major geographic areas of the world.

Certified a true copy of Assembly Resolution A.69 (ES.II) of 15 September 1964 and of its Annex:

JEAN ROULLIER, *Secretary General of the Inter-Governmental Maritime Consultative Organization.*

22 September 1964

The PRESIDING OFFICER. If there be no objection, the Executive H will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification.

The resolution of ratification of Executive H will now be read.

The resolution of ratification of Executive H was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of amendments to articles 17 and 18 of the Convention of the Intergovernmental Maritime Consultative Organization, which amendments were adopted on September 15, 1964, by the Assembly of the Intergovernmental Martime Consultative Organization at its second extraordinary session, held at London from September 10 to 15, 1964. (Executive H, Eighty-ninth Congress, first session.)

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. BASS], the Senator from Maryland [Mr. BREWSTER], the Senator from Hawaii [Mr. INOUYE], the Senator from Washington [Mr. MAGNUSON], the Senator from Wisconsin [Mr. NELSON], and the Senator from Ohio [Mr. LAUSCHE] are absent on official business.

I also announce that the Senator from West Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Maine [Mr. MUSKIE], the Senator from South Carolina [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that, if present and voting, the Senator from Maryland [Mr. BREWSTER], the Senator from Connecticut [Mr. DODD], the Senator from Hawaii [Mr. INOUYE], the Senator from Maine [Mr. MUSKIE], the Senator from Wisconsin [Mr. NELSON], and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] and the Senator from Iowa [Mr. MILLER] are absent on official business.

The Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. PROUTY], and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

If present and voting, the Senator from California [Mr. KUCHEL], the Senator from Iowa [Mr. MILLER], the Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. PROUTY], and the Senator from Wyoming [Mr. SIMPSON] would each vote "yea."

The yeas and nays resulted—yeas 83, nays 0, as follows:

[Ex. No. 102]

YEAS—83

Aiken	Griffin	Morse
Allott	Gruening	Morton
Anderson	Harris	Moss
Bartlett	Hart	Murphy
Bayh	Hartke	Neuberger
Bennett	Hayden	Pastore
Bible	Hickenlooper	Pearson
Boggs	Hill	Pell
Burdick	Holland	Proxmire
Byrd, Va.	Hruska	Randolph
Cannon	Jackson	Ribicoff
Carlson	Javits	Robertson
Case	Jordan, N.C.	Russell, Ga.
Church	Jordan, Idaho	Saltonstall
Clark	Kennedy, Mass.	Scott
Cooper	Kennedy, N.Y.	Smith
Cotton	Long, Mo.	Stennis
Curtis	Long, La.	Symington
Dirksen	Mansfield	Talmadge
Dominick	McCarthy	Thurmond
Douglas	McClellan	Tower
Eastland	McGee	Tydings
Ellender	McGovern	Williams, N.J.
Ervin	McIntyre	Williams, Del.
Fannin	Metcalf	Yarborough
Fong	Mondale	Young, N. Dak.
Fulbright	Monroney	Young, Ohio
Gore	Montoya	

NAYS—0

NOT VOTING—17

Bass	Lausche	Prouty
Brewster	Magnuson	Russell, S.C.
Byrd, W. Va.	Miller	Simpson
Dodd	Mundt	Smathers
Inouye	Muskie	Sparkman
Kuchel	Nelson	

The PRESIDING OFFICER. Two-thirds of the Senators present and voting have voted in the affirmative, the resolution of ratification is agreed to.

Mr. MANSFIELD. Mr. President, I ask that the President be notified of the action taken today.

The PRESIDING OFFICER. Without objection, the President will be notified.

LEGISLATIVE SESSION

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

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

ORDER OF BUSINESS

Mr. HOLLAND and Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, the Chair recognizes the Senator from New York [Mr. JAVITS] for 5 minutes for routine morning business.

FREEDOM HOUSE REPORT ON COMMUNIST CHINA AND SOUTH VIETNAM

Mr. JAVITS. Mr. President, history books will record the year 1966 as a pivotal year in the thinking and discussion of U.S. relations with Communist China. For the first time since the Communist takeover of the mainland in 1949 and the Korean war, public officials, scholars, and private organizations are in a serious debate about our future relations with Communist China to the American public. Without the old fears, Americans are once again asking questions fundamental to our foreign policy.

Freedom House, founded as a memorial to Wendell Wilkie, a private organization dedicated to an objective discussion of foreign policy and to the education of the American people, has made an important contribution to the advancement of the Communist China debate. Although I do not agree with all the statements in the Freedom House report, I find it on balance a solid and forward-looking document worthy of being called to the attention of my colleagues.

The Public Affairs Committee of Freedom House argues that the admission of Communist China to the U.N. should meet no objection from the United States provided "Peking signs a Korean peace treaty, renounces aggression and subversion abroad, and accepts Taiwan's independence and continued U.N. membership."

In regard to Vietnam, and here I have reservations as to the statement, Freedom House points out that the problems of that country are so vast and complex that any solution to them will take a long time to be fully settled.

I ask unanimous consent to have printed in the RECORD the Freedom House report entitled "Communist China and South Vietnam."

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

COMMUNIST CHINA AND SOUTH VIETNAM

This position paper on United States policy toward Communist China and South Vietnam has been prepared by the Public Affairs Committee of Freedom House. It summarizes a consensus reached at a recent meeting of the Board of Trustees of the organization.

PART I—U.S. POLICY TOWARD COMMUNIST CHINA

Freedom House believes that the realities of the American attitude toward the admission of Communist Clfina to the United Nations should be made clear in positive terms.

It should be recalled that the United States was not only amenable to the admission of Communist China to the U.N. in 1950 but was inclined to recognize the government in Peking until the situation was altered by the movement of the Communist armies across the Yalu River. At no time since have the Chinese Communists shown any disposition to abide by the usual standards of conduct expected of a responsible national state, nor have they applied for admission to the United Nations. Indeed, the major obstacles to mainland China's entering the U.N. have been the unacceptable conditions put forward by Peking itself. This basic fact has been obscured, however, by an outdated aspect of American policy. America's persistent and firm opposition to Peking's entry into the U.N. is no longer useful in the light of recent developments, handicapping our diplomacy by creating a false image of intransigence.

In any realistic appraisal of the situation today, certain facts are salient.

First, the Communist government is in effective control of the mainland of China. We may find the way that control is maintained highly offensive. We may deplore the way the Communist government has made use of its control of the Chinese mainland to menace and on occasion actually attack neighboring countries. But these reservations cannot obscure the fact that the people and resources of the Chinese mainland are firmly in the hands of Peking.

Second, it is equally beyond question that the Nationalist Chinese government is the effective ruler of the island of Taiwan with its twelve million people. Together, people and government form a sovereign state with all the accompanying privileges and responsibilities, including, of course, membership in the United Nations and other international bodies. Any change in the government or status of Taiwan can be acceptable only if it originates in the clearly expressed will of its people. The United States, with close ties of friendship to both government and people, has a special responsibility in this area.

Finally, no realistic survey of East Asia can overlook the fact that, fifteen years after the Korean cease-fire, the war between the United Nations forces and those of Communist China and North Korea has never been officially ended. The settlement of this unfinished business by a Korean peace treaty signed by all participants is obviously an essential preliminary to any attempts to ease East Asian tensions.

These facts do not call for any change in the underlying bases of American policy in East Asia: support of the independence of the free nations of the region against totalitarian aggression, together with economic aid to enable them to solve their own problems. Changes of emphasis are needed, however, to enable the United States to carry out these policies more effectively. To this end, Freedom House believes that the signature by all participants to a final treaty of peace ending the Korean War is an essential move for easing East Asian tensions and must precede all others; that Communist China should renounce the use of subversion and force aimed at the overthrow of legitimate governments; that the independence and U.N. membership of the government on Taiwan are beyond challenge and must be preserved. Only the people of Taiwan can initiate changes in their status; that, if these reasonable pre-conditions are accepted by Communist China, the United States will interpose no objection to Peking's membership in the United Nations.

The diplomatic recognition of Communist China by the United States is a separate and distinct question. There have been many conversations between representatives of the United States and mainland China and these discussions are continuing today. Any decision whether the time has come for the formal recognition of the Communist regime by the United States might well be deferred until that government has assumed United Nations membership. Only then can we judge whether formal recognition can possibly result in a meaningful relationship between the United States and mainland China.

PART II—UNITED STATES POLICY TOWARD SOUTH VIETNAM

Freedom House reaffirms its support of the United States policy on Southeast Asia. As President Johnson warned last year, no quick and easy outcome to the war in South Vietnam is in prospect. With as many political problems to be solved as there are military victories to be won, the difficulties that we all must face in South Vietnam should not be compounded by extravagant and imprudent demands upon our government. The call for American unconditional withdrawal from South Vietnam on the one extreme, and the call for the bombing of the large urban centers in North Vietnam on the other, are equally unwise.

To date both the American people and their President have demonstrated commendable patience and restraint. By limiting its air attacks on North Vietnam to specific military/economic targets, the United States has emphasized that we have no quarrel with the people of that unhappy country, who were the first victims of its Communist regime. We have placed equal emphasis on avoiding acts that might provoke an unsought confrontation between the United States and Communist China. These restraints are a basic element of American policy in Southeast Asia.

It is no less important that Americans be patient with the people of South Vietnam as they seek to form a government more broadly based on the popular will, a task of the greatest difficulty.

Democratic interplay of forces is not easily achieved even in nations with centuries of experience in popular government. South Vietnam must overcome a background of feudal despotisms, followed by a century of colonial status and a decade of civil war.

Under the best of circumstances, South Vietnam's progress toward effective self-government would be slow and faltering, marked by many set-backs and internal divisions. This pattern of events has occurred at some stage in the history of almost every self-governing nation in the world. The notable exceptions have been such countries as North Vietnam, where a fanatical minority seized power at the moment of independence and suppressed all opposition by terrorism.

But South Vietnam bears an added, and heavy, handicap—the massive Communist effort to conquer it by combined subversion and attack. Considerable portions of the country are under enemy occupation; in many others murderous terrorism cripples all local government and destroys public safety. Everywhere, disorder is fomented and every natural division exacerbated by the agents of subversion.

For Americans, the temptation to "pull out of the mess" is all too strong. Yet this is the counsel of despair. For, if the present situation is bad, the result of American abandonment of South Vietnam would be far worse—the extinction of the last hope of achieving a free, stable society for years, perhaps generations, to come. The South Vietnamese know this. Significantly, the various factions in South Vietnam, however divided among themselves on the formation of a government, are united in opposing Communist control. It cannot be too strongly emphasized that, despite unquestionable Communist attempts to infiltrate student and religious groups, no element or leader of any significance has sought the evacuation of American troops or the acceptance of Vietcong rule.

Holding meaningful elections in South Vietnam while simultaneously waging war against the Vietcong will be extremely difficult. Continued strife between various South Vietnamese factions makes the task infinitely harder. Nevertheless, the elections must take place—if necessary, province by province over a period of months.

The United States must make clear to all parties concerned that unless there is an effective government in Saigon American assistance by itself cannot help South Vietnam to become free and independent. But we must also bear in mind that hostile forces are using public agitation and demonstrations to undermine our position in Vietnam. We must not abandon our responsibilities under this provocation.

Not all the divisive factions are in Saigon. The appearance of division within the United States continues to block our best efforts to achieve a negotiated settlement. Those in positions of leadership—in the Congress as in the Administration, in the universities as in the community—bear a heavy responsibility for establishing a climate in which the hoped-for settlement can be achieved.

FREEDOM HOUSE, NEW YORK, *June 1966.*

MANKIND MOVES FORWARD—ADDRESS BY THOMAS PATRICK MELADY

Mr. JAVITS. Mr. President, on June 14, 1966, Dr. Thomas Patrick Melady, president of the Africa Service Institute and director of the Urban League of New York, delivered an incisive commencement address at Manhattan College in New York.

The theme of his address was "The Barriers That Have Separated Man From Man." He notes that the barriers of time and distance have virtually disappeared, and that the barrier of colonialism is also rapidly vanishing as more and more nations emerge as independent states. He rightly called to our attention to a third barrier that not only stands but is growing higher—the separation of rich and poor states.

I ask unanimous consent to have Dr. Melady's remarks inserted in the RECORD.

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

MANKIND MOVES FORWARD

(By Thomas Patrick Melady, Commencement Address at Manhattan College on Tuesday, June 14, 1966)[1]

Your Eminence, Your Excellency, the Secretary General of the United Nations, Reverend President, faculty and students, distinguished guests and friends.

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[1] Thomas Patrick Melady, Ph. D., of New York City, is President of the Africa Service Institute, author and professor. He is also

There is much for us to be thankful for today, the sons who have received their degrees and their parents can rejoice that the well earned symbols have been obtained. Today is the Commencement of a new life.

All of us here—living in a city that is in many ways the capital of the world—can look with a feeling of rejoicing on the position of the human family in our world.

We stand on the threshold of an era which has ended most of the barriers that have separated man from man. The barriers of time and distance have almost vanished. Formerly we were separated by great distances. Since the guns of World War II became silent we have seen the shrinking of distances. How marvelous it is that instead of being geographically separated we now can live as next door neighbors to one another.

The same dynamic forces that are ending time and distance have also ended for the most part man's political domination of man. You and I, in the past few years, have seen the Afro-Asian peoples who were long dominated by outside forces emerge as independent states. With the exception of southern Africa, the peoples of color have the natural dignity of ruling themselves. Thus a main cause of alienation, another barrier separating man from man has been almost completely eliminated.

A third barrier that has separated one brother in the universal family from his other brother is the rich-poor silhouette. Here mankind has only begun to realize how much remains to be done.

When man was separated from man by time and distance and when one part of the world politically dominated the rest of the world, unity was impossible. Furthermore, these separations prevented man from at least being aware of the seriously inequitable situation in the world. The white North Atlantic members of the world community were affluent and becoming richer and the non-white part of the world was still cursed by poverty, illiteracy and disease and becoming more afflicted by the unholy trio. The situation has not changed but the awareness of this gross gap in living standard has begun to stir both sides of the inequality.

When we contemplate the implication that the majority of the world's non-white peoples who are now politically free have awakened with a determination to obtain a decent standard of living we can indeed rejoice.

Yes, we know that some fear what is called the rising expectations of the world's poor. Instead of facing these changes with joy they prefer to talk about the decadence of modern civilization or even the approaching end of the world. And, of course, there are the cynics and the negative critics—those who can never build but only destroy.

It should be clear to us that this defeatism is unhealthy and impotent. Once it overtakes us, all potential to build is destroyed.

Yet we must face the challenge of world poverty openly and courageously. These are the facts; the per capita income in North America is $2,200.00 with an average life span of 68 years. In black Africa the per capita income is less than $100.00 with a life span of around 40 years. In Asia the per capita income is around $106.00 with a life span of 51 years. The developed nations and the United Nations have all launched programs to help correct this inequity. But these programs have really only helped to enlighten the world about world poverty and misery.

We dare not rely only on our governments to do something about this. We now all live in the same city and the miserable of the world are our next door neighbors. Nothing of significance has been done to end the growing gap between the rich and the poor—made more horrible because it is the white and non-white. This is your responsibility and mine. The rising determination of the Afro-Asian peoples to end their life of misery must now be matched by our determination. Together we can push forward and thus end another serious source of alienation.

This opportunity clearly points out our destiny: to participate with enthusiasm in the forward movement of mankind. Our enthusiasm is justified as we have seen in our lifetime significant progress of mankind toward greater unity.

These vital forces for change have resulted in mankind becoming the ascending arrow. Our duty is to build the earth; to advance forward.

Teilhard de Chardin, the great philosopher who lived among us here in New York until 11 years ago, said "it is not the fear of perishing but the ambition to live" which throws man into this forward movement. Let us therefore do what is our destiny: the embracing of a conquering passion to sweep away the defeatism, the pessimism, the elements that still separate man, that still alienate man.

What method shall we follow? Here we can learn much from Vatican Council II.

Rooted in the stabilizing forces of God's presence, we should in our thinking on the problems of the world maintain an openness to all members of the universal family. This is no longer an age to rely on set formulas. Principles of life remain but programs of action must change.

This will require us to experiment in method. This may sometimes cause a little uneasiness and all experiments may not work.

But we must branch out quickly into all areas of human endeavor. The ascending arrow is moving so rapidly that we no longer have time for years of talk and planning as we must effect changes now. Some of the crucial areas that require our immediate attention are:

1. Urban life.
2. Problems of automation.
3. The insidious depersonalization of mankind caused by dealing with masses and large numbers.

There are two institutions whose recent emergence into world-wide leadership gives us cause for enthusiasm as we face tomorrow.

The resurgence given to Christendom by Vatican Council II and being given personal direction now by Pope Paul VI has rendered new power and strength to the Church. The treasurehouse of truth has been opened to the world and is uplifting mankind in a single tide toward his Creator.

Now that we are all living in the same city—mankind has created his own institution—the United Nations. This represents a new spirit to unify the vital human forces to push mankind forward. We all recall the 4th day of October, 1965, when Pope Paul VI visited the United Nations. He said then "we might call our message a ratification of this lofty institution. . . . The peoples of the earth turn to the United Nations as the last hope of concord and peace".

In the last few years, there has been a tendency by some to criticize effectiveness of a world body such as the United Nations. Some have attempted to cast a doubtful shadow on the ability of an assembly composed of nations so vastly different in ideology, wealth, culture and size. As expected, there will be many difficult moments, some failings, countless hours of exhausting discussion, yet, this great experiment requires endless energy and dedication, to translate more fully an ideal into reality. It is an experiment which must not fail. Mankind has significantly benefited from the currents moving forward and the United Nations is one of these currents.

The Church and the secular society have generated a rapid movement which is taking mankind forward to a new sunrise.

Our destiny is to embrace those forward movements and to assist them in approaching even more rapidly the noble goals given to us.

In our enthusiasm for these developments we cannot overlook the one great cloud on the horizon—racism. The hatred brought about when man denies that another man, because of the accident of his color, was created by God as his brother.

We must strike out and destroy the ugly sin of racism as it will eliminate all possibility of harmony in the human family. Every dream that we have spoken of will fade away if corrective action against this ugly doctrine is not taken soon. What can we do? Much has been said about the role of government. Let us discuss here the role of private institutions.

We must exert every effort to generate a favorable climate for men of all races to live as brothers. The need is so urgent and substantive aspects so vital that our private institutions must utilize every power at their command to enhance the dignity of the human family.

In this regard and because of the seriousness of the situation, we think especially of the various Christian churches. A good number of them—Catholic, Orthodox, Episcopalian and others, discourage their faithful from committing major infractions against the laws of God by refusing Communion to them until they have been freed from the immediate guilt of these sins by confessing them, promising amendment and doing penance.

In other words, in other areas of human behavior, these churches preach the positive aspects of the good life but warn their faithful that should they murder, commit adultery or steal, they have seriously offended God and must reconcile themselves with God before they can approach the Communion table.

It is, on the other hand, a known scandal that no such publicity is given to the grievous sins of racism. We fully understand why sins of racism are so serious. God made us all brothers in His likeness but the racist sets himself above God and denies this. Furthermore, the racist sins against the greatest commandment of them all—charity.

The racist commits these sins and set himself above God when he refuses to sell his house, rent an apartment; when he refuses admission to his club or to give a job to his brother because of his color.

Certain Christian churches have found it effective to reinforce teaching on serious matters with a system of censure against serious transgressions of these teachings.

But when it comes to the grievous sins of racism where the sinner blasphemes God the Creator by denying that all men are created in His likeness, there is a reluctance to acknowledge this sin. As a result of this some non-white Christians are beginning to question the integrity of these institutions. And the Christian churches risk repudiation by the peoples of color unless these horrible sins that directly affect them are treated like other mortal offenses against God's dignity.

Racism is a serious sin and must be declared so and treated by the churches as they treat other serious offenses.

Activity on all fronts to eliminate the barriers and traditions that separate man from man is part of the mighty movement forward. An invitation has been extended to us: to embrace with passion the ascending

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a Director of the Urban League of New York, The Catholic Interracial Council and The John LaFarge Institute. Dr. Melady is the author of "Profiles of African Leaders," "White Man's Future in Black Africa", "Faces of Africa", "Kenneth Kaunda of Zambia" and "The Revolution of Color". He has served as the Pax Romana Representative to the United Nations since September, 1965.

arrow, to reject with equal passion the ugly offenses that separate man from man.

These are noble goals for us here in New York City which saw last October two powerful forces for progress—the Church and the United Nations—converge. And now we prepare to say goodbye to the Manhattan College campus. Some will return for the sentimental visit many times, others at least once and a few perhaps never. But let us all before this parting of the ways commit ourselves to the best of our abilities to mankind's forward march. The world you are going into will be of your making. Make of it what will be worthy of the ideals, and the inspiration of our Alma Mater, Manhattan College. This is our destiny!

OUR UGLY CITIES

Mr. JAVITS. Mr. President, I ask unanimous consent to place in the RECORD the commencement address of Philip Johnson at Mount Holyoke College in Massachusetts. Mr. Johnson is one of this country's leading architects and while his provocative statement talks of the growing environmental decay in our society, he has also set out some of the goals toward which we must work if ours is ever to rank with the great cultural societies of history.

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

OUR UGLY CITIES

(Commencement speech by Philip Johnson, Mount Holyoke College, South Hadley, Mass., June 5, 1966)

I have spent the winter designing (for my own amusement, I hasten to add) an Ideal City. It seemed to me pointless when I started and even now strikes me as the height of foolishness. No one will look at it. It will never be published, or if it is, there are very few who will read. Reading a plan is so, so difficult. And with absolute certainty, no one will build it.

The reason for telling you girls about my lonely troubles this afternoon is to point up for you the gap, in this cultural ambience of ours, between values I hold dear and the values that make our country run.

Here we live in the most affluent society the world has ever known. No one in the old days ever dreamt of universal literacy, to say nothing of universal toilets and (heaven forbid) universal automobiles. It is clear we can have anything on this earth we want.

Yet, can we? Well, we cannot, or as I believe will not, make our environment a place of beauty, our cities works of art.

There can surely be no discussion whether we have ugliness around us or not. I never heard anyone tell me that Bridgeport was anything but an ugly city, or Waterbury, or Pawtucket, or Holyoke. And New York where I am at home, is it so handsome? Exciting, even breathtaking, but beautiful only in spots, only for a few blocks. Otherwise, for miles and miles in all directions ugliness, ugliness, ugliness.

And can there be any difference of opinion that it has been getting worse and worse? I do not think I am being distressingly old to point out that New York was handsomer a mere ten years ago, and argue further that it was handsomer even then than twenty, thirty, fifty years before that.

A few examples:

Item: The Brooklyn Bridge, one of the great bridges of the world, had not yet been ruined by a double deck.

Item: The Pennsylvania Station, which cost in today's dollars 600 million, still existed to give the commuter and newcomer a great gateway to a great city. That romantic, magnificent room is gone.

Item: Coenties Slip and other water inlets in lower Manhattan still gave us a romantic feeling of contact with our harbor. No more. The water is filled in, a super highway cuts off the water view.

Item: Park Avenue used gracefully to flow around the wedding cake delicacy of the Grand Central building. Pan Am settled that.

Item: Fifty-ninth Street, our other great axis now terminates in that cheapest of all cheapies, the Coliseum.

Item: The pile of needle-like 20's skyscrapers that we loved to look at from the harbor is gone, ruined by the new scale of Chase Manhattan Bank, and soon to be settled entirely by the Trade Center.

Item: Our last plaza at 59th Street and Fifth Avenue on Central Park is going now to a super cheapy, built ironically enough by our richest corporation, General Motors.

Item: We used to be able to see the water. After all, Manhattan is an island. We have finer water nearer at hand than Paris or London, yet you can see the Seine, you can see the Thames. In New York, no more. Elevated highways!

It is amusing to note that when the much maligned robber barons were building railroads into New York, they built them well, they put them underground. Must our generation then do less with the successors to the iron horse, the automobile? Why are our motor roads not underground? Only Gracie Mansion, the residence of our Mayor, looks out over the water, the cars comfortably passing underground. It can be done, do we but will it. What Commodore Vanderbilt did for our city, we can do again—for ourselves.

Item: We used to have streets lined with brownstones, now we have areas dotted with cheap brick towers, all of which are built with lowest standards possible of ceiling heights, paper thin walls and execrable bricklaying. In other words, we used to have slums, today we have built but super slums.

Why? Why have we done this to our cities at the same time as we have done away with illness, illiteracy, hunger. At the same time as we have given every citizen a car, an education, elegant clothes, travel. Why does part of our culture advance and part decline so disastrously?

I must admit that at 60 I am getting a little bitter, so I dream up cities where I should like to live and, meanwhile, try to figure why, outside my dreams, the city decays.

It is clear our cities decay for the same reason that our air becomes polluted. We do not care enough. But that only pushes off the answer, why don't we care? Clearly our values are oriented toward other goals than beauty. Two values stand out, two cherished goals that we Americans think more important than beauty. Money and utility. Oh yes, we like at least at church on Sundays to think of commercial values as Mammon, with a capital "M", as an evil, but then on Monday through Friday quite the opposite. Why else would a body politic, for example, allow General Motors, of all corporations, to build a money-making cheapy on our most prestigious plaza. Why else allow an English consortium to get rich by building Pan Am athwart our greatest boulevard, on a plot of ground which surely should have been a park. Sir Kenneth Clark calls the Pan Am the worst crime against urban beauty since the Victor Emanuel Monument in Rome. These are harsh words but true. To think that for 34 million dollars, what the land was worth, the city would have had green space at its heart—2 dollars for each metropolitan citizen.

No, we respect money and the inalienable right of everyone to make as much as he can, especially in city real estate, whether it be the bankrupt Grand Central or the richest of the rich General Motors. In Rome and Paris if a speculator wishes to build a skyscraper, he certainly can, but outside—way outside—the old city. Sad to say, in the sacred city of Athens, on the contrary, the American system has won out. We have succeeded where 2,000 years of vandals have failed. We have built a Hilton Hotel which violates the aspect through the columns of the Parthenon itself.

This materialist-industrialist-philosophy also has brought with it our love, not to say adoration, of the automobile. There is many an American family that spend Sundays polishing their cars rather than making the beds. And this worshipful attitude is reflected in our public appreciation of roads for the cars. We spend each year 20 billion dollars on roads and tax ourselves gladly to do this. We build roads everywhere, through our very town centers, slicing them in two, destroying parks and waterfronts, but what do we do for the buildings where these roads go to. Nothing. We let buildings get built by whoever wants to make the money.

Nor is the worship of money only an attitude of the rich or the would-be rich. It permeates the entire fabric of the nation. A taxi driver taking me across the upper level of the Queensboro Bridge, looking at the vast and inspiring skyline of mid-Manhattan said, did I realize I was looking at 2 billion dollars of real estate. The inspiration to him was financial and he was not envious, but rather proud of living in the midst of all that money.

Strangely enough, however, we also love cheapness, or rather parsimony. It shows common sense and a good business head. When Con Ed, the much disliked utility company who had such bad luck last year, built a new plant so large that it dominates our East River and must be seen willy-nilly from everywhere, a most public monument, they built not an architect-designed structure, not a building of stone or even brickwork, but of corrugated metal, by far the world's ugliest and cheapest material. No one has objected. General Motors will be praised for building a cheap building on Central Park, while Seagrams was castigated from the bench by a judge who said the company used poor business judgment to build what most of us think is quite a handsome building with quite a handsome public plaza.

Perhaps it is lucky for New York that the robber barons were "public be damned" people. At least the great Vanderbilt gave us the Grand Central Station as a gateway to our city; our best these days is miserable Kennedy Airport, a conglomeration of cheapies with only one glorious but small exception. Are we no longer proud of the place we live? Only too obviously not.

A natural corollary to our money values is the high value we place on utility. If a thing be not useful, away with it. In building our cities, this rules out parks (expensive, useless), post offices (cheaper to rent space in office buildings), and now soon it will be churches. Yes, the argument now runs, and among Roman Catholics even, that a building should not be built for use once a week. Religion it seems is a private thing that can be celebrated in a garage or living room. It used to be that a once-a-week room was the spiritual culmination of that week, a culmination at which the services of great architecutral space would be required to celebrate a great spiritual experience. But so far has our utilitarianism triumphed over our religion that the multi-purpose, convertible church is now "in".

Out in the town where I come from our biggest boast to visitors used to be the Carnegie Library (a monumental structure), the Post Office (granite steps) and the new High School (brick and limestone). The new town will obviously have none of these. There will be no symbol, nothing but raw utility; a vision of the future: the cheaper

the better. My favorite Roman Emperor, Augustus, used to boast that he had found Rome a city of brick and left it a city of marble. Now we, on the contrary, actually are proud to say that we find a city of stone and brick and are leaving it a city of precast concrete and corrugated tin.

I assure you we shall not be thanked by posterity. People are very apt to judge their ancestors by their buildings. Think of Williamsburg and Salem, the White House, the Capitol. Civilizations are remembered by buildings. They are certainly not remembered by wars, business or utility. Think of my favorite civilization, that of Teotihuacan in Mexico. We know nothing of their language, their business or where they saved money. We don't even know their name. Yet they are an immortal people. Their pyramids are greater than the Egyptian, their great roads, plazas, temples are still witnesses to their artistic genius. Their art of building cities has made them great even today, a thousand years after they have been wiped out.

What can we leave our future generations to wonder at? To paraphrase T. S. Eliot, one hundred thousand miles of asphalt paving and a million lost golf balls. Add a few twisted steel skeletons, and you have the lot.

So utilitarian are our ideas that when I proposed last year a huge sloping cylinder overlooking New York Harbor as a marker for the 16,000,000 immigrants on Ellis Island I was violently attacked for building a tomb. We should think of the future they said, we should build a mental hospital perhaps, a school, but not a monument. What use is a monument? What use, for that matter my friends, is beauty? Why did the Athenians bother to take 30 years and the talent of every Athenian to build the Parthenon? Not much use. They lost the war to Sparta soon after it was finished. No, not much use.

Now, I do not propose that we appropriate tomorrow the 20 to 50 billion it would take in today's money to build the equivalent of the Parthenon. It is not in the cards. But to be more modest, should we not appropriate some of our billions to make our houses, our cities beautiful, if not for posterity and immortality like the Greeks, then for ourselves for the same selfish reasons we dress well, decorate our bedrooms and grow gardens. Call it beautification if you will, can we not be surrounded by beauty?

Someone is going to remind me of the horrendous cost of all this. How about the cost of not doing it? The cost of our dirt, pollution, traffic jams, delay, mental anguish? They are immeasurable.

No, money is not the question. The question is, for what do we expect to spend our surplus. For surplus we have. How otherwise can we go to the moon for 50 billion, how fight a war for 60 to 80 billion each year or build roads for 20 billion each year.

The method of getting the paltry few billions we need for our cities I leave to the politicians who, after all, work for us. There are a few taxes I could suggest, of course. A thousand dollars on each car. If we can afford $2,000 for a car, we can afford $3,000. Inflation will make them cost 3 soon anyway. At 7,000,000 cars a year that will bring us in 7 billion a year which would help. Right now we pay 100% and more taxes on cigarettes and liquor, and surely cars are just as sinful and just as desirable as alcohol and smoking. A good tax. Another one might be a 10% tax on war. Another nuisance tax on one of our best loved occupations. (It must be loved or we would not spend so much on it.) That would bring us in another 6 or 8 billion. Thirdly, we can take the 10 billion federal money for roads and spend it on places for the roads to go to. So we now have 25 billion a year. What dream cities we could build. What heaven on earth.

As you have guessed, I am being somewhat fanciful. But I am convinced Americans can do what they want. And I have it on the authority of Pericles, the leader of the fifth century Athenians, who built the Parthenon, that Athens (and we) could have guns and butter—and great buildings.

But now, what can we do? I am frankly discouraged. Our Puritan system of values, our "Weltanschauung" as the philosophers call it, is well entrenched. We are, in Napoleon's words, a nation of shopkeepers. We mistrust the de Gaulles of this world with their talk of glory, and we are not going to change.

So I appeal to you who now go forth to take your place in the world. Cannot your generation decide to take America into the ranks of the immortal cultures? Can you not persuade your fellow citizens that beauty, that much neglected, abused, pejorative word, is worth money. That it is even worth some little sacrifice, even some small tax.

You and your husbands have to make a better world. I can't go on making little buildings and plopping them about in their ugly surroundings. Please, please, you young generation, change our cities, make beautiful our country.

CITYWIDE ANTINARCOTICS PROJECT

Mr. JAVITS. Mr. President, I was pleased to meet today with members of the organization known as JOIN—Job Orientation in Neighborhoods—composed of New York City youths who have sponsored a citywide petition in support of the narcotics legislation which I have cosponsored with Senator KENNEDY. These young people are helped through the valuable JOIN program to find jobs in their communities. Many have friends who have been addicts and know how acutely these addicts are in need of medical help—instead of being treated as criminals.

I ask unanimous consent to place in the RECORD the petition which the group has circulated all over New York City, and which now lists more than 70,000 signatures. In addition I also ask permission to include in the RECORD a speech which was delivered today by Henry Lopez, who is chairman of the JOIN alumni antinarcotics project.

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

CITYWIDE ANTINARCOTICS PROJECT

(A petition to the President of the United States in support of the Javits-Kennedy antinarcotics bills)

Mr. PRESIDENT: We, the undersigned, are alarmed at the great increase in narcotics addiction in New York City and elsewhere in the nation. We strongly support the legislation introduced by Senators JACOB K. JAVITS and ROBERT F. KENNEDY, by which the narcotics addict is properly viewed as a sick person in need of medical and psychological treatment and social rehabilitation, rather than as a criminal. We urge that the Administration's narcotics bill be amended to include Federal aid for treatment facilities and services for narcotics addicts, as proposed in the Javits-Kennedy bills. Furthermore, we support the stiffest possible prison terms for non-addicted "pushers" and others who profit from the misfortunes of narcotics addicts, with concern only for financial gain.

We urge you, Mr. President, to exert all your influence to ensure that the very highest priority is given to this legislation and to obtain its passage into law at the earliest possible time.

Respectfully,

——— ———.

SPEECH DELIVERED BY HENRY LOPEZ, CHAIRMAN OF JOIN ALUMNI ANTINARCOTICS PROJECT ON JUNE 21, 1966, AT WASHINGTON, D.C.

Mr. Vice President; Senator JAVITS, Senator KENNEDY, Congressman POWELL, Congressman RYAN, distinguished guests, fellow JOIN'ers, friends of JOIN alumni, ladies, and gentlemen; I am deeply honored to speak briefly on this occasion and address myself to the work the JOIN alumni has done to assist in combating what we feel is one of the most serious, complex, and crucial problems that beset many of our communities. That problem is drug addiction and its subsequent cancerous effects on its victims.

JOIN (Job Orientation in Neighborhoods) is an agency of the city of New York. It is set up to provide direct counseling, testing, job training, as well as meaningful job placement to the high school dropout, 16 to 21 years of age, who is out of school, out of work, and, largely, out of hope. The alumni club of JOIN is a social and cultural organization that exists at each of our 9 JOIN centers located throughout the city. Our alumni organization is composed of the young men and women who come to JOIN for services. We elect our own officers and decide our own activities. This citywide antinarcotics petition campaign was our first citywide involvement in community action.

Our alumni meetings give us the opportunity to think for ourselves and to delve deeply into those problems that continue to plague our city, our neighborhood, our block, and, yes, at times our very homes. At many alumni meetings in different sections of the city, the narcotics problem was the subject of great inquiry and discussion. These discussions usually followed the showing of a film or a talk on narcotics by a visiting expert. Most of us first heard of the Javits-Kennedy bills on antinarcotics at these meeting. Needless to say, we liked what we heard about these bills and saw this also as a grand opportunity to do something about this problem through what we feel is the most realistic approach to the narcotics problem yet devised. Realistic because the Javits-Kennedy bills seek to create medical, social, and other rehabilitation services.

Further, and even more important, this legislation views the addict as a sick person in need of help. It junks the antiquated criminal designation of the addict. And so, the alumni clubs, following the lead of our New York Senators, agreed to get together—alumni members from all over the city—to help make these plans a reality.

We organized ourselves and drew up a petition to President Johnson urging him to use all his influence with Congress so that these bills may be passed into the law of the land as soon as possible. Our goal was the collection of 100,000 signatures. To obtain these signatures we went into the streets, into the highways and byways, into the schools, the churches, to the civic and social organizations. We canvassed the silk stocking district as well as the slums of Harlem and Bedford-Stuyvesant. We ourselves organized conferences, rallies, informational sessions to tell the public of our efforts. We appeared on TV, on radio, were interviewed by major newspapers in a tremendous effort to inform and solicit New York's support behind this historic legislation. We are indeed happy to report, Mr. Vice President, New York, as usual came through. We have the 100,000 signatures and many more. We now leave the burden with you, as our chosen leaders will use all your influence and legislative know-how to get this valuable antinarcotics legislation off the drawing boards, out of the committees and into the vast arena

of human suffering brought about by this cruel epidemic of drug addiction. And you may be assured also, gentlemen, that Harlem, E. Harlem, Bedford-Stuyvesant, Williamsburg, Staten Island, the Bronx, Jamaica, Bay Ridge, and the whole of New York are behind you in every way. We stand firm in our commitment that we must not allow this scourge of drug addiction to claim one more victim. We look around our neighborhoods and see a virtual army of men, women and children—our generation—crippled by this germ, this disease and we know it must be stopped. We want this narcotics mess cleared up—starting now. To this point and no further.

ADDRESS BY SENATOR ERVIN AT FLORIDA BAR CONVENTION

Mr. HOLLAND. Mr. President, last Saturday, June 18, the Florida bar held its 1966 convention at Hollywood, Fla.

I was particularly pleased that our distinguished colleague, the senior Senator from North Carolina, Senator ERVIN, recognized as one of the foremost constitutional lawyers in the Nation, was able to accept the invitation to address the convention.

Senator ERVIN has been a member of the North Carolina bar since 1919 and, in addition to having practiced law at Morganton, he served as judge of the Burke County Criminal Court, North Carolina Superior Court judge, and associate judge of the North Carolina Supreme Court. His knowledge and background enabled him to give a very fine talk to the assembly, which was exceedingly well received.

May I also say, Mr. President, that Florida is honored that two of Senator ERVIN'S kinsmen are members of the Florida bar, Robert M. Ervin, serving as outgoing president of the Florida bar, and Justice Richard W. Ervin of the Florida Supreme Court.

Mr. President, I ask unanimous consent to have Senator ERVIN'S splendid speech inserted in the RECORD at this point.

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

THE DUTIES OF THE CITIZEN, THE LAWYER, AND THE JUDGE IN A GOVERNMENT OF LAWS

(Remarks of U.S. Senator SAM J. ERVIN, JR., Democrat, of North Carolina, before the Florida bar at its convention at Hollywood Beach, Fla., on Saturday, June 18, 1966)

It is a pleasure to be in the great State of Florida, which is represented in the Senate by two of the most courageous, intelligent, and dedicated Senators, my friends and colleagues, SPESSARD HOLLAND and GEORGE SMATHERS.

My pleasure is enhanced by the fact that a kinsman, Robert M. Ervin, is serving as President of The Florida Bar, and the fact that another kinsman, Justice Richard W. Ervin, of the Florida Supreme Court, has presented me to you in so gracious a manner. Bob, Dick, and I acquire our surnames from the same Scotch-Irish ancestor. Our relationship is close enough for me to be proud of it and distant enough for Bob and Dick not to have to regret it.

A GOVERNMENT OF LAWS

The Founding Fathers, who drew the Constitution of the United States, entertained the abiding conviction that the freedom of the individual is the supreme value of civilization. As positive testimony of this conviction, they stated in its preamble that they drafted the Constitution to secure the blessings of liberty to themselves and their posterity.

The Founding Fathers performed their task with complete consciousness of the everlasting political truth subsequently embodied by Daniel Webster in these words: "Whatever government is not a government of laws is a despotism, let it be called what it may." As a consequence, they were determined above all things to establish a government of laws, i.e., a government in which certain and constant laws rather than the uncertain and inconstant wills of men would govern all the officers of government as well as all the people at all times and under all circumstances.

Their purpose to establish a government of laws is disclosed by the mode in which the Constitution was fashioned as well as by its contents. The best description of how the Constitution actually came into being as a written document appears in the argument of one of the ablest advocates of all time, Jeremiah S. Black, Chief Counsel for the petitioner in *Ex Parte Milligan* (4 Wall. 2). He said:

"But our fathers were not absurd enough to put unlimited power in the hands of the ruler and take away the protection of law from the rights of individuals. It was not thus that they meant to secure the blessings of liberty to themselves and their posterity. They determined that not one drop of the blood which had been shed on the other side of the Atlantic, during seven centuries of contest with arbitrary power, should sink into the ground; but the fruits of every popular victory should be garnered up in this new government. Of all the great rights already won they threw not an atom away. They went over Magna Carta, the Petition of Right, the Bill of Rights, and the rules of the common law, and whatever was found there to favor individual liberty they carefully inserted in their own system."

I wish to speak to you concerning three simple things—the duty of the citizen, the duty of the lawyer, and the duty of the Judge in a government of laws.

THE DUTY OF THE CITIZEN IN A GOVERNMENT OF LAWS

The duty of the citizen in a government of laws is obvious. It is to obey all laws without regard to whether he deems them just or unjust. This statement seems to constitute absolute and incontrovertible truth. Nevertheless, its validity has been disputed by some clergymen and some civil rights leaders. Their position has been stated with a multitude of words in resolutions adopted by the ruling bodies of two great religious denominations. One of these resolutions was adopted by the General Conference of the Methodist Church at Pittsburgh, Pennsylvania, in May 1964, and the other was adopted by the General Assembly of the Southern Presbyterian Church at Montreat, North Carolina, in April 1966.

Since I frequently practice the Methodist doctrine of falling from grace, and give my religious allegiance to the Southern Presbyterian Church, I claim the right to make some comments upon these resolutions. They enable one to understand what the Angel Gabriel meant when he spoke this line to the Lord in the play entitled "Green Pastures": "Everything what's nailed down is coming loose."

The Methodist and Southern Presbyterian Churches have always been bulwarks of government by law. As one who knows the lesson taught by all history that there can be no liberty on this earth apart from government by law, I am deeply distressed by what these resolutions say. I cannot believe they reflect the minds and hearts of the thousands of Methodists and Southern Presbyterians I have known and loved since my earliest years.

When they are stripped of their surplus words, the resolutions declare that professing Christians have a God-given right to disobey laws they deem unjust. These resolutions cannot be reconciled with government by law. They are, indeed, the stuff of which anarchy is made. They endow each person with absolute authority, allegedly divine in origin, to disobey any law he deems unjust according to vague standards devised by himself.

I do not believe that these attempts to make God an aider and abettor in crime find support in the teachings of Christianity. I do not claim to be a theologian. I am merely a sinner who looks to the King James version of the Bible for religious guidance.

I find these plain words in I Peter, chapter 2, verses 13–15.

"Submit yourselves to every ordinance of man for the Lord's sake—for so is the will of God."

Besides, the Gospels of Matthew, Mark and Luke make it plain that Christ himself emphatically denied the validity of the civil disobedience doctrine when the chief priests and the scribes sought to entrap Him into saying that the Jews had the right to disobey the Roman laws requiring them to pay taxes to Caesar. As recounted in the 20th chapter of Luke, the chief priests and scribes put this question to Christ:

"Is it lawful for us to give tribute unto Caesar, or no? Christ replied: 'Shew me a penny. Whose image and superscription hath it?' They answered and said, 'Caesar's,' and Christ said unto them: 'Render therefore unto Caesar the things which be Caesar's, and unto God the things which be God's.'"

While authority to establish moral laws belongs to God, the authority to enact laws governing the conduct of men in an earthly society undoubtedly belongs to Caesar.

There is no excuse, moreover, for any Americans to resort to illegal means to obtain any rights to which they believe they are justly entitled. This is true because all laws regulating their conduct in society are made by legislative bodies chosen by the people, and the right to petition these bodies for any rights belongs to all men.

I wish to say something more concerning rights which the resolution of the General Assembly of the Southern Presbyterian Church calls inalienable rights. All rights of this nature are guaranteed to all men by Federal and State constitutions, and courts of justice are open at all times to punish or redress their denial and compel their observance.

I make an affirmation which is subject to no exception or modification. While the crimes they seek to justify under the civil disobedience doctrine are ordinarily petty misdemeanors rather than felonies, the right of clergymen and civil rights leaders to disobey laws they deem unjust is neither greater nor less than the right of the arsonist, the burglar, the murderer, the rapist, and the thief to disobey the laws forbidding arson, burglary, murder, rape, and theft.

THE DUTY OF THE LAWYER IN A GOVERNMENT OF LAWS

The lawyer plays an indispensable part in a government of laws. He serves justice. Paradoxical as it may seem, he serves justice by serving his clients. In serving his clients, he may enact the role of the counselor or that of the advocate.

The counselor undertakes to guide his clients along legal pathways in their business and personal affairs.

The role of the advocate arises out of the dedication of our society to the principle that the surest way to truth and justice in legal controversies is an adversary proceeding before a judicial tribunal, which hears each litigant present his cause in its most favorable light and after hearing all judges the merits of the controversy according to rules

of law. Since the litigant is not ordinarily skilled in law or advocacy, he presents his cause to the judicial tribunal through an advocate of his own choosing, who invokes the rules of law and the testimony which tend to sustain his client's claim or to defeat that of his opponent.

These considerations reveal that the duty of the lawyer in a government of laws is three-fold in nature, regardless of whether he plays the part of the counselor or that of the advocate. He must know law, be loyal to his client, and maintain his own integrity.

If one is to know law, he must master it by earnest, protracted, and sacrificial study; for there is nothing truer than the trite saying that law "is a jealous mistress, and requires a long and constant courtship."

When I say the lawyer must know law, I do not mean to imply that he must carry in his cranium or on the tip of his tongue all laws and their interpretations. That is a manifest impossibility in a law-ridden country like ours.

I mean that the lawyer should know basic legal principles and do the legal research necessary to safeguard his client's rights. To do this research, he must first acquaint himself with the facts on which those rights depend; for, as the ancient maxim proclaims, out of the facts the law arises. My father, who was an active practitioner at the North Carolina Bar for 65 years, gave me this sage advice on this point when I entered his law office many years ago: "Salt down the facts; the law will keep."

The lawyer should expand his study to fields outside the law, even though sufficient study of law will make him a good legal craftsman. This is so for the reason stated by Sir Walter Scott, a member of the Scottish Bar, in his novel "Guy Mannering":

"A lawyer without history or literature is a mechanic, a mere working mason; if he possesses some knowledge of these, he may venture to call himself an architect."

In discussing the loyalty the lawyer owes to his clients, I deem it not amiss to say something about the kind of clients the lawyer ought to have.

Sometimes wise men say silly things. Horace Mann, the great educator, gave a young lawyer this advice: "Never take a case unless you believe your client is right and his cause just."

I disagree most emphatically with Horace Mann. If he had merely said that a lawyer should never bring a civil case in behalf of a plaintiff when he is convinced after thorough investigation and research that the case is without warrant in fact and in law, I would agree with him.

But I reject the implication of his advice that a lawyer should refuse to accept as a client an accused in a criminal action or a defendant in a civil case merely because he believes the client to be in the wrong in respect to the event giving rise to the prosecution or the litigation.

As I have stated, our system of jurisprudence is based on the conviction that truth is most likely to be revealed and justice is most likely to be done in adversary judicial proceedings. It is of the very essence of the system that every man shall have his day in court and be represented by a lawyer learned in the law and trained in the art of advocacy.

If lawyers generally took Horace Mann's advice literally, they would cast upon the judge the sole responsibility for safeguarding the rights of the litigants they refused to represent, and would thus make it impossible for our system of jurisprudence to function effectively or justly.

Many questions arise in litigation in addition to whether the accused in a criminal prosecution or the defendant in a civil action was in the wrong in respect to the event which prompted the prosecution or the law suit. For example, a criminal prosecution may be concerned with questions as to the intent of the accused, or the degree of his offense, or the punishment he deserves; and a civil case may involve questions as to the damages recoverable, or the relief which ought to be granted.

Judge David Schenck, a North Carolina lawyer of a by-gone generation, was once asked how he justified pleading for a guilty client. His answer merits preservation. He said: "Someday I shall stand before the Bar of Eternal Justice to answer for deeds done by me in the flesh. I shall then have an advocate in the person of Our Lord, who will certainly be pleading for a very guilty client."

Few relationships of life involve a higher confidence and trust than that which exists between the lawyer and the client he accepts. The client entrusts to the keeping of his lawyer his claim or his property or his reputation or his liberty or his life, and the lawyer pledges to his client the loyal use of his professional ability and legal learning to secure for the client every right or defense afforded by the applicable rules of law, properly applied.

What has been said makes it plain that there is no inconsistency between the loyalty which the lawyer owes to his client and his obligation to maintain his own integrity. Apart from ethical and religious considerations, the integrity of the lawyer has important practical values in the administration of justice in a government of laws.

One of them arises out of the reality that integrity in those who participate in its administration is essential to the doing of justice according to law. Another originates in the truth that all people instinctively put their faith in a man of integrity. As a consequence, the integrity of the lawyer wins for him the confidence of clients, judges, jurors, other practitioners, witnesses, and the public generally, and thus constitutes his most potent professional attribute. No amount of intellectual brilliance or erudition can supply its lack.

When the French Philosopher, Alexis De Tocqueville, visited America and wrote his famous "Democracy In America," he observed the American Bar and paid it this compliment:

"The profession of the law is the only aristocracy that can exist in a democracy without doing violence to its nature."

Hence, the lawyer who knows law, serves his clients loyally, and maintains his own integrity can justly claim to be a member of "the only aristocracy" which has a rightful place in a democracy.

THE DUTY OF THE JUDGE IN A GOVERNMENT OF LAWS

The judge is the cornerstone of the temple of justice. Upon him rests the most serious responsibility imposed upon any public officer in a government of laws. It is his duty to judge "his fellow travelers to the tomb" with absolute fairness according to rules of law prescribed by the lawmakers of the State.

If the judge is to perform this duty aright, he must put off all his relations except his relation to the law when he puts on his robes, try each case according to law with what Edmund Burke called the "cold neutrality of the impartial judge," and convince his hearers when he speaks that the law rather than an individual is speaking.

The burden of insuring a fair trial to every litigant rests upon the judge. If a litigant is to receive a fair trial, he must have his cause heard and determined according to rules of law by an impartial judge and an unbiased jury, if it be a jury matter, in an atmosphere of judicial calm and an open courtroom, where he is loyally represented by a lawyer possessing adequate knowledge of law and skill in advocacy.

It sometimes requires high courage and deep wisdom for the judge to insure a fair trial to a litigant. This is certainly true in cases where the government seeks to make the litigant a victim of political purpose, or any angry mob clamors for his blood.

Let me recount an event of a by-gone generation. William Alexander Hoke, who afterwards served as Chief Justice of the Supreme Court of North Carolina, was presiding over a one-week term of Superior Court in one of the State's counties.

A capital crime of an atrocious character had been committed on the eve of the convening of the court, and the passions of the community were much inflamed against an impoverished prisoner, who had been arrested and charged with the offense.

After investigation, the lawyer, whom Judge Hoke had appointed to defend the prisoner, moved for a continuance and a change of venue, assigning as reasons that the prisoner had an alibi, but the witnesses necessary to prove it were at a distance and could not be procured during the existing term and that in any event trial of the case should not be had in a community whose passions were inflamed against the prisoner. The Solicitor, who headed the prosecution, strongly resisted both motions, upon the ground that the prisoner might be lynched by the mob if he were not immediately tried.

Judge Hoke made this response to the Solicitor's argument: "Mr. Solicitor, if this court has no choice other than to have the prisoner lynched by the mob or mobbed by the court, it prefers to let the mob deal with him. However, it believes there is a third choice. The trial is continued, and a change of venue is granted."

Since I am a lawyer in heart, I will cite a precedent, which defines in eloquent words the duty of the judge in a government of laws. It is Section 11–11 of the General Statutes of North Carolina, which sets out the oath that Superior Court Judges have taken for many generations. I invite attention to three pledges which each Superior Court Judge makes in the first person:

1. "I will do equal law and right to all persons, rich and poor, without having regard to any person."

2. "I will not delay any person of common right by reason of any letter or command from any person or persons in authority to me directed, or for any other cause whatsoever; and in case such letters or orders come to me contrary to law, I will proceed to enforce the law, such letters or order notwithstanding."

3. "And finally, in all things belonging to my office, during my continuance therein, I will faithfully, truly and justly, according to the best of my skill and judgment, do equal and impartial justice to the public and to individuals."

Despite the fact that it is the office of the judge to interpret law, and not to make law, a theory wholly incompatible with government by law is coming into increasing vogue in the United States. It is that judges are at liberty to substitute their personal notions for law while professing to interpret law. I regret to note that judicial activists are now overworking this theory.

I will exercise at this point a right vouchsafed to all Americans by these words of Chief Justice Harlan F. Stone: "Where the courts deal, as ours do, with great public questions, the only protection against unwise decisions, and even judicial usurpation, is careful scrutiny of their action, and fearless comment upon it."

As one who reveres government by law and abhors tyranny on the bench as much as tyranny on the throne, I was astounded by the recent case of *Harper* v. *Virginia State Board of Elections*, where a majority of the Supreme Court of the United States overruled two sound decisions to the contrary, *Breedlove* v. *Suttles* (302 U.S. 277), and *Butler* v. *Thompson* (341 U.S. 937), and adjudged unconstitutional under the Equal Protection

Clause, the Virginia poll tax as a prerequisite to voting in State elections.

I hold no brief for the legislative policy of a State which imposes a tax of this nature. But I do hold a brief for the proposition that under the Constitution rightly interpreted such a poll tax is just as constitutional as the Supreme Court itself. The Supreme Court so held in the *Breedlove* and *Butler* cases, and Congress and the States agreed when they adopted the 24th amendment. Justices Black, Harlan, and Stewart expressed views to this effect in their dissents in the *Harper* case.

When one analyzes the majority opinion in the Harper case, he cannot escape the conclusion that its writer, Justice Douglas, used the Equal Protection Clause without constitutional or intellectual justification to invalidate the Virginia poll tax simply because a majority of the Justices did not personally approve of Virginia's action in requiring a citizen to pay $1.50 a year—his earnings at the minimum wage for 72 minutes—to the State which educates his children and secures due process of law to him for the privilege of voting in elections held by it.

Justice Douglas came very close to making a candid admission to this effect. He gives no reason of substance to justify the decision of the majority beyond this bare declaration. "Notions of what constitutes equal treatment for purposes of the Equal Protection Clause do change."

What *this statement* means in plain English is merely this: When the "notions" of Supreme Court Justices change, the meaning of constitutional provisions change accordingly.

If this theory becomes the norm of the judiciary in the United States, government by laws will become as extinct as the dodo in our land, and Americans will be ruled by the nebulous notions of judges, which the dictionary says are "more or less general, vague, or imperfect conceptions or ideas."

My view finds corroboration in the writing of one of America's wisest judges of all time, Benjamin N. Cardozo, who affirmed that if judges substitute their notions for law, their action "might result in a benevolent despotism if the judges were benevolent men," but that "it would put an end to the reign of law."

As I close, I make this prayer. May citizens, lawyers, and judges consecrate themselves anew to the preservation of our government of laws. This is a task of supreme moment, for if our government of laws perishes, liberty perishes.

FREEDOM, PROPERTY, AND TITLE IV OF S. 3296

Mr. ERVIN. Mr. President, Senators may recall, 2 years ago, that I spoke here of the peril in which our freedom stood at that time. I am saddened that I must come before this body again for that same purpose. But I must do so because it is apparent that the practical realities of freedom are being forgotten as its meaning becomes the "mere intellectual abstraction" so poignantly described by the late Justice George Sutherland.

The proposed Civil Rights Act of 1966, and particularly its housing section, is offered as a panacea for the homeless and as an expeditious lever to end alleged discrimination in the sale, lease, and rental of all forms of housing. I will not, at this point, elaborate as to the wisdom of this suggestion. It does, however, call to mind the truth uttered by William Pitt, the younger, when he said that—

> Necessity is the plea for every infringement of human freedom.

Another truth should also be recalled at this time. That is, the constitutional form of government which we all enjoy guarantees that every American has the right to use property in all ways permitted by the State laws without interference from the Federal Government. It affords this guarantee because, as John Adams stated:

> Property must be secured, or liberty cannot exist.

The Constitution vests, in article I, all of the lawmaking power of the Federal Government in the Congress; and, neither the President nor the Federal judiciary has any power whatever to make any law. Nor is it necessarily mandated that Congress answer an invitation from the judicial branch to make laws.

Mr. President, the Subcommittee on Constitutional Rights is presently conducting hearings on the administration's proposed civil rights bill and other related civil rights measures. All Senators know of the great controversy surrounding title IV, the housing section of S. 3296. The freedom it would deny to all Americans has been the subject of national debate. It is most unusual, as we all know, for anyone to express himself intelligently and dispassionately on this legislation. The subcommittee has, however, received the testimony of one witness, at least, who presented an objective and enlightened statement.

I refer, Mr. President, to Sylvester Petro, professor of law at New York University School of Law. Professor Petro has earned degrees at the University of Chicago and the University of Michigan. He has been a contributor to numerous legal and other periodicals and is author of "The Labor Policy of the Free Society." In 1953, he served as lecturer on American public law at the University of Rome.

Professor Petro's appearance before the subcommittee revealed his deep appreciation for the meaning of freedom and quite clearly exposed the distortion of language and logic by those who identify title IV of S. 3296 with freedom.

Mr. President, in order that all Americans may receive the benefit of Professor Petro's views, I ask unanimous consent, on behalf of myself and Senator SMATHERS, that his statement be printed in full at this point in the RECORD.

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

FREEDOM, PROPERTY AND TITLE IV OF S. 3296, STATEMENT OF SYLVESTER PETRO, PROFESSOR OF LAW, NEW YORK UNIVERSITY SCHOOL OF LAW

Freedom is a condition to which the right of private property is indispensable. If you tell me that I must sell my house to A instead of to B, or instead of taking it off the market, you have deprived me of my right of private property, and of my freedom. If you force me to sell without providing me with traditional safeguards, then you have not only deprived me of liberty and property, but you have done so without due process of law. The fundamental defect of Title IV of Senate Bill 3296 is that it proposes the most far-reaching, the most offensive, and the most arrogant deprivation of property without due process in the history of the United States.

Title IV, the part of S. 3296 to which these observations are exclusively addressed, is sharply distinguishable from the other titles of the bill. The other provisions propose to remedy denials of civil and personal rights. As such they are not defective in principle, though they might prove to be evil in policy and practice. Title IV, however, is a bald denial of right, vicious in both principle and practice because it can not possibly be administered in accordance with due process of law, and because it adds materially to the forces already at work to introduce the police state into this country. It is possible that Title IV will not work at all. But if it does, it will do so at the expense of liberty, property, and due process. I propose to demonstrate the accuracy of this charge.

1. FREEDOM AND THE RIGHT OF PRIVATE PROPERTY

It is customary among proponents of such legislation as Title IV to praise it in the name of freedom. However, the briefest examination of the legislation and the barest acquaintance with the condition known as freedom will expose the error of identifying Title IV with freedom.

Title IV would force individual homeowners, real estate brokers, and financing institutions to sell and finance the sale of homes in circumstances in which they would prefer not to do so. Homeowners are told in Section 403 that, no matter what their own preferences may be, they are compelled by law to sell, rent, or lease their dwellings without regard to the race, color, religion, or national origin of prospective purchasers or tenants. Brokers and financial institutions are subjected to corresponding and implementing deprivations of their rights. Sections 406 and 407, as we shall see, encourage the most aggressive possible prosecution of the policies of the legislation.

No great acumen and no tortured analysis are necessary in order to perceive how drastically Title IV restricts freedom and property, and therefore how incorrect and deceptive it is to identify Title IV with freedom. A man is free to the extent that his property rights are intact, for the condition of freedom and the condition of slavery are distinguished on the basis of the right of private property. A free man owns himself and whatever he comes by lawfully. A slave owns nothing. He does not own himself, and, if he is in full slavery, he can own nothing else, not even his children.

Ownership means more than the possession of formal legal title to things. It means control. Control means authority over use, and over disposition as well. It means the condition in which one has the authority to follow his own preferences. Obviously it does not mean that one may use his property in a way which destroys the property of others. The rights and the freedom of others are entitled to the same status and condition. But that qualification poses no problem. It is easy to see that property rights and freedom cannot exist where some are permitted to invade the rights of others.

Legislation such as Title IV is sometimes advocated on the theory that freedom involves the right to live wherever one chooses, or to buy whatever one wishes to buy. This is an incorrect usage of the term "freedom." If I have the right to live wherever I choose, then someone else must have the duty to permit me to do so. Suppose I prefer my neighbor's home to my own. Have I the right to force him to sell to me? Obviously I do not—not in a free country, anyway. For if I did, I should possess, not freedom, but power. And if he were obliged to sell, it would be foolish to speak of him as a free man with his property rights intact.

The same is true of the so-called "right to buy." No one in a free country has a right

to buy. If he is a free man, what he has is a right to offer to buy. And if the man on the selling side is a free man, in a free country, he has the right to offer to sell or to refuse to offer to sell. A completed transaction occurs, in a free country, when a willing and able buyer encounters a willing and able seller and they get together on terms which are mutually satisfactory.

Title IV does not promote freedom. It destroys freedom and creates power on one side. To speak of it in the name of freedom is to engage in an ugly perversion of the central principle of the good society.

2. THE ATTORNEY GENERAL'S POSITION

In commending the bill to the House Judiciary Committee, the Attorney General of the United States said that "the ending of compulsory residential segregation has become a national necessity." His use of terminology "compulsory residential segregation," to speak kindly, is strained. Taking the words in their natural meaning, one would have to conclude that the Attorney General is engaged in fantasy. I am not aware of the existence of "compulsory residential segregation" anywhere in the United States. Indeed, since the Supreme Court's decision in *Shelley* v. *Kraemer*, even contractual residential segregation is no longer possible, for that case held racially restrictive convenants unenforceable.

The truth is that the only kind of residential segregation which exists in the United States today is purely voluntary. The further truth is that the persons ultimately responsible for such voluntary housing segregation as exists are individual homeowners. The Attorney General seeks to shift the onus. He said to the House Judiciary Committee: "I believe it is accurate to say that individual homeowners do not control the pattern of housing in communities of any size. The main components of the housing industry are builders, landlords, real estate brokers and those who provide mortgage money. These are the groups which maintain housing patterns based on race."

Everywhere in the United States today homeowners are free to sell their homes to whomever they wish among those who bid. Nowhere are they prevented from selling to Negroes, Jews, Puerto Ricans, or any other so-called "minority." It is unlawful everywhere for anyone to interfere with a man's right to dispose of his property as he sees fit. If one real estate broker refuses to deal with members of a given race, the homeowner is free to seek another. If he can find no broker who will deal indiscriminately, the homeowner may take over the selling function himself, as many do. I am confident that there is not a newspaper in the United States which would reject an advertisement offering a house for sale or for rent to all comers.

The Attorney General's strained use of the strange terminology, "compulsory residential segregation," is accounted for by his natural reluctance to describe the effect of Title IV accurately. But no valid purpose is served in beating about the bush. The purpose and effect of Title IV are to deny freedom and to restrict the right of private property, not to protect and advance them. The particular and ultimate victim is the homeowner—not the builder, not the real-estate broker, and certainly not the banker. For them, in their commercial roles, housing is purely a commercial matter. They will not be hurt in those roles by a law forbidding the discriminate sale or renting of private homes. But the individual homeowner will be. He will find his freedom and his most cherished values savagely mauled.

3. "NATIONAL NECESSITY" VERSUS INDIVIDUAL PREFERENCE

When one removes the tortured indirectness from the Attorney General's language, what remains is this assertion: "The policy of this Administration is to favor a compelled amalgamation of all races, colors, and creeds in residential areas; individual preferences, the right of private property, and personal freedom must all be sacrificed to this overriding policy."

Verbal by-play must not be allowed to conceal the real meaning of the Attorney General's statement. He refers to "national necessity." But what meaning are we to give to "national necessity" when that expression runs counter to individual preference? The purpose of Title IV, to repeat, is to produce a racial mixture in residential areas. If that mixture does not now exist it is because individual homeowners have preferred something else. But this is a nation of homeowners. Is not the residential pattern therefore an expression of their desires, and as such an expression also of national policy? By what right does the Administration arrogate to itself the authority to frustrate such desires and to identify contrary wishes as "national necessities?"

A man's family and his home are dear to him, the things he cherishes most in the world. He will work for them as he will work for nothing else. And out of such striving great things have emerged. America as we know it today, with all its power and wealth, is a byproduct of the efforts that men have expended in building their families and homes. All the massive edifices in Washington, D.C., all the vast means at the disposal of the government of the United States, are mere incidentals to the main business of the ordinary American, who works for his family and his home—not for "national necessity," whatever that pompous phrase may mean.

We must get these things straight. Governments do not produce either men, families, or wealth. Men produce those things. The only thing that government produces is more government. If, in producing more and more government, a country should destroy the mainspring of human striving, the fact that the destruction has been cloaked in the verbiage of "national necessity" will not change the consequences. The country will regress; its wealth diminish; its government become a fourth-rate power; its general tone will become puny.

I take no position one way or the other on the desirability of racially amalgamated residential areas, and I do not see how any other mere mortal can do so, for it seems to me to be entirely a matter of personal preference. What I do know and assert is that the goodness, wealth, and power of this country are products of the striving of free men in the pursuit of their preferences; in short, products of the right of private property. I know, furthermore, that Title IV, whatever the Attorney General may say about it, is the most far-reaching and thoroughgoing invasion of the right of private property that has ever been proposed in this country. The Attorney General refers to Title IV as a "national necessity." I believe it better described as a national disaster.

4. PROCEDURAL ASPECTS

The procedural aspects of Title IV are as questionable as its substantive policy. It encourages unmeritorious and vexatious litigation despite the crowded conditions of court dockets all over the country. It creates evidential problems which are likely to make a mockery of due process of law. Its provision for remedies are likely to intimidate the decent citizen. The powers of intervention granted the Attorney General are vague and ill-defined and smack more of the police state than of a society ruled by law.

a. Unmeritorious and intimidatory litigation

Section 406(b) authorizes the federal courts, whenever they "deem just," to subsidize proceedings against homeowners who have allegedly refused to sell or rent on the basis of race, creed, or national origin. No such subsidy is made available to the defending homeowner. Thus a disappointed purchaser has everything to gain and nothing to lose by suing the homeowner. Under Section 406(b) the would-be purchaser may commence a civil action "without the payment of fees, costs, or security . . ." This means he may secure even an *ex parte* restraining order, preventing the homeowner without notice or hearing from selling to another, without forfeiting a bond or security.

There is no need to dwell at length upon the evils of this provision. They are obvious. Every homeowner in the country is a potential victim when he puts his house up for sale, whether or not he has violated the law. The normal restraints upon vexatious litigation are gone. As we shall see, it is likely that the burden of proof will come to rest swiftly upon the homeowner, rather than, as is traditional, upon the complaining party. The difficulty of sustaining the burden of proof together with the subsidizing of the complainant add up to a massive instrument for the intimidation of homeowners.

Even without the subsidy provision, Title IV, if enacted, is likely to produce a flood of litigation, and litigation of a peculiarly complicated character. With the subsidy, of course, there will be even more. I do not suggest that the litigation-breeding charge is ever a valid argument against an otherwise meritorious law, for I believe that if a proposal has merit, it should pass even though it increases the burden on the courts. The trouble with Title IV, however, is that it is both bad in principle and likely to encourage great volumes of unmeritorious and purely vexatious litigation, when the federal courts are already heavily burdened.

The probable result is that proceedings under Title IV will work the most vicious kind of injustice. Complainants will ask for restraining orders, pending a full trial, which is likely to be long and drawn-out. Homeowners will thus lose their purchasers, while the complaining parties, on the other hand, will have nothing to lose, especially when even their attorney's fees and security costs are covered by the taxpayers. The net effect is likely to create discrimination in favor of members of minority groups. Indeed that seems to be the object of all the procedural features of Title IV. The compulsions and the denials of freedom which characterize the substantive features of Title IV will probably be surpassed by the compulsions inherent in its procedural features.

b. Problems of proof and due process

Every time a belligerent member of an identifiable "minority" bids unsuccessfully on a home, or a rental, he is in a position to make life miserable for the hapless homeowner. Suppose a Jewish homeowner, with his house up for sale, receives equal bids from two persons, one a Jew, the other an Italian. If he sells to the Jew the disappointed Italian has the basis for a suit. The Italian may petition for a temporary restraining order, thus blocking the sale to the Jew, pending full trial. How long will the Jewish purchaser keep his offer open?

And what will happen at the trial? The law is vague. It forbids refusing to sell "to any person because of race, color, religion, or national origin." How much proof is required. What kind? On whom will the burden of proof come ultimately to rest?

We have had considerable experience with a similarly vague law. An analogous provision in the National Labor Relations Act prohibits discrimination by employers which tends to discourage union membership. The National Labor Relations Board considers itself as having a prima facie case of discrimination when a union man is discharged by an employer who has betrayed anti-union sentiment. At that point the burden of

proof shifts to the employer. He must show that there was some good cause for the discharge—a violation by the dischargee of some strictly enforced rule, or a failure by him to meet objectively demonstrable standards. If he fails in this showing, the employer will be found guilty of unlawful discrimination.

The homeowner under Title IV is in a much more difficult position than the employer under the National Labor Relations Act. How is the homeowner to prove that he had some objectively demonstrable cause—other than race or religion—when the Italian made the same offer that the Jew made?

It is possible that the federal courts, unlike the National Labor Relations Board, will require objective evidence of discriminatory motivation before they hold homeowners guilty of Title IV violations. But if the courts take that position, Title IV will become a dead letter; ocular proof of discriminatory motivation is in the nature of things unavailable. Hence the probability, if Title IV is to be viable, is that the courts will do what the Labor Board has done; that is, rely upon presumptions and inferences. In that case Title IV will become an even more pervasive instrument for the denial of due process than the Labor Act has been. The burden of proving lack of discriminatory motivation will fall upon the homeowner, and in 99 cases out of a hundred, he will be unable to carry that burden. He will not be able to prove, in the case I have cited, that there was a non-discriminatory basis for his refusal to sell to the Italian.

Add this to the fact that he will probably have been restrained by the court from conveying to the Jewish purchaser, pending trial, and it becomes evident that Title IV puts the homeowner into an impossible position when he is confronted with purchasers from different minorities. No matter which he chooses to sell to, the other is in a position to make life miserable for him. An age-old instinct of the common law was to conceive rules in the manner most likely to encourage and promote the alienability of realty and chattels. It would appear that the aim of Title IV is, at least in part, to frustrate realty transactions.

If the homeowner is confronted with offers from a Negro and a White Anglo-Saxon Protestant, he has no choice at all. Preferring the Anglo-Saxon will, if the disappointed Negro is belligerent or fronting for a pressure group, produce an immediate restraining order, frustrating an immediate sale and probably inducing the purchaser to go elsewhere, for many important family matters hinge upon the timing of home purchases. Again there will be a trial, probably prolonged. And how will the homeowner establish that his choice was not on the basis of race or religion? He has everything to lose and nothing to gain from fighting the case.

Title IV takes away his freedom, his right of private property, and makes a mockery of due process while doing so. "National necessity" is cited as the justification for this vicious betrayal of some of the best of the American tradition. But I am unable to understand how it can be nationally necessary to destroy what is good and strong in a nation. Title IV is an instrument useful only to beat the country's homeowners into a state of supine submission. Perhaps they will rebel against it, however, in which case there will be chaos. Or perhaps Title IV will stimulate evasive hypocrisy on a universal scale, an even more repulsive possibility. But meek submission is what the bill seems to aim at, and I can think of nothing more foreboding than the realization of that aim. No great society was ever built by sheep or cattle.

c. Intimidatory remedies

There is an infinity of evil in Title IV. Section 406(c) provides that "the court may grant such relief as it deems appropriate, including a permanent or temporary injunction, restraining order, or other order, and may award damages to the plaintiff, including damages for humiliation and mental pain and suffering, and up to $500 punitive damages." Section 406(d) authorizes the court to "allow a prevailing plaintiff a reasonable attorney's fee as part of the costs." In the light of these penalties, the homeowner will have to be foodhardy indeed who refuses to sell to the member of any minority group.

The bill puts no limit on the amount that may be awarded for "humiliation and mental pain and suffering." Apparently the sky is the limit. It is true that there is a "reasonable" limitation on the amount which may be assessed against the defendant for a successful plaintiff's attorney's fee. The fee may still grow to a substantial amount, however; equity proceedings and a prolonged trial may easily involve work and time for which thousands of dollars constitute a reasonable fee. And it must never be forgotten that the victim of Title IV will usually be an individual homeowner. More than that, he will usually be a man of modest means, for the wealthy will never have problems under Title IV, and even the well-off will rarely have trouble with it.

Special note must be taken of the variety of court orders authorized by Section 406(c): "permanent or temporary injunction, restraining order, *or other order.*" (Emphasis added). Obviously there is plenty of room in this catalogue for the most extreme type of court order, the mandatory injunction. In short, a homeowner may be ordered to convey his property to a person to whom he does not wish to sell it, or even, indeed, after deciding to withdraw it from the market. Consider this type of case, which occurs often enough: after getting only one offer for his home, and that from a Negro, the homeowner decides after all that he does not wish to sell; the Negro, or some supporting organization, gets its wind up, creates a great deal of publicity, leading to what may be called humiliation for the would-be purchaser, and then files suit, demanding a mandatory injunction and all kinds of damages allowed for in the bill. Moreover, the Negro convinces the court that he lacks means and thus acquires a subsidy for all court costs, fees, and other costs.

What is the position of the homeowner in such a case? He made no formal announcement that he was withdrawing his house from the market. Born and raised a free man he felt no obligation to clear his change of mind with anyone. He just went ahead and adjusted numerous complicated and intimate family plans to his new decision. But how will he prove that there was no discriminatory motivation in the face of the evidence—the prima facie case—against him? Should he fight the case? If he fights, the costs will be heavy, and his means in all probability slender. There is no provision in the law covering his costs, if he wins. Can one afford to fight such a case? Why fight, anyway? Why not just let the court take away the house and convey it to the person who wishes to purchase. It's only a house, after all, and the family can adjust to a move.

d. Title IV and the police state

Section 407(a) and (b) give the Attorney General a roving commission to institute or to intervene in Title IV proceedings pretty much as he pleases. Section 407(a) permits him to institute suit whenever he (not the court) "has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights granted by this title." All the forms of relief available in private suits are made available in suits instituted by the Attorney General.

The Attorney General has even broader and more vaguely defined power to intervene in actions commenced by private parties. Under 407(b) he has authority to intervene if he merely "certified that the action is of general public importance."

The effect of these two sections is to authorize the Attorney General to police every real-estate transaction in the United States. Obviously even the enormous tax revenues of the United States and its prodigious number of office-holders are not sufficient to permit the Attorney General to intervene in every transaction. He will have to pick and choose. The picking and choosing is likely to be dictated in Title IV cases largely as it is in all similar instances of governmental intervention. Political, publicity, and psychological considerations will play an important part. Thus the full power of the federal government will be thrown against the homeowner who happens for one or another of these reasons to constitute a suitable target. The police-state implications of this boundless grant of power are too obvious to require comment. Pity the poor homeowner who finds himself caught in the middle!

CONCLUSION

There is no doubt in my mind of the proper disposition of Title IV of S. 3296. It should be rejected. I repeat: I take no position on the question whether racial amalgamation of residential neighborhoods is desirable; in a free country, residents should make that decision each for themselves—not politicians or government agents, or courts. What I am convinced of is that compulsory amalgamation has no place in a free country. What I am convinced of further is that Title IV is a measure devilishly and deviously contrived in each of its provisions to work a compulsory amalgamation. Title IV is advertised by its proponents as a "national necessity" designed to promote freedom and justice.

In fact, it is a national disaster which destroys freedom while spreading injustice across the land. Whatever the Attorney General may say about it, the principal target and ultimate victim is the individual homeowner. This lonely individual will find himself in Title IV proceedings fighting against preposterous odds for the things most dear to him. He will finance his opponent in individual proceedings in many cases, and his tax money will be used against him in proceedings brought by the Attorney General. Title IV is a stacked deck against the individual homeowner, his liberty and property. If Title IV is passed it will amount to a declaration of war by the government of the United States against its sturdiest and most productive citizens, the homeowners of the United States. The consequences for the country cannot be anything but evil.

WEST FRONT OF THE CAPITOL

Mr. PROXMIRE. Mr. President, Morris Ketchum, president of the American Institute of Architects, told me in a conference that the proposal to extend the west front of the Capitol to shore up its walls at a cost of $34 million was wholly unjustified.

Mr. Ketchum and a group of three associates from the AIA have informed me in my office of their wholehearted opposition to the proposal to extend the west front.

This is in accordance with the statement by this eminent organization last October when they said:

If the West Front of the Capitol is extended, we will have buried the last of those walls that date from the early years of the Republic and will have obscured a part of our history that can never be restored.

Mr. Ketchum agreed that it is an insult to the intelligence of the Congress to contend that it will cost $30 to $34

million simply to provide the safe, modern construction for the west wall to prevent its collapse.

Mr. Ketchum asserted that such an objective without the 4½ acres of additional space could be achieved at a minor part of this cost.

I regret that Mr. Stewart did not consult with the American Institute of Architects before these plans were drawn. Once again, as in the case of the Madison Library, it is clear that Mr. Stewart has left the AIA in the dark.

In addition to the immense cost, and the ridiculous waste in this restaurant extravaganza, the AIA raises the irrefutable point that the historic Nation's Capitol, embracing a great architectural masterpiece, should not be so drastically modified without the closest consultation with the Nation's outstanding professional architectural organization, the American Institute of Architects.

MORE CAPITOL PUNISHMENT

Mr. President, in a recent issue of the American Institute of Architects Journal, Francis Lethbridge writes a concise but comprehensive article that brings the controversy over extending the west front of the Capitol up to date. Mr. Lethbridge appropriately titles his article, "More Capitol Punishment."

Mr. Lethbridge is Chairman of the Joint Committee on Landmarks for the National Capital and a practicing architect in Washington.

Mr. Lethbridge writes in part:

The widening of the west portico, if carried out, will alter the proportions of the entire West Front, will obliterate all external evidence of the original Thornton-Latrobe wings and will present a broad, almost unbroken facade at the line of the House and Senate Wings. The proposed terrace alterations will also radically change the appearance of that structure from the Capitol grounds, for the two great flights of steps designed by Olmsted which cascade down from either side of the central portico will be moved so far apart as to present an entirely different effect.

Mr. Lethbridge concludes:

If the old stones of the Capitol are crumbling let them be restored, or replaced if need be, but let us refrain from padding its bones with layers of rooms until it becomes a shapeless mass signifying nothing but its own bulk. Congress deserves a mid-20th century answer to its space needs, not a misguided mid-19th century alteration to a venerable building deserving of respectful preservation.

Mr. President, I ask unanimous consent that the article entitled "More Capitol Punishment," written by Francis D. Lethbridge and published in the AIA Journal for April 1966, be printed in the RECORD at this point.

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

MORE CAPITOL PUNISHMENT

(By Francis D. Lethbridge, AIA)

(NOTE.—Chairman of the Joint Committee on Landmarks for the National Capital and a practicing architect in Washington, D.C., the author presents his views on the West Front extension.)

It was eight years ago that a public hearing was held on the proposed extension of the United States Capitol, and to read the transcript of that hearing today makes one realize that more than just the eastern facade of the building has changed. Some of the architects who appeared before the Senate Committee on that occasion have passed beyond any further controversy, and others, in their efforts to prevent alteration of the East Front, so compromised their position on extensions to the West Front that they have since had little to say publicly on the subject.

The Architect of the Capitol, J. George Stewart, nevertheless, has persisted in his intention to carry out all of the proposed "improvements" described in his report of August 1957, and the time draws near when any further discussion on the merits of the West Front extension will be purely academic.

The arguments for the East Front extension, it will be recalled, were threefold. First, that the change would correct an architectural inconsistency that had occurred at the time the new dome was erected over the walls of the existing rotunda, causing the skirt of the dome to project over the front portico, a flaw that the architect of the dome, Thomas U. Walter, had been anxious to rectify from the time of its construction. Second, that the original sandstone and rubble walls of the older, central portion of the building were in poor structural condition, and that the surface of the porous Acquia sandstone was corroded and caked with the innumerable coats of paint that had been applied since 1819. Third, that the additional space obtained by moving the east wall 32 feet 6 inches forward was needed by Congress in addition to that space which might be obtained by the proposed extension of the West Front.

Opponents of the change, on the other hand, argued that the original walls had unique historical values which should be preserved; that the projection of the dome beyond the walls of the building had been a happy esthetic accident which should be perpetuated; and that the cost of the extension, in terms of space gained, was outrageously high.

In retrospect it appears clear that the first argument for the East Front extension—that of improving the architectural relationship of the front portico to the dome—was a valid one, and that the new relationship of the central portion of the building to the wings is an acceptable change, if no improvement. It was undeniably true that serious problems of erosion and structural failure were present, but it was never established that they could not have been corrected without the construction of new walls some distance forward of the old, if this had been considered of paramount importance. This last point is still a real issue, for the central portion of the West Front is today in essentially the same state of disrepair as was the East Front eight years ago. It is only fair to point out that the Architect of the Capitol, and the consultants who have been retained by him to study the structural problems, have never argued that the conditions of the exterior walls could not be corrected except by building new outside walls to buttress them. They have merely said this method of reconstruction would be effective and economical, that it would provide additional space and would be least disruptive to continued activities within the building.

The Associated Architects[1] who were commissioned "to furnish necessary architectural and engineering services for the extension of the Capitol and other authorized changes and improvements" developed the need, to use Mr. Stewart's words, for 139,250 additional square feet of floor space to accommodate present needs of Congress, with some allowance for future growth. Since the extension of the east central front has already provided 44,930 square feet of the total, the remaining 94,320 square feet are scheduled for construction in the proposed extension of the West Front.

It has been proposed that the Senate and House restaurant facilities be moved to the west terrace, together with an additional visitors' and employees' restaurant, their combined area to be about 55,000 square feet with seating accommodations for 1,305 persons. In addition to the new Capitol restaurant space, the West Front additions are scheduled to provide 8 committee rooms, 55 offices, 7 storage rooms and extensive additions to the facilities for vertical circulation in the building, including 6 passenger elevators, 2 freight elevators and 6 escalators.

Obviously, the proposed extension of the West Front is in response to those estimated needs, some of which, such as the improvements in vertical circulation, would be difficult, if not impossible to build without further enlarging the central portion of the building. We are in no position to challenge these needs without the benefit of an up-to-date study, but we should challenge whether providing this additional space by further alteration of the Capitol is going to be at a price—historically or esthetically—that is too great to pay. Specifically the questions to be answered are these:

1. Should the walls of the West Front be repaired or restored in their present position?

2. Should the entire facade of the central portion of the West Front be rebuilt some distance forward of the present walls?

3. Should the West Front be redesigned and rebuilt in a basically different manner some distance forward of the present walls?

Probably few people are aware that it is the third alternative which is being carried forward at the present time by the Architect of the Capitol. The report of August 1957 states, "It is proposed to extend the basement story of the west central portion of the Capitol, across the courtyards, to the west terrace structure. It is also proposed to partially extend the west terrace structure and to relocate the west steps and approaches. It is further proposed to extend the original north and south wings of the west central portion of the Capitol, and the House and Senate connections, by erection of additions to these portions of the central structure, from the first floor to the attic floor, inclusive; also, *to enlarge the West Portico.*" (See plan at the end of the article.)

The widening of the west portico, if carried out, will alter the proportions of the entire West Front, will obliterate all external evidence of the original Thornton-Latrobe wings and will present a broad, almost unbroken facade at the line of the House and Senate Wings. The proposed terrace alterations will also radically change the appearance of that structure from the Capitol grounds, for the two great flights of steps designed by Olmsted which cascade down from either side of the central portico will be moved so far apart as to present an entirely different effect. Another subtlety will be lost as well, for these flights now terminate at walks which are an extension of the lines of Pennsylvania and Maryland Avenues, the terminus of L'Enfant's *patte d'oie.*

Let us return, however, to the first alternative—preservation or restoration of the existing walls. It can be seen from an examination of the proposed plan of extension that preservation in this instance is not simply a matter of preserving the stones and mortar of the old walls, but rather a question of preserving the present proportions of the building, of preserving any visible evidence of the original work of Thornton, Latrobe or Bulfinch, and of preserving the quality of the design of Olmsted's terraces and grounds. There is no reasonable doubt that extensive repairs are required, and it would probably be perverse at this point, with the East Front reconstruction completed in

[1] Roscoe DeWitt and Fred L. Hardison of Dallas; Alfred Easton Poor and Albert Homer Swanke of New York City; and Jesse M. Shelton and Alan G. Stanford of Atlanta.

marble, to insist that the damaged sandstone be replaced with the original material.

The recommendations of Carrere & Hastings in 1905 were to extend the East Front in marble, but to reface the West Front in marble *in its present position*. Those preservationists who were vigorously espousing the cause of Senate Bill S-2883 in 1958, to "eliminate the requirement that the extension, reconstruction and replacement of the central portion of the United States Capitol be in substantial accord with Scheme B [the Carrere & Hastings recommendations] of the architectural plan of March 3, 1905," might well at this point be arguing that the Architect of the Capitol be held strictly to that plan.

The existing Senate and House dining rooms were enlarged to an adequate size when the East Front was extended, so that an additional dining room for employees and visitors might be provided within the space between the existing steps on the west terrace, even though that arrangement would probably involve a less efficient separation of kitchen facilities.

There is no esthetic or practical reason why the courts between the west side of the Capitol and the terraces cannot be developed as interior spaces as proposed, and it is quite possible that a well-designed revision of the north and south terraces could provide an amount of space for officers and committee rooms equivalent to or greater than that provided under Scheme C, the proposed extension of the West Front.

The charge by the Joint Committee on Landmarks of the National Capital that the present plans amount to "historical vandalism" was anticipated by Mr. Stewart as early as 1958 when he said, "From the viewpoint of those concerned with sentiment and with the preservation of the Capitol intact, in its present state and condition, it must be remembered that extension of the West Front also affects the work of our first three architects and, on such basis, would fall into the same category of 'desecration' and 'vandalism' as is alleged against the East Front extension. Should it happen that the same hue and cry which has been raised over the extension of the East Front should occur if the extension of the West Front were attempted, the Congress would really be in a sorry plight for adequate space in which to do its work."

That this "sorry plight" isn't necessarily so is made clear in his own report from the Associated Architects. It outlined five additional possible solutions to future needs for expansion, the first two of which involve extension of the House and Senate Wings, but the last three of which are concerned with further possible revisions of the terrace area. Mr. Stewart was guilty of some exaggeration, too, in his fears that "sentimentalists" would insist upon "preservation intact, in its present state and condition."

The architecture of the Capitol is inextricably bound up with its history, with the men who designed the building as well as the men who have helped to make the country's history within its walls. It is the wonderful building it is, in part at least, because it still exhibits each of the stages of its development as a distinct part in the composition of the total mass of the building.

I have never heard an argument for the proposed changes to the West Front saying there would be an effort to improve the existing work of Thornton, Latrobe, Bulfinch, Walter and Olmsted. Whether this is simply modesty on the part of the architects, or a stern conviction that "form follows function," I cannot tell. I would maintain, nevertheless, that such changes are undesirable even if they were improvements in form, for they would destroy or obscure something of even greater value.

There is bound to be a limit to the amount of space that can be added to the main body of the Capitol without its becoming a formless and confused mass, and that limit might as well be accepted now as 10 years from now when irreparable damage might already have been committed. It is a procedure, furthermore, that can never hope to solve all of the foreseeable future needs of Congress, for which purpose a new study and master plan of the entire Capitol grounds should be prepared.

The second alternative of reconstructing the west central facade, in its present form but some distance forward of the existing walls, is less desirable from the historical-architectural standpoint than restoration in place. But it can be preferred, nonetheless, to currently published plans if the functional advantages of gaining more space above the basement floor cause Congress to insist upon such additions, or if the reconstruction of the existing walls cannot be accomplished without intolerable interference with the business of the House and Senate.

Now that "the deed has been done" on the East Front, there is a certain classical logic in rebalancing the basically symmetrical form of the plan by adding an equal amount of space on the west side. It would amount to another strip 32 feet 6 inches wide, a distance that represents approximately the width of two bays of the flanking Senate and House Wings. Such a procedure would involve the extension of the central portico as well as the old wings in order to retain their existing relationship to one another.

This would cause further interference with the view of the Capitol dome from points due west of the portico, but less than in the presently proposed plan from an oblique angle. It would probably not seriously affect the long view from the Mall or Pennsylvania Avenue.

It is interesting to note that Olmsted showed an extended west portico on his plans and perspectives of the west terraces at the time they were proposed in 1874. Under such a scheme the image, if not the reality, of the older portions of the building would be preserved and the need for extensive remodeling of the terraces might be eliminated.

The third alternative, which so far as we know is the plan that is now being followed, has already been described. It is the least desirable of the three and should join the file of never-carried-out plans for the Capitol. Such proposals have a history that dates back to the original competition held in the spring of 1792. The brief invitation to submit drawings brought forth a variety of responses, none of which was totally satisfactory to the Commissioners or to the President.

The submissions included a very respectable and conservative Georgian design by Samuel McIntire; a charmingly naive proposal by Philip Hart that in detail is vaguely reminiscent of Independence Hall; an adaptation of Palladio's Villa Rotunda submitted by Samuel Dobie; a strange melange of medieval and Georgian detail on a building that surrounded a square open courtyard by James Diamond of Maryland; and a fairly sophisticated design, to judge by later drawings which have survived, by Stephen (Etienne Sulpice) Hallet, a French emigre who was then residing in Philadelphia.

Thornton's winning design, which was submitted after the close of the competition (setting a precedent for confusion in federal architectural competitions persisting to the present time), was a far simpler, more monumental conception than any of the previous designs. It was one that more clearly reflected the desires of Washington and Jefferson for a Capitol that would somehow express the strength and virtues of the infant republic.

Thornton never had clear sailing in the execution of his design. He declined to supervise its construction; he lacked the technical experience to carry through the work on a major public building in a day when the architect was obliged to provide truly "comprehensive services." The short-tempered doctor thereupon had a succession of difficulties with Hallet, who was retained as supervising architect, and George Hadfield who later succeeded to the job. Both had sought to alter his design, and the even-tempered James Hoban assumed the responsibility for construction from the year 1798, until the appointment of Benjamin Latrobe in March 1803.

Latrobe brought to the position an already established reputation as an architect of great talent and skill. He was much respected by President Jefferson and managed to impose his own ideas upon the interior design and in plans for the central portion of the building which were carried out, after his retirement in 1817, by Charles Bulfinch who completed the original building in 1829.

Robert Mills, who was Architect of Public Buildings at the time, proposed several forms of extension to the Capitol in the year 1850. Mills' designs deserve special mention for it is hard to believe that they were not the genesis of Walter's final designs for the wings and dome. The few sketches of Mills that have survived are much more like the Capitol as we see it today than were Walter's first competition drawings of the same period, for Mills had already seized upon the idea of a great dome, modeled in scale and form after that of St. Peter's, to be constructed over the foundations of the rotunda.

He evidently was intrigued by the idea of developing the expanded building in the form of a cross, the enlarged dome to act as a dominant focal point at the center, but he also prepared drawings of an extension of wings to the sides attached with an ingenious arrangement of interior courts to prevent blanking the windows of the older building. Mills' plans were not accepted by the Senate, which insisted that a competition be held, and in 1851 President Millard Fillmore appointed Thomas U. Walter as Architect of the Capitol. Mills at that time was already 70 and died four years later, in March 1855. Walter was 47 and destined to work on the Capitol for the next 14 years.

The list of designs for "the Capitol that never was" continued to the turn of the century, and the more familiar proposals of Carrere & Hastings for expansion of the building in the year 1905 by the survival of two plans for monstrous enlargements submitted by Thomas Walter in 1874, nine years after his retirement as Architect of the Capitol.

Walter had apparently never completely given up an infatuation with his earliest competition studies, which extended a vast interior gallery eastward from the rotunda, and the years he had spent since leaving Washington, working on Philadelphia's City Hall, might have clouded the esthetic judgment of any man. The ubiquitous Washington firm of Smithmeyer & Pelz submitted a grotesque scheme in 1881 that would have left nothing of the original central portion of the building but the rotunda and dome, which they planned to embellish with eight additional domed turrets.

Admittedly the present proposal for the extension of the West Front is more modest than some that have been discarded in the past, but it has neither the merit of sensitive historic preservation nor the merit of bold architectural concepts. It falls to the inevitable level of an unhappy compromise, for it fails to recognize that time has changed what can and cannot be done to this one building that symbolizes the aspirations

and growth of the country from the time of its founding through the age of confidence and material prosperity which characterized the last decades of the 19th century.

If the old stones of the Capitol are crumbling let them be restored, or replaced if need be, but let us refrain from padding its bones with layers of rooms until it becomes a shapeless mass signifying nothing but its own bulk. Congress deserves a mid-20th century answer to its space needs, not a misguided mid-19th century alteration to a venerable building deserving of respectful preservation.

STATEMENT OF THE AMERICAN INSTITUTE OF ARCHITECTS

The Institute believes that the Capitol of the United States is a vitally important symbol of our nation's government. As such, it should be preserved. If reconstruction is structurally necessary, it should be carried out in strict accordance with the present design. If the Capitol continues to expand, it will rapidly lose all resemblance to the original building. The AIA believes that it should be a permanent policy of the Congress that the exterior of the Capitol is to remain unchanged. Today, the West Front contains the last remaining external vestiges of the Capitol as it was originally designed and built. It is the only important link with the beginnings of the building. If the West Front of the Capitol is extended, we will have buried the last of those walls that date from the early years of the Republic, and will have obscured a part of our history that can never be restored.—Oct. 13, 1965.

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

Mr. PROXMIRE. I ask unanimous consent that I may be allowed to proceed for an additional 3 minutes.

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

Mr. PROXMIRE. I am happy to yield to the distinguished Senator from Oklahoma, who incidentally is chairman of the Legislative Subcommittee of the Committee on Appropriations.

Mr. MONRONEY. I am happy to associate myself with the distinguished senior Senator from Wisconsin on this issue, and I urge very strongly that before any money is appropriated to initiate this $34 or $35 million project, which will add some 4.5 to 5 acres to the capitol area, the most careful and searching engineering study be made to find out if this is the only way that the west front can be made stable and guaranteed against further deterioration.

I personally am convinced that engineers can tell us that we can brace and underpin the west front, preserving the grace of the old Capitol, without doing damage to the historic building, and still provide for the continued use, for another 100 years, of this great edifice.

I thank the distinguished Senator from Wisconsin for yielding, and for his cooperation in helping preserve this shrine.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Oklahoma for his remarks.

WEST FRONT PROPOSAL A NATIONAL OUTRAGE—A TEMPLE PROFANED

Mr. President, in one of the most emphatic and powerful editorials I have read in a long, long time the Washington Post Sunday ripped into the proposal to extend the west front of the Capitol.

The Post calls for a National Committee To Save the Nation's Capitol to shower petitions down upon the Congress to persuade this body to relent, to demand the kind of full open hearings on this proposal—which have not been held—with adequate advance notice and with representatives of the American Institute of Architects and other competent and critical bodies invited to appear.

The editorial concludes:

Men who would lay their unhallowed hands on this sacred structure are indifferent to the glorious episodes of our past, ignorant of the architectural merit of one of the great buildings of the world and indifferent to every consideration of national pride and honor. This outrage must be stopped.

I ask unanimous consent to have printed in the RECORD the editorial to which I have referred, entitled "A National Outrage," published in the Washington Post of Sunday, June 19, 1966.

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

A NATIONAL OUTRAGE

If the people of the United States mean to save their historic Capitol, so filled with reminders of great events in the Nation's life, they must swiftly make it clear to Congress that they do not wish this national monument submitted to the hammer and ball of the demolition crews about to descend upon it.

Under the guidance of J. George Stewart (by act of Congress and not by grace of any academic benediction) the Architect of the Capitol, Congress is about to commit on the Capitol an act of vandalism without precedent in this country's life. The British in 1814 greatly damaged the Capitol. The remodeling of the East Front destroyed a facade before which the great ceremonies of the Nation took place. But the destruction and rebuilding of the West Front exceeds even these disasters. A structure fashioned by genius and executed by artists is to be remodeled by a man presumptuous enough to believe he can do better. And his presumption is the more offensive because the best that he can do stands just across the Capitol grounds where the new House Office Building presents to the world a staggering example of how many architectural abominations can be combined in one building if you have the money.

A National Committee to Save the Nation's Capitol should be formed at once. It ought to shower petitions down upon Congress until that body is persuaded to relent. It ought to demand that which it has not received—adequate open hearings and a fair discussion of the requirements of the old building. It ought to compel Congress to examine the alternative to the demolition of the West Front—the reconstruction of the front as it stands, if it is in need to repair. It ought to hold Congress to the pledge given the Nation in 1958 by Speaker Sam Rayburn who then said while the East Front was being built: "We are not going to do anything with the west end." It ought to make it clear to Congress that it prefers a work of genius by Thornton, Latrobe and Bulfinch to anything that the designers and builders of the new House Office Building can bring forth.

Men who would lay their unhallowed hands on this sacred structure are indifferent to the glorious episodes of our past, ignorant of the architectural merit of one of the great buildings of the world and indifferent to every consideration of national pride and honor. This outrage must be stopped.

Mr. PROXMIRE. This morning the Post returned to the fray with a moving documentation of the basis for keeping this magnificent Capitol Building as it is.

The Post quotes the distinguished historian Allan Nevins, who has called the Capitol "the best-loved and revered building in America, the spirit of America in stone, the major symbol of the Nation."

Today's editorial concludes:

The wrecker's ball will soon do for the west front of the Capitol what the Nazi bombers did for the House of Commons. Is there no American of equal devotion to the temple of American democracy who can insist that when it is rebuilt, it will be kept as it was?

Mr. President, I ask unanimous consent to have printed in the RECORD the editorial entitled "The Temple Profaned," published in the Washington Post of today, June 21, 1966.

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

THE TEMPLE PROFANED

"We have built no national temples but the Capitol," said Rufus Choate. Now that temple is to be profaned and the architectural genius of Thornton, Bulfinch, Latrobe, and Walter is to be buried under cafeterias and other conveniences.

Allan Nevins has described the Capitol as "the best-loved and most revered building in America." He has called it "the spirit of America in Stone." He has said it is "History—the Major Symbol of the Nation."

But the noble western front of the building with its handsome classic walls and its cascading staircases must give way to the convenience and comfort of Congressmen who need more room. Whether the exterior walls are or are not safe is a matter for competent engineers to decide. They have stood less than 200 years and sandstone structures of the kind elsewhere have lasted for hundreds of years. If they are unsafe, they can be rebuilt and replaced without alteration of the original design.

When bombs destroyed the British House of Commons in the 900-year-old palace of Westminster on the River Thames on May 10, 1941, the impulse of the whole British nation was its restoration, not its modification. When he visited the vast ruin on Oct. 29, 1943, Winston Churchill gazed upon the wreckage and said: "There I learnt my craft, and there it is now, a heap of rubble. I am glad that it is in my power, when it is rebuilt, to keep it as it was."

The English people, led by Churchill, insisted that the House be restored, even though the reproduction can seat but 437 of the 627 members.

The wrecker's ball soon will do for the west front of the Capitol what the Nazi bombers did for the House of Commons. Is there no American of equal devotion to the temple of American democracy who can insist that when it is rebuilt, it will be kept as it was?

Mr. McCARTHY. Mr. President, will the Senator yield to me?

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

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may have 2 more minutes.

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

Mr. PROXMIRE. I yield to the Senator from Minnesota.

Mr. McCARTHY. I simply wish to say that I join with the Senator from Wisconsin, and hope the entire Senate will

give some thought to what is proposed with reference to the west front of the Capitol.

It is quite true, as the Senator has said, and as the editorial has also stated, he has quoted that the Capitol Building is a monument to the entire country. The question of efficiency and financing of new space is an effort which should be met by some method other than destroying this historic front.

SCHOOL MILK PROGRAM SUPPLIES ESSENTIAL VITAMINS, MINERALS

Mr. PROXMIRE. Mr. President, the administration's proposal to slice the special milk program by 80 percent could have disastrous effects on the health of our Nation. If this legislation were enacted, the 18 million children receiving Federal help in purchasing school milk would shrink to 3 million children. The remaining 15 million, including millions of children who come from low-income families, would have to pay the full cost of any milk they consumed in school or day camp.

Obviously, many millions of these children simply would stop drinking milk. This could have a substantial impact on the dietary habits and future health of these young people.

Let us take a look at what has contributed to the health of our Nation in the past. In 1940 one could walk down the streets of any major American city and see the bowed legs of children suffering from rickets. This is no longer true. This disease has been eliminated, in large part through the ready availability of Vitamin D fortified milk.

Pellagra is another disease that was highly prevalent not too many years ago. The usual cycle followed was pellagra, hospitalization, and treatment with vitamins and diet, return to home followed by the old diet, followed by pellagra and hospitalization again. Once more the ready availability of milk, with its protein quality and content of tryptophan, spelled the end for this serious dietary disease in most sectors of our population.

The Food and Nutrition Board of the American Academy of Sciences has stated that:

> Milk and milk products . . . contribute approximately 24 per cent of the protein, 76 per cent of the calcium, and 47 per cent of the riboflavin in the national diet.

These are among the facts and figures which explain the outcry from Congress and the people alike over plans to cut the school milk program. Such a move would be taken at the expense of the health of future generations of Americans.

WHY NOT FACE THE TRUTH ABOUT VIETNAM?

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

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

Mr. GRUENING. Mr. President, newspaper headlines reveal that at his last press conference President Johnson indicated that he would "raise the cost of aggression at its source" by intensified use of airpower.

This is a threat of further escalation. It is an indication that the daily bombing will be carried further North.

On many previous occasions, the President has said, "We seek no wider war." Yet it is steadily widening.

The administration's answer invariably is that we have to escalate because our adversaries escalate.

This is precisely the gloomy outlook so clearly spelled out in the Mansfield report after his return in company with four other Senators—MUSKIE and INOUYE, Democrats; AIKEN and BOGGS, Republicans—from an intensive study on the ground in southeast Asia. They made it clear that it was an open-end war and that each side would escalate to meet the other's escalation.

To what end? Further deaths of fine young Americans, whose number killed in combat already has passed 4,000, with over 20,000 wounded, many crippled for life, countless thousands of North and South Vietnamese killed, many of them noncombatants, women and children. The undeclared war is costing close to $2 billion a month and so the great domestic programs, so brilliantly enacted in the 1st session of the 89th Congress under President Johnson's masterful leadership, are going down the drain.

And yet the facts, so consistently ignored and even denied by the administration, disclose the total lack of justification of our present and our continuing actions in southeast Asia.

These facts must be repeated to offset the completely misleading propaganda which continues to emanate from the White House, the Pentagon, and the State Department.

Item: We were not asked by a friendly government in South Vietnam to help it repel aggression.

We asked ourselves in.

Item: It is not true a solemn commitment was made by three Presidents to do what we are doing.

President Eisenhower merely proffered economic aid and that conditioned on reforms and performance which were never carried out either by the Diem regime or by the eight subsequent self-imposed regimes.

Item: President Kennedy, accepting the bad advice of Secretary McNamara, escalated the number of advisers from the 600 in South Vietnam, as part of the military mission established by President Eisenhower, to a total of 20,000. But he sent no troops to combat. No American lives were lost in combat during the administrations of Presidents Eisenhower and Kennedy.

Item: Regrettably, after a campaign in which President Johnson led the American people to believe he would achieve a peaceable solution in southeast Asia, he sent our troops into combat. No previous President—neither Eisenhower nor Kennedy—had done that.

The more recent official justifications that article 4 of the SEATO Treaty warrants our military actions are also groundless.

The article provides that in the event of alleged aggression, all the signatories will consult, and by unanimous agreement resolve on a course of action, which must be in accord with each nation's constitutional processes.

We never asked the signatories—Great Britain, France, Pakistan, Thailand, Australia, New Zealand, and the Philippines—to consult. Had we done so, there would have been no unanimous decision, since both France and Pakistan are opposed to our course. Finally, action in accord with our constitutional processes would have required a declaration of war by the Congress. We have not had it.

It seems clear that each subsequent escalation has been expected to bring "victory." What are the realities?

Item: President Johnson accepted and acted on the same kind of bad advice that led President Kennedy into the Bay of Pigs fiasco.

Item: Each time the advice to President Johnson was proffered as the solution to his dilemma and would bring the adversary to his knees.

"Bomb North Vietnam. That will do it." We bombed for 16 months. It has not done it.

"Send in the Marines. That will do it." It has not.

"Send in more ground troops. That will do it." There are 360,000 there now, plus the fleet offshore with 70,000 aboard and 40,000 in Thailand.

It has not done it.

"Send in more troops. Raise the number to 400,000." It is being done.

We will bomb further north, the President now warns Hanoi; perpetuating the myth that North Vietnam is the aggressor.

In the course of all this, United States has violated:

First. United Nations Charter, articles 1, 2, 33, and 37.

Second. The SEATO Treaty, article 1.

Third. The unilateral commitment by Walter Bedell Smith to support the Geneva Agreements.

Fourth. The aforementioned pledges to send in no additional troop or war material into Vietnam.

The regrettable and depressing fact in all this is that it is the United States which is the aggressor in southeast Asia.

The United States, sending its forces halfway around the world, injected itself into a civil war. All those present at the time of our invasion were Vietnamese—South Vietnamese fighting a a corrupt and oppressive government, thus revolting against the denial of promised elections, aided later by infiltrators from North Vietnam.

The continued support by the United States of corrupt, self-imposed, and malodorous regimes reveals the folly of our whole performance.

The original premises justifying our military involvement, although false, have now been shown to be completely fanciful. We are not supporting freedom or saving a brave and gallant people. We are supporting a corrupt, self-imposing dictatorship.

Last year, 1965, there were 96,000 desertions from the South Vietnamese Army.

And yet we are drafting our boys and sending them to southeast Asia to fight and die for this cause which has so little support from the people we are presumably aiding.

The great myth is that Hanoi is the villain. True, the North Vietnamese are aiding the Vietcong but their aid came after our own violation of our agreement—our support of Diem's refusal to abide by the Geneva Agreements and hold elections.

In all American history, of which we have had so much reason to be proud, the United States has not committed so tragic an error. The consequences can only be disastrous.

The administration's allegations that we are willing to negotiate with any government avoids and evades the fact that the adversary is not a government but the National Liberation Front or Vietcong, with which President Johnson has consistently refused to negotiate. Until that is done, it is nonsense to assert that we have exhausted every effort to achieve peace.

Likewise, we have not carried the issue before the Security Council, as we are required to do by the United Nations Charter.

Why have we not done this? Because, obviously, the free discussion that would take place in the United Nations would reveal the unpleasant truth, which is, that the United States is the aggressor.

Is there a way out? Yes. Lay the issue before the United Nations. Stop the bombing. Agree to negotiate with the National Liberation Front. Ask for a cease fire. Promise to hold Vietnam-wide elections, supervised by the United Nations, not merely in South Vietnam but in all Vietnam as promised in the Geneva accord. Agree to abide by the results, and pledge a phased withdrawal of our troops once peace is established. It might not work. But why not try it? We have not tried it. Until we do, until we make these proposals clearly, emphatically, unmistakably, we cannot continue to allege that we have tried to secure peace—that objective which every passing day more and more Americans fervently seek.

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

Mr. GRUENING. I yield.

Mr. MORSE. Mr. President, once again the Senator from Alaska has made a statement on what I consider to be our illegal and immoral course of action in South Vietnam and North Vietnam, with which statement I am in complete agreement.

I associate myself with his remarks.

THE BANK MERGER ACT

Mr. MORSE. Mr. President, some days ago I sent the Washington Post a letter to the editor in which I set forth certain facts in regard to the participation of the Senator from Virginia [Mr. ROBERTSON] in the legislative record on a bank merger bill in the Senate.

In the letter I pointed out the position that the Senator from Virginia had taken with respect to three cases in this country. One case involved action on the part of the U.S. Justice Department with respect to action that it is proceeding to litigate in connection with a bank in Lexington, Ky.

I think in fairness to the Senator from Virginia that I owed it to the record to write the letter that I wrote the Washington Post.

Last Sunday an abbreviated form of the letter was published in the Washington Post. But its abbreviation is fair neither to the contents of the letter that I sent the Washington Post nor, in my judgment, to the record of the Senator from Virginia.

Mr. President, I ask unanimous consent that the full letter that I wrote the Washington Post, as well as the abbreviated letter which the Washington Post published and attributed to me, be printed in the RECORD.

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

[From the Washington Post, June 19, 1966]

ROBERTSON PRAISED

[Letters to the Editor Version]

My attention has been called to several news stories which have appeared in your columns over last weekend and to an editorial which appeared on June 14 concerning Senator ROBERTSON and his interest in banks and banking, particularly in the Bank Merger Act Amendments of 1966 and the relation of that law to the Manufacturers Hanover Trust Company of New York City.

In the news articles and editorial, it is suggested that the principal significance of the Bank Merger Act Amendments of 1966 was the relief of three banks from antitrust prosecution and that the gratitude of bankers to Senator ROBERTSON is based primarily on the special relief provided for three banks against which antitrust cases were pending at the time the Act was passed.

The Bank Merger Act Amendments of 1966 restored the congressional intent to give primary importance to the public interest, which had been developed in the Bank Merger Act of 1960.

The new standards and procedures for bank mergers written into the 1966 Bank Merger Act were in turn written into the Bank Holding Company Act Amendments, and this action was sustained last week by a roll call vote of 64 to 16—a clear expression of congressional intent on the relation between banking and the antitrust laws.

While I have not always agreed with all the provisions of the banking bills which Senator ROBERTSON has proposed and carried through to enactment, I think it is quite clear that the legislation he has sponsored in the field of banking has been of broad public interest and importance.

WAYNE MORSE,
U.S. Senator From Oregon.

WASHINGTON.

[Letter to the editor, Washington Post, actual copy]

JUNE 15, 1966.

THE EDITOR,
The Washington Post,
Washington, D.C.

DEAR SIR: My attention has been called to several news stories which have appeared in your columns over the weekend and to an editorial which appeared on June 14 concerning Senator ROBERTSON and his interest in banks and banking, particularly in the Bank Merger Act Amendments of 1966 and the relation of that law to the Manufacturers Hanover Trust Company of New York City. In the news articles and editorial, it is suggested that the principal significance of the Bank Merger Act Amendments of 1966 was the relief of three banks from antitrust prosecution and that the gratitude of bankers to Senator ROBERTSON is based primarily on the special relief provided for three banks against which antitrust cases were pending at the time the Act was passed.

I do not think this is an accurate or fair presentation. As a member of the Banking and Currency Committee for two years, 1955 to 1957, I was deeply involved in two major pieces of legislation Senator ROBERTSON handled in 1956 and 1957—the Bank Holding Company Act, which was enacted in 1956, and the Financial Institutions bill, which was considered by the Committee in 1956 and passed the Senate in 1957 and which, though it did not become law as such, contained most of the amendments to banking laws which have been enacted since that time.

The Bank Holding Company Act of 1956 was a major piece of regulatory legislation designed to prevent undue extension of bank concentration through the holding company device and to separate banking from unrelated businesses. It contained two broad open-end exemptions to which I objected at the time and which I am glad to say Senator ROBERTSON has now closed in the current Bank Holding Company Act Amendments, which the Senate passed on June 7 and which are now pending in the House: the first for long-term trusts and charitable institutions applying to the Alfred I. duPont Trust Fund, the second for regulated investment companies and their affiliates applying to the Financial General Corporation.

Another major bill which Senator ROBERTSON brought into being was the Bank Merger Act of 1960, based on a provision in his Financial Institutions bill of 1957 and a 1956 Fulbright bill, all of which were founded on the understanding that the antitrust laws either did not apply to bank mergers or at least did not provide effective control. For example, it was universally understood by all responsible officials, including leading members of the House and the Senate and representatives of the Justice Department, that Section 7 of the Clayton Act did not apply to bank mergers.

In recent decisions, the Supreme Court applied the strict rule of the Clayton Act that competitive factors were the sole and controlling factors to be considered in bank merger cases, nullifying the congressional intent spelled out in the Bank Merger Act of 1960 that the public interest—the public convenience and necessity—should be the final controlling consideration in bank merger cases.

When the Justice Department's efforts to break up the merged banks at Lexington, Kentucky, and New York made clear the losses and damages which would inevitably result from their attempts to "demerge" these banks, Senator ROBERTSON introduced a bill to exempt all bank mergers from the Clayton Act and the Sherman Act. This bill was amended, and, as it eventually became law this year, it terminated, as far as the Clayton Act and Section 1 of the Sherman Act are concerned, the three pending cases involving mergers consummated before the Philadelphia decision—the Manufacturers Hanover case, the Lexington, Kentucky, case and the Continental Illinois case. The three cases involving mergers consummated after the Philadelphia decision, when the new law had been laid down by the Supreme Court, were not exempted but were to be handled under the new standards written into the 1966 Bank Merger Act Amendments, like all subsequent mergers.

Unfortunately the Department of Justice is attempting to continue the proceedings started under the antimonopoly provisions of Section 2 of the Sherman Act, contrary to the intent of the Congress and the representations of the Department of Justice.

The Bank Merger Act Amendments of 1966 restored the congressional intent to give primary importance to the public interest,

which had been developed in the Bank Merger Act of 1960. After the passage of the 1960 Act, President Johnson, then Majority Leader, made the following comment:

"Again, I want to express my congratulations to Senator ROBERTSON and Senator FULBRIGHT and Senator Capehart and the other members of the Banking and Currency Committee for the persistence and the thoroughness and the statesmanship which they have displayed in carrying this matter through to a satisfactory conclusion."

The new standards and procedures for bank mergers written into the 1966 Bank Merger Act were in turn written into the Bank Holding Company Act Amendments, and this action was sustained last week by a roll call vote of 64 to 16—a clear expression of congressional intent on the relation between banking and the antitrust laws. And after the passage of the bill Senator MANSFIELD, the Majority Leader, commented that Senator ROBERTSON "once again has served this body with the unparalleled distinction and wisdom which has characterized his many years of public service."

While I have not always agreed with all the provisions of the banking bills which Senator ROBERTSON has proposed and carried through to enactment, I think it is quite clear that the legislation he has sponsored in the field of banking has been of broad public interest and importance.

Very truly yours,

WAYNE MORSE.

IRRESPONSIBLE USE OF FEDERAL HOUSING ADMINISTRATION INSURANCE

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that I be permitted to proceed for 15 minutes.

The PRESIDING OFFICER (Mr. KENNEDY of New York). Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, it appears that a group of irresponsible promoters and builders have devised a unique method of using the FHA insurance to finance their speculative construction of multifamily units throughout the country.

These speculative promoters are giving little or no attention to the prospective success of the projects, their primary interest being in the quick profits reaped from inflated markups of previously undeveloped land, a generous allowance of builder's fees to their own construction firms, and architect's fees on a percentage basis which ofttimes are in excess of the actual payments.

To make this scheme more profitable, cheap land located in marginal or isolated areas is purchased and then unloaded on the Government through generous appraisals of the lots on the basis of being a developed area.

The result is that many of these projects, particularly the multifamily units, are going broke as fast as they are being completed—ofttimes even before construction is completed. The promoter, having collected his quick profits through a markup of the land, builder's fees, et cetera, now abandons the project in many instances without paying the subcontractors and suppliers. The result is that scores of small subcontractors and suppliers are going broke, since FHA assumes no responsibility and apparently has no concern as to whether or not they are paid.

The blanket mortgage protects the Government—as far as it can be protected—in cases of 110-percent mortgages as the payments are made to sponsors in accordance with progress on construction projects, without regard as to whether or not the supplier and subcontractors are being paid.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. CURTIS. I desire to commend the distinguished Senator from Delaware for bringing before the Senate a situation that certainly merits attention. Information has come to me bearing out what the Senator has said. Some scandals and some wrongdoing have occurred in this area, and they merit an investigation as soon as the calendars of the appropriate committees permit.

I should like to ask the distinguished Senator from Delaware a question. Is it not quite likely that the evil procedure that promotes or presents an opportunity for wrongdoing is the fact that individuals can go into building projects without any of their own money being involved?

Mr. WILLIAMS of Delaware. That is correct. Another instance, as I have pointed out, is that a promoter can start half a dozen projects simultaneously, each under a different corporate name. If one project succeeds he keeps the one that succeeds; and if the other five go broke he turns them back to the Government.

There is no requirement for the endorsement by the promoter or the builder of the various projects. That is a correction in procedure that should be adopted. Surely, they should have to pledge some collateral or some assets to back the loan from the Federal Government.

Mr. CURTIS. I agree with the Senator.

There might be certain instances where an individual building a home in which he is going to live should be granted a 100-percent loan. Even then, however, the situation contains many problems and dangers.

If someone is going into the business of commercial building for profit, for rent, and for resale, the Government should require him to invest some money of his own, to the end that businesslike practices and honest procedures will be followed for the protection of their own money; and in so doing, they will protect the Government's money. Is that not correct?

Mr. WILLIAMS of Delaware. There is no question about it.

So far as the allowances for the cost of the land are concerned, I believe the Government should go beyond the appraised valuation of the land to the actual investment of the individual, which ofttimes takes place a few days earlier, to determine the actual cost.

I have no objection to a promoter or a builder or an individual making a profit on the land. That is our American system. But let him make his profit after the project succeeds. The Government should not be permitted to underwrite the profit in the beginning so that the builder would have no concern as to whether or not the project is a success.

Mr. CURTIS. The money being the taxpayers' money, I believe we have a responsibility to see that the matter is checked into. We know full well that many of the people engaged in building projects are absolutely honest and faithful in their performance. Neither would we indict, by any means, the vast number of Government officials involved, because probably only a few of them have been lax or in some way permitted this situation to develop.

Mr. WILLIAMS of Delaware. I agree completely with the Senator from Nebraska. I have pointed this out in my remarks today. The overwhelming percentage of the builders and the Government employees are attempting to do a good job, but the few who are not are causing these problems.

I invite attention to one other weakness in our present system as it is being administered in this lending agency: There is no master file as to the record of payments or the credit standing of the individuals. We find now that Joe Doakes can start a project in New York, go broke, go to New Jersey or Delaware or some other State and under another corporate name get credit. There is no master file that can be checked to learn how the Government has fared, or what the Government's credit experience has been with that particular individual. Commonsense necessitates the establishment of a master file to deal with all these problems, so that the Government can determine whether Joe Doakes is or is not a good credit risk based on the Government's records.

Mr. CURTIS. Would not the Senator go one step further and provide that all Government agencies should have access to the master file?

Mr. WILLIAMS of Delaware. There is no question about it.

Mr. CURTIS. I think that in looking into this matter, Senators would find not only some serious problems in certain of the agencies dealing with building, but also might find that these people have taken advantage of certain laws that have been enacted under the Small Business Administration Act, particularly with reference to investment companies, which in turn loaned some money, and the same individuals appeared in several corporate entities.

Mr. WILLIAMS of Delaware. That is right. Each agency that lends money to the U.S. Government should have a master file. The information should be coordinated and then be made available to all the agencies. After all, if an individual is a bad credit risk with the Small Business Administration surely the FHA should not wish to accept him in good standing.

This is all the taxpayers' money, no matter what agency is involved, and the master file, by all means, should be available to all lending agencies of the Government.

Mr. CURTIS. If this activity can be looked into and corrected, it would be not only a protection to the trustworthy and honest Government employee and officer, but also would be a help to the

honest borrowers among our citizens who look to these agencies for credit that is needed, is worthwhile, and is honestly handled.

Mr. WILLIAMS of Delaware. That is correct. To the extent that bad credit risks are approved they are being underwritten through the mortgage charges, by the other people who borrow from this agency.

Mr. President, the FHA has no master file of these professional promoters who allow their projects to go broke as fast as they are built; therefore, they move around the country operating under a new corporate name each time and always finding a line of FHA credit awaiting their needs.

This prospect of a quick profit with no risk invites influence peddling, political pressure, and collusion with a weak or gullible official.

This is not intended as a blanket indictment of all builders or of the employees of this agency—quite the contrary—I have been impressed by the caliber and ability of many of the builders and suppliers and of these employees, but far too often the recommendations of these underwriters and inspectors are being ignored and overridden with disasterous results.

Warnings of local underwriters that the rental prospects for new projects were not feasible due to the already high-vacancy rates in the area were ignored.

Approval of new projects in an already overbuilt market results in the bankruptcy of the existing, privately financed projects. In fact, the Government in financing these economically unfeasible and new speculative projects creates disasterous competition with the result that the whole housing industry is in trouble in many areas.

To illustrate just how serious this problem now is I call attention to two projects in the Arizona area.

The story of these multifamily projects, both of which went into immediate bankruptcy, shows that in each instance a mortgage far in excess of the total construction and land costs was approved. The projects were classified as projects for the elderly, and in the second project there was included as a part of the cost the construction of a lodge hall for a fraternal organization.

On the first project the University of Arizona Foundation was listed as a sponsor, and the second project listed the Tucson Council No. 1200 of the Knights of Columbus as the sponsor. In both instances these listed sponsors were but fronts for the real promoters who were reaping the profits from these boondoggles. FHA records show that neither of the sponsors had ever accepted any financial responsibility whatsoever to guarantee the successes of the projects. The FHA officials were well aware of this lack of any financial responsibility at the time of the approval of the mortgages.

An examination of the FHA policies would show that this same pattern of allowing irresponsible promoters to conduct their activities behind responsible religious and charitable organizations prevails throughout the country.

The advantage to these promoters of using nonprofit organizations as fronts is that they thereby become eligible for 100 percent financing. In actual practice, however, the records show that they are ofttimes receiving far in excess of 100 percent mortgages. The result is that the elderly citizens who are renting these projects are thereby required to pay inflated rentals, which are automatically based on the amortization requirements for the inflated mortgages, including the profits to the promoters.

Thus the FHA, by its loose practices, is actually imposing a penalty on the elderly citizens of America. Then when these projects go bankrupt shortly after opening, as they are doing, the other taxpayers are also penalized.

I shall now proceed to outline the details of these two projects. First I discuss Tucson Green Valley, Tucson, Ariz., Project No. 139–38006.

On January 18, 1963, the FHA issued a commitment to insure a $12,410,400 mortgage against this project promoted by the Maxon Construction Co., Hunkin-Conkey Construction Co., and their affiliates. This ill-fated mortgage was unloaded on the New York State teachers retirement system.

While the FHA records list the University of Arizona Foundation as the sponsor, the real promoters and the ones who reaped the profits on this project were the Maxon Construction Co. and affiliated interests.

Total costs of this project, based on records furnished by the FHA under date of May 16, 1966, are as follows:

Certified construction costs	$9,252,359.49
Builder's fee	393,029.75
Architect's fees	269,488.00
Land	796,560.42
Total	10,711,437.66

This represents a mortgage of $1,698,962.34 over recorded costs, but even these cost figures were inflated. There were promoters' profits such as builder's fee, inflated land costs, and large architect's fees.

The land values were overappraised and included a promoter's profit of $586,064. This land was purchased from the Tucson Green Valley Development Co., another company which the Maxon interests controlled.

FHA records show that this land, comprising 253 acres, was originally purchased on January 31, 1963, at a price averaging $832 per acre, or a total of $210,496.

Three months later, on April 19, 1963, the FHA endorsed a mortgage of $12,410,400 which included this same land with a cost certificate on an "as is" basis of $796,560.42. This represents approximately $3,148 per acre, or a markup of nearly 400 percent.

I quote from the FHA records covering this land transaction:

The land upon which the project was built was part of an approximately 2,900-acre tract purchased by the Tucson Green Valley Development Company on January 31, 1963. According to the documentary stamps on the deed to the larger tract, the cash consideration for the land was $1,773,635. The deed further shows that Tucson Green Valley Development Company took title to the larger tract subject to a mortgage of $640,000.

FHA records show that at the time the land was sold to the mortgagor, the University of Arizona Foundation was in control of the mortgagor corporation.

The Tucson Green Valley project is located in the midst of the larger tract.

FHA "as is" land valuation: the amount allowed in cost certification was $796,560.42, which took into consideration the value of the portion of the security which was released from the mortgage.

Thus these records show that the FHA allowed $796,560.42 for 253 acres which originally cost only $210,496, or a quick profit of $586,064. This profit on land is in addition to the $1,698,962.34 by which the mortgage had already been inflated.

Only one payment of $61,911.80 was ever made on this mortgage. The project went into default, and on April 20, 1966, the FHA took it over.

By this time the FHA investment in this project had increased as follows:

Unpaid balance on mortgage	$12,397,029.64
Accrued interest	461,081.38
Insurance and taxes paid by FHA	26,966.42
Interest on the advance for taxes	352.96
Total	12,885,430.40

This $12,885,430.40 investment is against a project which originally cost around $10 million, including actual construction costs, land, and architect's fees.

To make matters worse, if possible, the FHA as of April 22, 1966—2 days after they took it over in bankruptcy—was still writing the Maxon Construction Co. asking that immediate action be taken to correct a long series of constructional defects.

There was another profitable side to this venture for the Maxon interests.

This $12½ million extravaganza was built in the center of a 2,900-acre tract owned or controlled by the same Maxon interests, and the group is now ready to promote sales of family-type homes in this surrounding area, and FHA in its generosity stands ready to finance this operation.

At this point I shall ask unanimous consent to have placed in the RECORD a series of reports concerning this project.

First I ask unanimous consent that my letter of April 5, 1966, addressed to Commissioner Brownstein and his reply thereto dated May 16, 1966, along with the attached memorandum outlining the history, costs, and so forth, of this project, be incorporated at this point.

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

U.S. SENATE,
Washington, D.C., April 5, 1966.

MR. PHILIP N. BROWNSTEIN,
Commissioner, Federal Housing Administration, Department of Housing and Urban Development, Washington, D.C.

DEAR MR. BROWNSTEIN: Will you please furnish me with a complete report on the Tucson Green Valley project, Tucson, Arizona. With this report I would appreciate having:

1. A complete history of the mortgage, beginning with the application, commitment approval, closing dates, etc., including the amount of the mortgage and rate of interest

2. The names and addresses of the sponsors

3. The name of the prime contractor and the certified construction costs

4. The original cost of the land to the sponsors and the appraised valuation

(a) It is my understanding that the Retirement Foundation, Inc. (incorporated by the principals of Maxon Construction Company) acquired the 270-acre site from Tucson Green Valley Development Company (owned by the same principals, the Maxon interests) and that this 270-acre site was a part of an 8,000 or 10,000 acre tract which Mr. Maxon had bought just a short time prior thereto. Please advise the original cost, date purchased, and size of this original tract when first purchased by the Maxon interests

(b) Is it correct that the Green Valley project is located in the midst of the larger tract?

5. The name of the architect and the amount paid as architect's fees

6. A complete report on any deficiency found in the construction either prior to or since the closing

7. A list of all payments both as to interest and principal that were made on this mortgage along with the present status

(a) If foreclosed, the date of foreclosure and the actual amount due the government including principal, interest and foreclosure costs, and the date the mortgage was taken over

8. A complete description of this property, including the number of swimming pools, recreation halls, golf course and amusement park, including the approximate cost of each item if such costs were included as a part of the overall construction

9. The amount, if any, that was allowed for the street improvement, water systems, sewers, etc.

10. The number of units in the project along with the approximate rate of occupancy as of today

11. Was this project approved and recommended by the local underwriters, the appraisers, the director, or was the approval ordered from Washington?

Yours sincerely,

JOHN J. WILLIAMS.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FEDERAL HOUSING ADMINISTRATION,
Washington, D.C., May 16, 1966.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: I am replying further to your inquiry of April 5, 1966, concerning the Tucson Green Valley project in Tucson, Arizona.

The information which you requested is attached.

Sincerely yours,

P. N. BROWNSTEIN,
Assistant Secretary-Commissioner.

TUCSON GREEN VALLEY, TUCSON, ARIZONA, PROJECT NO. 139-38006

1. Date of first contact between FHA and sponsor: February 13, 1961.

Date of application showing Dartmouth College as sponsor: June 28, 1961.

Date of application showing University of Arizona as sponsor: June 13, 1962.

Commitment date: January 18, 1963.

Initial endorsement date: April 19, 1963.

Final endorsement date: June 28, 1965.

Mortgage amount: $12,410,400; at final endorsement the principal amount of the mortgage was reduced to $12,404,671. The prepayment of $5,729 was required because of the release of a portion of the security of the mortgage.

2. Name and address of sponsor: University of Arizona Foundation, 204 Administration Building, University of Arizona, Tucson, Arizona 85721.

3. Prime contractor: Maxon Construction Company and Hunkin-Conkey Construction Company, a Joint Venture.

The contractor certified costs of $9,252,359.49, not including a builder's fee. The mortgagor's certified construction costs of $9,252,359.49, plus a builder's fee of $393,029.75. In cost certification FHA allowed a construction cost of $9,609,407.24, including the builder's fee.

4. Original cost of project land. The application shows the purchase price to the mortgagor as $1,300,000; documentary stamps on the deed to the mortgagor indicate $1,300,000 as the consideration for the land. The project land consists of approximately 253 acres.

FHA "as is" land valuation: $797,366; the amount allowed in cost certification was $796,560.42, which took into consideration the value of the portion of the security which was released from the mortgage.

4a. The land upon which the project was built was part of an approximately 2,900-acre tract purchased by the Tucson Green Valley Development Company on January 31, 1963. According to the documentary stamps on the deed to the larger tract, the cash consideration for the land was $1,773,635. The deed further shows that Tucson Green Valley Development Company took title to the large tract subject to a mortgage of $640,000.

FHA records show that at the time the land was sold to the mortgagor, the University of Arizona Foundation was in control of the mortgagor corporation.

4b. The Tucson Green Valley project is located in the midst of the larger tract.

5. Design architect: Maxon, Smith & Mackie, Architect, Inc. Supervisory architect: Cain, Nelson, & Wares Architects. Architect's fees: $269,488.

6. Attached as Exhibit 1 is a copy of a letter dated April 22, 1966, to Maxon Construction Company forwarding the Nine Months' Guarantee Inspection Report listing deficiencies to be corrected.

7. On October 1, 1965, the mortgagee collected $61,911.80 from the mortgagor for the mortgage payment due on August 1, 1965. Of this amount $54,270.44 represented interest and $7,641.36 was applied to principal leaving a principal balance of $12,397,029.64. No other payments were made by the mortgagor.

7a. The mortgage was assigned to FHA on January 20, 1966. On April 19, 1966, the Department of Justice was requested to institute foreclosure proceedings. The foreclosure complaint was sent to the United States Attorney in Arizona on April 20, 1966. Subsequent to the filing of the complaint, a receiver was appointed on May 2, 1966. The accrued unpaid mortgage interest as of April 15, 1966, is $461,081.38. The amount of $26,966.42 for taxes and insurance has been advanced by FHA, and the interest due on this advance as of April 15, 1966, is $352.96.

8. Description of project: The on-site improvements consist of 311 residential one-story cement masonry buildings containing 1,150 living units. There are 25 commercial cement masonry buildings containing laundry, medical, shopping, recreation, fire protection and maintenance facilities. One hundred per cent on-site parking is provided.

There is a 9-hole golf course and a 3-hole pitch and putt course. There are seven swimming pools, six smaller pools distributed throughout the residential units and one larger pool in connection with recreation facilities around the golf course. The smaller pools are 24' x 44', and each has a ramada and large deck area. Distributed throughout the residential area are ten areas which have horseshoe and shuffleboard courts.

The FHA estimate of the cost of the various facilities follows:

Fire station	$67,240
3 pools with type A ramadas	39,795
3 pools with type B ramadas	41,491
Recreation	114,816
Crafts	77,455
Shopping center	287,126
Medical	82,607
Restaurant	55,701
Pro shop (includes golf course)	140,270
Cart shed	6,316
Rest room	3,420
Total	916,237

9. FHA's estimated cost of the offsite new utilities follows:

Power	$14,562
Water	149,773
Sewer	70,559
Curb and walks	100,247
Paving	90,899
Other	73,990

10. Number of units: 1,150. Occupied units as of April 22, 1966: 292.

11. The project was approved by the insuring office; approval was not ordered from Washington.

Mr. WILLIAMS of Delaware. Next I ask unanimous consent that a letter dated April 22, 1966, signed by Charles L. Johnston, director of the Phoenix office, addressed to the Maxon Construction Co., calling its attention to the defective construction, be placed in the RECORD.

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

FEDERAL HOUSING ADMINISTRATION,
Phoenix, Ariz., April 22, 1966.

In reply please refer to: MCF.

Re FHA Proj. No. 139-38006NP-CHM, Tucson Green Valley.

Certified mail # 436844.

Return receipt requested.

MAXON CONSTRUCTION CO.,
231 Esperanza Boulevard,
Green Valley, Ariz.

GENTLEMEN: As a result of our 9-month Guarantee Physical Inspection, we are attaching a copy of FHA Form No. 2551, Project Inspection Record, which outlines the latent defects in captioned project.

It is requested that immediate corrective action be taken to correct these defects. In any event, these defects must be corrected on or before June 1, 1966.

Your prompt attention to this matter will be greatly appreciated.

Very truly yours,

CHARLES R. JOHNSTON,
Director.

Mr. WILLIAMS of Delaware. I shall now discuss Christopher City, Tucson, Ariz., Project No. 139-38007-NP.

The application for Government insurance on this project was filed November 24, 1961, with the final endorsement of the mortgage of $5,615,900 being made on June 10, 1964.

While the FHA records list the Tucson Council No. 1200, Knights of Columbus, as the sponsors, the real promoter behind this project was the Robert Chuckrow Construction Co., Inc., 64 East 42d Street, New York City. The FHA records show that the fraternal organization was only a front for the speculative group of promoters and that neither the church nor the lodge ever agreed to financially underwrite the payments on the mortgage.

The FHA officials were well aware of this latter point at the time of the approval.

The Government insured a mortgage of $5,615,900 on this project in the Tucson area, the total cost of which was only $5,096,082.58, including certified construction costs of $4,171,055.88, land costs of $397,000, architect's fee of $160,612.38, and a builder's fee of $367,414.32. This represents a mortgage of around 110 percent of the actual costs.

This project was approved as a home for the elderly, but included in the building were the facilities for a fraternal organization lodge hall. Just how the facilities for any fraternal organization qualify as a part of an elderly housing project is as yet unexplained.

This project was accepted as completed on February 13, 1964. Only one payment of $23,832.68 was ever made on the mortgage. The project went in default, and on January 18, 1966, it was taken over by the FHA.

The FHA is now operating the project and still trying to obtain needed corrections of construction defects. I ask unanimous consent that there be printed at this point in the RECORD the letter from Commissioner Brownstein of May 12, 1966.

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

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, FEDERAL HOUSING ADMINISTRATION,
Washington, D. C., May 12, 1966.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: I am replying further to your inquiry of April 5, 1966, concerning the Christopher City project in Tucson, Arizona.

The information which you requested is attached.

Sincerely yours,

P. N. BROWNSTEIN,
Assistant Secretary-Commissioner.

(Attachment to Insertion D).

CHRISTOPHER CITY, TUCSON, ARIZONA, PROJECT No. 139-38007-NP

1. Date of first contact between FHA and sponsor: February 16, 1960.
Application date: November 24, 1961.
Commitment date: March 22, 1962.
Initial endorsement date: July 19, 1962.
Final endorsement date: June 10, 1964.
Mortgage amount: $5,615,900.
Interest rate: 5¼%.

2. Name and address of sponsor: Tucson Council No. 1200
Knights of Columbus
240 South Stone Avenue
Tucson, Arizona.

3. Prime contractor: Robert Chuckrow Construction Co., Inc.
60 East 42nd Street
New York, New York.

The contractor certified costs of $4,171,055.88, not including a builder's fee. The mortgagor certified a construction cost of $3,982,125.35, plus a builder's fee of $380,000. In cost certification FHA allowed a construction cost of $3,982,125.35, plus a builder's fee of $367,414.32.

4. The FHA insuring office records show that the acquisition cost of land to the mortgagor, including all incidental accrued costs, was as follows:

Purchase price	$198,500
Estimated cost of preparing site (including land fill)	188,000
Estimated closing costs (taxes, recording, etc.)	10,500
Total acquisition cost	397,000

FHA "as is" land valuation: $363,068.

5. Architect's name: John H. Beck, Tucson, Arizona. Architect's fee: $160,612.38.

5a. The plans and specifications were prepared by John H. Beck. FHA has no information that the plans had been drawn for a project in the New York area.

6. FHA determined that the project was acceptably completed on February 13, 1964. The nine months' inspection report dated November 19, 1964 lists defects requiring correction (Exhibit 1). The twelve months' inspection report dated July 23, 1965, listed four items still needing correction (Exhibit 2). Reinspection on February 3, 1966, listed two remaining items—shuffleboard concrete slab cracks and mismatched carpeting. Temporary repairs have been made to the shuffleboard which permits its usage. The matter of the carpeting is unresolved at this time. However, the insuring office is continuing its efforts to have these items satisfactorily corrected.

See Exhibit 3 for an inventory of furnishings and equipment in the project at the time of completion. Payment for these items was made from mortgage proceeds, and they are covered by a chattel mortgage.

7. A community building intended for the use of all tenants was included in the project. FHA received complaints from tenants that the building was being used exclusively by the local chapter of The Knights of Columbus. FHA made demand upon the mortgagor to cease this exclusive use and open the building to the tenants.

7a. Housing for the elderly minimum property standards provide for the inclusion of such accommodations as are deemed adequate to serve the needs of the occupants, such as community building, hobby rooms, auditorium, imfirmary, etc. However, these facilities must be for the occupants' use.

8. No principal payments were made on the mortgage. FHA receives a payment record card only from the mortgagee claiming debentures. The payment record card available to FHA shows that the interest due on July 1, 1964, in the amount of $23,832.68 was made on July 2, 1964. The mortgagee purchased the mortgage on June 10, 1964.

8a. The date of the first principal payment was deferred from May 1, 1964, to May 1, 1965. The mortgage went into default because the mortgagor failed to make the interest payment due August 1, 1964, and subsequent interest payments. The mortgagee, with FHA's approval, agreed to hold the defaulted mortgage to give the mortgagor an opportunity to reach sustaining occupancy. This point was never reached. On January 18, 1966, title to the property was conveyed by the mortgagor to FHA, in lieu of foreclosure.

Mr. WILLIAMS of Delaware. I recommend once again that no loans should be made or any mortgage insured by any Government agency in excess of 90 percent of the actual cost investment. The mortgage should not include builder's fees and profits that accrue to a construction firm owned by the sponsors, nor should it include a land valuation in excess of the actual cost. Likewise, the sponsors of these projects should be required to endorse the mortgages and to pledge their assets in support of the payments of the principal and interest in the same manner that the FHA requires of the individual home buyer.

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

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that I may proceed for 5 additional minutes.

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

Mr. WILLIAMS of Delaware. If an individual buys a home financed through the FHA he and his wife both sign the mortgage, and in addition he pledges all of his assets—household goods, investments, and salary—toward the payment of such mortgage.

However, as these multimillion-dollar projects are built each represents a separate corporate entity with little or no invested capital. The Government furnishes all the money, takes all the risk, and the promoter gets a sure profit and we now find that the FHA is insuring these mortgages in excess of actual costs.

This is a Great Society version of the old FHA windfalls, and thus far the administration has flatly refused to recognize or even to appear concerned over the inflated land costs, inflated construction costs, and loose financing arrangements under which these projects are being constructed.

We must not overlook the point that as these so-called nonprofit homes for the elderly are being constructed under the guise that they are being sponsored by nonprofit organizations, the tenants utilizing these facilities are being penalized. When the mortgages are increased through inflated land values or excessive allowances over construction costs it means that the rentals are based on these higher valuations with the result that the elderly people utilizing these facilities are charged higher rentals than would have been necessary if the Government had followed a rule of good commonsense in approving the projects and the loans.

THE DELAY OF THE FEDERAL EMPLOYEES SALARY BILL

Mr. HARTKE. Mr. President, a most important bill has remained inactive on the Senate Calendar for more than 3 weeks since its date of reporting by the Committee on Post Office and Civil Service. The neglected bill is the Federal employees salary bill, H.R. 14122, which was reported to the Senate by the chairman of the committee, the distinguished Senator from Oklahoma [Mr. MONRONEY], on May 26.

Mr. President, there has been unfortunate speculation in the press and among other interested groups that the delay on this measure, which has a July 1, 1966, effective date, has been caused by a desire to thwart the effective date.

I need not remind the Senate that the House passed this measure by an overwhelming margin of 391 to 1, a very clear expression of their desire to retain the July 1 effective date.

The bill was hastened in the House in order that the Senate might have the time required for its passage and to make it possible for the Senate to concur with the House on the July 1 date. The House committee made its report on April 1, and only 5 days thereafter it was passed by the House under a suspension of the rules.

The Committee on Post Office and Civil Service, on which I have the privilege to serve, took up the bill almost immediately, with hearings beginning on April 21 and continuing through May 3, when the committee favorably reported the measure. Again, the effective date of the bill is clearly understood to be July 1, as stated in the report.

In preparation for this effective date, the Federal departments and agencies are preparing new salary and withholding schedules to conform to the July 1 effective date.

In the presentation of the report by the Senate committee, my own individual views were included, in which I stressed most strongly my belief that we cannot expect public servants to be equal on less than comparable pay.

At the sustained urging of the administration, we have remained within the wage-price guidelines imposed, although in so doing we have denied the policy of comparability stated by both the administration and Congress in 1962. Shall we now, by oversight or deliberate delay, continue these dilatory tactics?

With this highly unrealistic 2.9-percent salary increase offered to the Federal employees by the administration, the least the Senate can do is to take action very soon, in order that the pay increase, small though it is, may take effect on July 1. Each day that the effective date is delayed is another day in which we break faith with the Federal employee.

Mr. President, I see no reason why there should be further delay in the consideration of the pay bill by the Senate before we take the scheduled recess the week after next.

RACIAL DISCRIMINATION AGAINST NEGRO AND OTHER MINORITY GROUP SERVICEMEN AND THEIR DEPENDENTS IN OFF-BASE HOUSING—STATEMENT BY SENATOR HART AND REPORT BY DEPARTMENT OF DEFENSE

Mr. HART. Mr. President, on June 10, 1966, it was my privilege to appear before the Subcommittee on Constitutional Rights of the Committee on the Judiciary in support of S. 3296, the proposed Civil Rights Act of 1966. At that time I submitted for the hearing record a report by the Department of Defense entitled "Racial Discrimination Against Negro and Other Minority Group Servicemen and Their Dependents in Off-Base Housing."

I ask unanimous consent that my statement and the Department of Defense report be printed at this point in the RECORD.

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

TESTIMONY OF SENATOR PHILIP A. HART BEFORE THE SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS OF THE SENATE JUDICIARY, JUNE 10, 1966

Mr. Chairman and members of the Subcommittee, as the primary sponsor of S. 3296 and a co-sponsor of S. 2923, I appreciate this opportunity to appear before the Subcommittee in support of these bills.

Although encouraging progress in civil rights has resulted from the enactment of recent civil rights acts and the Voting Rights Act of 1965, much remains to be done before the democratic ideals upon which our country was founded become a reality for all of our people.

The President recognized this fact in his recent message on Civil Rights when he stated that "no civil rights act, however historic, will be final. We would look in vain for one definitive solution to an injustice as old as the nation itself."

The importance of S. 3296 lies in the possibility it offers of further alleviating discrimination in three vital areas—the administration of justice, education and housing. Who is to say which is more important? All three areas are but parts of this whole complex problem. While we may analyze and study one area separately, we must never forget that every advancement reveals the interrelationship of all aspects of civil rights. It is impossible to deal with the employment problems of Negroes without also taking into consideration discrimination in education, training, housing, and personal security.

Titles I, II, and V are designed to modify our system of administering justice so as to tighten the protection of physical security of all Americans and assure them of equal justice under the law.

In some regions the record of continuing violence against the advancement of equal rights is frightening.

The primary purpose of such terror and violence becomes crystal clear when we see its effects extending far beyond the victims and encompassing the entire community. No Negro American failed to understand the intended message carried in the photographs from Mississippi in yesterday's newspapers.

Every assault, every murder, every bombing which goes unpunished, has encouraged and reinforced efforts to stop the advancement of equal rights through violence and intimidation. Such assaults on the free exercise of constitutional rights constitute a compelling reason for immediate enactment of proposals such as Title V which is designed to insure that all who work for and advocate equality are protected from interference and violence.

Titles I and II are concerned with assuring equal opportunity to participate in jury service by strengthening the constitutional guarantee that accused persons will be judged by impartial juries. It is generally agreed that a jury drawn from people of different backgrounds, races and religions, a jury from which their peers have not been arbitrarily excluded, would be most likely to adhere to this constitutional mandate. Opponents of this provision argue that we should be very careful about tampering with the jury system, one of our basic institutions. I suggest that the jury system as originally conceived has already been tampered with by the widespread practice of omitting members of certain groups from juries. Because of the variations among our people, it is highly unlikely that a jury system which systematically excludes members of a certain race or group could provide the type of impartiality contemplated in the Constitution.

The weaknesses of the administration of justice are dramatically portrayed in the failure of juries to convict killers of dedicated civil rights workers. Without the possibility of conviction in this area, there is encouragement for such crimes to multiply. A strong jury system is essential to deter future violence of this type.

The Attorney General has stated that at the time of the Meredith shooting on Tuesday at least 15 lawmen were within yards of him. Yet the fact that the presence of these officers did not prevent the shooting is an indication that Congress should tighten the laws relating to administration of justice to the point where no man can mistake that justice will be prompt, effective and unwavering.

It was in this spirit that S. 2923 was introduced by Senator DOUGLAS and the cosponsors. In this proposal we have attempted to provide the statutory provisions we believe required to completely handle the breakdown of machinery for the fair administration of justice. This goes beyond the Administration's bill. But I believe the events of the past few days underline the reasons why it is important that this Subcommittee and the Congress review proposals such as the following:

1. The removal of certain types of prosecutions from state courts to the federal courts.

2. Provisions for civil indemnification of those killed or injured because they participated in lawful civil rights activities.

3. The removal of defendants from jurisdictions where a breakdown of effective justice has occurred.

4. More direct and automatic methods of reaching the problem of jury exclusion.

Both bills contain provision for broadening the power of the Attorney General to permit him to institute suits for the desegregation of schools and public facilities. The continued slowness of the school desegregation effort speaks more clearly than ever why there should be little disagreement over this long delayed provision.

Finally, S. 3296 contains a provision against discrimination in the sale, rental and financing of housing.

Most of the opposition to this proposal is based on the argument that it represents an unconstitutional interference with property rights. This argument was also made with respect to the public accommodations provision of the Civil Rights Act of 1964. However, experience has shown that this provision was the effective and the constitutional way to accomplish the national goal of equal access to public accommodations.

In the metropolitan areas of our country are many independent local jurisdictions. In many such metropolitan complexes there are two or three state jurisdictions. I can think of no greater problem than attempting to coordinate the adoption of local fair housing ordinances or state statutes to cover residential and rental housing in these independent jurisdictions.

The opportunity for manipulating real estate markets in a situation where one local jurisdiction has an effective fair housing ordinance and others do not are obvious.

Clearly, uniform national action is required. Many of the metropolitan problems—freeway location, downtown renewal, outdated educational facilities—are compounded by the open practice of closing new rental and homeownership opportunities to Negro families.

It would seem to me the very economics of expanding the potentials for homebuilding and apartment construction to fill the obvious market available for better homes and apartments for these families would mean that the real estate and home construction industry would welcome a uniform and effective national policy.

Certainly we will never rebuild the American city to its fullest economic and human potential until we have met squarely this problem of housing discrimination.

I know, Mr. Chairman, you and other members have expressed grave doubts concerning the constitutional powers available to the Congress to enact such a statute. I hope that the excellent legal memorandum prepared by the American Law Section of the Library of Congress would be a part of this hearing record. I have reviewed Mr. Doyle's discussion of the powers available under the Commerce Clause and the 14th Amendment and believe that he has fairly established that Congress does have adequate

constitutional basis for enacting this statute under the Commerce Clause, and possibly under the 14th Amendment.

We had much this same argument two years ago in discussing Title II of the Civil Rights Act of 1964, the public accommodations title. The Court upheld our actions under the Commerce Clause. I believe this would occur if we enact Title IV of the proposed bill.

Some weeks ago I asked the Department of Defense to prepare a report for this hearing on the problems faced by Negro enlisted personnel and officers of the Armed Services in finding adequate housing for their families in off-base housing.

I would submit this entire report for the record. I believe it speaks eloquently of the problem we attempt to meet in Title IV.

Attorney General Katzenbach referred to a few instances mentioned in this study, and I would like to read an excerpt from it:

"Adequate, decent off-base housing for Negro personnel in the Armed Forces is the most stubborn and pervasive form of segregation and discrimination affecting Negroes in the Army, Navy (including the Marine Corps) and the Air Force. The problem is nation wide. It is encountered in the North, as well as the South. It is along the Atlantic, as well as the Pacific Coast, and it is also found in the Middle West."

The report states further:

"Commanders at 102 Defense installations (43%) reported that their men encountered many forms of severe discrimination in seeking either to buy or rent. They were refused rental houses and apartments because of their color. They were required to live at places distant from their duty stations, in inferior dwellings in deteriorated neighborhoods and often charged inordinately high rentals and often when attempting to purchase the price would be doubled. It was reported that 39 trailer parks situated near the 235 installations refused to accept Negro soldiers, sailors and airmen."

Mr. Chairman, I close my statement with the observation that we live in the midst of many anomalies which are difficult for our citizens, let alone the people of the world, to understand.

But perhaps the most difficult one, and the one that must clearly be resolved in the year 1966, is our nation's willingness to call a man to serve in Vietnam without regard to the color of his skin while being unwilling to see that when he approaches a rental agency or a real estate office near his base he is treated as any man wearing the uniform of his nation should be treated.

REPORT: "RACIAL DISCRIMINATION AGAINST NEGRO AND OTHER MINORITY GROUP SERVICEMEN AND THEIR DEPENDENTS IN OFF-BASE HOUSING," JUNE 2, 1966

The Department of Defense and the Military Departments place high priority on the housing available to Armed Forces personnel and their dependents. This applies to the quarters provided on-base by the Services and to the housing required off-base in the communities adjacent and near defense installations. The kind and quality of housing afforded our personnel is an important factor affecting morale and military effectiveness.

The adequacy of off-base housing for military personnel is measured by specific criteria:

1. Proximity of housing to the duty station.

2. Cost of housing. When the rental costs, including utilities (except telephone) exceeds the maximum allowable housing cost, the unit is considered inadequate. Under certain conditions costs of transportion to and from the duty station are considered part of the total housing cost.

3. Physical condition and environment. The unit must be a complete dwelling unit with private entrance, with bath and kitchen for sole use of the occupants, and so arranged that both kitchen and bedrooms can be entered without passing through bedrooms. The unit must be well constructed and in good state of repair with heating and kitchen equipment provided, and it must be located in a residential area which meets acceptable standards for health and sanitation and which is not subject to offensive fumes, industrial noises, and other objectionable features. The unit must be adequate in size for military families.

The problem of adequate housing for military personnel takes on added significance when other facets of his situation are recognized. First, the soldier, sailor or airman is not in a community by personal choice, but because of the necessary requirements for the nation's security and defense. Second, the frequency of change of duty station places an additional serious hardship on the serviceman and his family in terms of adjustments, dislocations and uprooting. Assuming normal circumstances a civilian employee and his family come to a community, locate a home, puts their children, if any, in school, establish a relationship with the institutions and their services, adjusts to the social and physical environments and sinks roots in the community. Stability and relative permanence is achieved. The situation for military service personnel is quite different. The Army states that their personnel move on the average every 2½ years, while the Navy moves its personnel every 3 to 3½ years. This means that there is a high frequency of mobility causing the soldier, sailor and airman and their families to pull up tent and roots, move to a new community and start all over again the process of searching for and locating housing, establishing new relationships, having the children adjust to new schools and school situations. In fact, they must start all over again.

The very nature of the process incident to adequate housing with frequency of change is a difficult matter of accommodation and adjustment. Add to this segregation and discrimination based on race and color and the difficulty becomes compounded and aggravated. Adequate, decent off-base housing for Negro personnel in the Armed Forces is the most stubborn and pervasive form of segregation and discrimination affecting Negroes in the Army, Navy (including the Marine Corps) and the Air Force. The problem is nation-wide. It is encountered in the North, as well as in the South. It is along the Atlantic, as well as the Pacific Coast, and it is also found in the Middle West.

Since 1963 the Department and the Military Services have given increasing attention to eliminating every vestige of segregation and discrimination in the Armed Forces, both on-base and off-base in the communities near defense installations. In 1963 the United States Commission on Civil Rights published a Staff Report—Family Housing,and the Negro Serviceman.[1] The report reflected the findings of the Commission's staff on the patterns of discrimination and segregation in housing to which the Negro soldier, sailor and airman had been subjected.

In June 1963 the President's Committee on Equal Opportunity in the Armed Forces, in its Initial Report,[2] called attention to the difficulties and problems experienced by Negro servicemen in their quest for housing in communities near their duty stations. On the basis of the many complaints directly called to their attention, base commanders were seeking guidance in dealing with these difficult problems from the Chiefs of the Military Departments.

By March of 1963 the Department of Defense was sufficiently cognizant of the dimensions of the problem to take the first of its corrective actions. On March 8, 1963, DoD issued a Memorandum on Nondiscrimination in Family Housing[3] that, among other things, required that the leases for all family housing include a nondiscrimination clause consistent with the provisions of the President's Executive Order No. 11063 of November 20, 1962. The Memorandum also directed the housing offices at defense installations not to maintain any listings of housing units that were not available to all personnel without regard to race, color, creed or national origin.

A further step was taken on July 26, 1963, when the Secretary of Defense issued a Directive on Equality of Opportunity in the Armed Forces[4] clearly reaffirming and articulating the Department's commitment to equal treatment for all of its military and civilian personnel. The Directive said:

"It is the policy of the Department of Defense to conduct all of its activities in a manner which is free from racial discrimination, and which provides equal opportunity for all uniformed members and all civilian employees irrespective of their color.

"Discriminatory practices directed against Armed Forces members, all of whom lack a civilian's freedom of choice in where to live, to work, to travel and to spend his off-duty hours, are harmful to military effectiveness. Therefore, all members of the Department of Defense should oppose such practices on every occasion, while fostering equal opportunity for servicemen and their families, on and off base."

The Directive also provided the Military Commander with renewed and reinforced authority to deal with discriminatory conditions, including segregation and discrimination in housing, affecting his men off-base. It said:

"Every military commander has the responsibility to oppose discriminatory practices affecting his men and their dependents and to foster equal opportunity for them, not only in areas under his immediate control, but also in nearby communities where they may live or gather in off-duty hours. In discharging that responsibility a commander shall not, except with the prior approval of the Secretary of his Military Department, use the off-limits sanction in discrimination cases arising within the United States."

Military Commanders provided with this new Directive of July 1963 began to give leadership through negotiation, conciliation and conference in getting the real estate industry in the adjacent communities to remove racial barriers in the housing field. In some few instances the commanders were successful in overcoming the resistance to accord equality of opportunity in housing to Negro servicemen. During 1964, the Office of the Deputy Assistant Secretary of Defense for Civil Rights conducted informal negotiations and conferences with the Intergroup Relations Office in the Federal Housing Administration with a view toward obtaining their cooperation in respect to alleviating discrimination against Negro servicemen in communities near defense installations. It was informally understood that they would lend their good offices in affected communities and would provide information upon request of the commanders as to the properties

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[1] U.S. Commission on Civil Rights Staff Report—Family Housing and the Negro Serviceman.

[2] The President's Committee on Equal Opportunity in the Armed Forces Initial Report, "Equality of Treatment and Opportunity for Negro Military Personnel Stationed Within the United States," dated June 1963.

[3] Memorandum dated March 8, 1963, "Nondiscrimination in Family Housing."

[4] Department of Defense Directive 5120.36, "Equal Opportunity in the Armed Forces," dated July 26, 1963.

covered by FHA insured mortgage loans. On February 8, 1965[5] a formal understanding was arrived at in which the FHA agreed to maintain current listings with base commanders showing the housing units in their area covered under the provisions of the FHA and which were subject to Executive Order 11063. It was agreed to provide base commanders with a list showing properties which had been obtained through FHA mortgage insurances and were either being repossessed or placed in the default status because of default in the terms of the mortgage.

The Department of the Army on July 2, 1964 issued their Army Regulation "Equal Opportunity and Treatment of Military Personnel",[6] and the Air Force issued its revised Air Force Regulation on the same title on August 19, 1964.[7] The Navy in February 1965 issued its SecNav Instruction entitled "Equal Opportunity and Treatment of Military Personnel."[8] In each of the aforementioned documents, guidance was provided the commanders in reference to their responsibility in using their good offices and leadership resources to achieve equal and adequate housing for Negro and other minority group personnel in off-base housing.

Another action taken by the Department was in June and July 1964 when it undertook to obtain from state and local Commissions on Civil and Human Rights their cooperation in eliminating racial discrimination and making available their good offices in assisting local base commanders in carrying out their responsibility.[9] Twenty-four such state commissions agreed to participate in this effort. In spite of these actions the problem still persists.

In a recent survey required by the Department of Defense of 235 installations of the Army, Navy and Air Force it was found that Negro servicemen encountered discrimination in meeting their needs for off-base private housing. Commanders at 102 Defense installations (43%) reported that their men encountered many forms of severe discrimination in seeking either to buy or rent. They were refused rental houses and apartments because of their color. They were required to live at places distant from their duty stations, in inferior dwellings in deteriorated neighborhoods and often charged inordinately high rentals and often when attempting to purchase the price would be doubled. It was reported that 39 trailer parks situated near the 235 installations refused to accept Negro soldiers, sailors and airmen.

Even though our Base Commanders have exercised more affirmative leadership, mobilized community support, utilized existing state and local agencies in the field of civil and human rights the fact still remains that our Negro and other minority servicemen and their families still encounter racial discrimination in off-base housing. While there has been some substantial progress made in the reduction of this form of segregation and discrimination, it still remains the most pervasive and stubborn, morale impairing social evil confronting the Negro servicemen off-base.

Set forth below are brief descriptions of cases cited to the Department of Defense by the Military Departments as illustrative of the problems and difficulties encountered by Negro and other minority group servicemen in their attempts to obtain off-base housing:

ABSTRACTS OF CASE HISTORIES, OFF-BASE HOUSING DISCRIMINATION ENCOUNTERED BY MEMBERS OF THE ARMED FORCES

Case No. 1

The Commander of a Defense installation in the northeastern part of the United States says:

"An analysis of the housing conditions affecting Negro personnel reveals that white and Negro personnel of comparable economic status do not in fact enjoy equal opportunity for adequate off-base housing in this state, particularly in the vicinity of this installation. White personnel can rent or purchase a home any place they desire provided, of course, they can afford to pay the cost. There is little difficulty for white personnel to secure mortgage loans. Generally they need only a perfunctory credit check. Conversely, in order for Negro personnel to get a mortgage loan, credit checks are thorough, cumbersome, and delayed over a protracted period of time. As a result, Negro personnel find themselves forced to accept properties in predominantly Negro or mixed areas. Also, as a general rule, desirable housing for sale is about twice the cost for Negro personnel as for white personnel for the same piece of property. It can be readily seen that the high cost of desirable property places Negro personnel in a position of financial hardship considering the initial cost and the maintenance outlay."

Case No. 2

A Commander at an installation near the Nation's Capital states:

"An allegation was made by a Staff Sergeant that he was refused housing when he attempted to rent living quarters from a private apartment project that advertised in the base newspaper. He was told by the apartment management that they did not rent to Negroes. The matter was investigated and finding the facts to be substantially as alleged the base newspaper discontinued acceptance of advertising from this and any other private housing projects that might be identified with such a policy in the future."

Case No. 3

A commander at a Defense installation in a Southern state says:

"It is anticipated that off-base housing will not improve in the immediate future as concerns Negro personnel assigned to this station. This, in all probability, will be that last area to remain segregated, in the local area. The local community is essentially a resort community of a high level with careful and studious efforts to allow only the 'acceptable' modes of construction and occupancy in the primary areas of the city. In view of the fact that this is an area not fully covered by the proscriptions of the 1964 Civil Rights Act, the officials of the base are left to few devices except the power of persuasion. In the past, this effort, however skillfully applied, has not changed in a very serious condition."

Case No. 4

From a Defense installation in the northern region of the Middle West it is stated:

"In December 1965, a Negro Lieutenant complained that he was refused housing by ten landlords in the largest civilian community near this base because of his race. The Equal Opportunity Officer referred him to the Fair Housing Committee, with instructions to return if he did not get satisfaction. He did not return and elected not to file an official complaint."

Case No. 5

It is reported from an installation in the central northwestern portion of the United States that "During 1965, one of our Negro servicemen answered a newspaper ad looking for living quarters for his family. The agent would not rent him the house when it was discovered that he was a Negro."

Case No. 6

In the north central United States, the Commander of a Defense installation states:

"A Negro Sergeant attempted to purchase a house through a real estate broker. When the broker realized the prospective purchaser was a Negro, he advised him that the owner of the home would not sell to a Negro. This complaint was referred to the Federal Housing Administrator at the nearest regional office who indicated that he would investigate this matter. Shortly thereafter, the Negro indicated he desired to withdraw the complaint as he had found another house to purchase."

Case No. 7

A Commander of a Defense installation in the central midwest of the United States says:

"Three cases of discrimination in off-base housing occurred in the Spring of 1955 in which military personnel assigned to this installation were involved. Two cases involved off-base housing and the third involved off-base trailer courts."

Case No. 8

The Commanding Officer of an important training center in the southwest reports:

"A female Negro nurse assigned to our hospital registered a complaint against one of the apartments in August 1965, alleging refusal by the manager to rent her an apartment because of her race.

"Another female Negro nurse rented an apartment in the largest city adjacent to this installation on February 3, 1966, making an advance payment of rent. On February 4, 1966 the apartment manager informed her that because of complaints from other tenants he was returning the advance rent and asking her to move. She was served with a three-day notice to vacate."

Case No. 9

The Commander of an important Defense installation guarding the security of the Nation's Capital states:

"Off-base housing in the form of separate houses and/or apartments can be obtained within reasonable commuting distance. However, there are both apartments and separate houses where Negro personnel can neither buy or rent. During the past year, three off-base housing complaints have been investigated with no solution provided nor available since the property constructed did not involve the use of Federal Government funds."

Case No. 10

From a Defense installation in the central midwest of the United States comes the report:

"On 27 October 1964, a serviceman enroute overseas complained that he had attempted to obtain parking space for his mobile home throughout the greater portion of this large metropolitan area without success. Trailer parks in local areas were also contacted and most professed to be "filled up." The serviceman departed for overseas on 12 November 1964. A desirable convenient site was obtained at ———, ———, however, the serviceman's dependents residing in the metropolitan community failed to accept same since they were now going overseas to join the serviceman.

"On 22 November 1965, a female officer attempted to rent in the ——— Apartments, in the community near the installation by telephone. She was advised that vacancies existed; however, upon arrival she could not

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[5] Memorandum dated February 8, 1965, "Family Housing Units Covered by Executive Order 11063 (Equal Opportunity in Housing)."

[6] Department of the Army Regulation 600–21 dated 2 July 1964, "Equal Opportunity and Treatment of Military Personnel."

[7] Department of the Air Force Regulation 35–78 dated August 19, 1964, "Equal Opportunity and Treatment of Military Personnel."

[8] Department of the Navy SecNav Instruction 5350.6 dated January 1965, "Equal Opportunity and Treatment of Military Personnel."

[9] Memorandum dated July 30, 1964, "State Commission on Civil Rights."

obtain a commitment until further checking by the resident agent. Later she was advised all apartments were taken, that the last family was expected to move in within three weeks. The officer subsequently located an apartment in the nearby area.

"On 9 May 1966, a serviceman complained that he was unable to obtain suitable quarters for his family in the nearby community, though he did find and is occupying housing he describes as not suitable. This case is still being processed."

Case No. 11

From an important Defense installation along the Atlantic Coast in the northeastern United States it is reported:

"On 25 April 1966, a Staff Sergeant complained that he was unable to find a suitable trailer camp in which to place his trailer. At that time, the sergeant was given the names of six trailer courts in the areas near the Defense installation which were listed in base family services as trailer courts which did not discriminate against renters on the basis of race, creed, color or national origin. Shortly thereafter, he chose one of the six trailer courts in which to relocate his trailer and says he is very satisfied at this time.

"On 2 May 1966, a female officer complained that she was unable to rent an apartment in ——— Apartments, Inc. located in the adjacent community because of her race. She was advised that she had no redress under the existing laws. The law expressly excludes the sale or rental of houses, apartments and other dwellings as a place of public accommodation. The Federal Housing Administration office in the community has advised us that the subject apartments have not been financed by federal loans, nor have any loans to the apartments been guaranteed or insured by the federal government. The officer was advised that she had no redress under neither the Civil Rights Act of 1964, nor the President's Executive Order for Equal Opportunity in Housing."

Case No. 12

From a Defense installation in the southern portion of the United States, the Commander reports that:

"On April 7, 1965, a formal complaint was received from a serviceman stationed at the base against the owners of newly built apartments in one of the cities adjacent to the installation. Inquiry revealed that these apartments were not subject to the Civil Rights Act of 1964, however, the officer received assistance in preparation of a formal request for suit over his own signature.

"On September 20, 1965, a 26 year old serviceman with four and one-half years service complained about off-base housing accommodations available to Negro military personnel and their dependents."

Case No. 13

The Commander from a large Defense installation in the southwestern United States reports:

"A Negro Lt. Col. on 7 December 1965, indicated that he had signed a contract with a large construction firm for the construction of a home. The president of the firm, refused to fulfill the contract after it was determined that the Negro Colonel desired to have the house constructed in a district that did not contain other Negro homes. The president of the company directly stated to the Commander that the construction would not be accomplished because of the Colonel's race.

"The Post Staff Judge Advocate provided assistance to the Negro Colonel in transmitting the circumstances to the FHA. In addition, the Commanding General wrote the Chamber of Commerce requesting an inquiry and corrective action. The Colonel departed for Vietnam without favorable resolution of the problem."

Case No. 14

From the same Defense installation, the Commander writes:

"A Sgt. First Class on 13 April 1966 contracted with the agent for a realty company for purchase of a home in a suburban community near the Defense installation. The Sgt. presented $250 as a contract binder on 17 April and offered additional funds to the builders. Subsequently, changes were made in the contract without the Sgt's agreement involving payment for certain miscellaneous services and materials. These additional requirements made it impossible for the Sgt. to comply with the new purchase price. This appeared to be a deliberate attempt by the owners to void the contract. A letter was initiated by the Sgt. to FHA providing details of the transaction and requesting assistance. The Commanding General has contacted the local Chamber of Commerce for assistance."

Case No. 15

From an important training center and military department school, the Commanding Officer reports:

"A Staff Sgt. on 12 April 1966 contacted a realty company in the community almost at the gate of the installation to rent a house. He was advised that the house could not be made available because of his race. He subsequently contacted another representative of the firm and was again denied consideration because of his race. The Commanding General of the installation advised the Mayor, the Secretary of the Board of Realtors, and the Biracial Civic Committee of the refusal to rent to the Negro Staff Sgt. and requested corrective action."

Case No. 16

An important Defense installation near the Nation's Capital reports:

"A Negro Lt. Col. during January 19, 1966 attempted to secure rental housing in two communities neighboring the installation and was denied because of his race. As a result of this denial the Negro officer found it necessary to purchase a home in another community further away from his duty station and incurring increased financial burdens because of the racial discrimination he had encountered.

"The Commanding Officer contacted the realtors and management personnel involved in the rental and sale of housing in the communities and communicated with various civic organizations in efforts to secure housing without discrimination for Negro applicants. Notwithstanding these efforts, except in the case of FHA-sponsored units, rental housing on a nondiscrimination basis is generally not available in the area near the defense installation."

From the same Defense installation the Commander reports that:

"A Negro Lt. Col. was scheduled to depart for Vietnam and desired to relocate his family from on-post quarters prior to his departure for overseas. He attempted to purchase a home in several communities near the base. His purchase application, however, was denied because of his race. The Colonel contracted in November for the construction of a home in another community and immediately left for Vietnam. The Commanding Officer of the base has authorized the continued occupancy of on-post quarters for the Colonel's family until completion of their home."

Case No. 17

A high-level official of one of the Military Departments in reporting on their findings of discrimination in housing in a farwest state said:

"One of the Military Departments made an extensive survey in order to determine family housing needs for the FY 1967. From data obtained in the survey, the department stated that 89 service members stated that their dependents did not accompany them to their present duty station because of racial discrimination in off-base housing. These persons were presently located in 13 states in every section of the country. An officer of one of the Military Departments says that the area in which discrimination is felt most severely is in off-base housing. Continuing, the officer said that although there has been a great deal of progress recently made in this area, the attitudes and practices of some realtors, landlords, and home owners associations still reflect discriminatory policies."

Case No. 18

The Commander of one of the Defense installations in the West Coast stated that:

"Whereas families of minority groups are found in virtually all areas of the base city and the surrounding communities, it is a fact that Negroes are concentrated and located in one particular area. Trailer parks, with two exceptions, are not available to Negroes in the community and adequate housing is not available except in a particular area in a city near the base."

Case No. 19

From a Defense installation in a farwestern state the Commander reports:

"One man stated that, in the Summer of 1963, he arrived from overseas and attempted to contract for several rentals. On one occasion he was denied a rental because of his racial origin. Another man reported that, in May 1965, on two or three occasions he was told frankly that the landlords would not rent to him because he was a Negro.

"In another community, the Commander reported a complaint in which a Negro alleged discrimination in a trailer park because of his race. Another factor contributing to the refusal was the size of the serviceman's trailer which was too large for accommodation in the trailer park. The commander pointed out that some Negroes have to be separated from their families who can only find housing accommodations in a larger metropolitan community, thus causing additional expenses for increased commuting time, commuting expenses and family separation."

Case No. 20

The Commander of a Defense installation in the south says:

"Negro personnel do not have equal opportunity as to the location of adequate housing off-base, but in one of the communities near the installation they do have equal opportunity in the quality of the dwellings.

"In another nearby community the Commander reports that all off-base housing for personnel in that area is substandard, inadequate and is separated from the white areas. Recently, however, new units of low cost for off-base housing has been built; 26 are designated for occupancy by whites and the remaining 14 are set aside for nonwhites. As to trailer parks the commander says: Trailer parks in the area, with one exception profess to be nonsegregated. About one-half of them would probably accept colored tenants and the others, except one, grudgingly. One will positively accept only white tenants. The only specific complaint by an individual concerning housing involved a newly married officer of Mexican extraction and swarthy complexion, who was refused dwelling accommodations in white neighborhoods. He was transferred by headquarters as a solution to the problem. It is not believed that he would have been offered suitable housing in this area although the president of the local real estate board was brought in on the case. He was offered government housing which was refused."

Case No. 21

From another southern state the Commander of a Defense installation says:

"There is limited integration in housing. Segregation is practiced on an individual

basis. The community is divided into the white community and the Negro community. Sales and rentals are handled on a racial basis and the majority of houses available to Negroes are below average. Negro visitors in housing occupied by whites are resented by landlords. Tenants may be evicted if they have Negro guests."

Case No. 22

From a far away outpost of the United States, a Commander relates that "a large number of his military personnel, approximately 80 in number, reported experiencing difficulties in securing adequate rental housing. The command stated that the evidence was sufficient to conclude that discriminatory practices against Negroes by individual realtors and landlords is prevalent."

Case No. 23

The Commander of a Defense installation of a midwestern state says:

"The only apparent condition adversely affecting equal opportunity for military personnel and their dependents is off-base housing which tends to be segregated. Our off-base located Negroes live in areas that are predominantly all Negro. These areas are not created by governmental restrictions in any way, but are rather imposed by local property-home owners and real estate men whose personal prejudices and interests foster segregation. All other services and facilities are completely integrated. However, those facilities in predominantly all-white or all-Negro residential areas tend to be segregated. This segregation, it appears, is due to choice of the clientele and/or the owner, or operator, but not by local or state governmental directives.

"The letter from twelve officers assigned to various base activities addressed to the Secretary of Defense, dated 8 October 1965, also discusses the housing problem in the area near the base."

Case No. 24

The Commander of a Defense installation of a northern state says:

"Two complaints were received alleging that de facto discrimination exists, despite the command's requirements that the landlord or owner certify that they will not object to a person on the basis of color, creed or national origin when listed with the base housing office. The landlords involved were de-listed."

Case No. 25

The Commander of a Defense installation of an eastern state says that:

"Generally, segregation exists, either admitted or de facto, in the entire off-base housing community (20-mile radius). Housing available to Negroes is almost entirely limited to that located in time-honored Negro housing neighborhoods. Most personnel live in title 8 housing, now Public Quarters, adjacent to the base. Other apartments and homes are available. Usually there are few homes available for purchase by Negroes, and these are frequently in substandard areas. About half of all off-base apartment owners will rent to Negroes. There is no local "fair housing law" and there is general, passive resistance to any change in historically established general segregation by color.

"A Negro Sgt. was refused an apartment for rent in 1965 in this area and another Negro Sgt. was refused realty service."

Case No. 26

The Commander of an installation in a southern state says:

"Negro personnel are restricted to housing in the colored sections of the city. In most cases this is substandard. However, Negro personnel living off-base do so by their own choice in that Capehart housing is available with an average four to six weeks waiting period. In addition, there are no integrated trailer parks in this area."

Case No. 27

From another southern state, the Commander of a Defense installation says:

"In one area, 83% of the Negroes who have dependents presently live in public quarters. Only 55 live off-base. Housing is in segregated areas.

"Trailer parks and the 'for sale' and 'for rent' housing in one of the counties in this area remain largely segregated. The housing problem for Negro personnel at one of the camps in this area is mitigated to a degree by the availability of government housing. Approximately 10% of the government-owned trailers, now disposed of, were rented to Negro families in 1965. 88% of the Negroes who have dependents presently live in public quarters. There is a deficient military-civilian community housing market. An annual survey completed in 31 May 1963 confirmed a gross deficit of 4,224 adequate family housing units in the military and civilian communities."

Case No. 28

From another southern state the Commander says:

"New apartments are being constructed. It is reported that these are segregated, being located in either all-white or all-Negro neighborhoods.

"Local housing pattern has predominantly Nergo and white areas. Most housing available is on a segregated basis. The elimination of government trailers caused a problem since there was no other suitable available housing aboard the base. There are no trailer parks which lease to Negroes."

Case No. 29

A First Lt. of the Marine Corps tells in a letter to his Commanding Officer some of the details of discrimination encountered in the effort to get off-base housing:

"Since my arrival in this area on 6 January 1966, or thereabout, I have been trying to rent a house for myself and my wife, without success. As I stated to you when I made my request for a waiver of children requirement to Capehart, I had tried almost a dozen places. Over the phone, they all had places 'to show and rent.' However, upon seeing me in person, . . . 'have just rented or . . . nothing left.' As example:

"(a) A First Lt. who rented his place from a realty company, called the realtor and told him he had a friend, me, looking for a place to rent. The realtor's wife took the call as her husband was in the hospital for a few days. She stated they had two (2) places coming up for rent within the week, and I could have my pick; one at $105.00 per month and the other at $110.00 per month. She told the First Lt. to bring me by and she would talk to me about the apartments. When I met her in person . . . 'Don't know when they will be vacant.'

"(b) The manager and his wife, reside in one of the apartments. I went there with a First Lt. and ENS who wanted an apartment. There were two available, they took one. A week later, I called the manager and his wife answered the phone. I identified myself, she stated she remembered me. I asked what they had available in two bedroom apartments. She stated there were two (2) unfurnished and I could have my choice; (this was on Monday, 31 January 1966). I told her I would be down Wednesday to give a $50.00 deposit on one of the apartments. She said fine, she would hold one for me. The next day, I heard from the First Lt. telling me not to send a deposit as the manager stated . . . . 'We have nothing available.' I called the manager the following morning and asked him the reason for the sudden change. He simply stated . . . . 'Fella, we don't have anything nor do I know when anything will be available.' 'Fella' Nice address.

"(c) I was riding with a First Lt. and we made a wrong turn. I saw a sign 'House for Rent.' I called the mentioned number, and spoke to the realtor. He stated the house was for rent. I made an appointment to see the house that afternoon. The First Lt. drove me to the house. We got out of the car and approached the realtor. There was a smile on his face as he looked at the First Lt. When I spoke and introduced myself, the smile left. He showed us the house and told me he would 'call me tomorrow.' The call never came. I called his office for the next four (4) days. His secretary answered each time, and when I introduced myself . . . 'He is not in, I'll have him call you.' The call never came.

"(d) I made an appointment with a man of a realty company as a last effort to get housing (buy). Upon meeting me in person, he asked . . . . 'Are you a Syrian?" If you are, O.K., if not, we cannot rent to non-white skin people! He stated also . . . . 'The real estate men are not allowed to rent or sell to non-white skin people in this block of homes.' FHA Financing even.

"(e) And so it went with several other realty companies and a private house for sales, 'Nothing available'."

Case No. 30

Twelve commissioned officers of one of the Military Departments forwarded a memorandum to the Secretary of Defense via the chain of command and the Civilian Secretary of their Department in reference to racial discrimination and recommendations concerning the subject. Their comments on discrimination in housing are relevant. They said:

"We would all readily agree that this (housing) has been our greatest problem area. All of us are married, most have children, and we were all subjected to overt racial discrimination as we sought to find decent public housing for our families. In some cases, civilian advertisers who indicated to housing authorities that they would rent or sell without regards to race refused to accommodate us. We often saw white non-rated men move into facilities which were 'unavailable' to us. In many cases we were separated from our families for long periods as we watched persons reporting to the area after us acquire accommodations and rejoin their families. Often persons have recommended 'nice colored' locations usually served by 'nice colored' schools which offer our children substandard education. Fortunately and unfortunately most of us have been given priority on the base housing list due to our 'handicap.' Whereas we realize that this was necessary, in fact we usually requested it; we take no pride in being given 'special consideration.' We simply want to be able to find decent housing just as easily (or with as much difficulty) as anyone else. When a door is slammed in our faces because we are Black, we feel that the full stature and determination of (the Military Department) should back us up. . . . It appears that something more than a half promise from a local official is needed. Often it is said that our situation is understandable and everyone sympathizes with us but very little can be done. . . . We suggest that the full economic and diplomatic weight of the government be brought to bear in areas where this problem is proven to be prevalent. (That would include most of the country). This has been suggested and in fact ordered in the past but the situation remains basically unchanged. We feel that if certain accommodations are not open to all military personnel, no military personnel should be allowed to acquire those accommodations. With regards to housing we are desperately in need of assistance and support.

RESOLUTION ON CIVIL RIGHTS BY AMERICAN BAPTIST CONVENTION

Mr. HART. Mr. President, the American Baptist Convention, at its annual session in May at Kansas City, adopted a resolution on civil rights. It is a strong statement which speaks to the continuing problems of discrimination in the areas of housing, employment, education, and jury service.

I would especially invite attention to that part of the resolution which reads as follows:

Our churches support national legislation against discrimination in the sale and rental of housing with provisions for the federal administrative enforcement of this legislation.

Mr. President, I believe it is significant and encouraging that our major religious denominations are speaking out in favor of the kind of fair housing legislation contained in S. 3296, the proposed Civil Rights Act of 1966.

Mr. President, I ask unanimous consent that the resolution of the American Baptist Convention be printed at this point in the RECORD. In addition, I ask unanimous consent that there be printed a resolution on S. 3296 adopted by the board of directors of the Metropolitan Detroit Council of Churches, a resolution on civil rights adopted by the Democratic State Central Committee of Michigan, an editorial from the New York Times of June 14, 1966, entitled "The Case for Title IV," and an editorial from the Detroit News of June 16, 1966, entitled "Realtors Can Blame Themselves."

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

THE 1966 AMERICAN BAPTIST CONVENTION RESOLUTION ON CIVIL RIGHTS

While we rejoice in the gains made in civil rights in the past few years we recognize that much still remains to be done if equal opportunity is to become a reality for all the citizens of this nation. Particularly crucial are the problems in housing, education, and employment.

Discrimination in housing prevents many Americans from exercising their right to acquire private property. It limits the choice of housing available to members of minority groups, forcing them to pay high prices for overcrowded, substandard housing, and contributing to the growth of ghettoes and slums.

Therefore, we urge that:

(a) Federal funds not be used to perpetuate or extend segregated housing.

(b) The President and the Department of Housing and Urban Development use their powers to make certain that the programs currently underway and contemplated, that are shaping our urban areas, be used to bring about truly integrated and open communities.

(c) Our churches support national legislation against discrimination in the sale and rental of housing with provisions for the federal administrative enforcement of this legislation.

(d) Our churches participate in and support voluntary local and area groups such as Fair Housing Councils which work to insure that all housing in their communities is open to persons of all racial and religious backgrounds.

(e) Our church members work to develop and maintain integrated communities of high standards and refuse to participate in panic selling when persons of another race become their neighbors.

(f) Our church members, when selling or renting their own homes, make them available to prospective buyers of any racial background and that they patronize realtors who will observe this policy.

Since one of the major problems facing our country is the high rate of unemployment among persons of minority groups, and since an adequate income for recognized useful work is necessary for persons to maintain their own sense of worth and to provide a decent living for their families, we urge our churches to—

(a) Discover the facts about unemployment among minority groups in their communities and the problems facing them in becoming employed.

(b) Support public and private efforts to provide the education and job training necessary to enable them to get and keep jobs.

(c) Support and initiate programs with the business community to open more and better jobs to minority group persons and to provide on-the-job training and counseling.

Since education is fundamental to the development of the potentiality of youth and adults to enable them to provide for their own future welfare and to make their contributions to society, we urge our churches to—

(a) Support legislation to enable the Attorney General to bring suit for the desegregation of schools and public facilities.

(b) Support quality integrated education.

(c) Support the development of programs such as Headstart to give pre-school children from disadvantaged homes the necessary background to be ready for school.

(d) Provide or assist programs of tutoring and study halls to help children succeed in school.

(e) Support and assist programs of remedial education for adults.

Since justice in the courts is a foundation of freedom we urge that our churches support national legislation to ensure that juries will be selected without discrimination of any kind.

RESOLUTION OF THE BOARD OF DIRECTORS, METROPOLITAN DETROIT COUNCIL OF CHURCHES, THURSDAY, JUNE 9, 1966

Whereas: There is a long history of failure of southern juries to convict most people accused of crimes against those involved in lawful civil rights activities;

Whereas: This long history clearly implies that the due process of law in civil rights cases must be strengthened;

Whereas: There has been a consistent denial of the opportunity for Negroes to serve on juries in the south;

Whereas: Public action is visibly affected by the enactment of legislation, the Board of Directors of the Metropolitan Detroit Council of Churches calls upon the citizens of metropolitan Detroit to express their support of Senate Bill S. 3296 and House Bill H.R. 14765 and urge their elected representatives to make the passage of these bills their immediate concern;

Futher: The Board of Directors urges the House Judiciary Committee, chaired by EMANUEL CELLER of New York, to favorably report out of committee immediately House Bill 14765.

RESOLUTION ON CIVIL RIGHTS ADOPTED BY THE DEMOCRATIC STATE CENTRAL COMMITTEE OF MICHIGAN HELD IN EAST LANSING, MICH., JUNE 5, 1966

The Democratic State Central Committee of Michigan applauds the efforts of the recent White House Conference on Civil Rights to push forward to new accomplishments in this crucial field. The Civil Rights Act of 1965 marked a great step forward in the promise of equal rights and opportunities for all, but the realization of that promise still lies too far in the future.

We urge the Congress to enact promptly legislation extending protection to those active in the cause of civil rights, assuring fair selection of juries and guaranteeing to all equal access to the housing they can afford.

We further urge a substantial strengthening of the enforcement procedures of both the existing civil rights legislation and the proposals now before Congress. We challenge those who talk so much about law enforcement and the rise of crime in America to join us in insisting that the laws of the land that prohibit violations of the rights of any American be vigorously enforced throughout the country.

[From the New York (N.Y) Times, June 14, 1966]

THE CASE FOR TITLE IV

The shooting of James Meredith on a road in Mississippi last week reminded Congress and the nation of the grim realities that prompted President Johnson to ask for certain of the provisions in the pending civil rights bill. Since Negroes and white civil rights workers in the South frequently risk danger of death or injury, it is important to strengthen Federal laws against such crimes and to insure that juries are selected on a nondiscriminatory basis.

But Mr. Meredith's misfortune may have weakened rather than improved prospects for the bill's Title IV, which bans discrimination in the sale or rental of housing. There is growing sentiment on Capitol Hill to delete this section and pass the rest. This is an impulse that must be resisted. Title IV belongs in the bill.

Segregated neighborhoods are the fundamental cause of many racial problems in the North. Problems of *de facto* segregation in the schools, for example, arise because housing is frequently compartmentalized along racial lines. Because middle class Negroes cannot freely buy houses in many suburbs, they necessarily concentrate in the marginal neighborhoods in the centers of cities with the result that these neighborhoods, instead of becoming stabilized on an integrated basis, usually become all-Negro enclaves.

The principle of open occupancy is not a panacea, but it is essential along with public housing, rent subsidies and other programs if the nation's huge metropolitan centers are ever to break the vicious and intensifying pattern of black cities and white suburbs. The National Association of Real Estate Boards has disgraced itself by its blatant opposition to Title IV. It is time that real estate brokers realized that their traditional role as the agents of respectable racism is anachronistic and morally disreputable.

When President Johnson sent Congress his civil rights message on April 28, Senator Sam J. Ervin, Jr. of North Carolina said, referring to Title IV, "For the first time we have a bill which proposes that other than Southern oxen are to be gored."

There was force in this thrust at Northern hypocrisy. Congressmen from Northern cities and suburbs cannot claim to believe in racial equality if they scuttle Title IV.

[From the Detroit (Mich.) News, June 16, 1966]

REALTORS CAN BLAME THEMSELVES

If a federal fair housing bill is eventually passed by Congress, it will be in large part because of the opposition and record of groups like the Detroit Real Estate Board.

With newspaper advertisements, the Realtors have begun an attempt to kill Title IV of President Johnson's new civil rights bill, the portion dealing with housing. Their message is a strong, emotional criticism of the bill, describing it as designed to deny every

American home owner the "freedom of choice" to sell or rent his property to whom he pleases.

The Realtors insist race relations will be set back by such a "forced housing law" and that equal opportunity in housing is being achieved by the voluntary efforts of "men of good will."

Gentlemen, you protest too much.

Those familiar with the last generation of activity in the private housing business know the key role played by the organized real estate industry in maintaining racially, religiously and ethnically segregated housing. The fake excuses, the unwritten point systems, the imaginary boundaries, the black listing and block busting—all are part of the real estate industry's sorry record.

However, Realtors in Battle Creek and Kalamazoo now seem willing to come half way. The style of the Detroit Real Estate Board's attack suggests its members are not as reasonable.

The racial prejudice infecting our Detroit metropolitan area today is in some measure due to the continued segregation of whites and nonwhites. Had the Realtors honestly maintained over the years the neutral position between buyer and seller their national code of ethics demands, this segregation certainly would have been less today. We all would have been further along the path to understanding which begets equality.

It is a direct reflection on the past actions of those most concerned with the orderly transfer of real property—the real estate brokers—that the huge power of the federal government should even be threatening to intervene.

Pressures for a federal fair housing law are not the work of the Devil or of the Communists or of the Socialists. The pressures have come from the victims and opponents of housing bias who are fed up with pious appeals for voluntary action, from Realtors and others.

As we have said before, we have our own concerns about Title IV of the civil rights bill, and believe much of the housing problem can be solved with a less rigorous approach.

But just as deceptive merchandising prompted a "truth-in-packaging" bill and the existence of criminal and greedy union bosses produced the Landrum-Griffin act, so a subtly segregationist real estate industry may provide the foundation for a federal fair-housing law.

THE 34TH ANNIVERSARY OF THE CHARTERING OF THE DISABLED AMERICAN VETERANS ORGANIZATION

Mr. PROXMIRE. Mr. President, through the years our country has looked with sincere gratitude upon those who unselfishly gave their health and physical well-being in defense of our national honor. The Disabled American Veterans, as a national veterans service organization, has compiled an outstanding record for the past 34 years in advancing the cause of our wounded or disabled former servicemen. The more than 1½ million disabled veterans who have been assisted in obtaining medical care, rehabilitation, employment, and a renewed sense of personal dignity through the efforts of the DAV are a living tribute to their noble work.

At this time when we are commemorating the 34th anniversary of the founding of this organization, we must pause not only to congratulate the DAV, but also to rededicate ourselves to the task of caring for our war victims, and to pay them the greatest tribute we are able, our continued efforts in search of a lasting world peace.

It is with great honor that I join my fellow Senators in paying tribute to the DAV, not only for the great service they continue to render, but also for their constant reminder of this greater task which is the responsibility of us all.

Mr. BAYH. Mr. President, it is an honor to join my colleagues in paying tribute to the Disabled American Veterans on the anniversary of the granting of its charter.

This organization has contributed to the well-being of our disabled fighting men for 34 years. In so doing, it has made a singular contribution to public welfare. The DAV is a prime example of what can be accomplished by men who, although suffering from disabilities, have continued to demonstrate in civilian life the same determination and spirit they displayed in the Armed Forces. The identification tags for automobile licenses which have proved to be so useful as well as rewarding are an excellent reminder that the DAV is continuously at work. They also remind us that a private service organization can make valuable contributions to the public which extend beyond the betterment of its own membership; that an organization whose members unselfishly strive to help themselves will in so doing generate services beneficial to all of society.

Mr. President, it is entirely fitting and proper that we honor the DAV. In wishing the DAV a happy 34th birthday, however, let us look forward to the day when injured veterans will no longer return from distant battlefields. Until the peoples of the world are able to achieve peaceful settlement of international disputes without resort to force, there will be a continuing need for the services performed by organizations such as the DAV.

My sincerest best wishes to the Disabled American Veterans. May this organization continue its excellent work as long as this work must be done.

ADDRESSES BY EDWIN P. NEILAN AND GEORGE L-P WEAVER BEFORE 50TH INTERNATIONAL LABOR CONFERENCE, GENEVA, SWITZERLAND

Mr. FANNIN. Mr. President, during the past week I had the privilege and the pleasure of serving with the junior Senator from Wisconsin [Mr. NELSON] as an adviser to the U.S. delegation to the 50th International Labor Conference in Geneva, Switzerland.

One of the most impressive speeches delivered at that conference was by a member of our delegation, Mr. Edwin P. Neilan, a distinguished banker and former president of the Chamber of Commerce of the United States.

Mr. Neilan summed up the situation most effectively and presented a calm, factual, and penetrating defense of our Nation's record in promoting international peace and stability. In particular, his rebuttal to provocative attacks on our country by some of the delegates from Communist bloc nations was superb.

The remarks of another member of our delegation, Mr. George L-P Weaver of the Department of Labor, were also very much to the point. I commend both talks to the Members of the Senate and ask unanimous consent that they be printed in the RECORD.

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

REMARKS ON DIRECTOR-GENERAL'S REPORT BY GEORGE L-P WEAVER, U.S. GOVERNMENT DELEGATE TO 50TH INTERNATIONAL LABOR CONFERENCE, JUNE 17, 1966

Mr. President: The excellent report of the Director-General, reduced to its simplest terms, calls upon the International Labor Organization to ensure that industrial development is used to promote social progress. It also calls upon our Organization to assist countries, to develop labor and manpower policies which would effectively utilize human resources, toward making the maximum contribution to industrialization.

Mr. President, I would draw your attention to another statement by the Director-General, to the recent Atlantic Conference on Cooperation and Economic Growth. Mr. Morse outlined the philosophy which appears to lie behind his report to this Conference.

The newly-emerged nations, Mr. Morse makes clear, are in the throes of revolution. They are undergoing a total accelerated change affecting all departments of life. "The revolution", he points out, "begins amongst those whose condition has begun to improve"—among people who "see the possibility of something better."

The Director-General asserts that "economic aid is consciously or unconsciously an instrument of revolution, and its use must be understood as such . . . . The real question is: What kind of revolution? With what ultimate goals?"

The broad goals, he suggests, are "the maintenance of peace and the achievement of a democratic order." He says, "peace is the containment of violence, and the institutionalizing of conflict.'" The essence of democracy, he states, is "opportunity for free development of the individual, without discrimination, so that individuals may freely determine their own destiny."

We subscribe to this philosophy.

We Americans have seen the possibility of something better. We, too, unceasingly struggle for a greater measure of freedom. In the past, we faced, just as the newly emerged nations face, what Mr. Morse calls the inter-acting problems—of production and investment, establishing effective control and securing popular allegiance, developing new social institutions to replace old and decaying ones.

Let me remind you—in the larger sense, I also speak as a revolutionary.

We Americans gained our freedom by revolution—as many of you did.

And that revolution—begun two centuries ago—is still incomplete. While we have accomplished much, it is not enough. We continue to struggle to eradicate poverty in the midst of plenty—for equality promised but not yet attained, to make automation a blessing, not a curse.

We have made mistakes—we shall make more—as we strive towards these goals. In our open society, our mistakes are visible to the world, just as the television cameras are trained on the failures—as well as the successes—of our space program.

Despite the achievements of our economy, of our educational system, and our cultural institutions, we are dissatisfied—as are many of those who preceded me on this rostrum.

We have not achieved a perfect society—but we continue to strive towards it. And

our larger goals are those which Mr. Morse has defined: The maintenance of peace and the achievement of a truly democratic order.

For many years, the United States has been using economic aid in the constructive way that Mr. Morse has urged, as an instrument of social and economic progress. And, we shall continue to do so—with, however, this important proviso:

In his message to the Congress on February first, President Johnson recommended a Foreign Aid Program "to help those nations who are determined to help themselves."

The President called this "the lesson of the past" and "the hope for the future."

Indeed, it is a lesson from our own past. We recall that the efforts of our people were combined with help from abroad. We remember that help and have tried to apply this lesson of industrialization.

Just as we received help to build our society, we are sharing our resources through government and private efforts. We realize, however, that the pace of nation-building and industrialization must be quickened beyond our forefathers' needs.

In the two decades since the last great war, we have implemented this philosophy of using our resources for the active promotion of social change. We have provided vast sums to all parts of the world under our foreign assistance program. And, we have played a major role in financing the variety of United Nations organizations in existence today.

We have learned from this experience. We now know that Europe did not achieve its rapid recovery because of Marshall Plan aid, alone. This aid was only the catalyst which enabled determined, energetic, and thoughtful people to build for the future out of the ashes of the past.

This lesson has been amply demonstrated in Israel, Taiwan, Japan, Korea, and the Federal Republic of Germany, nations that are now, in turn, extending assistance to others.

As President Johnson emphasized in his foreign aid message, "The United States can never do more than supplement the efforts of the developing countries, themselves. They must supply most of the capital, the know-how—the will to progress. If they do, we can and will help. If they do not, nothing we can supply will substitute."

Nor, I might add, can the ILO or other international organizations fill the void.

As the President said, "Nothing can replace resources wasted in political or military adventures. For the essence of economic development is work—hard, unremitting, often thankless work. Most of it must be done by the people whose futures and whose children's futures are directly at stake."

One of the first essentials of the principle of self-help is the imposition of self-discipline in establishing priorities for economic and social development.

I note in Chapter 2 of the Report that the Director-General has recognized the importance of priorities in taking account of the two major classes of problems usually encountered in the utilization of human resources. One involves meeting the needs for skilled manpower to expand industries. The second includes the development of policies that will contribute to economic growth and, at the same time, raise the level of productive employment.

We also support the proposals of the Director-General, for increased discussion of wages in relation to standards of living. Further research is needed with respect to the emigration of skilled manpower from developing to advanced countries. We also do not know enough about the relationships between wages, employment, and economic growth.

Another priority, in my view, is contained in Chapter 3 of the Report. The Director-General emphasizes the need for good labor-management relations as a vital factor in the solution of the social problems of industrialization. I do not believe that this need can be stressed too strongly. Not only is cooperation of labor and management a fundamental principle of the ILO, but it is an absolute essential in the solution of many of the problems arising in the industrialization process. Free and strong organizations of Workers and Employers are required for this purpose.

Once these priorities have been established—and I do not endeavor to catalogue all of them—it is equally important that every effort be made to efficienctly utilize all available resources of the U.N. specialized agencies. These resources are limited and they should not be wasted through proliferation of agencies with a common objective.

In the utilization of the resources of the I.L.O., we should not be diverted—as we have in the past—by sterile discussions of political issues beyond the competence of the I.L.O. to handle.

Mr. President, I note your statement of June 14, found in Provisional Record 20. I regretfully conclude that it only serves to encourage the waste of our time and resources by extraneous political issues that are being considered by other U.N. bodies having the resources and competency to handle them. For example, during the discussion of the Director-General's report, we have heard repeated references to aggression in Viet-Nam. Whose aggression? We deplore the aggression of North Viet-Nam and the Viet-Cong against the South Vietnamese people. We believe no amount of propaganda will obscure the identity of the aggressor. Nor did propaganda obscure the identity of the agressors against Greece, South Korea, Tibet and India.

Some people, particularly those who distort the issue from this rostrum, would like to forget that it is not South Viet-Nam that set out to take over North Viet-Nam—but just the opposite. If we are to engage in political or extraneous debate, let's keep the facts straight. As we reminded the Conference last year, my country, along with many other countries, is in Viet-Nam to aid South Vietnamese—to help prevent the takeover of a proud and free people—to assure that they will have the chance to choose their own way in freedom. We, like our Allies, are committed to no other policy—are committed to get out when the Vietnamese people have a fair opportunity to decide their own future.

The record should also show that we are prepared to go to the peace table at any time. We have made that crystal clear for more than a year. But, the delegates here who have raised the problem of Viet-Nam have been strangely silent—I repeat—strangely silent—on the vigorous efforts of my Government, the Secretary-General of the U.N., His Holiness, the Pope, and many other world statesmen, to get peace talks started. Ironically, among them are those who cry publicly for a return to the principles of the 1954 Geneva settlement but whose representatives—as co-chairman of that conference—refuse to agree to reconvene the conference.

We have heard it claimed that the Viet-Cong represent the aspirations of the people in Viet-Nam. If so, why did over a million people flee Communist rule in the North? If so, why have the Viet-Cong assassinated more than 20,000 local village officials? If so, why has no Vietnamese leader of any prominence joined the Viet-Cong? If so, why have not thousands moved North? In Viet-Nam, as in Europe, and in Cuba, people seek freedom by the thousands, even at great personal risk. This we have seen in Berlin, and all along the frontiers of countries bordering Communist states.

Mr. President, if we are to get on with the work of industrialization in Southeast Asia, if we are to best utilize our resources for the benefit of man, we must, first, concert our efforts to bring peace to that part of the world.

The Mekong Development Project, and other wide-ranging programs for economic, cultural and social development, are being impeded by this aggression. It has detracted from the total effort that could be devoted to these programs. How much better if, instead of having to defend their homes, their factories, and their rice fields, the people of Viet-Nam and their neighbors were able to devote all their energies to speeding up their social and economic undertakings.

For example, within the last five years, more than 700 industrial plants have been built or enlarged in South Viet-Nam. This total includes 212 textile and weaving plants; 66 pharmaceutical factories; 59 machine works; 51 plastic production plants and 37 factories for assembling electrical appliances. How much more rapidly could South Viet-Nam industrialize, if it were free of aggression?

On the other hand, we can all express our satisfaction that some of the peoples of Southeast Asia are easing the tensions which have recently disrupted their lives. We can all pay tribute to the statesman-like steps taken by the Philippines, Malaysia and Indonesia, through the good offices of the Foreign Minister of Thailand, towards better understanding among this group of important countries.

In concluding, Mr. President, may I, again, revert to that portion of my President's Foreign Aid message, where he expressed concern over the kind of world in which our children will live. He said, "It can be a world where nations raise armies, where famine and disease and ignorance are the common lot of men; where the poor nations look on the rich with envy, bitterness and frustration; where the air is filled with tension and hatred.

"Or it can be a world where each nation lives in independence, seeking new ways to provide a better life for its citizens:

"A world where the energies of its restless peoples are directed towards the works of peace;

"A world where people are free to build a civilization to liberate the spirit of man."

He concluded, "The basic choice is up to the countries, themselves."

REMARKS ON DIRECTOR-GENERAL'S REPORT BY EDWIN P. NEILAN, U.S. EMPLOYERS' DELEGATE TO 50TH INTERNATIONAL LABOR CONFERENCE, JUNE 16, 1966

Mr. Chairman: I congratulate the Director-General on the excellence of his report and his hope that "the lively and constructive debate" would provide "precise and widely acceptable conclusions" to enhance the effectiveness of ILO services to its Member States.

Part I reminds us that agricultural development is basic to industrialization which can never grow and expand on empty bellies of semi-starved workers. The primary responsibility of every country is an adequate diet for its people. The need to improve the yield and diversity of food crops coupled with better processing and distribution to assure adequate food for the sound health of workers and their families must have the highest priority in every program of industrialization.

Our Nation, created from a group of colonies which achieved early independence, devoted years to improving methods of agricultural production before we could industrialize on a major scale. We applaud the emerging nations that understand this basic need and concentrate on more food production, canning and food processing plants as their first step in a sound program of industrialization.

The Director-General cautions us, page 7, that "in practice, attainment of ambitious

industrialization objectives is impeded by many obstacles and, important as the results achieved may be, they often fall short of expectations."

A few glowing plans unveiled during this debate may be political promises rather than practical estimates. We hope that each plan succeeds, but government planners must recognize the fundamental fact that success breeds confidence and failure to attain too ambitious goals tends to destroy both confidence and governments.

Pages 8 and 9 record Latin America's industrial output at 22½% of gross domestic product, and that the free private enterprise economies were led by Argentina, Brazil and Mexico. In Asia and the Far East, Japan, Australia and Taiwan led in percentage of industrial production, while Pakistan and South Korea, two other free nations, enjoy the most rapid industrial growth. Thus, free market economies have achieved the highest degree of success in improving industrial output.

Our late President Kennedy stated on September 26, 1962, "The free market is not only a more efficient decision-maker than the wisest central planning body, but more important, the free market keeps economic power widely dispersed."

Each day is election day in the free market. The consumer holds the ballot. Every purchase is a vote and business sales are the tabulation of that vote in consumer dollars. A big business can be voted small, a small business may be voted big and any business can be voted out of office and fail.

I have been disappointed that the Director-General's report failed to stress the fact that industrialization advances in direct correlation to the success it has in anticipating its citizens' needs and in supplying these needs efficiently at the lowest possible cost. The determination and satisfaction of customer or citizens' needs, which is a minor problem in free market economies, becomes the most difficult aspect of central planning, and much too often is submerged by political programs of doubtful value. Socialist bureaucracies may hide real costs for long periods of time, even though these high costs are borne by all of their citizens in their general cost of living.

Planning for industrialization cannot ignore this consumer vote except in Communist countries which are learning also that their citizens cannot be denied opportunity for selection. The changes that are taking place in such countries recognize that no nation may remain strong unless its economy is geared to satisfy the needs and desires of its citizens. Thus, socialist countries of Eastern Europe have adapted many of the incentives of free market economies to improve their industrial output. They now ask free market nations to build automobile plants and other consumer-orientated industries inside the Iron Curtain to supplement their less successful efforts in these areas. In so doing, they admit that free market economies have succeeded better because they embody this basic human freedom, freedom to choose.

The Director-General mentions rapid population growth as a nullifying factor in industrial development. Plans to curtail the current population explosion must receive equal attention with planning for industrial development. Idle persons are prone to propagate and increase the difficulties of emerging nations striving to provide adequate food and employment. The religious and social roots of tribal and agrarian ages, when large numbers of children were essential to provide workers, armed forces and social security for their elders, no longer exist. Family planning is fundamental to future improvement of living standards in every nation.

Education to improve standards of skill and communication are essential as noted in the Director-General's report on industrialization. American business spends more than 18 billion dollars yearly on training and retraining its workers. Using the most modern educational methods, including visual-audio aids and programmed instruction, we have difficulty in providing enough trained workers to keep our complex industrial machine adequately staffed. The time lag in achieving the conquest of illiteracy is indeed long. Emphasis on the years and months needed to achieve reasonable standards of literacy and skills must be understood by underdeveloped nations, for false hopes may unbalance their political stability in the years ahead.

Education designed to improve internal skills and communication alone defeats the material benefits of idea cross-fertilization which is so productive in the modern world. The free exchange of ideas makes every individual and every nation a great deal richer and impoverishes none.

The U.S. Government, our 73 million workers and our 11 million employers have no territorial ambitions. We are proud that our productivity has provided more than 123 billion dollars to assist war-damaged and emerging nations to rehabilitate and industrialize with varying degrees of success. We ask no gratitude. We naturally hope that our successes may inspire other nations to use the free market system which has proven remarkably satisfactory for us.

There is, however, a growing disenchantment among our people for international organizations which permit pressures from a small group of socialist nations to warp the principles and divert the programs of such organizations to their selfish ends. If the Workers and Employers of my country are to continue our substantial (25% direct and 40% indirect) support of the ILO's program, Communist efforts to destroy its structure and purpose by dominating its administration must be stopped. This body cannot expect our generous people to open their purses year after year to an organization which permits a few Communist-oriented delegates to manufacture insolent and untruthful political condemnations and deliver them from this platform.

The work of the Director-General and his staff would have been far more productive for the benefit of all emerging nations, if they were not forced to devote considerable time to Communist political pressures and attempts to increase domination. The last eleven sessions of this Conference record that the Government Vice-Presidency of this body has gone to Communist countries eight times as a result of such arrogant pressures. Mr Chairman, despite that record of undemocratic pressure, no Employer Delegate has questioned your election by a single vote in a free, secret democratic election.

However, the conduct of Communist Delegates in the Employer group has been in marked contrast. They have raised bitter cries of discrimination in this plenary when the same democratic voting procedure was used and the margin of victory by those chosen to voting posts was substantially greater than the single vote which placed you in the chair you now occupy. The Conference must presume, therefore, that your associates are not interested in social justice by democratic means but solely in power pressure, and that their real purpose is to destroy not only the principles and structure of this tripartite body but ultimately to deny to the emerging nations the aid and assistance of this mature and able organization so that the inability of these emerging nations to produce the goods and services to satisfy their citizens may assist Communist-trained saboteurs to add these nations to the other slave satellites of the Bloc.

Mr. Chairman, Mr. Schilo, Employer Delegate, Ukraine, spoke on the Director-General's report on the afternoon of June 7, 1966. He recorded the Fascist destruction of Ukrainian towns, villages and industrial enterprises but neglected to state that the United States was the Soviets' staunchest ally against this Fascist dictatorship. As a personal participant in that conflict, my job was to facilitate the flow of essential war materials to our Soviet allies even when it imperiled our own forces in the Pacific arena. Mr. Schilo did not recall the substantial aid that our victorious forces in Southern and Western Europe provided in relieving the Fascist pressures on the Eastern front, or that our military leadership delayed its sweeping advance on Berlin from the West to give our Soviet allies the honor of occupying that city.

The refusal of our Soviet allies to re-establish independent Eastern European governments as we did promptly in Western Europe did not cause us to declare a cold war. It was the Soviets who dropped the Iron Curtain, built the Berlin Wall, initiated the Berlin blockade and accelerated their program of world sabotage in an effort to achieve world domination.

Mr. Schilo ignored the fact that the Geneva treaty of 1954 was violated by the trained and armed forces of Communist saboteurs who murdered more than 20,000 South Viet-Nam government civil administrators and teachers before my country, moved by the same motives that prompted it to aid his own country in the 1940's, went to the aid of South Viet-Nam and gave notice to the world that our great nation could not permit such aggression, if any small nation was to decide its own destiny. Now, when the Viet-Cong by the thousands are deserting to South Viet-Nam and the world understands the determination of the United States to preserve the right of all small nations to seek their own destinies, Soviet untruths from this platform are trying to convince this world that it is we not they who abrogated the Geneva accord.

Mr. Schilo did not specify our provocation against Cuba, since the only provocation my country can be accused of was to open the doors of our nation to the oppressed citizens of Cuba who are abadoning everything there to come to the United States where unlimited opportunity exists to improve their individual standards of living and to pursue social justice in a free land. 23,239 Cubans have arrived in my country from Cuba in the last six months as a result. If this be provocation, our people may extend the same provocation to any nation whose people are so oppressed.

On that same afternoon, June 7, 1966, Mr. Chairman, the Workers' Delegate of the Dominican Republic, from this rostrum and in the Provisional Record, dedicated himself to—and I quote—"a genuine revolution so needed by Latin America and the world." This inflammatory statement was repudiated by the fact that his own country in a free, democratic election, with impartial observers from other nations present, had just elected a new government by substantial majorities who decided on peaceful progress instead of violent revolution.

Mr. Chairman, these rash and inaccurate statements from these few delegates do not agree with facts.

The Employers of the United States and our splendid Workers have been strong in support of the ILO in its program of social progress. We have created a more advantageous form of social justice,—private enterprise socialism, if I may call it that,—and we are building better programs by free collective bargaining, increasing our productivity to permit all of our own people to enjoy better standards of living, while, at the same time, allowing our Government substantial amounts of the consumer's dollar in the form of taxes to provide the much needed funds by which social justice throughout the world can be attained.

Finally, Mr. Chairman, I work in a city which has large numbers of Workers and Employers of Polish origin. Our elected Mayor is Polish and we have a fine Sister City in Poland. These Workers and Employers would have me say to you, Sir, that they applaud your election to the Presidency of this Conference in a free, secret, democratic election, but they would urge me to express their constant hope that their families and friends in Poland may one day soon enjoy the same freedom to choose their own officials and their own Government under similar circumstances.

INTERNAL REVENUE SERVICE AGAIN

Mr. LONG of Missouri. Mr. President—

The Internal Revenue Service's action looks suspiciously like harassment and intimidation.

Although I have often made these same charges against the Internal Revenue Service, the statement just made was a direct quotation from an editorial in last Friday's New York Times.

The Times referred to the Internal Revenue Service's recent action in notifying an organization known as the Sierra Club, that because of certain newspaper advertisements which this organization sponsored, contributions to the Sierra Club would no longer necessarily be regarded as tax deductible.

According to the New York Times, this "raises serious questions of fairness and administrative due process." This recent action is of concern to me for two reasons. First, as chairman of the Senate Subcommittee on Administrative Practice and Procedure, we are interested in charges that agencies are not operating fairly and are denying administrative due process. Second, in the words of the New York Times, this "looks suspiciously like harassment and intimidation"—another form of invasion of privacy.

Mr. President, I have today written to IRS Commissioner Sheldon Cohen seeking a complete explanation of this Sierra Club case. I ask unanimous consent to insert, at this point in the RECORD, the editorial from the June 17, 1966, New York Times.

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

IRS AND THE GRAND CANYON

The Internal Revenue Service has introduced a new procedure for tax-exempt organizations that raises serious questions of fairness and administrative due process. The Sierra Club, a society of energetic and outspoken conservationists, is the first organization to run afoul of this regulation; but its implications are significant and ominous for many other nonprofit educational, scientific and conservationist groups throughout the nation.

Last week the Sierra Club ran newspaper advertisements to alert the public to the danger to Grand Canyon posed by the dam-building features of a pending bill backed by the Administration. The day after the advertisements appeared the Internal Revenue Service notified the club that as of that date contributions would no longer necessarily be regarded as tax deductible. Under the law, an organization cannot enjoy tax-exempt status if it devotes a "substantial" portion of its efforts and income to politics or lobbying, but the I.R.S. has no standard definition of "substantial."

The practical result of the I.R.S. action will be to put an end to most contributions to the Sierra Club until its tax-exempt status is re-confirmed, if ever. This is a new and thoroughly unfair procedure, comparable to inflicting punishment before guilt is established.

Tax exemption is undoubtedly a privilege. But it is a life-giving privilege that once granted should not, in effect, be suspended for an indefinite period of time at the discretion of an administrative officer prior to any investigation or hearing.

Any organization concerned with live public issues could be similarly curbed by the threatened loss of tax exemption.

In the present fight over the Grand Canyon dams, conservationists are bucking the Reclamation Bureau, a powerful bureaucracy which lobbies Congress and the public tirelessly and shamelessly with the public's own money. Since Secretary of the Interior Udall, an Arizonan, supports the Reclamation Bureau's position, he has silenced several other agencies in his department which, if permitted, could present a strong, factual case against the dams. Under these circumstances it is such private organizations as the Sierra Club that defend the public interest.

The Internal Revenue's attempt to restrict the club is a gratuitous intervention in this controversy. Under the guise of strict tax regulation it is making an assault on the right of private citizens to protest effectively against wrongheaded public policies. The Internal Revenue Service's action looks suspiciously like harassment and intimidation.

ONE HUNDRED PERCENT PARTICIPATION IN OBSERVANCE OF FLAG DAY AT THE ROCK, GA.

Mr. TALMADGE. Mr. President, for almost 200 years the flag of the United States has been a source of great pride to every citizen of this Nation. The American flag is a constant reminder to us of our country's greatness and is a symbol of the liberty of our people. It is the banner under which Americans have lived and served the Nation and the cause of freedom at home and in all parts of the world.

Last Tuesday, June 14, was National Flag Day. It is an annual event when all Americans should stop for a minute and think of America's illustrious history. It was widely reported in the press that participation in Flag Day was far less than what it used to be. Indeed, many people did not even know the occasion. This is indeed unfortunate.

It has come to my attention that the town of The Rock, Ga., had 100 percent participation in the observance of Flag Day, and that all homes in the community displayed a flag. So far as I know, this town was the only one in the United States that participated so admirably. I wish to take this opportunity to commend Mayor Clifford L. Clark of The Rock and the citizens of this town for their outstanding example of patriotism.

THE 191ST ANNIVERSARY OF THE U.S. ARMY

Mr. TOWER. Mr. President, it has come to my attention that Gen. William C. Westmoreland, commander of the U.S. Army, Vietnam, issued to his troops earlier this month a most concise but powerful statement. I believe this Nation is fortunate to have General Westmoreland and his men on the job, and I ask unanimous consent that his comments be printed in the RECORD for the information of other Senators.

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

THE 191ST U.S. ARMY BIRTHDAY

(SAIGON, VIETNAM (ARMY IO)—General W. C. Westmoreland, Commander of U.S. forces in Vietnam, today released the following 191st U.S. Army Birthday message to U.S. troops in Vietnam.)

June 14th 1966 marks the 191st anniversary of the United States Army. On ths occasion all of us would be wise to remember the reason for our being.

The U.S. Army is a force that is respected by our friends and feared by our nation's enemies. Our existence is essential for freedom.

Some have said that our presence in Vietnam is unwarranted. Their forefathers said that Europe was for the Europeans in World War II and their fathers said that Korea was not our concern in 1950; they might well have said that freedom is only for Americans. We know better.

Since 1775 the United States Army has been, and will continue to be, an extension of the arm of freedom. This mighty arm may deliver food to the needy, clothes to the naked, or it can carry, and has carried, a punch that no foe as yet has been able to withstand.

We, of all arms and services, will continue the fight, as our forefathers have done in previous years, because we are soldiers and it is our job.

On this, the Army birthday, we can all be proud to be a member of one of the finest and most dedicated organizations in the Army . . . the United States Army, Vietnam.

PUBLICATION OF AN EXCELLENT NEW HISTORICAL STUDY

Mr. McGOVERN. Mr. President, as a former American history teacher, I am always delighted by the publication of a new and interesting book on the art of the historian.

Such a book has just recently been published by the young and distinguished New York City publishing firm of Hobbs, Dorman & Co., Inc. Entitled "The Historian's Contribution to Anglo-American Misunderstanding," this fascinating volume is the result of a 3-year study by a team of British and American historians of national bias in the secondary school history textbooks of the two nations.

The principal author of this new book is Ray Allen Billington, one of our country's foremost historians and a leading authority on the American frontier. It was my great privilege to do my graduate work in history at Northwestern University under Professor Billington's tutelage.

The authors and the publisher are to be commended for placing this provocative and enlightening study before the American people. I wholeheartedly recommend the volume to all who are interested in the field of history. This book demonstrates the validity of Professor Billington's thesis that, "Eternal vigilance is the price of good history, no less than of liberty."

Mr. President, I ask unanimous consent that certain materials regarding this book, including an excellent article by Professor Billington based upon the study, may be printed at this point in the RECORD.

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

[From Saturday Review, Jan. 15, 1966]

HISTORY IS A DANGEROUS SUBJECT

(For the past three years a team of British and American historians—two British and three Americans—have engaged in a study of national bias in the secondary school history textbooks of the two nations. All five of the investigators read a total of thirty-six books—fourteen of them published in the United States and twenty-two in England or Wales—focusing on three episodes that seemed most likely to engender nationalistic passions: the American Revolution, the War of 1812, and World War I. A report of the study is being published in the U.S. this month by Hobbs, Dorman Company under the title "The Historians' Contribution to Anglo-American Misunderstanding." The study was sponsored by historical associations in Britain and the U.S. and was financed by the Ford Foundation and the Nuffield Trust. The author of this article, which summarizes the findings of the study, has long been one of America's foremost historians. He served as chairman of the British-American investigating team, and is Senior Research Associate at the Huntington Library, San Marino, California.)

(By Ray Allen Billington)

Some of his friends say Franklin Delano Roosevelt inclined toward an anti-British attitude near the end of World War II because as a schoolboy he had read the wrong history textbooks. That youthful experience had permanently prejudiced his attitudes toward England and the English, for he could never completely erase the belief that George III was an insane tyrant bent on crushing liberty in the colonies, that hired mercenaries won the Revolution for Britain, and that the War of 1812 allowed English armies to burn the city of Washington in an unprovoked riot of senseless carnage. Patriotic bias born of such distortions dies slowly.

Fortunately the fiery nationalism that marred American history textbooks a half-century ago has largely disappeared, but enough remains to alter the viewpoint of future statesmen and hinder the international cooperation essential to peace in a contracting world. This is the conclusion of a team of British and American historians who have just completed a survey of the secondary school textbooks most widely used in the history courses of the two nations today.

Nationalistic bias, they find, exists as it did in the nineteenth century, but in a less blatant form. Gone is the day, happily, when an author could write that "it is impossible for the imagination to conceive of characters more selfish, profligate, and vile, than the line of English kings." Gone is the era when English schoolboys were taught that George Washington was a black-hearted villain who engineered an unjustified revolution for personal aggrandizement. Modern youths on both sides of the Atlantic are too sophisticated to accept such patently one-sided untruths.

Yet nationalistic bias persists, and in somewhat more dangerous form than the monstrous distortions of a past generation. Today's bias is more subtle, more persuasive, and far less easy to detect, partly because it often mirrors subconscious prejudices of which the textbook author himself is unaware. Today's textbooks plant in the minds of their readers a belief in the overall superiority of their own countries, not simply an exaggerated image of the virtues of past leaders. The misconceptions accepted unquestioningly by the students of this generation may warp their judgment no less seriously than the misstatements forced on Franklin D. Roosevelt at an earlier time.

The team of five British and American historians reached the conclusion that proper care and training can produce objective judgments suitable to the taste of both nations. But they also found that remarkably few textbook authors in either the United States or Great Britain have achieved that degree of objectivity. Every single volume surveyed contains some indications of national bias; only seven of the twenty-two English books and only two or three of the fourteen American could be graded as even relatively free from prejudice. If these discouraging results can be drawn from the reading of texts used in two countries that have been traditionally friendly and usually allied in world conflict, what would be revealed by a study of German and American textbooks, or of those used in the United States and Russia? Clearly national bias is a besetting sin of today's authors, and equally clearly it should be eliminated in the interest of world harmony.

Many are guilty of what might be called "bias by inertia." They have shown a regrettable disinclination to keep abreast of the findings of modern historical scholarship, relying instead on discredited legends and outworn viewpoints that more often than not perpetuate the nationalistic prejudices of a bygone day. Thus current research students picture George III as a sincere and moderately competent ruler bent on achieving administrative reforms amidst an impossible political situation. Yet a disgracefully large number of authors (some in England) still paint him as a power-hungry monarch, buying votes and manipulating ministers to achieve absolutism. Historians know that most of the acts for which he is blamed by textbook writers were the common practice of his day, on both sides of the Atlantic; "genius," and an "ideal leader." "It is not often," declares one text, "that a man can be said to have been so important in the history of his country that without him the whole of its structure would have been different. In Great Britain this has been said of King Alfred, who saved the country from the Danes, and of King Henry VIII, who made it possible for the Protestant religion to replace the Catholic. Today one hundred and thirty million Americans [English textbooks are not revised as often as American] rightly think of George Washington as the father of their nation. Without him, the colonies might indeed have become independent, but certainly not so soon. More important still, for them, they might never have become the *United* States of America." Paeans of praise such as this are suspect. English authors who sing them may be subconsciously justifying the defeat of their countrymen by a third-rate power. Unvarnished truth and the objective assignment of both praise and censure are the best antidotes to nationalistic bias.

If some British textbooks lean over backward to glorify American leaders for their Revolutionary War roles, they show no such inclination when dealing with World War I. Their authors share with text writers in the United States a tendency to write in a nationalistic vacuum when dealing with that topic, concerned only with events directly involving their own nations, and indifferent to (or perhaps unaware of) the contributions of their country's allies. Readers of the more outspoken textbooks on either side of the Atlantic are left with the impression that the Central Powers were defeated almost single-handedly by either Britain or the United States, with only an occasional and largely unnecessary assist from the other.

American textbooks usually begin the story with their country's entrance into the War in 1917, not in 1914 when the tragic conflict began. Scarcely a single author deals adequately with the bitter three years of fighting that preceded his country's participation, or suggests to impressionable young readers that without the lonely sacrifices of the French and British people an antidemocratic Western world might have resulted. Few properly emphasize the fact that American troops did not become an effective force in battle until the end of May 1918, thus denying the Allies credit for holding back the Central Powers for nearly a year after the United States declared war. Nearly all stress the relatively few campaigns in which Americans played a decisive role, and most depict the peace negotiations as a struggle between the forces of Good represented by the saintly Woodrow Wilson with his dedication to democracy and the forces of Evil played by the Allied diplomats who sought to frustrate his noble designs for their own selfish ends.

If nationalistic bias such as this mars textbooks used in the United States, it is more than matched by those popular in England and Wales. A balanced account of World War I should assign proper credit to the burdens borne by the British people, but English authors should also recognize that that burden was not carried alone; France, Belgium, Italy, Imperial Russia, the Dominions, and the United States should be allotted their proper share of credit for victory. A judiciously written textbook should include a discussion of the widespread American sympathy for the Allied cause and the weakening of these sentiments with Britain's interference with American trade. It should explain the loans and other aid granted Great Britain by the United States between 1914 and 1917, and make clear the nation's contribution as a neutral carrier for the Allies. It should describe Woodrow Wilson's doctrine of "strict accountability" and the part this played in swinging the country toward participation after unrestricted submarine warfare began. In dealing with military events, a well-planned text should discuss the American contributions in fighting men and ships, the campaigns in which they participated, with some indication of the relative numbers involved, and the idealistic role of Wilson as a peacemaker and architect of the League of Nations, which might have created a better world than the one that emerged. To include all of this information in a brief account is to test the ingenuity of an author, but to omit it is to distort the truth so badly that international misunderstanding is the result.

Few British authors even hint at an impartial treatment of the war. Readers will search in vain for anything approaching a complete account of the contributions to an Allied victory made by the United States between 1914 and 1917, whether of sentiment, loans, or the supplies that helped bolster Britain's defenses against the Central Powers. A majority of the textbooks used today fail to mention England's interference with neutral shipping, but all give full attention to German submarine warfare. Such lack of balance persuades an uninformed reader that the United States refrained from entering the conflict only because its isolationism made it reluctant to aid a sister democracy. "Wilson," writes one author, "urged his countrymen to be not only neutral in action, but neutral in speech and thought. A former university professor, he gave the impression of regarding all European politics as beneath his notice, and he sometimes spoke as though there was no great gulf separating the actions of Germany from those of Britain and France. The sufferings of Belgium appeared to him little different from

those of Ireland." Imagination could scarcely devise a less accurate picture of Woodrow Wilson's motives during that trying period. Yet that same author adds insult to misunderstanding when he ends his account of America's eventual entry into the war with: "Englishmen forebore to wonder why it had taken the President nearly three years to come to this rather obvious conclusion." Such gratuitous comments are hardly monuments to the objectivity of history.

British textbook authors are equally reluctant to accord the United States its just share of credit for victory over the Central Powers. In many texts no mention is made of the role of the navy in the blockade of Germany, or of its part in combatting U-boats. One compounds the errors of all by reporting: "Thanks to the increasing efforts of the Admiralty and the courageous determination of the Prime Minister, the losess declined steadily throughout the year and the rate of U-boat sinkings increased." Not a mention in that statement of the American navy; British youths are left with the false impression that England singlehandedly cleared the seas. Similarly, many authors either ignore or minimize the aid provided by American troops during the last year of the war. This is brushed off with such phrases as "A large American army was enlisted and trained, and did useful work in the last few months of the war," or "The Allies, now strengthened by American troops, continued their successes." These half-truths conceal the fact that the fresh troops from the United States did help turn the tide of battle. This should be brought home to English schoolboys, just as Britain's decisive part in victory should be stressed in every textbook used in the United States.

Americans disturbed by such judgments will be even more startled by the picture of the peace negotiations presented by the majority of British textbooks. Accustomed as they are to the image of Woodrow Wilson as the hero of the Versailles conferences, they will find it hard to realize that English schoolboys have scant opportunity to learn of his lofty idealism, his hopes for a better world, and his willingness to sacrifice his future and even his life for his ideal. Instead he is cast as an irritating gadfly, standing in the way of Lloyd George's efforts to win a peace that would give Germany it's just due. The Prime Minister is the undisputed hero, a man "quick-witted and realistic," who tried to steer a middle course; a leader with a "natural and experienced agility of mind." Perhaps so. But to paint this idealized picture, while at the same time dubbing Wilson as "unreasonable" and an "idealist" with little understanding of European politics is to succumb to the worst form of group superiority. British no less than American writers must change their course before they can boast of books geared to the realities of interdependence forced on nations by the communications revolution of the past half-century.

The youth of Great Britain and the United States will receive proper training in world affairs only when textbook authors on both sides of the Atlantic awaken to the fact that history is a dangerous subject, to be handled with caution. Those authors must realize that objective understanding can be achieved only when they immerse themselves in the records of other countries than their own. They must learn that words are as dangerous as bullets, and that each must be carefully weighed to detect the nuances of meaning that might prejudice the viewpoint of their readers. They must train themselves to select from the multitudinous records of the past the exact facts and interpretations needed to present an accurate, not a distorted image of the events they are describing. Only when they have learned these lessons will the authors of textbooks be equipped to combat the nationalism that has marred understanding between nations in the past, and that even today threatens the future worldwide cooperation on which the salvation of humanity depends.

[Book jacket]

"THE HISTORIAN'S CONTRIBUTION TO ANGLO-AMERICAN MISUNDERSTANDING"—REPORT OF A COMMITTEE ON NATIONAL BIAS IN ANGLO-AMERICAN HISTORY TEXTBOOKS

(By Ray Allen Billington, with the collaboration of C. P. Hill, Angus J. Johnston II, C. L. Mowat, and Charles F. Mullett)

The influence of the teacher upon the young is often lasting and deep. Likes and dislikes, personal bias and misinterpretations of a teacher may remain in a student's mind long after the teacher is gone and forgotten. The role of the textbook, too, as a corollary to the perpetuation of bias is great and frequently beyond eradication.

For three years a team of historians—two British and three Americans—undertook a study of national bias in secondary school history textbooks of the United States, England and Wales. Financed by the Ford Foundation and the Nuffield Trust, and sponsored by the Historical Association of England and Wales, the British Association for American Studies, and the American Historical Association, this study was carried out under the chairmanship of Ray Allen Billington, a Senior Research Associate at the Huntington Library, San Marino, California.

The investigating team, or Working Party, so-called, dealt with textbooks on the secondary school level for a number of reasons, though the prime consideration was the influence of history texts upon the six through eighteen age group—the school level at which the influence of teacher and text are paramount.

Three specific periods contributing to Anglo-American misunderstanding were finally selected for intensive analysis—

The American Revolution: The ill-feeling that existed between England and the thirteen colonies has its descendants in today's bias toward George III, British military leadership, the leading figures in the colonies and so on. An interesting sidelight is the treatment of George III and his government by Whig historians in England and the handling of the same subject by American historians of similar persuasion.

The War of 1812: Both sides oscillated from victory to military ineptness and defeat in this conflict. The handling of this brief war and its presentation in American and British textbooks all too frequently give the reader the impression that two different conflicts are under review.

The First World War: Still within the memory of many writing history today, the first World War is a sensitive and emotional historical period. As a war of national survival, it was won by the Allied powers. It has often been transformed, nevertheless, into a conflict won almost exclusively by American arms or British seapower; and the peace was either lost by the "wily" Lloyd George or the "sanctimonious" President Wilson.

The historian's contribution to Anglo-American misunderstanding seeks to show the derivation of nationalistic bias and "bias by inertia." While historians have mostly gotten away from the flagrant chauvinism of a century ago, there is still much to accomplish in the direction of objective historical writing. Bias resulting in Anglo-American misunderstanding comes from many sources and is perpetuated by many causes. "Eternal vigilance," writes Professor Billington "is the price of good history, no less than of liberty."

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ANNOUNCING PUBLICATION* OF "THE HISTORIAN'S CONTRIBUTION TO ANGELO-AMERICAN MISUNDERSTANDING"—REPORT OF A COMMITTEE ON NATIONAL BIAS IN ANGLO-AMERICAN HISTORY TEXTBOOKS

(By Ray Allen Billington, with the collaboration of C. P. Hill, Angus J. Johnston II, C. L. Mowat and Charles F. Mullett)

We are indeed privileged to announce the forthcoming publication of an important and provocative report (scheduled for more or less simultaneous publication in England by Routledge & Kegan Paul, Ltd.)—a report sponsored by the American Historical Association, the Historical Association of England and Wales, and the British Association for American Studies; and financially supported by the Ford and Nuffield Foundations.

As Professor Mullett aptly states in the December AHA Newsletter, this report "was not written for the scholar (though he may well profit), but for the teacher who must depend on textbooks, the author who writes them, and the publisher who distributes them." . . . "Omissions, spacing, loaded language are more disastrous than overt distortions." . . . "To avoid the cost of ignorance teachers and writers must be prepared to pay the price of vigilance."

Herewith below, a full table of Contents; and for your convenience an order form and attached business reply envelope. We shall be glad to fill your order for single or multiple copies at a professional or library discount of fifteen percent (15%).

Sincerely,

RANALD P. HOBBS,
President.

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POLAR BEAR PROGRESS

Mr. BARTLETT. Mr. President, it was a good year for polar bears.

The first International Scientific Meeting on the Polar Bear was held in September in Fairbanks, Alaska. Official delegates, scientists and conservationists from Canada, Denmark, Norway, the U.S.S.R. and the United States presented papers, pooled information and recognized a common interest in the preservation of the species.

As a result of the meeting interest in the bear is greater and research more extensive than ever before. Not only arctic biologists but conservation and sportsmen organizations, private as well as public agencies, are investigating the status of the polar bear.

This year there grew a determination on the part of the arctic nations to see the polar bear safe and to cooperate in its protection.

It is, therefore, fitting that the annual meeting of the Associates of the Arctic Institute of North America should be devoted to papers on the life and study of polar bears.

The meeting was held on the evening of April 19 at the Carnegie Institution here in Washington, D.C. Two papers were presented and a film shown.

The first paper, "A Polar Bear's Life," was presented by the respected Canadian wildlife biologist C. R. Harington. Mr. Harington is now curator of quaternary zoology at the National Museum of Canada. For the 5 years before he took this position he was a staff biologist for the Canadian Wildlife Service. These years were devoted to the study of the ecology and biology of the polar bear. His knowledge of the habits of the bear is precise and authoritative; his paper was fascinating.

The second paper, "Capturing and Marking Polar Bears," was presented by Dr. Vagn Flyger, an associate of the Natural Resources Institute of the University of Maryland for the last 11 years. He is well known for his work in developing techniques for the use of paralyzing drugs in the study of polar bears. This winter, together with Dr. Martin Schein, of Pennsylvania State University, he tested his knowledge on polar bears on the icepack north of Barrow, Alaska. The results, although far from satisfying, were important for making clear the difficulties involved in studying the animal. His paper describing his experiences was not only useful, it was exciting.

Dr. Schein's color films of polar bears at Spitzbergen were most interesting. The bear is a lovely and graceful animal, wily and brave. He makes a splendid movie star.

Last year was a good year for the bears, this one should be even better. The Arctic Institute continues its projects. Research advances around the world—in Greenland, Canada, and Alaska. In Norway, Dr. Flyger is even now participating in a project at the request of the Norsk Polarinstitutt. And in the Soviet Union the expert and valuable work of Uspenskii and his associates continues unabated.

The Fairbanks conference was held almost a year ago. It is time that thought be given to the next meeting of the circumpolar nations to compare notes, exchange research material, and cooperate in planning for further work. I would suggest that the summer of 1967 would be a reasonable date—2 years after the first meeting.

The first meeting was held in the United States. I would hope that it might be possible for the Soviet Union, long the world's leader in the conservation and study of the polar bear, to propose a site in the U.S.S.R. as a place for the second meeting.

The bear is a good animal. He stands astride the pole, neither Communist nor capitalist but a citizen of the Arctic. He is worth all our efforts.

Mr. President, I ask unanimous consent that Mr. Harington's and Dr. Flyger's papers may be made a part of the RECORD at this point.

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

CAPTURING AND MARKING POLAR BEARS

(By Vagn Flyger)

Relatively little is known about the polar bear compared to other mammals. The habitat of the polar bear, possibly the world's largest carnivore, is so forbidding that man has only recently begun to study the species. In recent years the use of light, ski-equipped aircraft has permitted increasing numbers of hunters to invade the Arctic for the purpose of shooting polar bears. Conservationists are concerned that this increasing number of hunters may be threatening the polar bear with extinction, but the lack of knowledge of the species prevents a definitive evaluation of this threat and also makes it impossible to instigate regulations which would be effective in protecting the polar bear from possible extinction. It is in an effort to provide this sorely needed knowledge that this research is being conducted.

The Arctic Institute of North America has undertaken a long range project to study the ecology of the polar bear. The purpose of this project is to learn the migratory habits of the animal, to arrive at a reasonable estimate of the number of polar bears in existence, to understand the population dynamics of the polar bear, and to learn how the polar bear is adapted to survival in its inhospitable environment.

In order to learn about polar bears in their native habitat they must be marked so that they can be recognized as individuals. Records must be kept stating where the animals are captured so that if they are killed later or captured in another area something can then be learned about the movements of the animals. In addition, by marking animals we can study their behavior because we can keep records of what one animal does when it encounters others.

However, marking polar bears is not a simple matter and in order to do so techniques have to be worked out to capture and handle these huge animals. In the spring of 1965 and again in March of 1966 Dr. Martin W. Schein and I, with support from the Office of Naval Research and the Arctic Institute of North America, conducted pilot field studies at Barrow, Alaska. Favorable data on other animals and bears indicated that it would be possible to capture polar bears using a projectile syringe fired from a rifle. Our purpose in spending March 1966 at Barrow was to develop and improve techniques for capturing and marking the polar bear.

We stayed at the Arctic Research Laboratory where the finest facilities were available. During our stay we kept the Barrow representative of the Alaska Department of Fish and Game abreast of our activity. On days when the weather permitted we hunted bears in the fashion used by local sportsmen. This method involves two airplanes flying over the pack ice looking for bears. The one plane flew at an altitude of 100 feet and other flew slightly behind at about 500 feet so as to permit the first plane room to maneuver. Upon discovering polar bear tracks the planes followed them to the bear; then one plane went on ahead about two miles and landed. At this point Dr. Schein and I got out of the plane and hid behind a pressure ridge while the other airplane drove the bear in our direction. When the bear came within range (40 to 50 yards) it was shot with a projectile syringe containing the paralyzing drug succinylcholine chloride. About one or two minutes were usually required for the drug to become effective. When the bear became immobilized we approached it and marked it with ear tags and fur dye.

During our stay we made 15 flights and saw a total of 38 bears. Some of these were mothers with cubs which we left alone but we made attempts at about 15 animals and sometimes several attempts on the same animal.

When Dr. Schein and I arrived at Barrow we immediately tested our equipment. We had expected our syringe guns to have a range of about 70 yards but we discovered that the extreme cold (−30° to −40° F.) reduced the maximum range of the gun to 40 yards. This meant that in order to capture a bear we had to get within 40 yards to fire the syringe. This is a little close for comfort.

Seven bears were actually shot and of these the drug failed to knock down two, four died, and one was marked and released. Of the syringes retrieved all had operated properly.

While it appears that we were unsuccessful, actually we learned a great deal from these bears. First, we learned that this is very risky work and that the odds are not all in our favor. Several of the bears attacked but luckily changed their minds at the last moment. One bear was actually shot with a syringe from a distance of 20 yards and as the syringe struck him he turned around and attacked, getting to within 13 feet of me before he veered off. Both Dr. Schein and I carried rifles but the man firing the syringe gun has to carry his rifle on a sling over his shoulder. We are not sure how quickly he could drop the syringe gun, unlimber his rifle, and fire at a bear. At these close distances the backup man does not always have a clear shot at an attacking bear because of the jumbled ice of the pressure ridge between him and the bear.

Second, we learned that succinylcholine chloride is probably not practical under the circumstances we encountered. Succinylcholine acts by paralyzing the voluntary muscles, and unless excessive dosages are given the respiratory muscles are relatively unaffected. Other people have used this drug on bears with good results, often administering two successive dosages. The drug has several advantages: it works rapidly; it produces few aftereffects; and the dosage for paralyzing the leg and neck muscles is considerably below that which immobilizes the respiratory muscles. But our

bears had been chased by an airplane and run for several miles, so that by the time they were shot with the drug the animals were out of breath and panting heavily. It now appears that when the drug took effect it probably caused a slight relaxation of the respiratory muscles which, combined with this extra demand on the respiratory system, caused the bear to die of suffocation. In addition it was extremely difficult to estimate bear size from the air, and the dosages administered were sometimes higher than desirable.

Finally, we learned that bears could be marked with ear tags and several types were tried successfully. The purple dye (Nyanzol A) was found to work very well on bears and showed up for a considerable distance. We also learned one very important fact; i.e., that collars can be attached to polar bears. This means that we can apply collars bearing radio transmitters and thereby study bear movements in greater detail than would be possible by ear tags and dye marks alone. Collars with radio transmitters have been successfully applied to black bears and grizzly bears but we had wondered if the long tapering neck of the polar bear would not make it impossible to apply collars. We now hope to develop a radio telemetry program for polar bears with the help of the National Aeronautics and Space Administration. Hopefully we will be able to fit about 50 bears in 1968 or 1969 with radio-equipped collars. These transceivers will send signals to a polar orbiting Nimbus satellite, and for a period of six months we would obtain the location of each of these fifty bears every two hours.

The facilities at the Arctic Research Laboratory at Barrow were excellent and the pilots were the world's best for flying in the Arctic. However, based upon our experience we feel that in order to work with a large number of bears a helicopter would be highly desirable. Its use would permit the biologist to shoot from safety while in the air. Also, the aircraft would be able to settle down where other fixed-wing aircraft cannot land.

It should be stressed that the bears that died were not wasted or "lost." The skins, skulls, and reproductive organs were given to the Alaska Department of Fish and Game. The diaphragm and liver samples were saved for Dr. Richard Simmonds of the Arctic Aeromedical Laboratory in Fairbanks for examination for *Trichina* and vitamin A content in the liver. Blood samples were taken for Mr. Thor Larsen of the Norsk Polarinstitutt in Oslo, Norway, and a sample of hairs from each bear was sent to Dr. Ruth E. Griffith of Hood College. Dr. Griffith will examine the hairs to try to determine whether the yellow coloration of polar bears might be due to a growth of microscopic plants.

It is hoped that the polar bear project will continue for about six years and hopefully will stimulate the interest of others. Considerable work needs to be done before the radio beacons can be attached to the bears. This summer I shall be on an expedition with the Norsk Polarinstitutt to Svalbard for the purpose of carrying on from where we left off last March at Barrow. We have several drugs to try and I shall experiment with various types of collars. At present the available radio beacon weighs about 25 pounds, which is quite a burden for an animal to wear around its neck. By 1969, however, this package should be reduced to about three or four pounds but in order to carry on our studies we must experiment with the 25 pound prototype.

The polar bear is a magnificent animal, and after meeting a few of them face to face on the ice I have acquired considerable respect for them. Aside from the necessity of gathering information for the conservation of this animal, there are other valid reasons for studying the polar bear. This animal lives in one of the most inhospitable environments on the surface of the earth and how it manages to do so is well worthy of study. It is also of scientific value to learn the factors which govern the numbers of bears and the method by which the bears are able to navigate. Does the polar bear actually wander around the top of the world in a counterclockwise direction as some people believe or does it have an area of several hundred square miles which is its home range? In either case, how does the bear navigate to stay "home" or to find its way on its circular polar travel, or does it? We hope to learn the answers to some of these puzzling questions within six years but answering these questions will probably lead to many more new questions.

A POLAR BEAR'S LIFE

(By C. R. Harington)

In briefly describing a polar bear's life, it seems best to start at the beginning. This beginning may occur along the Colville River in Alaska, on the coasts of Wrangel Island, northern Novaya Zemlya, Franz Josef Land, Spitsbergen; near Scoresby Sound in Greenland or on northeastern Baffin Island. These are only a few of the important denning areas in the bear's circumpolar range. But we must focus more closely still to find the locations usually chosen as den sites.

In early October the pregnant female searches for deep snowbanks on the south-facing slopes of hills or valley sides. Usually the thickest drifts are situated well up the slopes and to leeward of the prevailing wind in the region. She excavates her den, seldom leaving it before, or soon after, giving birth unless her hunger is urgent.

Early in December she enlarges her dwelling prior to bringing forth twin cubs—a male and a female. The cubs are remarkably small, measuring about 10 inches in length and weighing 750 grams, or little more than 1½ pounds. They are blind and deaf, being unable to see or hear well until a month or more after birth.

During the first few months, the mother suckles them almost continuously on her fat-rich milk. Polar bear milk has the appearance and consistency of cow's cream; it smells somewhat like seal and tastes like cod-liver oil.

The oval-shaped, white-walled dens must be quite confortable. The earliest den of the mother is small and may become very warm, as heat loss is decreased by continual depositions of snow above. This is shown by the thickness of ice found on the roof. The bear supplies the heat.

If we open a small hole in the two-foot-thick roof of the enlarged room in late February, we will see the irritated mother treading around in circles below. She has quickly emerged from her lethargic state and is uttering low growls. The two small cubs are cowering—backs to the wall—near the passage leading down to the mother's earlier room. Surprisingly, the den is very clean and there is little or no ice on the walls. A little fresh air and light penetrates through a ventilation hole, punched through the end of the room. The hole is almost two feet in diameter, and the room itself is 8 feet by 10 feet by 4½ feet high. The temperature inside is just over 14° F.; 37° warmer than the local air temperature.

In March or April when the noon sun becomes hot on the slope, the mother breaks out of the den. Soon after, she leads the young down to the sea ice. On their journey, the cubs play a great deal—sliding, tumbling, and wrestling with one another.

If we watch the group closely for a few hours during early April, we will observe the mother prowling, head down, along the drifted leeward margin of some hummocky ice. Catching the scent of a snow-covered seal den, she crouches motionless before it—the cubs behind following her example. With lightning-like blows of her paws she scatters the hard upper layer of snow, rises on her hind legs and drives both forelegs down with the entire weight of her body. The den collapses and the breathing hole is stopped with snow. She scoops out the young "whitecoat" seal within—almost simultaneously dispatching it.

Hunting polar bears are not always so successful though, because of their own misjudgment, alertness of the seals, or obstacles, such as great thicknesses of snow and ice covering the seal holes or dens.

If we look in on the family again at the end of April, we will catch sight of one of the cubs—about the size of a retriever—sliding down the drifted side of an iceberg. The second cub appears and both run up again and slide down on their haunches. Meanwhile, the mother is poised over a seal breathing hole a few hundred yards away. She is downwind of the hole and able to watch her cubs. Stretching out her left paw very slowly, she strikes the rising seal and pulls it out onto the ice, proceeding to immobilize it with paws, claws, and snapping teeth. The little bears scamper towards her, and although the cubs tug at the flippers, they eat little of the seal. In a short time the adult female has devoured most of her kill and the family departs.

Thus, during their early life on the pack ice, the young cubs follow their mother closely, and are usually attentive during her hunting lessons. But sometimes they may become impatient and succeed in spoiling her efforts. She is very solicitious of her young and appears to take such frustration philosophically; yet when extremely provoked she sends them head over heels with disciplinary swats of her paw.

Although lactation in adult females may continue for 21 months, the cubs are generally weaned by July. Before this time, they have acquired a taste for seal blood and fat.

By August or September, when much of the pack ice has broken up, drifted ashore, or melted (depending upon latitude and environmental conditions), the bears may vary their routine by wandering along the coast of an island or the mainland. They sniff continually for scent of washed-up seal, whale, walrus carcasses—regardless of the fact that they may be Eskimo caches. At this time the small cubs seem to take pleasure in swimming with their mother. It is cooling, instructive, and safe—provided they keep close to her shoulders. While large numbers of male polar bears gather at some of the carcasses near the coast, the mother may lead her cubs far inland, to avoid danger from them and to feed heavily on succulent berries and grasses. The cubs weigh about 130 pounds by this time, and are becoming worldly-wise under their mother's care and guidance.

Having built up a good fat supply before winter becomes severe, the family once more occupies a snow den. Denning may take place later than October in this instance; especially if a good seal hunting area is found on the new ice of a fiord, and weather conditions are not unusually rigorous. The second den is larger than the maternity den, although no higher, and may consist of a big room with two adjoining smaller ones. Mother and cubs may interrupt their stay in the den, depending on weather conditions and physical needs. Sometimes a group of this nature is seen hunting well out on the fast ice in early January. In any case, by March the family is usually seeking out seal maternity "igloos," where tasty "whitecoats" may again be killed and devoured. If the bears happen to discover abundant patches of grass, not thickly covered by snow, while patrolling a stretch of coast, they may eat it to vary their diet.

When August has come again, the cubs—now 21 months old, 5 feet in length, and weighing over 400 pounds—will be seen along

the coast of a small island completely surrounded by open water. They have been abandoned by their mother who has swam away to hunt by herself on the drifting ice farther north. Both young animals have fed well on a large walrus carcass found near one of the rocky, hauling-out areas, and once more have had small 'salads" of grasses and scouring rushes.

The male cub is climbing over heavily eroded coastal rocks, while the female is one-half mile offshore, cooling herself by swiming and floating in the sea. Soon they will have to face the long winter without their mother's care and help. It will be a test of their learning, their strength, and their skill. Having become separated, they may still wander over the dark, snow-covered coasts in mid-December, but will take shelter temporarily during storms. They are prey to starvation if they have been unable to store sufficient energy in fat, and may sometimes be attacked and killed by adult male bears.

Probably the female reaches sexual maturity in her third year and the male in his fourth. Their mother can mate again the third year after the birth of her cubs. However, if the female looses her cubs, she is able to mate and conceive again the following spring. Mating centers around mid-April, but may last from March to May, or even later.

If we focus our attention on the mother polar bear during the spring after she has left her young, we will see that she is followed by two adult male bears who have had little trouble detecting her trail, owing to the fact that she has urinated at brief intervals. The younger of the bears in trying to approach the female was threatened by the larger male, and wounded after a short, vicious scuffle. He was bitten particularly severely in the hind quarters, but still trails the female. His opponent approaches her, and they remain close together, often wandering around in small circles, touching each other simultaneously with their muzzles.

Not long after mating, the animals part. The female continues her normal routine of hunting, grazing, and scavenging, until the blastocyst is implanted, and the embryo begins its development, perhaps in early October. Influenced by these internal changes, she moves inland along a steep-sided stream valley, searching its banks for suitable drifts in which to make her new maternity den. In mid-October she begins clawing out a den near the top of a heavily drifted slope facing south-southeast. Its elevation is approximately 800 feet above sea level. Unsatisfied, she leaves the pit with its scattered chunks of snow and builds her final den at a higher level, in deeper snow.

It is worth noting that adult male bears (perhaps one for every ten denning females) may den from September to December or even January. In some cases their dens may be used as places to rest and digest their food after hunting, or as temporary shelters during very poor weather. Many adult males hunt continuously during the winter.

If we catch a later glimpse of the first male "cub" mentioned (now six feet in length) after he has just passed his fourth winter, we will find him hunting for seals along a tension fracture in the ice. He has just departed from the south-facing slope of an island nearby where he laid, basking and dozing in the warmth of the April sun. Surprised, he looks up to see an Eskimo with his dog team 300 yards away. He quickly rises up on his hind legs to test the new scent; drops to all fours and moves hesitantly forward, as if curious, to a distance of 200 yards. The Eskimo cuts his dogs loose just after the bear has swivelled and galloped awkwardly over a narrow promontory of the island. Still rather inexperienced, the bear finds himself surrounded on flat ice with no protecting ice hummocks at hand. The snarling huskies surrounding him make periodic, sharp attacks, nipping at his hind legs, while he continually turns and swats at them. Although one of the leaping sled dogs is accidentally shot in the confusion, the second and third bullets from the Eskimo's rifle hit the bear's neck and head, and he slumps down with clenching jaws.

Had this bear lived to a greater age, he would probably have approached his maximum size by eight years. Fully adult males commonly measure eight to eleven feet in total length and may weigh about 1,000 pounds. Their muscular development at this stage is truly amazing. Females appear to grow little after their fourth year. Adult females commonly weigh 500 to 700 pounds, being approximately 25 percent smaller than the fully adult males.

Little is known about the life span of polar bears. One, a female in the Washington Park Zoo, Milwaukee, died a natural death at the age of 35, and another lived to an age of 40 years in the Regent's Park Zoo, London. From the appearance of some skulls, and the degree of tooth wear, probably a few bears attain similar ages in the wild.

Many injuries may be sustained by the white bears as they grow older. Numerous gashes can be received in fights during the mating season. These show up as scars on the bear pelts, and are much commoner in older bears. Small septic wounds in the feet are also common. They have been known to cause inflammatory synovitis and consequent lameness in walking. Arthritis deformans and osteo-arthritis are not unusual. Fractures of ribs, wrists, ankles, cheek bones, and lower jaws have also been observed. Decayed and broken teeth are a normal affliction of very old polar bears, and must cause them considerable pain. As far as I know, external parasites have never been found, and, apart from *Trichinella* worms which are often embedded in the diaphragms of older bears, internal parasites of the polar bear are poorly known.

The injuries and infections mentioned—combined with other mortality factors, such as killing of the young by older polar bears, and rare losses to wolves and adult male walruses—plague the species throughout life.

Above all, man influences the white bear; not only because he methodically and efficiently hunts seals (the bears' main prey), but also because he is the primary predator of the bear itself. Thus man is displacing the animal in its ecological niche as a ruling flesh eater of the arctic coasts.

Now that we are aware of some of the bear's problems in living, what are *we* doing to keep the bear alive? The burden rests with us. Actually polar bear conservation involves many problems, some of which were considered at the First International Conference on the Polar Bear held recently in Alaska. Polar bear harvests, hunting regulations, and life history were among the subjects discussed by delegates from Canada, Denmark, Norway, the U.S.S.R. and the U.S.A. Because two of the greatest problems in polar bear research and management are establishment of confident population estimates and major patterns of population movement, subsequent talks dealt with improvement of aerial polar bear survey techniques, and methods of immobilizing and marking the bears in an effort to find out more about their movements.

There was unanimous agreement that polar bears, which roam widely throughout the Arctic Basin, must be considered an international circumpolar resource, but that, until enough scientific research has been done to provide the basis for more precise management, each nation should take all necessary conservation action for itself. One point of management fully agreed upon was that cubs and females with cubs should be protected at all times. The five nations are considering ways of achieving prompt exchange of information by means of an international polar bear data sheet, and are stepping up or redirecting their polar bear research to make it more effective.

Further international meetings on the polar bear will be held when urgent problems or new scientific information warrant them. Although this valuable and impressive wildlife species is not in immediate danger of extinction, there is certainly no room for complacency.

THE MARINE RESOURCES AND ENGINEERING DEVELOPMENT ACT OF 1966

Mr. PELL. Mr. President, I rise to pay respectful tribute to my distinguished colleague, Senator WARREN G. MAGNUSON, of the State of Washington, upon the enactment of his oceanography bill, S. 944, into the law of the land.

I find it most curious that this event, which was probably the most significant single event of the past week, has gone almost unnoticed by the press and the Nation as a whole.

For the first time in our national history we now have a legislative policy and purpose for the development of the world ocean that occupies over 70 percent of our planet.

The implications of this act, known as the Marine Resources and Engineering Development Act of 1966, are truly enormous. It provides the mechanisms for the development of a genuine, comprehensive national program of ocean development. It will bring together, in the National Council on Marine Resources and Engineering Development and in the Study Commission the best and most experienced Americans in the Federal Government, the States, the academic community, and industry. Together they will plot the course to be followed by this Nation for many years to come. They will determine how the United States will undertake the exploitation of the seven seas.

The development of this act, its passage by the Congress, and its signing on Friday evening by the President has not been an easy matter. The history of ocean legislation is a long and frustrating one, and we have arrived at this important point in the history of ocean development through the efforts of a handful of dedicated legislators in both Houses. I want to congratulate particularly the distinguished senior Senator from Washington. Fortunately for the welfare of this Nation, the Honorable WARREN MAGNUSON is not a man who accepts defeat when the national interest is at stake. In spite of frustration, including the pocket veto of an earlier act, he has continued to press for constructive and necessary legislation because of his firm belief that the future and safety of this country, and of the expanding world population, lie in large part in America's determined and skillful development of the planet's last remaining resource—the world ocean. During the past several Congresses Senator MAGNUSON has sponsored most of the legislation that has advanced the national ocean capability. The culmination of his efforts is the act now signed into law, the act that has at last put us on the

path to an adequate national ocean development program.

Deserving of special honor are the Senators and Representatives who, under Senator MAGNUSON'S chairmanship, developed the final version of the act. They are my own senior colleague, Senator PASTORE, and Senators BARTLETT, COTTON, and HART, and Representatives LENNON, ROGERS, DOWNING, MOSHER, and PELLY.

The importance of developing an ocean program cannot be overestimated. The ocean is a source of food, of minerals, and even of potable water. It is the main world highway for the shipment of goods. It is a realm in which we must maintain military supremacy. It occupies nearly three-fourths of our planet. Yet, it has been treated almost superficially, in comparison with its potential. We pour billions into space, but only a few millions into ocean development. As CBS Commentator Eric Sevareid has said:

> We can put unlimited resources into space, but we can get unlimited resources out of the ocean.

It makes little sense to perform great deeds 100 miles above the earth when we are not yet capable of exploiting the vast resources in a single mile of ocean.

Under the chairmanship of the Vice President of the United States, the Council and Study Commission created by the act has the responsibility for determining in realistic terms exactly what the Nation needs from the ocean over both the short and the long haul, and for specifying the Federal organization to do the job. It is not a simple task. The complexities are great, and the results will have a profound effect, not only on every American, but on every person in the world.

The Council is fortunate in having an experienced nucleus, of demonstrated competence, in the Interagency Committee on Oceanography of the Federal Council for Science and Technology, and in particular in its dedicated and skillful staff. Those of us in this body who have dealt with Robert Abel and his group know their quality. They are a team on which the Council can build with confidence.

Senator MAGNUSON and his colleagues of the Committee on Commerce deserve our thanks and appreciation. They have provided the legislative base we need. Now it is up to the Council they have established to carry out the purposes of the act with skill and dedication. We wish the Council well in its difficulty and necessary task.

ADDRESS BY VICE PRESIDENT HUMPHREY TO ROTC GRADUATES AT THE UNIVERSITY OF MINNESOTA

Mr. MONDALE. Mr. President, Vice President HUBERT H. HUMPHREY recently delivered an address deserving the serious study of every thoughtful American. Speaking to a group of newly commissioned military officers at the University of Minnesota on June 11, 1966, the Vice President eloquently explored the true meaning and objectives of American power in the present world context.

Vice President HUMPHREY made it clear—even to a group bound one day to participate in the command of the greatest military might in all history—that American power rightly considered always means more than guns and bombs. He emphasized that when we speak of committing America's power in this or that quarter of the world, we do not refer to military strength alone. We refer, as well, in the Vice President's own words, to "the power of our economic system. I mean the power of our well-trained and dedicated people. I mean the power of our compassion. I mean the power of our ideas."

I commend the Vice President's remark's on this occasion to my colleagues and ask unanimous consent that the text of this address be printed in full at this point in the RECORD.

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

REMARKS OF VICE PRESIDENT HUBERT HUMPHREY, UNIVERSITY OF MINNESOTA, ROTC GRADUATES, JUNE 11, 1966

It is the tradition of the University of Minnesota that the recipients of honorary degrees not give speeches.

It is probably a good idea. Someone must have realized years ago that the university risked embarrassment if those being honored had a chance to publicly expose themselves.

However, the regents of the university did not outsmart HUBERT HUMPHREY. I may not have a chance to talk at the ceremony, but I do have my chance to talk here.

I do promise not to talk long.

Today you receive your commissions as officers in the service of your country. As such, you will be associated with military power far beyond that ever seen before on earth.

A little more than a year ago, at Johns Hopkins University, our President spoke of military power. "We often say how impressive power is," he said. "But I do not find it impressive at all. The guns and the bombs, the rockets and the warships, are all symbols of human failure. They are necessary symbols. They protect what we cherish. But they are witness to human folly."

I doubt that few Americans would disagree with what President Johnson said—few, particularly, among those who wear our nation's military uniform.

I have heard it said that our country today suffers from an "arrogance of power".

I dispute that.

If anything, our country has been—in my generation and yours—perhaps overhesitant in the necessary application of its power.

As a people, we abhor the use of force. We oppose coercion. We suspect those who give orders. We live by the creed, and rightly so, that each person and each nation should have maximum freedom to pursue individual destiny—so long as that pursuit does not trample on the rights of others.

In our time there has been some trampling. And, because of our hesitancy in the use of power, we have sometimes waited too long to respond to it—yes, with tragic result.

And I don't mean this just in the international sense.

It took us a long time in this century to get very excited about trampling going on among our fellow citizens.

But we did respond, and we are responding still.

We did not respond in the sense of punishing transgressors. No, we responded, and are responding, with ten thousand positive laws, actions, ideas designed to lift the oppressed.

There is no negative philosophy behind our efforts today to give the Negro American an unfettered chance to get an even break in life. Nor is there anything negative about our efforts, in America's urban ghettoes, to make the walls come tumbling down . . . nor in our efforts to help young children, from families bent by generations of poverty, break desperate spirals of despair and hopelessness.

We do, however, maintain police forces. And—unless the Great Society comes to full achievement sooner than any of us think—we'll need them for some time to come.

If our reaction time has been slow at home, it has been slower in the world.

Let us be frank: It took two disastrous world wars to convince us that we had better take an interest in what was happening around us.

Since the end of World War II, we have engaged ourselves. I will not recite today the accomplishments of the Marshall Plan, of Point Four, of Food for Peace. Nor will I speculate about what might have happened in the world had we not stood firm in Berlin, in Korea, or in the Cuban missile crisis.

Yet we only begin to appreciate the massive tasks which still face us ahead.

Today there is a challenge from totalitarianism in Southeast Asia. There is, in Vietnam, a shooting war.

I have no doubt that there will inevitably be a settlement in Vietnam—although there may be months of pain and heartbreak in-between.

But, even if peace were to come tomorrow in Vietnam, we would face a world still on the verge of daily explosion.

For we live in a world where there exist ideologies opening in opposition to man's independence and self-determination.

We live in a world where, if a button were pushed at this moment, this city would disappear in a half-hour's time.

We live in a world—and this is the most important of all—where two-thirds of our fellow men live in such abject poverty that it is beyond our imagination.

The future of peace and of the human family stands what chance in such an environment?

How shall we respond?

We must respond with the commitment of our power.

I do not mean military power alone.

I mean the power of our free economic system. I mean the power of our well-trained and dedicated people. I mean the power of our compassion. I mean the power of our ideas.

More powerful than any army is an idea whose time has come.

The idea of our time is that of our own American Revolution: That men ought to have the right to govern themselves . . . that men should be able to make their own choices, to chart their own lives.

This is the real revolution in the world. It has little to do with Karl Marx or with the racial supremacists or with the people who march in jackboots.

This is the revolution of human freedom.

And, if you put your ear to the ground, you can hear the tramping feet of that revolution from a million villages around this earth. People are on the march. They will not be denied.

Nor shall they be.

Whether oppression exists in an Asian rice field, where a man's home is burned, his crop stolen, his son kidnaped; whether it exists in a comfortable, well-lighted motel along an American highway where a Negro father, his wife and children are turned away from lodging . . . we cannot turn our eyes.

Our monuments need not be, after all, a thousand lost golf balls.

Our monuments can be a nation and a world where there will be no knocks at the door at night . . . where there will be no armies of occupation . . . where there will be no breadlines, no political prisons, no swastikas and slogans of hate . . . where no

man's skin, or last name, or religion will be a mark against him.

Our monuments can be a nation and world where each young man knows that, so long as he respects the rights of others, the future lies open ahead . . . that he may go where he wishes . . . say what he pleases . . . that he may be himself . . . that he may make his place in life, without any taps on the shoulder.

These are the tasks for American power.

These are the tasks to be undertaken, not with arrogance but with humility and determination.

Today you begin your service in the most powerful military establishment yet known to man.

But as you serve, know the cause you uphold. Know the responsibility you carry. Know the precious idea that depends on you for its protection—the idea that man was intended to be free.

DISPOSITION OF PATENT RIGHTS

Mr. HART. Mr. President, on May 26 Senator LONG critically appraised S. 1809, a bill now before the Judiciary Committee which would govern the disposition of patent rights in inventions made with Government funds. The remarks he made on that occasion point to a very serious problem indeed and it is no secret that I share the concern of Senator LONG over the ramifications of S. 1809. As members of the Patents Subcommittee both the distinguished Senator from North Dakota [Mr. BURDICK] and myself went on record against this measure, and have filed a minority report. Our concern is such that Senator BURDICK and myself have introduced S. 2715 which would give title to the Government of all patents developed with Government research money. Our bill would allow exceptions under carefully enumerated circumstances and under the scrutiny of a review board so as to maintain a uniform Government patent policy.

Certainly it makes little sense to me to contract away, before the research is undertaken and the ultimate results known, any invention made with Government funds. This is one of the defects I find with S. 1809.

Possibly more basic, I am particularly sensitive as chairman of the Antitrust and Monopoly Subcommittee, to any legislative measure or agency action which effectively could contribute to economic concentration and diminish the vigor of competition. I have listened now for 2 years to many experts who have explained to the Antitrust Subcommittee the details about growing industrial concentration in this country and its possible effects on our economic and political freedom. For the U.S. Government to support this trend through the kind of patent policy described by Senator LONG to me makes little sense.

Attorney General Herbert Brownell recognized the risks inherent in such a policy a decade ago when he said:

> The disproportionate share of total industrial research and development in the largest firms may foreshadow a greater concentration of economic power in the future. * * * [A] present concentration of such manpower and progress means that in the future an increasing share of anticipated improved technologies and new production lines will be introduced by the industrial giants.

I believe we are in the midst of the greatest merger movement in the history of our country and the situation about which Attorney General Brownell warned is much closer to reality.

Significantly, it is this very area—the effect of S. 1809 on economic concentration—which I believe has not been sufficiently identified.

Government financial assistance which may have the effect of contributing to ever greater concentration of economic power could mean the decline of a competitive system which we have long held up to the world as a model.

It should be our policy to encourage competition—not inhibit it. A fair reading of S. 1809 suggests to me that it would tend to increase the dangerous tendency—now apparent in our economy—of freezing out all but a few giants from vital sectors of American industry.

It seems to me that much further exploration is needed of the competitive effects of this bill. Certainly no Senator wants unwittingly to encourage monopolization in American industry.

OUR DILEMMA IN ASIA—ADDRESS BY JOHN D. ROCKEFELLER 3D

Mr. FULBRIGHT. Mr. President, a few weeks ago Mr. John D. Rockefeller 3d delivered a speech to the Far East-America Council of Commerce and Industry in New York. His analysis of "Our Dilemma in Asia" is one of the best I have seen. I particularly call the attention of my colleagues to his comments about our "overpresence" in Asia, and his strong and persuasive argument for multinational channels for the administration of aid.

It is one of the finest statements I have seen on this subject.

I ask unanimous consent to insert this statement in the RECORD.

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

OUR DILEMMA IN ASIA

(By Mr. John D. Rockefeller 3d before the Far East-America Council at a luncheon meeting in the Waldorf-Astoria Hotel, May 17, 1966)

It is a pleasure to meet again with members and guests of the Far East-America Council. I am also glad to have this opportunity to talk with you about United States policies in Asia, and particularly about a dilemma which Americans and Asians together have only recently begun to recognize and cope with.

This dilemma, expressed simply, is that the overwhelming American involvement in Asia today, which is so necessary to Asian security and economic development, could in the long run become self-defeating. It is not that we have used our power arrogantly. It is rather that the relative weight of our involvement—compared with what Asians have so far been able to do by themselves—constitutes an American "overpresence" which often depresses Asian initiative, disrupts Asian traditions, and irritates Asian sensitivities.

We are expending billions of dollars annually—and the lives of our young men—in order to contain Communist expansionism and promote the growth of viable economies and free societies that can live at peace with each other and with the rest of the world. Yet, unless this sense of American "overpresence" is corrected by fresh Asian and American initiatives, it may engender so much misunderstanding and antagonism that it jeopardizes the high purposes which engaged us in Asia's problems in the first place.

We have assumed far-reaching responsibilities and risks in Asia because we were asked to and because there was no one else to do so. As William P. Bundy, our able Assistant Secretary of State for Far Eastern Affairs has pointed out, "today there cannot be an effective deterrent military force, and thus a balance of power around China's frontiers without major and direct military contributions by the United States." Similarly, the United States is so far the only nation both able and willing to provide the substantial share of Asia's needs in economic aid.

This necessity for heavy American participation is, I believe, widely understood in Asia. What is more difficult for Asians to understand and accept are some of the side effects of our participation. In South Vietnam, for example, the presence of so many Americans—while vital to the preservation of the country—has contributed to inflation, has had a corrosive social effect, and has aroused a good deal of resentment. In India, where American food and other assistance—including military aid—are welcomed, the proposed India-America Foundation was instantly attacked in Parliament and the press as a possible threat to the integrity of Indian education—or even a cover for the CIA. In Japan, whose economy prospers in trade with the United States, legislative debates and the press echo widespread fears that the country may be dragged into a major Asian war through its security ties to the United States.

The problem, in other words, is the overpowering impact of America on Asians. Our presence supports their self-preservation, but it bothers their self-respect. It is an imbalanced relationship of receiver and donor, of protege and protector. It is a lopsided relationship that breeds suspicion and resentment among ancient, proud and sensitive peoples, most of whom have just emerged from centuries of colonial rule and are struggling to establish their own national identities.

The answer to this dilemma lies, I believe, in policies—both Asian and American—which will help strengthen Asian initiative and responsibility, in national development efforts and in regional cooperation on common problems.

We must all understand that the expenditure of American lives and dollars cannot guarantee peace, stability and economic progress in Vietnam or anywhere else in Asia. The American military shield can hold the line while the Vietnamese and other free Asians evolve their own stable political institutions, and assume greater responsibility for their own security. Foreign aid from the United States and other capital-exporting countries is fuel, not the vehicle, for improving Asian societies. The fundamental creative tasks can only be performed by Asians themselves, mobilizing their own human and material resources to develop their economies and satisfy popular aspirations for a better life.

Furthermore, this growth process can be speeded by the pooling of scarce resources throughout Asia, the sharing of skills and experience, the practical division of labor among complementary economies, and the opening up of wider regional markets.

A regional approach to development offers the promise of more rapid and more efficient growth. It is also our best hope for redressing the imbalance and overdependency which now characterize American relations with most free Asian nations. There are, I believe, new approaches that both Americans and Asians can take to mobilize Asian resources more efficiently, to promote greater

Asian cooperation and solidarity and, in the long run, to create an effective Asian counterweight to the American "overpresence."

Let us look at the Asian side of the situation first.

There are encouraging signs of initiative and cooperation emerging in Asia which, if fully appreciated and intelligently supported, could begin to balance and improve our relations with our Asian friends.

On the political front, the treaty of normalization between Japan and the Republic of Korea is an extremely significant development. This treaty, which came into effect last December, after 14 years of difficult negotiations, established normal relations between Japan and its former colony for the first time in 55 years. It also provided for a 20-year program of $800 million public and private Japanese investment in modernizing Korea's agriculture, diversifying its industry, creating a modern transportation system, and expanding Korean exports. As a result of this political accommodation and economic cooperation, Korea will become a better customer for Japanese exports, a more important supplier to Japan, and correspondingly less dependent on American aid. Thus, 16 years of American "overpresence" in Korea are now being alleviated by closer Korean-Japanese cooperation.

I was in Seoul when the treaty negotiations were nearing completion, and I saw the hostile demonstrations when Japanese Foreign Minister Shiina arrived. The demonstrations, however, could not frustrate the statesmanship on both sides which successfully resolved a bitter, seemingly intractable problem. In contrast, when Japan's first ambassador arrived in Seoul to present his credentials, he was received with public as well as official respect.

Perhaps the Japan-Korea achievement will suggest to other nations in Asia and elsewhere that they have far more to gain in the long run by resolving than by perpetuating their disputes. I earnestly hope that similar creative statesmanship will eventually lead to the peaceful resolution of other conflicts, such as that between India and Pakistan.

We can also take encouragement from some recent events in Southeast Asia. Malaysia and the Philippines are moving rapidly toward the restoration of normal relations. These two countries, together with Thailand, have recently revitalized the cultural and educational Association of Southeast Asia—whose initials ASA stand for "hope" in the Thai and Malay languages. At a working-party session in Bangkok two and a half weeks ago, these three governments earmarked for "priority implementation" numerous cooperative projects in economic, technical and cultural fields. Indonesia, a fourth important nation in that area, has taken several cautious steps this last month toward more normal relations with its near neighbors.

In the economic field, the emerging pattern of Asian cooperation is even more pronounced.

The establishment of the Asian Development Bank, in my judgment, may well be a historic step comparable to the founding of the Organization for European Economic Cooperation in the Marshall Plan era. The Bank is the product of Asian initiative—not a response to an American proposal. It was conceived and developed by Asian leadership through the United Nations Commission for Asia and the Far East (ECAFE). In fact, the United States withheld support until it became clear that the Asians were going to establish the Bank by themselves.

The Bank is a genuine Asian institution—supported by a majority of Asian caiptal; directed and staffed primarily by Asians; and structured to encourage the adoption of regional, rather than purely national, priorities in the planning, scheduling and financing of development activities.

For the first time in history, all interested Asian governments have their own mechanism, with substantial pooled capital of $1 billion, to attack their common economic problems. The Bank's charter is flexible. It allows for the creation of various forms and levels of consultative and planning bodies, including someday perhaps a high-level coordination group to evaluate country requests for external funds and to determine in which countries and which sectors foreign public investment can be most efficiently used.

Such a regional approach could, for example, further the coherent development of national and regional transportation and communications systems, which would be a major contribution to the economic development of the entire area.

The establishment of the Bank has also stimulated a fresh momentum toward other forms of Asian consultation and cooperation. A succession of Asian conferences has been going on since last December. First there was the education ministers meeting in Manila, then the Ministerial Conference for Economic Development of Southeast Asia in Tokyo in April. This was followed by the Asian and Pacific regional conference in Bangkok, which in turn has prepared the way for a 10-nation ministerial economic conference in Seoul next month.

The Tokyo meeting was the first significant non-European economic conference, since World War II, where the United States was not a participant, and where the main objective of the participants was not to obtain more American aid. In fact, one of the principal objectives of the participants was to obtain more Japanese aid. The Tokyo meeting was also significant because all the Southeast Asian countries except Burma responded to Japan's economic initiative.

The Japanese Government announced to the Conference that it would raise the level of its aid to the developing countries to one percent of its national income—to some $870 million a year, or a three-fold increase—and that a significant portion of this aid would be channeled to Southeast Asia. A Japanese 3-year credit of $20 million a year has already been proposed for Thailand, and a $6–7 million credit for Cambodia.

The Conference agreed that there are considerable areas in economic development where cooperation among Southeast Asian countries is possible, and these opportunities will be examined in greater detail when the ministers reconvene in Manila next year. The importance of agriculture was emphasized, especially the urgent need to increase food production, and steps were taken toward a conference on agricultural development. Special attention was given to the promotion of fisheries, and it was proposed that with the cooperation of Japan a marine fisheries and development center should be established in Southeast Asia.

Attention was also given to the role of private enterprise in promoting industrialization, and the need therefore to improve the investment climate in Southeast Asian countries. In this connection, the ministers also agreed to study the establishment of a Southeast Asian economic promotion and development center.

I do not mean to exaggerate the progress that has been attained in the settlement of old political disputes and the development of new forms of cooperation among Asian nations. I do want to point out that the attitudes for greater Asian cohesion are emerging, and that the framework for more effective regional cooperation is gradually being erected. Asians are demonstrating their readiness to assume greater joint responsibility for Asian development.

Continuing progress in this direction depends fundamentally on strengthened Asian initiative and cooperation. But it will also be affected by what the United States does or does not do, in coming months and years, to recognize and encourage these developments.

The principal challenge and opportunity facing the United States, in my judgment, is to adapt our policies and our aid strategy more closely to the emerging pattern of Asian cooperation. This means redirecting and managing our aid in ways that will encourage—not inhibit—greater Asian initiative and self-help; that will accelerate—not impede—Asian moves toward regional cooperation. There are three ways I would like to suggest in which the United States can do this. We have already made some impressive starts but we need to do much more, much faster.

First, the United States should give top priority to development projects of the greatest regional utility. We should use our aid selectively to promote the planning and carrying out of major projects that promise the greatest benefits to the peoples and nations of the area—and these will be mostly, although not exclusively, multinational projects. This means assigning first call in the disposition of American aid, and the most favorable terms, to those projects that can make the most significant contribution to overall regional development.

I am thinking, for example, of multipurpose projects of multinational value such as the Mekong Valley and Indus River developments, and a possible Ganges-Brahmaputra project—where the benefits of flood control, irrigation and electric power can provide a major, and perhaps decisive, stimulus to economic development of important regions.

I am thinking also of education, where scarce research and training resources could be pooled to create a few adequately staffed institutions of higher learning, postgraduate studies, and technical studies to serve specialists from all of Asia. The benefits, in terms of more efficient research, as well as more effective sharing of knowledge, can be substantial. An especially important need is for agricultural research, experimentation and training in the development and use of hardy seeds and strains suitable for various Asian soils and climates. The International Rice Research Institute in the Philippines is one example of the multinational benefits that can be achieved through this cross-fertilization of ideas and technology.

Long-term and far-reaching commitments such as these, which place a premium on regional utility, will encourage greater cooperation in planning and carrying out multinational development projects. Thus this approach can also lessen the side effects of the American presence.

Second, the United States should encourage and support much higher levels of mutual assistance among Asian countries. We should encourage a greater flow of capital, through grants, loans and credit, among Asian countries. We should also foster greater sharing of Asian technical skills and experience by proposing and helping to finance the local training and broader regional exchange of specialists in agriculture, industry, health, education, commerce and civil administration.

The Asian Development Bank is now 65 percent Asian-financed. Japan plans to triple its annual foreign aid outlay. Asian nations are contributing to regional development consortia and to their own Point Four programs, in Asia and elsewhere in the developing world, and should be encouraged to do more.

There are also many forms of technical assistance that Asian countries can exchange with each other to better effect than Western technical assistance. Some of these are Asian-developed technologies in labor-intensive agriculture, in fisheries, construction

and other fields. Others are Asian adaptations of Western technology, such as the tractor for wet rice farming that is being developed in Thailand, and will be more suitable for Southeast Asian rice culture than any Western or even Japanese tractor. This technological sharing among Asians should be broadened, partly because Asian peoples have more in common with each other in environmental conditions and cultural experience than they do with the West, and partly because Asians are best-equipped to determine how to take adavantage of available Western technologies, and how to adapt these technologies to special Asian conditions.

Third, the United States should adopt a declared national policy of phasing economic aid to Asia into multilateral channels as rapidly as possible. We should reverse our present emphasis on bilateral aid, with the objective of achieving the highest possible proportion of multilateralism in our foreign aid mix, at the same time recognizing there will always be sound reasons for significant bilateral projects.

The United States has shown increasing willingness, in recent years, to work through multilateral institutions such as the UN Development Program, the Pakistan and and India consortia, the Mekong project, and the Asian Development Bank. But we need to accelerate this process by making full use of the administrative machinery and the Special Funds provision of the Asian Development Bank, encouraging Asian planners to set priorities, to establish standards of performance, and to accept joint responsibility for administering and auditing the projects.

A primarily multilateral aid emphasis—which has been advocated by Eugene Black, Senator FULBRIGHT, George Woods and others—is the best, and perhaps the only satisfactory, way to implement the regional-utility approach to Asian development and to raise the level of mutual assistance among Asian countries. These are basically multinational activities, and they require multilateral machinery.

This three-point aid strategy offers a way out of our dilemma. By pursuing it we will, I am convinced, be taking an important step in redressing the imbalance which is the cause of the American "overpresence" in Asia today.

This strategy can insure that Asian leaders and experts will have a greater voice and larger stake in managing regional development for common benefit.

Further, this strategy will facilitate Asian mobilization of Asian resources, and speed the modernization of the region.

Faster economic progress and closer political cooperation could, in turn, gradually alleviate the serious security problems in Asia. For the development of viable economies and stable and responsive political institutions, within an effective framework of regional cooperation, is in the long run the best insurance against Communist subversion and aggression.

Whether this rate of progress is actually achieved depends on the scale as well as the efficiency of the effort. As President Perkins of Cornell pointed out, in a recent article on "Challenge and Response in Foreign Aid:"

"A cardinal principle of statecraft holds that a nation's response to a problem should be on the same scale as the problem itself."

Both Americans and Asians need to think and act on a scale that is commensurate with Asia's problems and needs. Unless the Asians do, our aid efforts will be relatively ineffective. Unless we do, the Asians will lack the tools to maximize their efforts.

This kind of all-out approach would have unlimited possibilities for Asia. It might well require higher levels of American aid in the future. And it certainly would require greater Asian initiative and self-help now.

If both Asians and Americans accept this challenge, it is possible that most of Asia, with its great human and material resources, could be standing on its own feet in another generation, or by the end of this century. Our aim is not to dominate Asian development patterns, or to make Asia dependent upon us. Our aim is to help nourish Asian growth and freedom, and to encourage our Asian friends to take charge of their own destiny, in equal partnership with the rest of the world.

"MEET THE PRESS" WITH SENATOR FRANK CHURCH

Mr. McGOVERN. Mr. President, last month our colleague, Senator FRANK CHURCH, completed a study mission to Europe on behalf of the Senate Foreign Relations Committee. During his trip, Senator CHURCH interviewed government leaders, members of opposition parties, scholars, journalists, and other political leaders in Brussels, Paris, London, Bonn, Berlin, and the Eighteen Nation Disarmament Conference at Geneva. On his return, the Senator was a guest on NBC's "Meet the Press." I ask unanimous consent that the text of his interview be printed at this point in the RECORD.

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

MEET THE PRESS

Produced by Lawrence E. Spivak.

Guest: Senator FRANK CHURCH, Democrat, of Idaho.

Panel: Joseph C. Harsch, NBC News; Joseph Kraft, Publishers Newspaper Syndicate; Peter Lisagor, Chicago Daily News; Carl T. Rowan, Washington Evening Star.

Moderator: Lawrence E. Spivak.

Mr. SPIVAK. Our guest today on Meet the Press is Senator FRANK CHURCH of Idaho, a leading critic of the Administration's foreign policy. He has just completed a two-week fact-finding tour of Europe for the Foreign Relations Committee. While there he conferred with President de Gaulle, Prime Minister Wilson, Chancellor Erhard and other top leaders. We will have the first question now from Joseph Harsch of NBC News.

Mr. HARSCH. Senator, what did you learn on this trip of two weeks that you wouldn't have learned if you had stayed in Washington? What do you bring back that is new?

Senator CHURCH. Mr. Harsch, I think I bring back, on the basis of a great many face-to-face encounters, frank conversations with European leaders in the countries that I visited, both in and out of the government, an up-to-date impression of what leading Europeans are thinking about European questions which are of great moment to us here in the United States.

Mr. HARSCH. Is the North Atlantic Alliance falling apart faster or more slowly than the Communist Alliance?

Senator CHURCH. I should think there is no cause for despair about what is happening to the Western Alliance. I think, however, there is cause for grave concern and that the necessities for statesmanship in dealing with this problem are very great.

Mr. HARSCH. What about the other side of the Iron Curtain now? What did you learn about that?

Senator CHURCH. Of course, what I learned about the other side is what Western Europeans are thinking, and they are closer to Eastern Europe, of course, than we are. There is a general feeling that a process of unraveling is beginning to take place in Eastern Europe, which is hopeful, that many of these countries in Eastern Europe are working themselves out from under the Russian grip and that some countries—Rumania, for instance—have been quite outspoken in asserting their independent prerogative, and all of this is looked upon as good signs for a wider measure of détente between the West and the East.

Mr. HARSCH. Have you recommendations for changes in American policy as a result of your trip?

Senator CHURCH. Yes, I will have recommendations to make to the President and to Chairman FULBRIGHT of the Foreign Relations Committee.

Mr. HARSCH. What?

Senator CHURCH. I can only speak generally now because I haven't as yet submitted those recommendations, but in a general way I think that we should react to the present crisis in NATO with restraint, that we should hold our ground where the 14 are concerned, that we should engage in no political guerrilla warfare against de Gaulle—I think we should reserve that for our enemies—and, generally, we should recognize that the postwar era is over in Europe and now is the time to use the Western Alliance as a basis for reaching eastward in an attempt to normalize relationships East and West and to improve the prospects for peace in Europe. I think that such an approach would be welcomed in Western Europe where there is a feeling that conditions have changed greatly since the NATO Alliance was first formed.

Mr. LISAGOR. Senator CHURCH, the implication of your trip is that President Johnson is badly advised on Europe, that perhaps the Administration has been neglecting European problems and that the Senate Foreign Relations Committee through you now has been sent out to rescue that policy.

What is wrong with that statement?

Senator CHURCH. I think you read too much into the implications, Mr. Lisagor. I did not go to Europe as a critic or as an advocate of American policy. I went there to learn what I could about contemporary European attitudes because any partnership, if it is to last, must give due regard to the opinions of the partners, and since the Senate does have a role under the Constitution to play of advise and consent in the matter of foreign policy, and since the Foreign Relations Committee has responsibilities in this field, the Chairman, Senator FULBRIGHT, felt that this kind of direct encounter would be useful now.

With respect to the second part of your question, I think that the President has naturally been preoccupied on many fronts, very serious fronts, and NATO has been moving along without serious crisis until, of course, de Gaulle made his announcement calling for the withdrawal of NATO bases from France, so this has brought our focus back again to Europe which is immensely important, has always been of central importance to American foreign policy.

Mr. LISAGOR. Did you find, as you suggested, I think, in one of your answers to Mr. Harsch, that there was sympathy for de Gaulle's position in Western Europe?

Senator CHURCH. Let me say that there is considerable sympathy for some parts of what I would call de Gaulle's position. That is to say there is a general feeling in Europe that the post war era is over, that Europe has recovered, that the situation has changed since NATO was first formed, that the danger of war has diminished for a number of reasons, and there is no expectation either that Western armies will march through the Iron Curtain to liberate Eastern Europe or that Russian armies will soon be marching on the streets of Paris—and that some changes in NATO therefore are necessary and wise.

I think further there is general agreement in Europe, outside of France, that, again for a variety of reasons, there are possibilities for securing some progress toward a rapproache-

ment between the West and the East and that this is such important work we ought now to be getting on with it. Up to here there is some agreement with de Gaulle. Beyond this there is considerable disagreement as to the methods that de Gaulle has chosen.

Mr. LISAGOR. Senator, did you find that in order to achieve rapproachement with Eastern Europe that the Western European leaders feel that the old dream of unity is now an empty one and that the best you can hope for is cooperation rather than integration in Western Europe?

Senator CHURCH. No, I don't think that the old dream of further progress toward unity is dead at all, but I think it takes a somewhat different form than we Americans tend to think. We think naturally in terms of our own national experience, which has been building a federal union under one executive power. There doesn't seem to be much expectation in Europe that union will move along in the American model. Nevertheless, there is a continuing belief in the Common Market. There are expectations that the Common Market may be extended and that upon this economic base, a growing measure of union, European variety, can emerge and should emerge in the future. This hope has not been abandoned, I am very happy to say.

Mr. KRAFT. Senator CHURCH, as I understand it, the background of your trip was to discover whether or not it would be appropriate for the committee to have hearings about the NATO crisis. Have you come to a conclusion on that score? Are you going to have hearings?

Senator CHURCH. I anticipate there will be hearings. I certainly think there ought to be, and I will, of course, discuss this question with Chairman FULBRIGHT and other members of the committee.

Europe is, after all, the fulcrum upon which the balance of power in the world does balance. It is of immense importance to us and the ferment now within the NATO Alliance, the growing opportunities that seem to be emerging beyond the Iron Curtain to further stability and peace are matters of such enromous moment to this country that

I think that hearings into the entire European picture are entirely appropriate and very timely.

Mr. KRAFT. Is it your feeling these should be public hearings or closed hearings?

Senator CHURCH. Oh, yes, I believe in public hearings. I think that without question the Foreign Relations Committee has come back again to function in its constitutional role by virtue of public hearings. Hearings behind closed doors aren't adequate, and the American people are entitled to a full disclosure within the limits of security on these.

Mr. KRAFT. Have you had any indication from the State Department, Senator, as to whether or not they feel it would be appropriate at this time of negotiations to have public hearings? For example, is Secretary Rusk prepared to appear before the committee?

Senator CHURCH. I have no indication as yet. It would have been premature for me to have made inquiries of that kind. Certainly they are the kind of inquiries that the Chairman would properly make in any case, but I can say this, that in connection with my trip the State Department was very cooperative. I had the full assistance of American embassies in helping to arrange my itinerary, and I have certainly no complaint whatever to make on that score. Apparently the State Department wanted to assist me in every way possible and did not feel that the trip in any way conflicted with the interests of American foreign policy at this time.

Mr. ROWAN. Senator, I would like to ask a broader question about what you found out about European attitudes. I think confidence in the leader is a big question in terms of strength of any alliance. Did you find Europeans expressing a lot of confidence in the foreign policy leadership of the Johnson Administration or were they expressing worries?

Senator CHURCH. Mr. Rowan, I suppose I can best answer that question this way, that whenever I conducted one of these interviews and asked many questions, at the end I often said, "Now, I have asked all the questions, and you have been good enough to supply the answers. If you have some question you would like to ask me, please feel free," and invariably the question that was then asked, whether in France or in England or in Germany or in Switzerland or in Belgium was, "What about Vietnam?"

There is no doubt a very large concern in Europe about Vietnam and, I think, misgivings in Europe that possibly the war in Asia could expand in such a way as somehow to involve Europe, and, of course, Europeans are very much opposed to their involvement. They feel that their colonial experience is over, and some of them tend to view Vietnam as a kind of neo-colonial war.

Mr. ROWAN. Did you find more or less misgivings on the part of Europeans than exist in the Fulbright wing of the Foreign Relations Committee?

Senator CHURCH. I think that Europeans tend to be, as all people, centered upon their own interests. They put a different slant upon their criticism or concern about American policy in Southeast Asia—a European slant, which is to be expected.

Mr. ROWAN. Let me ask it another way: The Chairman of your Committee, Senator FULBRIGHT, has considerable influence in Europe, particularly among intellectuals. Have his assaults on Administration policy increased the misgivings in Europe and on the part of European leaders?

Senator CHURCH. No, I don't—I think that Senator FULBRIGHT does have great stature in Europe, as he does in many other places in the world, and certainly the hearings have focused some attention upon the continuing role that Senator FULBRIGHT plays. But mainly Europe is concerned that we have not found a way to solve this problem in Southeast Asia. They are concerned that the picture seems to worsen from year to year, and this, of course, raises questions about American capacities to deal with problems of this kind.

Then there is the gnawing, underlying fear that possibly this problem could grow larger and somehow involve Europe, and Europe, of course, wants no part of it.

Mr. SPIVAK. May I ask you a question, Senator? From what you learned on your trip, do you expect that the Foreign Relations Committee is going to challenge President Johnson's policy on Europe, as it has challenged it on Vietnam and on Communist China?

Senator CHURCH. I don't think there is any pre-disposition—certainly I have none, and I don't know of any in the committee—to approach the hearings on Europe with the expectation that we, as a committee, shall challenge the Administration's policy.

I do think that these hearings will be very helpful in bringing into focus the best and most authoritative American opinion that we can on the present European problem, and I hope they will lead to some constructive suggestions for the Administration.

Mr. SPIVAK. But, Senator, you went on a fact-finding tour. Do the facts challenge the Administration's policy on Europe? Are you going to use the facts you learned to challenge the Administration?

Senator CHURCH. I certainly am going to present these facts fully, and to the extent that they lead to the conclusion that there ought to be changes in American foreign policy, then I would hope that they would help to bring those changes about.

Mr. HARSCH. Senator, you referred in an answer to an earlier question to the European attitude towards progress towards European unity. You said that they don't like the American concept of a tight federation. What is the European concept? In what way does it differ from the one we have had of the future of Europe?

Senator CHURCH. Europe begins at a different place than we did. We began as an infant country with a continent to conquer and to fill. They began as an ancient civilization with well advanced national states and long standing national traditions and loyalties, in addition to differences in language and old enmities and things of this kind. So their problem is a very different one.

The best European thinkers that I had a chance to talk to, men like Jacques Freymond of the International Institute in Geneva, Uwe Kitzinger at Oxford, Professor Lowenthal in Berlin and others, these men believe that European unity will grow horizontally rather than vertically, that there will be no single executive authority; a president of Western Europe, for example, comparable to the President of the United States. Rather, that the countries of Europe will enter into pragmatic agreements like the Common Market, which is directed toward the solution of a definite problem that faces Europe—about which, incidentally, I learned a great deal more as a result of this trip—that these arrangements will cross national boundaries and will occasion a certain sloughing away of some of the prerogatives of national sovereignty, but that this will be the method of the growth and that we Americans who tend to think in terms of our own national experience need to modify our ideas with respect to the likelihood of further progress toward cohesion in Europe taking a different form.

Mr. HARSCH. You are saying, aren't you, that de Gaulle is going to have his way, that the trend is moving toward a Europe *des patries* instead of a single state?

Senator CHURCH. If I seemed to say that, I didn't mean to say it.

I think the day that a 19th Century Europe is going to be restored again is simply dead. The Common Market itself has taken Europe too far along the road toward communal action to permit the resurrection of 19th Century Europe.

If this is indeed what President de Gaulle has in mind—and there is much argument about that—I think that time has passed that by.

Mr. LISAGOR. Senator CHURCH, in your talks with President de Gaulle, did you find that he might be responsive to talks with President Johnson?

Senator CHURCH. I have no reason to think, based on my talks with President de Gaulle and other French leaders, that they would be adverse to this. I think in fact it would be dangerous if the gulf were to deepen between our two countries and that communication would be lost. This would be a very dangerous thing that both governments ought to try and avoid.

Mr. LISAGOR. In short, you would recommend or think it might be useful for President Johnson and President de Gaulle to have a head-to-head meeting?

Senator CHURCH. Oh, I think it would be very useful. I think these are the two great political figures of the Western world. Certainly go-betweens ought not to interfere with the understanding that might emerge between these two men that would result from face to face meeting.

Mr. LISAGOR. From your own experience, do you think they would understand each other?

Senator CHURCH. Yes, I think they would.

Mr. LISAGOR. May I ask you one question about your concern that you found in Europe for Vietnam? Did you also find a concern there for what has been described as a fatal arrogance of power on the part of the Johnson Administration?

Senator CHURCH. I think I have expressed the nature of the concern. I have nothing more to add to that.

Mr. LISAGOR. I wanted to be specific because Senator FULBRIGHT made that charge, as you know, and he is your mentor, I assume, in this European visit?

Senator CHURCH. He is my friend and my Chairman.

Mr. KRAFT. Senator CHURCH, in response to a previous question you referred to an unravelling process that was taking place in Eastern Europe. This is an unravelling process that was set in motion by the cohesion of Western Europe and the United States, the NATO Alliance and the Common Market. Why shouldn't we stick to the process that we—the policies we have followed in the past rather than develop new ones? Haven't they served us very well?

Senator CHURCH. Many times I raised this very question, and oftentimes there is agreement on that proposition, because, as you know, there is strong resistance to the methods that de Gaulle has chosen in other parts of Western Europe.

On the other hand, I think it is only fair to say that the counter argument to the one you have presented is that if the process of détente is to be advanced, a certain loosening must occur in both armed camps, that the loosening which is occurring in Eastern Europe ought to be met by a comparable loosening in Western Europe and that an alliance does not speak with one voice any more than a Congress can speak with one voice, and therefore its opportunity to negotiate further agreements is always reduced to the lowest common denominator and that, therefore, if this occasion is to be exploited, nations must act. I think the French feel—at least the de Gaullists feel—that the opportunity is now right for France to assume the leadership in pushing forward détente with Eastern Europe.

Mr. KRAFT. Isn't it true, Senator, that only the United States and the Soviet Union can negotiate a détente and that the Soviet Union *really isn't interested* in doing it now, as witnessed, for example, by the fact that you didn't go there?

Senator CHURCH. That is not the reason I didn't go there, Mr. Kraft. I didn't go there because Mr. Kosygin went to Cairo and Mr. Gromyko went to Belgrade. The Government left town, and I didn't see any reason to go there if I couldn't meet with people of this stature.

However, I don't know whether the Russians are interested. No one in Western Europe can be sure. Clearly a general European settlement must depend upon agreement between the United States and the Soviet Union. I think everybody realizes that, including President de Gaulle. He may hope to make France a kind of catalyst in the process.

Mr. SPIVAK. Gentlemen, we have less than three minutes.

Mr. ROWAN. Senator, you said earlier that you see no reason to despair. I recall that last July you made a speech in which you said that "unless we try to mend the widening cracks in the Alliance, we might find ourselves with no common shelters at all."

Didn't you find the cracks still widening? Do you see any effort to mend these cracks, really?

Senator CHURCH. What I see is both a challenge and an opportunity. The challenge is plain. The opportunity is to cement the principle of an integrated Alliance with the other 14, but also to recognize the feeling that the Alliance must change to reflect the changing underlying situation. If we must move the headquarters, then let us streamline those headquarters. If we are going to take into account the growing feeling on the European part that they have or are entitled to a larger participation in the Alliance, let us think in terms of a European Commander for SHAPE and a larger measure of European participation. And I think if we do these things, leaving the door open for France, then there is no reason for despair.

Mr. ROWAN. You don't see a really strong body of European opinion which says NATO is both obsolete and a barrier to accommodations with the Soviet Union, which they want.

Senator CHURCH. I think steps of the kind that I have indicated would help to ameliorate that feeling. There is no doubt a great deal of sentiment in this direction. This is the reason that de Gaulle does have appeal outside of France in many quarters. We must take that into account in dealing with the present crisis.

Mr. ROWAN. Did you find a great many Europeans who feel that they can get as much protection out of the United States as a neutral as they could if they were allies in NATO?

Senator CHURCH. No, but I did feel that many Europeans have the view that it is American nuclear power, not General Lemnitzer and the SHAPE Headquarters in Paris, that really is the shield that protects Western Europe.

Mr. SPIVAK. Senator a very quick answer to this: Did any of the leaders you talked with in Europe want Germany to have a finger on the nuclear trigger.

Senator CHURCH. No. Not even the Germans.

Mr. SPIVAK. I am afraid on that note we must call an end to this. I am sorry to interrupt, Senator, but our time is up. Thank you, Senator CHURCH, for being with us today on Meet the Press.

RESPECT FOR LAW AND ORDER

Mr. EASTLAND. Mr. President, no nation, no government and no civilization can long exist when respect for law and order disappears.

This Nation of ours, long proud of our traditional respect for justice and rational behavior, now is exhibiting many of the outward signs of lawlessness which, if left unchallenged, will certainly destroy us.

There was a time, not many years ago, when the professional status of a police officer was something a man could be proud of. While the pay was not always the highest, these men could take comfort from the knowledge that they were protecting their fellow citizens and contributing to welfare of their community, State and country. Children were taught that the officer on the neighborhood patrol was their friend and a man to trust and place confidence in.

The freedom of speech so dear to the hearts of Americans meant that a man could express his opinions and ideas without fear, but he could not incite others to riot.

He could not threaten violence against his fellow man, or against his community. These acts were recognized as attacks on society and an encroachment on the rights and freedom of his fellow citizens. But today, gentlemen, the signs of change are splashed across the headlines of the newspapers.

In New York there is a growing fear that the police force itself will be destroyed. This morning, the newspapers carried the fact that hundreds of New York policemen, once called the finest with pride by New Yorkers, are resigning. These officers handing in their resignations at a record level, more than 250 this month alone, indicate a serious problem. If the veterans of law enforcement are quitting, is not the door being opened for the lawless to destroy our Nation?

The reasons for the sudden weakening of our public safety establishments are many.

In the past year roving mobs have wantonly flaunted the law, the press has ridiculed law enforcement, and the courts have added heavier and more unrealistic burdens to the shoulders of these men.

A policeman now can expect to be spit on by mobs, harassed and thwarted at every turn and subjected to insult and privations which we can only term "civil brutality" toward them.

In Mississippi, mobs of agitators, flocking from across the Nation like birds of prey, taunt police by threatening to "burn the courthouses," or to "tear this town apart."

In the face of such blatant threats to life and property by these darlings of the National Council of Churches which a few years ago would have landed a man in jail, Mississippi law enforcement officers have been forced to humble themselves.

Out of fear that even greater threats, or that larger mobs would invade Mississippi, these officers have suffered in silence. My heart goes out to them.

They insult policemen in Belzoni, Miss., today and they seek to incite acts of violence to garner new fuels for their publicity machines with their march, but as their wanton power grows, it will spread to other cities.

We have had long hot summers and these have lengthened into long hot years.

When they tire of threatening to burn our towns, they may, in fact, begin to actually put them to the torch and where will our law enforcement officers be? I fear we may be setting our lifeboats adrift empty without thought about the rising water in the bottom of our national ship.

ECONOMIC DEVELOPMENT ASSISTANCE TO THE LIMESTONE INDUSTRY

Mr. HARTKE. Mr. President, during the last three decades, south-central Indiana has suffered from severe economic decline and unemployment: in 1965, the percentage rate of insured unemployed drawing benefits in Bedford, the county seat of Lawrence County, was 5.7 percent, while that for the entire State of Indiana was but 1.1 percent.

The decline of the area's dimension limestone industry explains this high unemployment rate. Limestone production has dominated the economy of south-central Indiana since the end of the last century. Lawrence County is still known as the "Limestone Capital of the World." But the unemployment statis-

tics testify that since the end of World War II, the industry has failed to keep pace with the expanding labor force.

Following World War II, manufacturers of new, lighter-weight building materials launched million-dollar market development campaigns which the small limestone companies could not match. Production declined, and research and market development efforts slowed. As a result, limestone lost its former competitive position in the building materials field.

In June of 1965, the Economic Development Administration's predecessor, the Area Redevelopment Administration, published an economic analysis of the south-central Indiana area, underscoring the connection between high unemployment rates and the decline of the dimension limestone industry. The ARA analysis recommended developing the dimension limestone industry as the most efficient way to cut unemployment and to generate income in the area.

But experts are agreed that a major effort will be needed to return limestone production to its former levels. The limestone companies themselves are small and limited in financial strength and cannot put forth this effort unaided. There are no development grants available to public or private organizations within the State of Indiana. Acting through the Indiana Limestone Institute of America, the companies concerned have applied for a technical assistance grant of $249,700 from the Economic Development Administration under title III of the Public Works and Economic Development Act of 1965, in order to carry out a 3-year industry development program.

The program is designed to develop the limestone market by establishing a new limestone image compatible with contemporary architectural design. Product research funds will go toward developing new designs, such as prefabricated concrete panels faced with limestone, which can be used in contemporary structures. The program's goal is to double production by the end of the 3-year period.

Since limestone production is not a highly automated process, the major result of the development program will be to increase the number of permanent full-time workers employed by the industry. More than 2,000 workers are at present employed full time by the limestone companies; another 2,000 could be added to the payrolls if production is doubled. This increase in the number employed will virtually eliminate unemployment in the two counties in which quarries are located and substantially reduce it in nine others. The institute plans to begin technical training programs for stonecutters and other quarry workers: this means that the unskilled workers who form 35 percent of the area's "hard core" unemployed can be trained and removed from the ranks of the unemployed.

Finally, a reinvigorated south central Indiana can serve as an example to similar small depressed communities throughout the Nation—communities which have difficulty, because of poor roads, inadequate water supplies, and the like, in attracting new industry, but in which industries capable of expansion are already located.

At a meeting on June 7 between EDA spokesmen and local industry representatives D. R. Bliss and Robert Ingalls, Jr., I was assured of the application's being processed as quickly as possible. Economic Development Administration staff members, Sid Jeffers and Carl Oesterle have assured me that the agency is very interested in approving this application.

The parallel between the declining limestone industry and the coal industry at its decline several years ago is instructive. Literally millions of dollars in Federal assistance could have been saved had the Federal Government offered aid to the coal industry before its decline had become irreversible. The limestone industry is at such a point at present: if aid is forthcoming, the industry can be given a new lease on life; if not, in the future the Federal Government may find itself paying the price of nonaction.

THE BRUSH AND PALETTE AS A HOBBY

Mr. TOWER. Mr. President, art is important in our American way of life and I am delighted to know that a large number of our citizens find relaxation, express themselves, and delight others by engaging in painting.

In my office there is impressive evidence that such an outlet and diversion can be mutually rewarding.

I am privileged to have on the walls of my reception room an exhibit encompassing the excellent works of 15 Texas housewives from all walks of life who have taken up the brush and palette as a hobby. Through the encouragement and assistance given them by Famous Artists Schools of Westport, Conn., these women are enjoying both material and spiritual reward. This group of housewife-artist residents of Texas has depicted striking scenes from their environment or travels, translated reactions to still life settings, and personified individuals through their talents at the easel. Much of their inspiration and guidance came from Fletcher Martin, himself an internationally respected artist and a faculty member of the Famous Artists Schools. I invite all of my colleagues and members of their staffs to visit the Tower suite—142—in the Old Senate Office Building and view these lovely and exquisite works. For the information of the Senate, I ask unanimous consent to have appended to these remarks a list of the paintings and of the talented women whose works I am proud to display.

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

Mrs. Marilyn Beeman, 1617 N. Sam Houston, Odessa, "Train up a Child in the Way He Should Go".

Miss Dorothy Sue Bacy, 2725 Windsor Avenue, Waco, "Clown".

Mrs. Mary Joe Darrough, 7807 Devonshire, Dallas, "Texas Bounty".

Mrs. Norma J. Erzinger, 1613 Shields Drive, Sherman, "Portrait: Submission".

Mrs. Jewell Ford, Box 284, New London, "Caddo Indian Pottery".

Mrs. Martha Gunn, 2600 Teckla Street, Amarillo, "Gathering Storm".

Mrs. Rita McWhorter, Box 603, Eldorado, "Spring Brags in Texas".

Mrs. Madeleine Milner, 101 E. Lullwood, San Antonio, "Fort Sam Houston".

Miss Marion W. Russell, 412 S. Alberta, Pecos, "Peppers".

Mrs. Mary Southern, 4221 Ferndale, Port Arthur,, "Portrait of a Man".

Mrs. Olive Stephens, 835 Madison, Kermit, "Portrait of a Boy".

Mrs. Louise Vaughan, Route 1, Box 44, Silverton, "Just Waiting".

Mrs. King Wright, 202 Pennsylvania, Graham, "Indian Grandmother".

Mrs. Joy G. Youngblood, 2231 Nebraska, Pecos, "Welding Shop".

Mrs. Lucille Yuen, 153 Bryn Mawr, San Antonio, "Landscape".

THE FARMER IS NOT TO BLAME FOR INFLATION

Mr. BENNETT. Mr. President, this administration, faced with a very severe case of inflation, has looked over the American economy seeking to find a scapegoat for the ever-increasing cost of food and particularly meat products. It is amazing and ironical that the President and the Secretary of Agriculture have chosen to lay the blame on the American farmer and the American livestock producer. This comes at a time when our farmers are still a long way from achieving parity in agricultural prices, and at a time when the farmer is being forced to pay the highest price ever for his finished products, especially farm equipment, which he must buy on the open market.

Let me list some recent statements and positions taken by the administration which infer that the farmer is the guilty party in raising food prices to an all-time high. On April 1, the Secretary of Agriculture noted in a speech that "He was pleased" that hog prices had fallen. Then at the President's direction the Secretary released wheat and feed corn stocks from Government storage to be sold at prices lower than the market price which in effect is depressing the income of wheat and corn growers. The Commerce Department then imposed export controls on cattle hides on the false pretense that the cattle industry was to blame for the increasing prices paid by American families for shoes. This, Mr. President, after the American cattle industry had very successfully improved its own position by increasing significantly the number of cattle hides sent abroad.

Then this administration dealt a serious blow to the American dairymen by permitting larger quotas of Cheddar cheese to come in from abroad at a time when the administration was dealing another setback to the dairy industry by attempting to cut back the school milk and school lunch programs.

What the administration does not admit is that a good share of the inflationary aspect of our economy is caused by wild and unwise spending projects by the Federal Government.

This attack on the agriculture segment of our economy was succinctly put into

a letter by Utah's Sherman D. Harmer, executive secretary of the Utah Cattlemen's Association who has written:

It appears from recent reports the American farmer, including the cattlemen of our country, are caught in a political squeeze play that leaves them with doubts as to just who it will hurt.

Mr. President, how right Mr. Harmer is. He has called for an explanation of the facts so that the American public can become aware of just who is to blame for the inflation which is sweeping the country.

Mr. Harmer continues:

It should be made clear in any action or article that the Nation's farmers are not the ones deriving the benefit of any increase in food prices. The public has a most glorious reputation of reading into articles those things which they would like to believe, and the fact remains that they may take the same attitude President Johnson and Secretary Freeman have directed them to take, which is that "farm prices should be lower by Fall."

I should point out here that the administration's tactics in placing the blame on the American farmer are receiving considerable attention from our side of the aisle and I commend the leadership in the National Committee and in both the Senate and House for bringing this issue before the American public.

Mr. Harmer continues:

Cattle prices should stand at an average of $26.90 per hundredweight to reach parity. The highest average attained in recent weeks was $24 per hundredweight. Producers are not receiving as much for their cattle now as they did 20 years ago.

If cattlemen were under the same measure as the labor unions and could receive an annual increase of 3.2 per cent on their livestock, this would put them in a more secure position financially. The fact is they have relied on the theory of economics to get them through the tough spots and have taken a financial beating because they do not want government subsidies and the resulting chaotic situations of more government controls.

The information that has come out of Washington regarding food costs and is being published in our daily papers is misleading, to say the least. The public is being lead to believe the farmer is responsible for what has been termed "inflationary food costs." Nothing could be further from the truth, as the farmer is probably the one most damaged by the inflationary trend.

Parity is a mighty misunderstood term in the eyes of the public. They firmly believe it has all to do with subsidies, and the fault lies with an Administration which can talk of little else.

The farmer is indeed one of the most damaged by the inflationary trend, as Mr. Harmer points out. This year farmers will earn only 65 percent as much per capita as other Americans, yet must invest continually in expensive farm machinery and new techniques necessary for a modern efficient farm. The farmer must have a sufficient return to allow for research, testing and development and this amount will increase as the expanding population crowds out more farmlands and requires more produce to be raised on fewer acres.

TO DIE: FOR WHAT?

Mr. GRIFFIN. Mr. President, since 1868, Americans have paid tribute in Memorial Day observances to the valiant men who have lost sight of the meaning behind this observance.

One of the most thought-provoking comments that I have heard on the significance of Memorial Day was delivered this Memorial Day by Mr. Truman Walrod over WWTV, Cadillac-Traverse City, and WWUP–TV, Saulte Ste. Marie, Mich. Because I believe my colleagues will find food for thought in this commentary, I ask unanimous consent to have it presented in the RECORD.

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

Today marks the 99th Memorial Day in our Nation. This holiday began in 1868 as Decoration Day and was established by the Grand Army of the Republic to honor those Union soldiers who had died in the War Between the States. The day has since been re-named and enlarged to honor those veterans of all our country's wars . . . those who offered themselves as living sacrifices upon the altar of freedom.

We may wonder about the significance of dying. Do we honor the dead only because they are dead? Is it a case of dying solely for the sake of dying? Is there more to Memorial Day than a morbid manifestation of necrophilia?

Americans have fought in many wars . . . and died on many battlefields. They died, not in wars of conquest or aggression, but rather in struggles to establish and preserve an economic system, a foundation of government, under which all men can enjoy the freedoms who now may take for granted as a part of "the American way of life."

Did the thousands of Americans who fell in battle want to die? Obviously, they did not! However, they felt so strongly that the ideas of freedom upon which the United States of America was founded were worth a sacrifice that they fought, and many died, so that we could enjoy this legacy of freedom they prized so much.

Let us this day think of our country's fighting-forces and the men who continue to risk their lives that we may enjoy a holiday today. Did those men who died, and are dying, die in vain?

The answer to that question lies within each of us today. Do we value the ideals for which our nation's veterans fought and died? Do we value our American heritage enough to fight and, if necessary, to die for these principles of freedom and democracy? If we do, no one killed in battle for our country has died, or is dying in vain.

Conversely, if we don't really care, if we don't treasure our government by law, our free-enterprise system of republican democracy, our "certain unalienable rights," then each man who sacrificed his life for us, did offer himself as a senseless sacrifice.

Those who lie beneath the sod in countless cemeteries around the world made their contribution. Our contribution is to resolve that we will not dissipate the legacy of law, the heritage of hallowed freedoms, willed to us by our nation's fighting forces from the first battle of the American Revolution to the jungle-fighters of Viet Nam today.

The Book of Ecclesiastes in the Bible says: For everything there is a season . . . and a time for every matter under heaven . . . a time to be born and a time to die . . . a time to kill and a time to heal . . . a time to keep silent and a time to speak . . . a time for love and a time for hate . . . a time for war and a time for peace.

Today, Memorial Day, 1966, is a good time to examine our spiritual and ethical "bankroll." Today is a good time to think not only of our fallen dead but to awaken an appreciation of the ideals for which they died.

If we think about these heroes of battles past and believe in the United States of America which is built upon their ideals . . . a nation cemented together with the blood of Americans from the time of the American Revolution to the present . . . those who fell to the God of War did not die without reason. Their ideals, alive today, provide them with immortality.

If we ignore their hopes and dreams, they did indeed die in vain. They all died in a futile fight as senseless sacrifices to our apathy.

Whether our nation's fallen fighting men and women are truly dead or whether they live forever—that is our choice this Memorial Day, 1966.

FORT UNION TRADING POST, N. DAK.—NATIONAL HISTORIC SITE

Mr. BURDICK. Mr. President, yesterday the President signed into law H.R. 3957, which authorizes the acquisition of land near the former Fort Union Trading Post in western North Dakota. The Interior Department will now develop the former trading post as a national historic site to be included under the jurisdiction of the National Park Service.

The Williston Herald, which is the newspaper serving the Fort Union area, last week ran a series of five articles on the history and background of the Fort Union bill. I ask unanimous consent that they be printed at this point in the RECORD.

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

OLD FORT UNION WILL LIVE AGAIN ONE CENTURY LATER

(By Dan Halligan)

Readers of The Williston Herald and other newspapers throughout the Upper Midwest will shortly be reading a wire service news story somewhat similar to the following three paragraphs:

"President Lyndon Johnson today signed H.R. 3957 into law.

"The presidential signature to the Fort Union restoration bill means the Department of Interior is now authorized to spend $613,000 for acquisition of land and for development of the historic site, once a major fur trading post, as a part of the National Park Service.

"H.R. 3957 was introduced into the House of Representatives last year by Representative ROLLAND REDLIN, Democrat, of North Dakota, where it was subsequently approved. On June 8, Senator QUENTIN BURDICK, Democrat, of North Dakota, reported it was unanimously passed by the Senate."

Although Fort Union had a lifespan of less than four decades, in those 40 years it established a niche in the history of America. That is the specific reason why today, 101 years after the complex was dismantled for building material for nearby Fort Buford, the presidential signature is so eagerly awaited.

According to the Department of Interior, "As the primary trading post of the Western Department of the American Fur Company Fort Union will fill a long-felt need in the National Park System to commemorate and interpret the role of that company in the fur trade of the Trans-Mississippi West, its methods of operation, the part played by opposition companies, and the impact of the fur business on the Indians.

"It would complement the story of Bent's old Fort National Historic Site where the fur trade on the southern plains will be interpreted. The stories of the distinguished visitors to Fort Union, such as Maximilian, Prince of Wied; John Audubon, the naturalist; the artists, George Catlin and Charles Bodmer; and the roles each played in recording and interpreting conditions and Indian life on the Upper Missouri can also be told at Fort Union."

Not only was Fort Union the principal fur trading establishment on the Missouri River and in the Northern Plains region for almost 40 years, it was also a principal focal point for dealing with the Northern Plains Indians.

The nearly 400 acres of land, which the National Park Service plans to develop as its allocation will permit includes 10 acres owned by the State Historical Society of North Dakota. The balance, excepting Great Northern Railway right-of-way and the paralleling county road, are private property. These tracts, including lands in the bed of the Missouri, total about 380 acres. About 80 acres are in Montana with the balance being in North Dakota and in Williams County.

After the land purchase has been made, since today there are no physical remains of the installation, an archeological excavation of the site will probably be undertaken. Whatever is located, along with the extensive documentary and pictorial information already available, "would permit a very accurate reconstruction of the fort to be carried out."

Why restore Fort Union and not Fort Buford? Many sound reasons can be given, primarily that the State Historical Society owns small tracts including the remains of the fort, in the Fort Buford area.

More specific, however, is the attitude of the National Park Service that Fort Buford, while having a fairly long and interesting history (1866–1895), was but one of the great number of western military posts of the period with no special claim to national importance. So little of its physical layout has survived that it offers only a minimal opportunity for preservation and on-site interpretation of its role in the settlement of North Dakota and Montana. The department also says, "* * * the major national opportunity and obligation relates to the site of Fort Union."

Also within the general area are the sites of Mondak, Fort William and Fort Mortimer. Why not preserve these sites as national historic sites? The Department of Interior says "The site of Mondak, like that of many frontier settlements which had their brief moments of boisterous activity and then passed into oblivion, has no claim to commemoration.

"The sites of Fort William and Fort Mortimer are important only as episodes in the Fort Union story, and having probably been obliterated, offer no opportunity for on-site commemoration."

Fort Union it is then.

BUILDING OF FORT UNION CAUSED BY FUR TRADE

(By Dan Halligan)

Furs and an ever-increasing European demand for them were the prime factors in the building of Fort Union.

Fort Union, from the day construction was begun until the day it was dismantled to be used for building materials at nearby Fort Buford, was a business enterprise. It was a community in itself and as self-sufficient as a frontier town of nearly 140 years ago could be.

Some 220 feet across front and rear, and 240 feet deep, this early-day settlement was enclosed by pickets of cottonwood up to 20 feet high. Construction of the fort, first named Fort Floyd, was probably begun in October 1829, about three miles from the confluence of the Missouri and Yellowstone Rivers and a bare 100 feet from the waters of the Missouri.

Fort Union was built by the Upper Missouri Outfit as a trading post for two purposes: to exploit the rich fur resources of the Yellowstone and the upper regions of the Missouri River and to serve as a stronghold for the invasion of the Rocky Mountains and its lucrative fur harvest, then the monopoly of the Rocky Mountain Fur Company.

In the early 1820's the American Fur Company dominated much of the fur trade in the United States—primarily because an 1816 act of Congress excluded foreigners from being active in this field except as subordinates. This act meant powerful British companies were forced to sell out to American companies.

However, the American Fur Company did not have the exclusive monopoly it wished in the Upper Missouri region. In 1821 a number of former employes of the defunct Northwest Company, headed by Kenneth McKenzie, organized the Columbia Fur Company. Later, in 1828, the Columbia Fur Company took the title of Upper Missouri Outfit.

Although far less powerful than its older rival, the Columbia Fur Company was composed of able and experienced men and it either matched or led the American Fur Company in establishing nearly a dozen trading posts.

From 1825 to 1827, the Columbia Fur Company operating up the Yellowstone River grossed upwards of $200,000 annually in furs. The following year, realizing it couldn't eliminate the smaller company, the American Fur Company negotiated for a division of the trade. McKenzie's Columbia Fur Company changed its name to Upper Missouri Outfit and began operating under the supervision of the American Fur Company's Western Department, McKenzie remained in charge of the revamped company which now was concentrating its entire activities on the Missouri and the West.

Fort Union was not the only trading post built by the Upper Missouri Outfit in its new empire but without argument, it was the most important one.

McKenzie and his associates had a knack, coupled with the experience of frontier living, of doing everything right at the right time.

Unlike the picture of a frontier fort as depicted in movies or on television, Fort Union—as a civilian post—had a mixture of nationalities on hand at all times. Americans, Englishmen, Germans, Frenchmen, Russians, Spaniards and Italians were employed at the post as smiths, masons, carpenters, joiners, coopers, tailors, shoemakers and hatters and many were married to Indian women.

Milk and butter were furnished by a herd of cattle. Pigs were there for the butchering and a large garden supplied the population with fresh vegetables. Hunters kept the inhabitants in meat. Along with the post's population, the Upper Missouri Outfit regularly employed about 500 trappers and traders.

In its glory days Fort Union annually shipped 25,000 beaver furs down the river, 40,000 to 50,000 buffalo skins, 20,000 to 30,000 deer hides along with the muskrat, otter, weasel, martin, lynx, red fox, cross fox, silver fox and mink.

In return for their furs, the Indians were given awls, half axes, beads, combs, flannel shirts, blankets, lead, kettels, gun worms, powder, bar iron, rifle balls, vermillion, gun flints and coat buttons. Although forbidden by law, liquor was a highly sought after item by the Indians—and the Upper Missouri Outfit made certain it was always in plentiful supply.

UNION WAS "HANDSOMEST" FORT ON THE MISSOURI

(By Dan Halligan)

The actual descriptions of Fort Union, written by a number of learned men as a result of their visit over the years vary to a degree. Although some errors have been noted in writings and sketches—George Catlin's drawing of the fort showing three bastions and not two—the differences in descriptions also resulted because Fort Union was often being physically improved. Edwin Denig, chief clerk at the fort in 1843, is usually credited with giving the most thorough description.

He described Fort Union as the "principal and handsomest trading post on the Missouri River."

Two hundred and 20 feet by 240 feet and enclosed by pickets or palisades of large cottonwood, founded upon stone, the fort had two bastions on the southwest and northeast corners. Built entirely of stone, they measured 24 feet square, were more than 30 feet high and had three-foot thick walls. These bastions were primarily armed fortresses.

The principal building within the compound was the residence—78 by 24 feet and a story and a half. The residence had all the earmarks of a fashionable St. Louis home. Included within this huge building were living quarters, an office and tailor shop.

A building 127 by 25 feet on the east side of the fort contained a room for stores and luggage, a retail store, wholesale warehouse, a storage room and a press room. Directly across the fort on the west side was another large building, 119 by 21 feet. This was primarily living quarters built into six apartments for clerks, other employees and hunters.

Other buildings within the compound were an ice house and a kitchen.

A wooden walkway completely encircling the fort, was built about five feet below the top of the pickets.

Other smaller houses and buildings, including a stable for buffalo calves, completed the interior of the compound.

The Upper Missouri Outfit and Kenneth McKenzie together were known on the Yellowstone and on the Upper Missouri as "the company." Ruthless, the company either forced rivals out of business through competition, by force or through purchase.

However, two men, William Sublette and Robert Campbell, not only successfully competed with the Upper Missouri Outfit, but built a post, Fort William, three miles below Fort Union. In trying to monopolize the Indian trapping trade, the companies were paying as much as $12 for a beaver pelt which normally brought $4.

Although an outstanding man in many respects, McKenzie became involved in a liquor scandal involving the Indians—actually being made the scapegoat by his parent company, the American Fur Company—and he was forced to resign as head of the Upper Missouri Outfit.

The American Fur Company eventually was able to buy out Sublette and Campbell and they concentrated their efforts on mountain trade.

FORT NOT BUILT OVERNIGHT—FORT DIDN'T DIE OVERNIGHT

(By Dan Halligan)

Fort Union wasn't built overnight on fur trade and trapping which materialized overnight and it didn't die overnight. It died slowly, over a number of years. It began dying in the 1850's and into the early and mid-1860's when the once lucrative trapping and trading "industry" in the Upper Missouri began dying.

The fort, with less than 40 years of life, nevertheless, more than served its purpose

and in so doing, it gained a niche in American frontier history that can never be lost.

It was "the town." It was the general store, the hospital, the bed, the warm fire, the friendly handshake, the drink of whiskey and the touch of home to countless thousands of hardy souls—both white and red—in those early years.

Beaver, always the principal fur sought by trappers, gradually began being replaced by a demand for buffalo robes and skins. Fashions and styles, even in those early years, dictated the means to success or failure.

The frontier was beginning to vanish as more and more settlers came to the Upper Missouri and pushed westward. As they moved toward the sun, they drove much of the wildlife before their wagons or destroyed it.

A Sioux uprising in Minnesota in 1862, coupled with the Civil War, spelled the final blow for Fort Union. There was no longer anything worthwhile to keep visitors coming and going. In those last years Fort Union was left to fall into ruin.

Among the last on the post for any length of time was a company of infantry in 1864 whose duty was to police the region. The following summer a company of Yankee soldiers—former Confederate prisoners of war—were also stationed there.

In August 1865 Fort Union was completely abandoned by the military and two years later there was no Fort Union whatsoever.

Fort Buford, a military post, was constructed in 1866 and when its soldier complement was enlarged in 1867, Fort Union was sold for the building materials it could offer.

In its glory years, the everyday life at Fort Union must have been a sight to behold with trappers continually moving in and out the main gates, Indians camped outside the pickets and steamboats coming up the Missouri and docking within a stone's throw of the compound. It was a hard life at best but it was the life many chose and because they did, they helped make Fort Union what it was. Because these men and women cast their lots on the frontier, Fort Union, dead and gone for a century, will one day soon be resurrected.

It will never be the same, of course, because the frontier spirit can't be brought back from the dead. Yet, in years to come, if visitors listen closely—very closely—they may yet be able to hear the whisper of a word or two from the lips of the ghost of a trapper of the 1830's.

Fort Union is as much a part of the history of the United States as the Pilgrims, the Continental Congress, Abe Lincoln's Gettysburg Address or John F. Kennedy's quick smile.

The fort was there when it was needed and because of a Congress with vision, it will be there once again because it is again needed.

MANY PERSONS PLAYED ROLE IN REVIVAL OF FORT UNION

(By Dan Halligan)

James B. Connolly.

That is the one name to remember when considering the re-birth of Fort Union as a part of America and a national historic site of the National Park Service.

As Kenneth McKenzie played the vital role in the establishment and early success of Fort Union in the late 1820's and 1830's, James B. Connolly of Fargo is the individual who sparked the initial interest among others concerned about the passing of historical landmarks from the historical scene. But unlike those who simply deplore the razing of a historic building or the bulldozing away of a precious acre of ground that played a role in this nation's growth, Connolly acted.

Credit, of course, must be given to Representative ROLLAND REDLIN, Democrat, of North Dakota, for introducing HR 3957 into the United States House of Representatives—the Fort Union Restoration Bill—and seeing it pass. Credit must also be given to Senator QUENTIN N. BURDICK, Democrat, of North Dakota for pushing the bill to the floor of the Senate earlier this month and having it pass unanimously.

Credit must also go to the individuals and organizations—organizations such as Chambers of Commerce commercial and civic clubs—for endorsing the early efforts and for REDLIN's and BURDICK's congressional labor. But James B. Connolly of Fargo is the man who fanned a dying ember of history into a flame, then continued to spread the fire into the high echelon it occupies today—a soon-to-be part of the National Park Service.

Connolly, head of the North Dakota Automobile Club and genuinely interested in American history, first showed his concern for the fort in 1957 when he became aware that national automobile clubs had deleted Fort Union as a historic site from their travel folders and maps.

He began talking up the salvation of the old trading post's site and, if nothing else, received strong moral encouragement from John B. Oakes of the New York Times editorial staff, himself deploring in print the passing of historic sites from the American landscape.

Among fellow North Dakotans and neighboring Montanans, however, Connolly received more than moral support—he was pledged cooperation, prestige and hard work. He got all three.

Williston attorney LaVern C. Neff, equally interested in American history, came in on the ground floor of the awesome task to return Fort Union from the grave. Through the efforts of these men and those others working tirelessly alongside, the Yellowstone-Missouri Fort Union Commission was organized. It is "dedicated to the preservation and development of Fort Union, Fort Buford, Mondak and other historic sites at the confluence of the Yellowstone and Missouri Rivers."

Neff today is vice chairman of the commission with Connolly serving as secretary. Other commission appointees include Lyla Hoffine of Minot State College; the Rev. Louis Pfaller, O.S.B., Richardton, and Ben Innis Jr., Williston insurance man and active in Fort Buford's celebrated Sixth Infantry.

Former Lieutenant Governor Frank Wenstrom was once a commission member too.

Ex-officio commissioners on the commission are Governor William L. Guy, chairman, (Governor John Davis was the first chairman); Lieutenant Governor Charles Tighe; Speaker of the House Art Link, Alexander; Supt. Russell Reid of the State Historical Society, and Director Robert Huey of the Economic Development Commission.

R. S. Nutt of Sidney is the Montana commissioner appointed by Gov. Tim Babcock.

Advisers to the commission are R. J. Elliott, Bismarck, state parks director; John C. Ewers of the Smithsonian Institution of Washington, D.C.; historical and western analyst and author Tom E. Ray of Colfax, Calif.; librarian Margaret Rose of the State Historical Society; Edgar Syverud, Dagmar, Mont., and Colonel Dana Wright of St. John, N.D. Syverud's late brother, Henry, also was a commission adviser.

Senator BURDICK, following the efforts of the commission and others interested, first introduced Senate Bill 187 in Congress in 1963.

Although it passed in the Senate, Congressman DON L. SHORT of North Dakota's Western District couldn't muster enough votes in the House of Representatives and the bill died.

Congressman REDLIN's H.R. 3957 introduced in 1965, passed successfully and then, pushed by Senator BURDICK, received unanimous approval by the Senate June 8. President Lyndon Johnson is expected to sign the bill into law almost momentarily.

But with the foresight given to those with a just cause, the commission long ago prepared itself and the slightly more than 10 acres of the Fort Union compound site now owned by the State Historical Society for giant strides.

It made preliminary but essential plans for a speed-up of the resurrection of the fort with the help of Clarence "Chief" Poling, Williams County state House member. Poling introduced and saw pass on Feb. 24, 1965, 145–0, a conveyance of land bill that called for the State Historical Society to relinquish its 10-acre ownership to the National Park Service and the Department of Interior when such relinquishment was "right."

Poling, of course, received the 100 per cent cooperation of the Williams County legislators—both Democrat and Republican.

Prior to national legislation, the National Park Service carefully screened and investigated the history of Fort Union and the part it played in the development of the Upper Missouri and Yellowstone areas. It qualified for national recognition in two categories: the Indian Wars and the fur trade of the early and mid-1800's.

Despite the impact of Fort Union in this area 100 and more years ago, there are those western North Dakotans—even Williams County residents—who even today know very little about this important trading post. There are even those local adults who confess they don't know the actual locations of Fort Union and Fort Buford, some who believe the two forts are one and the same, and some who "couldn't care less."

Since it took nearly 100 years and two different Congresses to bring Fort Union as far along as it is today—breathing once again—it won't be "tomorrow" when the site is the same as it once was.

The initial federal money of more than $600,000 earmarked for the partial restoration and the purchase of some privately owned land is important, of course. (The Fort Union historic site will encompass nearly 400 acres, some of it Montana). But before these funds are spent for "this and that," archeological diggings within the site will be made.

Nothing whatsoever of historic value may be found but since the post was operative for nearly 40 years, no one can say such digging is useless before it is made.

Land purchases can possibly be made this year but the actual digging and other physical efforts may not begin until sometime in 1967. Somewhat ironically, that will be 100 years to the century from the time Fort Union was dismantled to furnish building material for the-then new Fort Buford situated nearby.

Neff said he hopes, even expects, an exact replica of Fort Union to eventually be built on its original location. That, of course, remains to be seen since he confesses the National Park Service will be the responsible party. However, his commission will certainly be called on time and time again in the months and years ahead for suggestions, criticism and advice.

Fort Union, once the victim of a growing American frontier and left to wallow in the despair of no longer being needed, is certainly needed today—if only to spark the imagination.

And because there is that need it one day will stand tall and proud near the confluence of the Yellowstone and Upper Missouri.

THE MEREDITH MATTER

Mr. BYRD of West Virginia. Mr. President, in the interest of fair play, both sides should be heard in analyzing

the shooting of James Meredith recently in Mississippi.

I would like to submit for consideration a column which appeared in the Spirit of Jefferson-Advocate of Charles Town, W. Va., recently.

I ask unanimous consent that the article, written by Mr. Henry W. Morrow, be printed in the RECORD.

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

THE MEREDITH MATTER

Forgive me, dear friends, if I do not join in the thunderous applause sweeping across the nation for James Meredith, the Mississippi Negro, who was shot down in cold blood as he peacefully walked down a highway of that state last week to prove a point. The dividing line between heroes and fools is often quite nebulous, but in the Meredith case, I, for one, do not have too much trouble in seeing it. There are only a few narrow minded bigots in this country who would deny Mr. Meredith the right to walk down a Mississippi highway, unmolested, and undoubtedly his assailant could be numbered among those few. But Mr. Meredith, far better than most people in this country, because of his experiences at the University of Mississippi a few years back, either knew or stupidly refused to admit that you cannot taunt or tease a bigot, and to attempt to do so is the most reckless sort of folly. I have nothing but contempt for the man who shot him, the same sort of contempt I heretofore reserved for the Nazis and Adolph Hitler. But just as I would not have encouraged any Jew to flaunt Hitler when that deranged man was at his zenith, so I will not encourage other Negroes to emulate Mr. Meredith in their quest for the rights they deserve. Such conduct is abundant in zeal; it is wholly lacking in discretion. How, I dare ask can the President of the United States stand before the world and decry the needless sacrifice of the immolating Buddhists in Vietnam, and at the same time condone what Mr. Meredith did, and be outraged at what happened? Fanatical means of accomplishing a desired end are not to be applauded, so I abstain. I had thought Jefferson Countians would be well aware of this considering the sad experience this country had more than one hundred years ago with one John Brown.

As much as I hate to say it, and notwithstanding the justness of the cause of the civil rights movement, I cannot escape the feeling that many of those who are agitating in the most prominent (and, I might add, most photographed) areas are more interested in personal publicity than the cause they espouse. Consider, if you will the little known fact that before Meredith made his eventful march he tried to interest other civil rights leaders in joining him, and they would not do so. Compare the reaction of these same civil rights leaders before the march, to their reaction immediately after when they rushed to the scene to be seen and photographed leading another march identical to the one they had but a few days before disassociated themselves from.

The move on the part of the civil rights supporters in this nation to gain their proper measure of freedom has my sympathy and it has my support. But such support does not obligate me to condone, approve and applaud that which is irresponsible and smacks more of publicity seeking than genuine interest in the cause. I am glad James Meredith was not seriously injured. I am glad his assailant has been apprehended. And, I hope his assailant will be dealt with properly. But I grimace when I see the public attempt to make an act of martyrdom out of an act of pure foolishness.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. KENNEDY of New York in the chair). Is there further morning business? If not, morning business is closed.

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 the bill (S. 2858) to amend section 502 of the Merchant Marine Act, 1936, relating to construction differential subsidies, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 7371) to amend the Bank Holding Company Act of 1956.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 10721) to amend the Federal Employees' Compensation Act to improve its benefits, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House of the bill (S. 693) to amend the Foreign Agents Registration Act of 1938, as amended.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 13935) to give the consent of Congress to the State of Massachusetts to become a party to the agreement relating to bus taxation proration and reciprocity as set forth in title II of the act of April 14, 1965 (79 Stat. 60), and consented to by Congress in that act and in the act of November 1, 1965 (79 Stat. 1157); asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CELLER, Mr. WILLIS, Mr. TENZER, Mr. MCCULLOCH, and Mr. POFF were appointed managers on the part of the House at the conference.

AMENDMENT OF THE BANKRUPTCY ACT WITH RESPECT TO LIMITING THE PRIORITY AND NONDISCHARGEABILITY OF TAXES IN BANKRUPTCY

Mr. ERVIN. Mr. President, I move that the Senate proceed to the consideration of H.R. 3438, Calendar No. 1121.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 3438) to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy.

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

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. ERVIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ERVIN. Mr. President, H.R. 3438 deals with the two most important purposes of the Bankruptcy Act.

The first of these purposes is the effective rehabilitation of the bankrupt, and the second of these purposes is the equitable distribution of his assets among his creditors.

Under the bankruptcy law, specific liens which are recognizable and existing at the time of the bankruptcy have first claim upon the property of the bankrupt to which they attach.

After these specific liens are recognized, the remainder of the estate of the bankrupt is distributed according to the order of priority set forth in the Bankruptcy Act.

Under this order of priority, the unsecured creditors—that is, those creditors not having specific liens—have their claims satisfied in this order:

First, the costs of administering the bankrupt's estate in the bankruptcy court.

Second, certain wage claims owed by the bankrupt accruing within a limited period prior to the bankruptcy.

Third, taxes, including Federal, State, and local taxes.

And, fourth, certain rent claims.

After the specific liens are satisfied, and after the creditors holding one of the four orders of priority are satisfied, the remainder of the bankrupt's estate is distributed pro rata among his general creditors.

H.R. 3438 is designed to do two things which require a change in the status of tax claims, particularly those for Federal income taxes.

At the time the present law was enacted, taxes were not so enormous as to confiscate the most substantial part of the earnings of taxpayers, and not so enormous as to absorb virtually the entire estate of a bankrupt not subject to specific liens. Therefore, those provisions of the bankruptcy law giving taxes priority and providing that a discharge in bankruptcy should not release the bankrupt from liability for his taxes, regardless of the time when those taxes originated, worked no great injustice.

This is no longer true. As a result of the enormous percentage of the taxpayers' earnings which are now taken for taxes, the present law provides that an individual bankrupt remains liable for all of his taxes, regardless of when they originated in point of time and regardless of whether the taxing authorities of the Federal Government take any action which makes it possible for those dealing with the bankrupt prior to his bankruptcy to know of the existence and the extent of his tax liabilities.

The present law effects an invidious discrimination between a corporation which becomes bankrupt and an individual who becomes bankrupt. This discrimination arises out of the fact that

when a corporation becomes bankrupt, and its property is divided by the bankruptcy court according to specific liens and according to the order of priority, the corporation goes out of existence; and although theoretically the claim of the Federal Government—or the State government, for that matter—for taxes still exists, it does not actually do so, because the corporation, for all intents and purposes, is dead and nonexistent.

That is not true with respect to the individual bankrupt. The individual bankrupt remains liable for all of his taxes, because they are not discharged to any extent by a discharge in bankruptcy. And since Federal income taxes have become such large claims, the bankrupt is prevented from enjoying the privilege of rehabilitation, free from his debts, which the Bankruptcy Act was enacted to secure to him.

The Bankruptcy Act, in one respect, is like the Good Lord, who gives a man a chance to repent of his sins and start anew in life. A bankrupt who is an individual is forgiven by his discharge in bankruptcy of virtually all his liabilities except his taxes. But since he is not discharged from his liability for taxes, he is denied the right, for all practical intents and purposes, of rehabilitating himself. His tax claims pursue him, and they have become so enormous of late years that they deny him the privilege of a new start in this life; and they not only follow him in this life, but they pursue him beyond the grave.

The bill under consideration undertakes to give the individual bankrupt an opportunity for rehabilitation and to provide for an equitable distribution of his estate in bankruptcy. As everyone knows, claims of the Federal Government for Federal income taxes are confidential until the Internal Revenue Service files a public lien. And since the priority is available under the Bankruptcy Act, regardless of whether the lien is filed, a person dealing with a prospective bankrupt—a bank or an insurance company or an individual—can retain the finest lawyer in the Nation, and ask him to ascertain the financial ability of the prospective bankrupt to pay any obligation he might assume in respect to him; and this lawyer can search every available public record. However, since he does not have access to the confidential files of the Internal Revenue Service, he cannot ascertain the existence of the Federal tax claim, and the lawyer, in the best of faith, could report back to the would-be creditor of the prospective bankrupt that his property is free and clear from all encumbrances so far as the public records disclose.

Presently, banks, insurance companies, or other financial institutions, and individuals deal with a creditor upon the basis of the information given them by their attorney after a search of every record available. Then, under the existing law, if the creditor investigated becomes bankrupt, and files his petition in bankruptcy, the Internal Revenue Service has priority for Federal income taxes which have originated in all times past, and whose existence and whose amount was not revealed anywhere upon any record available to any person other than the employees of the Internal Revenue Service, who cannot disclose it.

What this bill seeks is to strike a balance between the demands for rehabilitation of the bankrupt and the just claims of the Federal Government. It would provide that tax claims originating within 3 years prior to the bankruptcy remain just as valid as they are under existing law. It provides where the Internal Revenue Service has filed a lien, and thus given the general public which deals with the prospective bankrupt knowledge of the Federal Government's claim, that those taxes—regardless of how long they antedated the bankruptcy—are still valid. Other tax claims which originated prior to 3 years before bankruptcy and which have not been reduced to a lien, are discharged in bankruptcy as are all other claims if there are not sufficient assets to pay the claims in a bankrupt's estate.

The bill safeguards the Government against a dishonest bankrupt because it provides that there will be no discharge of the tax claim in bankruptcy under any circumstances if the bankrupt has failed to file a Federal income tax return, or if the bankrupt has filed a fraudulent income tax return.

I submit that the bill strikes a fair balance by permitting the bankrupt to rehabilitate himself and by affording some measure of protection to people who deal with a creditor on the face of the public records available to them rather than to the Government alone.

It seems to me that the 3-year period which IRS is given to file a lien is reasonable, for it is identical with the period within which the Federal Government has the right to assess taxes.

The bill is supported by the National Bankruptcy Conference, the American Institute of Certified Public Accountants, the American Bar Association, the American Bankers Association, the Commercial Law League of America, the National Association of Creditmen, and the American Institute of Accountants. It is a fair bill.

This particular measure has been under consideration by Congress for 10 years. It has been passed by the House of Representatives, without a dissenting vote as I understand it, five times.

The bill has also been reported unanimously by the Senate Committee on the Judiciary in three Congresses, and the Standing Rules of the Senate give jurisdiction over matters of this kind to the Committee on the Judiciary. I invite the attention of the Senate to the Senate Manual, rule 25, subsection (L), which provides that the Committee on the Judiciary, to consist of 16 Senators, shall have jurisdiction over all proposed legislation, messages, petitions, memorials, and other matters relating to bankruptcy.

Mr. President, I ask unanimous consent that the portion of the report of the Committee on the Judiciary beginning with the words "The fundamental policy of the Bankruptcy Act," on page 2, and concluding with the end of the report on page 7 be printed in the RECORD at this point.

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

The fundamental policy of the Bankruptcy Act is to provide a means for (1) the effective rehabilitation of the bankrupt and (2) the equitable distribution of his assets among his creditors. These basic considerations are involved in the problem to which this bill is addressed.

Under existing law debts for taxes are not affected by a discharge in bankruptcy (sec. 17a(1) of the Bankruptcy Act, 11 U.S.C. 35(a)(1)). Similarly, taxes are entitled to a priority of payment, in advance of the payment of any dividend to general creditors, which is unlimited as to time (sec. 64a(4), 11 U.S.C. 104(a)(4)). This applies to all taxes whether due to Federal, State, or local governments. Although taxes have enjoyed this special status for many years, the enormous increase in the tax burden during recent years and the consequent impact on both the distribution of a bankrupt's estate and his financial rehabilitation, require a modification of that status.

There are two aspects to the problem. The first of these involves the nondischargeability of taxes under section 17a(1) of the present law. Frequently, this prevents an honest but financially unfortunate debtor from making a fresh start unburdened by what may be an overwhelming liability for accumulated taxes. The large proportion of individual and commercial income now consumed by various taxes makes the problem especially acute. Furthermore, the nondischargeability feature of the law operates in a manner which is unfairly discriminatory against the private individual or the unincorporated small businessman. Although a corporate bankrupt is theoretically not discharged, the corporation normally ceases to exist upon bankruptcy and unsatisfied tax claims, as well as all other unsatisfied claims, are without further recourse even though the enterprise may continue in a new corporate form.

The committee believes, therefore, that consistency with the rehabilitory purpose of the Bankruptcy Act, as well as fairness to individuals demands some time limit upon the extent of taxes excepted from discharge. The committee recognizes the fact that different types of taxes present different problems to tax collectors. The accuracy of some types of tax returns can be determined immediately. Others, like income taxes, require some time to audit. Rather than attempt a classification of the enormous variety of Federal, State, municipal, county, city, village, and various district taxes for the purpose of establishing varying limits on dischargeability, the committee set a 3-year period for all taxes. It is believed that such a period will not impose an unrealistic or unfair burden upon the tax authorities in auditing returns and assessing deficiencies. In fact, the period coincides with the 3-year statute of limitations for assessments in Federal income tax cases. The fact that tax claims for the 3 years preceding bankruptcy will not be discharged should serve to discourage recourse to bankruptcy as a facile device for evading tax obligations. At the same time it will become feasible for an industrious debtor to reestablish himself as a productive and taxpaying member of society.

While, under this bill, unsecured tax claims due and owing more than 3 years prior to bankruptcy would be dischargeable, there is no intention to place any time limit on otherwise valid tax liens. As with other secured claims like mortgages and conditional sales contracts, the purpose of the lien is to give the creditor a property interest which is indefeasible in bankruptcy. Thus, to the extent that the tax authorities may satisfy their claims out of the security they hold they will be unaffected by the discharge regardless of the fact that the underlying

debt may include taxes for years prior to the 3-year period preceding bankruptcy. The second proviso to section 17a(1) proposed by section 2 of this bill emphasizes this legislative intent. There is no intention to alter the relative position in the distribution of the bankrupt's assets which is now given to a tax lien on personalty unaccompanied by possession by the postponement provision in section 67c.

Since the purpose of this bill is to provide relief for the financially unfortunate and not to create a tax evasion device, section 2 of the bill specifically excepts from discharge taxes "which were not assessed in any case in which the bankrupt failed to make a return required by law," or with respect to which he had made a false or fraudulent return or which he had otherwise attempted to evade.

It is interesting to note that under the English Bankruptcy Act and the laws of several of the Commonwealth nations, claims for taxes are discharged except for debts arising from an offense against a statute relating to any branch of the public revenue. Even as to these debts, the English tax provides that the Treasury may certify consent to their discharge. (English Bankruptcy Act, 1914 (4 and 5 Geo. 5c 59) s. 28(1)a, 2 Halsbury's Laws of England, third edition, p. 539.)

The second aspect of the problem involves the equitable distribution of the assets of the bankrupt's estate among creditors. Under the Bankruptcy Act, certain types of unsecured claims are given a statutory advantage in the distribution of the bankrupt's estate. These priority claimants are to be distinguished from the secured creditor who has a property right which entitles him to be paid out of the assets against which the security attaches. The priority claimant, on the other hand is an unsecured creditor who, by law, as a matter of social policy, has been placed in a position superior to that of the unsecured creditors. Thus, administrative expenses, wage claims, taxes, and rent claims where State law gives a priority to landlords, are all paid before general creditors may share in the distribution under the Bankruptcy Act. The wage priority is restricted to $600 per claimant earned within 3 months prior to bankruptcy. Similarly, the rent priority is restricted to the amount due for actual use and occupancy within 3 months before bankruptcy. However, there is no time limit under the present law on the priority accorded taxes.

The result has frequently been that tax collectors, assured of a prior claim on the assets of a failing debtor and assured of the nondischargeability of uncollectible tax claims, have allowed taxes to accumulate and remain unpaid for long periods of time. With the proliferation of new taxes and the increased rates of old taxes, often little or nothing is left for distribution to general creditors who provided goods and services to the bankrupt.

The committee has received hundreds of letters from business firms all over the country complaining about this situation. Although a creditor can protect himself to some degree by requiring periodic financial statements from the bankrupt, there are cases in which the true extent of tax liability may not be known, even to the debtor, as where there are unsettled accounting or legal questions. Nor is a creditor protected from a dishonest debtor who issues a false statement of his tax liability. While this may result in barring the debtor's discharge, the Government still has a tax priority which may be large enough to preclude the creditor's participation in the distribution of the debtor's assets. Ultimately, however, the issue would appear to resolve into whether the Government as a creditor should bear part of the economic burden of business failures through the loss of some of its tax claims which it has allowed to accumulate over a long period of years.

The committee believes that limiting tax priority to those taxes which became due and owing within 3 years preceding bankruptcy adequately safeguards the public's interest in the collection of revenues while at the same time limiting the impact of long accumulated, unsecured tax claims on general creditors. The imposition of such a limitation will induce taxing authorities to act to prevent large accumulations of tax claims.

In establishing what this limitation should be, the committee was concerned with its effect in forcing tax authorities to precipitate business failures in safeguarding the interest of the Government. For that reason, the committee rejected the 1-year limitation on both priority and nondischargeability which was proposed when the matter was considered in the 85th Congress. However, the committee believes that a business which is unable to meet tax obligations extending back more than 3 years is unlikely to recover financial viability. The continued failure to protect the Government's tax interest by instituting liens or distraint warrants generally results only in compounding the loss suffered by general creditors and the Government as well. Furthermore, the effect of forcing the financial issue may, in some cases, be to save the debtor before his position becomes helpless.

The unlimited priority now enjoyed by taxes in bankruptcy proceedings in the United States is inconsistent with the practice in most commercial countries. Thus, in England the priority is limited to parochial or other local taxes (such as levies on spindles, water rates, drainage rates, etc.) due from the bankrupt at the date of bankruptcy and having become due and payable within 12 months next before that time, and all assessed taxes, land taxes, and property or income taxes assessed on the bankrupt or insolvent up to the 5th of April preceding bankruptcy and not exceeding in the whole 1 year's assessment; and sums due at the date of bankruptcy as an employer on account of tax deductions for the 12 months next before that date. (English Bankruptcy Act 1914 (4 and 5 Geo. 5c 59) s. 33 (1)(a), (5).) The Crown, however, has a choice of any year and is not confined to the year of assessment immediately preceding the bankruptcy. (*Re Campbell, Commercial Bank of Scotland* v. *Campbell* (1923), 10 T.C. 585; *re Pratt, Inland Revenue Commissioners* v. *Phillips* (1915), Ch. 225, C.A.; (1950) 2 All E.R. 994.) See 2 Halsbury's Laws of England, third edition, pages 486–487.

Similarly, in Australia, the tax priority is limited to 1 year (Bankruptcy Act, 1924 secs. 5(3), 84(h), XXII Commonwealth Act, 84, 113). In France, there is a 2-year priority for income tax (Code Général des Impots of 1950, secs. 1920(1), as amended by law of February 7, 1953, sec 61). In Germany tax claims enjoy a 1-year priority (Bankruptcy Act of 1898, sec. 61(2), 1898 Reichsgesetzblatt 612; Arrangement Law of 1935, sec. 26, 1935 id. I:321). In Belgium, the priority is for the last and current year (7 Fredericq, Droit Commercial Belge, 551, 556 (1949)).

This bill is supported in principle by the—

National Bankruptcy Conference.

American Institute of Certified Public Accountants.

Commercial Law League of America.

National Association of Credit Men.

The American Institute of Accountants.

Similar bills passed the House in the 85th, 86th, 87th, and 88th Congresses, but were not acted on by the Senate.

The Committee on the Judiciary believes that H.R. 3438 presents a most desirable and necessary resolution of the conflict between the demands of the public revenue on the one hand and the underlying purposes of the Bankruptcy Act on the other. The committee, therefore, recommends that this bill be given favorable consideration by the House.

The Committee on the Judiciary of the Senate agrees with the recommendations of the Committee on the Judiciary of the House of Representatives in this matter and, consistent with its earlier favorable report on the companion Senate bill, S. 976, recommends it favorably.

In regard to the recommendations of the Committee on Finance set forth in Senate Report No. 999, the Committee on the Judiciary finds itself in agreement with, and adopts, the minority views of that committee opposing those recommendations as set forth on pages 22, 23, and 24 of Senate Report No. 999.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 2A OF THE BANKRUPTCY ACT

§ 2. Creation of Courts of Bankruptcy and Their Jurisdiction. a. The courts of the United States hereinbefore defined as courts of bankruptcy are hereby created courts of bankruptcy and are hereby invested, within their respective territorial limits as now established or as they may be hereafter changed, with such jurisdiction at law and in equity as will enable them to exercise original jurisdiction in proceedings under this Act, in vacation, in chambers, and during their respective terms, as they are now or may be hereafter held, to—

(1) * * *

(2) * * *

(2A) *Hear and determine, or cause to be heard and determined, any question arising as to the amount or legality of any unpaid tax, whether or not previously assessed, which has not prior to bankruptcy been contested before and adjudicated by a judicial or administrative tribunal of competent jurisdiction, and in respect to any tax, whether or not paid, when any such question has been contested and adjudicated by a judicial or administrative tribunal of competent jurisdiction and the time for appeal or review has not expired, to authorize the receiver or the trustee to prosecute such appeal or review;* * *.

SECTION 17A(1) OF THE BANKRUPTCY ACT

§ 17. Debts Not Affected by a Discharge. a. A discharge in bankruptcy shall release a bankrupt from all of his provable debts, whether allowable in full or in part, except as such [(1) are due as a tax levied by the United States, or any State, county, district, or municipality;] *(1) are taxes which became legally due and owing by the bankrupt to the United States or to any State or any subdivision thereof within three years preceding bankruptcy: Provided, however, That a discharge in bankruptcy shall not release a bankrupt from any taxes (a) which were not assessed in any case in which the bankrupt failed to make a return required by law, (b) which were assessed within one year preceding bankruptcy in any case in which the bankrupt failed to make a return required by law, (c) which were not reported on a return made by the bankrupt and which were not assessed prior to bankruptcy by reason of a prohibition on assessment pending the exhaustion of administrative or judicial remedies available to the bankrupt, (d) with respect to which the bankrupt made a false or fraudulent return, or willfully attempted in any manner to evade or defeat, or (e) which the bankrupt has collected or withheld from others as required by the laws of the United States or any State or political subdivision thereof, but has not paid over;*

but a discharge shall not be a bar to any remedies available under applicable law to the United States or to any State or any subdivision thereof, against the exemption of the bankrupt allowed by law and duly set apart to him under this Act; And provided further, That a discharge in bankruptcy shall not release or affect any tax lien.

SECTION 64A(4) OF THE BANKRUPTCY ACT

§ 64. Debts Which Have Priority. a. The debts to have priority in advance of the payment of dividends to creditors, and to be paid in full out of bankrupt estates, and the order of payment, shall be (1) * * *

(2) * * *

(3) * * *

[(4) taxes legally due and owing by the bankrupt to the United States or any State or any subdivision thereof: *Provided*, That no order shall be made for the payment of a tax assessed against any property of the bankrupt in excess of the value of the interest of the bankrupt estate therein as determined by the court: *And provided further*, That, in case any question arises as to the amount or legality of any taxes, such question shall be heard and determined by the court:] *(4) taxes which became legally due and owing by the bankrupt to the United States which are not released by a discharge in bankruptcy: Provided, however, That no priority over general unsecured claims shall pertain to taxes not included in the foregoing priority: And provided further, That no order shall be made for the payment of a tax assessed against any property of the bankrupt in excess of the value of the interest of the bankrupt estate therein as determined by the court;* * * *

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The Senator from Tennessee.

Mr. GORE. Mr. President, for several years the Committee on the Judiciary and the Committee on Finance have been somewhat at odds over certain proposed changes in bankruptcy law which effect the collection of taxes.

The distinguished and able senior Senator from North Carolina has just spoken eloquently in support of the point of view of the Committee on the Judiciary.

The able Senator called to the attention of the Senate the fact that the pending bill had been before Congress for 10 years. I submit, Mr. President, that that fact raises some question as to the advisability of the bill.

I suggest further that the bill has been passed, on at least one occasion, only to be vetoed by a President.

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

Mr. GORE. I yield.

Mr. ERVIN. Mr. President, although the Senator from Tennessee is correct that a bill on this general subject was vetoed by President Eisenhower, that bill was drafted much differently from the pending bill; it was much more restrictive than the pending bill. No bill containing the provisions of this bill, or bearing any strong similarity to this bill, was ever vetoed.

Mr. GORE. Mr. President, as I understand it, the bill that was vetoed contained provisions similar to those in the combination of bills now before, or about to be before, the Senate, H.R. 3438 and H.R. 136. There may, of course, have been some differences.

Mr. President, I speak on behalf of the Committee on Finance. I speak with the support of the Treasury Department in its opposition to the pending measure, and in my vote I speak for the interests of the Government and I believe for the general taxpaying public.

The Committee on the Judiciary has been concerned, and quite properly so, over some aspects of existing law with respect to priorities given certain creditors in bankruptcy proceeding.

The Committee on the Judiciary has also concerned itself with the manner in which tax liabilities and tax liens are handled when an individual or a corporation goes through bankruptcy. The two bills which the Committee on the Judiciary reported deal both with the priority and dischargeability of tax liens and tax liabilities.

Last year the Committee on the Judiciary reported favorably S. 1912 and S. 976. Those bills are almost identical with the bills now before the Senate, H.R. 3438 and H.R. 136.

Although these bills were referred to the jurisdiction of the Committee on the Judiciary, it is also the duty of the Committee on Finance to safeguard the Treasury of the United States and to uphold the integrity of the voluntary self-assessment income tax system under which we operate.

These bills therefore were referred to the Committee on Finance for study after they were favorably reported by the Judiciary Committee. Our committee likewise has filed a report which Senators will find on their desks.

The Finance Committee recommendations, which I shall discuss in some detail later, would modify somewhat the position adopted by the Committee on the Judiciary.

Following the filing of the Finance Committee report, the bills were referred once more to the Committee on the Judiciary, and that committee has now reported the House-passed bills to the Senate. I am sorry to say that, in doing so, the Judiciary Committee chose to ignore the views expressed and the position adopted by the Finance Committee.

Let me make this one point clear in the beginning. The Judiciary Committee proposes to change existing law, in some instances rather drastically. The Finance Committee is willing to make some changes in existing law, but would not go so far as the Judiciary Committee in altering the priority and dischargeability of taxes. This is the crux of the difference between the Committee on Finance and the Committee on the Judiciary, with respect to the pending bill.

The two bills now under consideration, H.R. 136 and H.R. 3438, are being considered seriatim. It would have been preferable from my standpoint to have considered them, by unanimous consent, as one. However, this has not been done. There are four principal points of difference between the two committees with respect to these two bills, two in one bill and two in the other.

Before getting into details, however, let me just point out that voluntary bankruptcy, particularly the nonbusiness variety, has become a problem of some magnitude. It is a problem for the courts, for the creditors, and for the tax collector.

Last year, 91 percent of bankruptcy cases were of the nonbusiness type. Individuals, often with good income, but with high consumer credit outstanding, increasingly take what appears at the moment to be the easy way out from under a load of high monthly payments and unpaid taxes.

As I have said, the bills now before the Senate, as reported by the Judiciary Committee, seek to change existing law. The Finance Committee would prefer to minimize some of these changes.

Here, briefly, are the four principal points of difference between our two committees:

First. The Judiciary Committee has proposed that assessed but unrecorded tax liens no longer be given a secured status. The Finance Committee feels that a tax assessed within 1 year prior to bankruptcy should retain a secured status, generally if the notice of lien is filed within 1 year of the date of assessment. This is in H.R. 136.

Second. The Finance Committee agrees with the proposal of the Judiciary Committee to limit the priority of taxes in bankruptcies to those which are 3 years old or less, but would start this period from the date of assessment rather than from the vague concept contained in the bill; that is, when the taxes become "due and owing." What is the definition of the term "due and owing" for tax purposes? The adoption of such undefined language might create great uncertainty in an area greatly in need of certainty. This amendment is in H.R. 3438.

Third. The Finance Committee also agrees with much of the concept of the Judiciary Committee with respect to the effect a large tax overhang might have on the rehabilitation of a bankrupt. The Judiciary Committee proposal provides for the complete discharge of certain older taxes in the case of bankruptcy. The Finance Committee, while not favoring the technical discharge of taxes, nevertheless would severely limit the extent to which all prebankruptcy taxes may be collected in subsequent years. This is in H.R. 3438.

Fourth. The Finance Committee favors a new provision, not approved by the Judiciary Committee, which would give a bankruptcy court discretion in the case of a voluntary petition in bankruptcy to require the bankrupt to enter into a wage earner's plan for payment of part or all of his debts. This is in H.R. 136.

Let me at this time talk about the two points in the Finance Committe amendment to H.R. 3438.

PRIORITY OF TAX CLAIMS (SEC. 3 OF H.R. 3438)

Under present law, State and Federal tax claims which are not entitled to lien status are paid under the fourth priority, following administrative expenses, certain wages, and the legal expenses of opposing a discharge.

H.R. 3438, now pending, would amend the Bankruptcy Act so that taxes "legally due and owing" more than 3 years at bankruptcy, with certain exceptions, would no longer be entitled to priority of payment and would be paid, instead, to-

gether with the claims of general creditors.

This provision in the bills is prompted by a desire to require the Internal Revenue Service to proceed with reasonable expedition in collecting taxes. It was felt that, too often, the Internal Revenue Service might be lax in taking collection action available to it merely because it recognized that tax claims, no matter how old, were entitled to a priority of payment in the event of bankruptcy. The Finance Committee agrees that this potential incentive to delay should be removed in those circumstances where the Internal Revenue Service has had a reasonable time to undertake the collection procedures available to it under existing law. But the Committee on Finance does not feel that it should be limited entirely.

The bills provide that this priority status will be destroyed if the tax has been "legally due and owing" more than 3 years as of the date of bankruptcy. The meaning of the phrase "legally due and owing" is obscure. Its meaning has not been determined for tax purposes. Should the pending bill become law, the concept of "due and owing" might be the subject of great uncertainty in many instances. In fact, the phrase has no meaning in Federal tax law, so far as I can find; and as I have said, the bills provide no definition. Under present law, collection procedures may not be initiated by the Internal Revenue Service until the tax has been assessed. Furthermore, this is the earliest time at which the amount of tax due is definitely ascertained.

As a result, the Finance Committee would substitute the term "assessed" for the phrase "legally due and owing." The Finance Committee believes that 3 years from the date of assessment is a reasonable time within which the Internal Revenue Service may be put to the choice of either recording its liens or foregoing its priority status in the event of bankruptcy.

Because of the uncertainties surrounding the possible meaning of "legally due and owing" it well may be that this Finance Committee-recommended change in the bills constitutes a clarification rather than a modification of substance.

Incidentally, it is important to put this whole problem in its proper perspective. According to the Administrative Office of the U.S. Courts, during fiscal 1965 general nonpriority creditors collected an average of only 7½ cents on the dollar in asset cases concluded under the Bankruptcy Act. Even if all tax collections entitled to priority status—not just those "legally due and owing" more than 3 years—were to have been put into the category of general nonpriority creditors, those general creditors still would have realized no more than 10 cents on the dollar. Consequently, this proposal will not have a material effect upon the status of a creditor who does not choose to become a secured creditor. On the other hand, creditors who take the trouble to get security for their advances of credit already come ahead of fourth-priority tax claims. In fact, secured creditors who are mortgagees, pledgees, purchasers, or judgment creditors come ahead even of tax liens which arose prior to the interests of those creditors, if notices of the tax liens have not been filed.

The "legally due and owing" language in the present bills is likely to create much confusion, both in the operation of the internal revenue laws and in the administration of bankrupt estates. In combination with the discharge provisions in the bills as approved by the Judiciary Committee, it is probable, because of the priority provisions' likely effect on Internal Revenue Service notice-filing practices, that these provisions would achieve their minimal benefits at great cost to those many persons who owe taxes and do not become bankrupt.

If the status of fourth-priority tax claims is to be reduced, the amendment which I shall offer on behalf of the Finance Committee would accomplish the task with a minimum of confusion and a minimum of disruption of arrangements with nonbankrupt tax delinquents.

DISCHARGE OF TAXES (SEC. 2 OF H.R. 3438)

Under present law, when a bankrupt receives a discharge in bankruptcy he is discharged from all provable debts, with certain limited exceptions. Among the exceptions to discharge are tax liabilities—including penalties and interest—alimony or child support, liabilities for certain willful torts, and debts which were created by fraud. The bankrupt is entitled to retain his property which is exempt from the claims of his creditors under State or Federal law. However, this exempt property is subject to unpaid Federal tax claims.

H.R. 3438 would amend the Bankruptcy Act to provide that, subject to certain exceptions, the tax liabilities of the bankrupt which were "legally due and owing" for a period of 3 years or more prior to the bankruptcy would be discharged.

The Finance Committee agrees with the Judiciary Committee that the denial of any discharge of taxes often makes it difficult for a bankrupt to rehabilitate himself. However, the Bankruptcy Act is also intended to provide for the payment of just debts. As I have said, taxes are not the only debts which may not be discharged in bankruptcy. Taxes, like the other nondischargeable debts, are involuntary—that is, the Government did not knowingly lend the taxpayer any money or knowingly extend any credit. The Government became a creditor simply because the taxpayer did not pay his taxes. Accordingly, the Finance Committee believes that the desirability of rehabilitating a bankrupt by discharge of his taxes must be balanced against the adverse effects which would be created by the discharge provision presently in the bill.

One can imagine circumstances and situations in which this invitation to discharge tax liability might be converted into a very profitable scheme.

It is the opinion of the Finance Committee that this discharge provision would have a disastrous effect on taxpayer morale and that this is an important consideration in a self-assessment system. To illustrate, let us suppose a very successful professional athlete goes through bankruptcy and is discharged from very large Federal income tax liabilities arising 3 years earlier. A year after the bankruptcy he is active again and makes a large amount of money. The newspapers would give wide publicity to the fact that the United States cannot reach this money for back taxes no matter how large his liability might have been.

Additionally, from fiscal 1960 to fiscal 1965 voluntary straight bankruptcies increased 59 percent—from 94,414 to 149,820—while involuntary straight bankruptcies increased only 1.6 percent—from 1,296 to 1,317. This is disclosed by the Administrative Office of the U.S. Courts, "Tables of Bankruptcy Statistics," June 30, 1965, page 5. In view of this tremendous trend toward voluntary bankruptcy, it does not seem prudent to provide potential bankrupts with the additional incentive of being able to get rid of old tax liabilities completely.

In view of these considerations, the Finance Committee recommends an amendment which continues the bankrupt's previously incurred tax liabilities but substantially limits the collection of these claims. In general, the Finance Committee's amendment would limit the collection of prebankruptcy taxes from individuals in the following way: The bankrupt would be required to pay the Federal Government in any one year no more than 10 percent of what he currently has remaining after taxes—that is, 10 percent of his Federal taxable income—after exemptions and deductions—minus his Federal income tax. However, the bankruptcy court would be authorized to set a higher figure in appropriate cases—as, for example, where the taxpayer was likely to receive large amounts of tax-exempt income. These payments would continue only until the prebankruptcy taxes were entirely paid off. State and local taxing authorities would be limited to 5 percent each year, unless the court authorized a greater amount. Even the bankrupt's estate would be treated in the same manner, unlike present law which makes the unpaid prebankruptcy taxes a liability which must be paid in full even if it means that the heirs get nothing.

The Finance Committee has brought to the Senate a proposed amendment which is reasonable in all regards and generous. It would not discharge tax liabilities, nor does the committee think it should, but it does limit the extent to which the Government can require payment.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I am happy to yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Let us assume a case where an outstanding athlete, who was making a large amount of money from his personal income, was hesitant to sign a contract to play baseball for another year. In such a case, might he not be hesitant to sign a contract to play baseball for another year if he wanted to make a small alimony settlement, since a contract indicating the large income he could make playing

baseball might increase the size of the alimony settlement?

In a somewhat similar situation a good professional athlete might have run up a large tax bill but have no assets to pay it. Let us assume that his earning capacity is enough to pay these taxes off in a single year. Does the Senator from Tennessee see any particular reason why we should permit him to discharge from his tax obligations by voluntarily going into bankruptcy if he had great earning capacity and if he chose to continue his profession of athletics; he could go ahead, and discharge his obligation to pay taxes to the Government in 1 year?

Mr. GORE. I do not see the justification for such a proposal. Neither did any member of the Finance Committee. The Judiciary Committee proposes this kind of relief, or this kind of loophole.

Mr. LONG of Louisiana. We sought to work out the kind of proposal which would provide relief where relief appeared to be appropriate, but to deny it in cases where it was not appropriate.

Mr. GORE. The able Senator has accurately described the sentiment of the Finance Committee, which recognizes the problem at which the Judiciary Committee was aiming and for which it sought a solution. The Finance Committee is not unsympathetic with it, but we feel that our amendment reflects all the interests involved, those of the general taxpaying public and the Treasury Department, as well as those of the bankrupt. Also, the concept of "due and owing" presents a difficult technical problem.

Does the Senator know if the term, "legally due and owing" has any meaning in our tax law?

Mr. LONG of Louisiana. I do not believe it does.

Mr. GORE. I am advised by those who make it a profession to know, that this term has no established meaning in our tax law. However, the Senate is about to pass upon a bill containing such a concept notwithstanding the fact that the revenue of the United States will be adversely affected in many instances.

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

Mr. GORE. I am happy to yield to the Senator from Nebraska.

Mr. CURTIS. Does it not boil down to this, that if we enact the Judiciary Committee's bill without the amendment of the Finance Committee, we will provide a very serious and far-reaching tax loophole; that we can still attain the objective which the Judiciary Committee seeks by accepting the Finance Committee's amendment, and at the same time avoid creating additional loopholes in taxes in the field of bankruptcy; is that not correct?

Mr. GORE. The Senator from Nebraska has accurately stated the problem.

It was the view of the Finance Committee—and it is certainly my view—that the Judiciary Committee proposal goes too far. The Finance Committee is willing to go very far, and very generously, I believe, in treatment, but it is unwilling to go to the extent proposed in the pending bill.

Mr. CURTIS. Is it not true that this action is taken at this time, a time when many people are concerned about the great increase in bankruptcies, and if there are abuses there, we accelerate the rate of abuse?

Mr. GORE. We certainly invite large abuse. I am sure that it would invite a greater volume of abuse.

Mr. CURTIS. The bankruptcy law, then—perhaps I am oversimplifying it, but I believe it is true—was enacted so that individuals who went into business and were faced with insurmountable debts might have an opportunity to start again.

Mr. GORE. At the present time, in some instances, the bankruptcy law is not being used to rescue people from enterprises which ran into a stone wall and have collected a sizable debt. The bankruptcy law, at the present time, is being used by individuals who have overextended their credit, on their installment payment contracts, I should say, and today we are making it possible for perhaps some of them to take bankruptcy for a particular reason—that is, a large unpaid tax liability. They might still have their great earning potential, and that earning potential might become real.

Mr. CURTIS. Very likely.

Mr. GORE. And yet that individual could, under the pending bill, if it becomes law, completely escape all of his tax liability, to the extent more than 3 years old, however large, and over however long a period of time it had been incurred.

Mr. CURTIS. And it is not necessary to do that in order to reach the objective which the Judiciary Committee is seeking to reach.

I believe the Finance Committee amendment will not do violence to what the Judiciary Committee is contending for, but at the same time will provide some protection to prevent persons from escaping their tax liability.

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

Mr. GORE. I shall yield in just a moment.

The Senate Finance Committee believes that the provision which the Finance Committee is proposing will be just as effective as the present bill in permitting what the Judiciary Committee has referred to as "an honest but financially unfortunate debtor" to make "a fresh start unburdened by what may be an overwhelming liability for accumulated taxes."

The Finance Committee believes its amendment would be fair, and sufficiently generous, but would not go so far as to permit a bankrupt to avoid tax liability.

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

Mr. GORE. I yield.

Mr. ERVIN. The Senator from Nebraska asked the Senator from Tennessee a question as to whether the amendment has the same objective as the bill over which the Judiciary Committee has jurisdiction.

Is it not true that there is a great difference between the two proposals, in that the Judiciary Committee would give a bankrupt his discharge when his assets were insufficient to pay those taxes which had accrued more than 3 years before bankruptcy, unless there had been a tax lien filed?

Mr. CURTIS. Mr. President, may I answer that question?

Mr. GORE. I yield to the Senator from Nebraska.

Mr. CURTIS. As soon as the tax lien is filed very often the individual is handicapped so he cannot carry on his business. Consequently, before a lien is filed the directors of the Internal Revenue Service often work out a credit arrangement so the man can carry on his business and at that same time work off the tax load.

If the two bills are passed, the taxing authorities or the Government may be forced to immediately file Federal tax liens that will handicap people in carrying on their businesses. Sometimes tax claims are litigated——

Mr. ERVIN. And if they are litigated, they are a matter of public record.

Mr. CURTIS. The Government will file liens and the businesses will be bankrupt. They will be handicapped in making contracts and in carrying on their businesses.

Mr. ERVIN. Mr. President, my question to the Senator from Tennessee is: Would not the pending bill grant a discharge as to all tax claims which were due more than 3 years before bankruptcy, except those which have been reduced to liens?

Mr. GORE. Let me respond to the able senior Senator from North Carolina by saying that the Finance Committee amendment will not encourage taxpayers to undergo bankruptcy in order to wipe out their back taxes. This is a probable result of the bill reported by the Judiciary Committee. In this connection, it will also avoid the very real danger, created by the present bill, of damaging general taxpayer morale. Consider the case where a high bracket taxpayer, in the public eye, as has been referred to by the Senator from Louisiana [Mr. LONG], under the judiciary amendment he can in effect thumb his nose at his tax liabilities which are more than 3 years old.

Also, it will avoid the confusion involved in importing into the Internal Revenue Code the concept of "legally due and owing," which advocates of the bill concede has no clear tax meaning in present law.

Accordingly, the Finance Committee recommends adoption of its amendments.

Mr. ERVIN. Does not the Senator from Tennessee know that Federal income taxes are due on the 15th of April each year? We are reminded over the radio for 3 months before that date that taxes are due and owing on the 15th of April each year. And when taxes are due on April 15, they are due and owing on April 15, unless the Internal Revenue Service grants an extension.

Millions of Americans know that taxes are legally due and owing on the 15th of April. The definition of "legally due and owing" is certainly clear to most taxpayers, and it should be clear to the In-

ternal Revenue Service and the Finance Committee.

Mr. GORE. The distinguished and able Senator from North Carolina is an able lawyer, jurist, and legislator, so able that he knows we cannot with prudence enact laws on the basis of radio appeals. We are dealing with the technical question of defining the meaning of certain words in law. The phrase "legally due and owing" is for tax purposes, uncertain, vague, and open to many interpretations.

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

Mr. GORE. I yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, it is true that on the 15th day of April, most taxpayers owe something, as part of the current payment program. But the taxes may not be assessed until a finding that takes a long time after that; and that is the only time that they are due and owing in the sense that the Government can proceed to collect them.

Mr. GORE. Certainly. There is also the problem of when do withholding taxes become due and owing? Are they due and owing when they must be paid during the year or in the following year when the return is filed? What about taxpayments—one makes declarations of estimated tax? Are they due and owing when declared or when the tax return is filed the next year? In addition, when are taxes due and owing when the amount is only determined in subsequent years by a court determination?

Just what does this term mean? I submit that the Committee on the Judiciary, composed of great and able lawyers though it is, in analyzing tax law has made a mistake.

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

Mr. GORE. I yield.

Mr. ERVIN. Does the Senator from Tennessee say that no one can refer to the 1,000-page volume we passed in 1954—namely, the Revised Internal Revenue Code—and determine when taxes are due and owing?

Mr. GORE. Mr. President, I answer the Senator by saying they cannot find out what that phrase means there because the Internal Revenue Code uses the term "assessment" rather than "due and owing."

Mr. President, I send to the desk——

Mr. ERVIN. Mr. President, will the Senator yield one moment further? Then I shall not bother him any more.

Mr. GORE. I yield.

Mr. ERVIN. The Internal Revenue Code says, in effect, that taxes are due and payable on the 15th day of April following the preceding year. If you do not pay them then, you are subject to penalties as of that date.

Mr. GORE. That is not the language used in the Internal Revenue Code. The Internal Revenue Code uses the term "assessment" and that term has a well defined meaning in the tax law.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. The thing that confuses me on that phrase is, are we talking about taxes the taxpayer admits he owes, or taxes the Government thinks he owes, when we talk about taxes due and owing?

Mr. GORE. That is not clear. I submit, Mr. President, that this bill should be amended. I repeat that the Finance Committee recognizes that a problem exists. It is sympathetic with the problem. It wishes to go, with generosity and fairness, a long way toward an amelioration of that problem. But it is unwilling to support a provision which permits a bankrupt to completely avoid all of his tax liabilities, more than 3 years old, or to write into law an invitation to become a bankrupt for tax avoidance purposes.

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

Mr. GORE. Let me submit an amendment first.

Mr. President, I send to the desk a modified amendment and ask that it as modified be reported.

The PRESIDING OFFICER. Does the Senator from Tennessee wish the amendment to be read in full?

Mr. GORE. I ask that the amendment be reported and considered as read.

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

The LEGISLATIVE CLERK. The Senator from Tennessee proposes an amendment identified as No. 493.

The amendment proposed by Mr. GORE is as follows:

AMENDMENT NO. 493, AS MODIFIED

On page 2, beginning with line 6, strike out all through line 10, on page 3 (section 2 of the bill) and insert the following:

"SEC. 2. (a) Section 17 of such Act, as amended (11 U.S.C. 35), is amended—

"(1) by striking out clause (1) of subdivision a and inserting in lieu thereof the following:

"'(1) are due as a tax (including, whether provable or allowable, any interest, additional amount, addition to tax, or assessable penalty), penalty, or forfeiture to the United States or any State or subdivision thereof;' and

"(2) by adding at the end thereof the following new subdivision:

"'b. (1) Except as provided in paragraph (2) of this subdivision, in the case of a bankrupt who is an individual, any debt for a tax (including any interest, additional amount, addition to tax, or assessable penalty), or for any other penalty or any forfeiture arising under the tax laws of the United States or any State or subdivision thereof, which is allowable in a proceeding under this Act which is unpaid upon the termination of such proceeding shall be collectible (A) in the case of a tax imposed by the United States, only in the amounts and in the manner prescribed in the Internal Revenue Code of 1954, and (B) in the case of a tax imposed by a State or a subdivision thereof, only in the manner prescribed by the applicable State law and only in an amount each year during the lifetime of the bankrupt not in excess of an amount equal to 5 percent of the difference between the taxable income of such individual (as determined for purposes of section 6873(b) of the Internal Revenue Code of 1954) and the tax imposed by chapters 1 and 2 of such Code for the preceding taxable year (as so determined), or not in excess of such larger amount as the court may order under this Act, and only in an amount after the death of the bankrupt not in excess of 5 percent of the difference between the taxable estate of the bankrupt (as determined under the Internal Revenue Code of 1954) and the tax imposed by chapter 11 of such Code on the estate of the bankrupt. If taxes imposed by two or more States or their subdivisions are collectible under the preceding sentence, the taxes imposed by each State and its subdivisions shall be collectible pro rata with the taxes of each other State and its subdivisions. This subdivision shall not be a bar to any remedies available under applicable law to the United States, or to any State or any subdivision thereof, against the exemption of the bankrupt allowed by law and set apart to him under this Act, against any property abandoned by the trustee, or against any property owned by the bankrupt on the date of bankruptcy which is not administered in bankruptcy for any reason.

"'(2) This subdivision b shall not be applicable to any tax (including any interest, additional amount, addition to tax, or assessable penalty), or to any other penalty or any forfeiture arising under the tax laws of the United States or any State or subdivision thereof, (A) with respect to which the bankrupt made a false or fraudulent return with the intent to evade, (B) which the bankrupt willfully attempted in any manner to defeat or evade, (C) which was assessed in any case in which the bankrupt failed to file a return required by law, (D) which was assessed in any case to which section 6501(e) of the Internal Revenue Code of 1954 (relating to material omissions from returns), or similar provisions of the law of any State or subdivision thereof, was applicable, or (E) which the bankrupt was required to collect and withhold from others.'"

(b) Section 6873 of the Internal Revenue Code of 1954 (relating to unpaid claims in bankruptcy and receiverships) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) INDIVIDUAL BANKRUPTS.—

"(1) LIMITATION.—If an individual is adjudicated a bankrupt in any liquidating proceeding under the Bankruptcy Act, any portion of a claim for taxes allowable in such proceeding which is unpaid after the termination of such proceeding shall be paid by the taxpayer without notice and demand in annual amounts as provided in this subsection.

"(2) AMOUNT OF ANNUAL PAYMENTS.—The amount of each annual payment which the taxpayer is required to pay under this subsection shall not exceed—

"(A) an amount equal to 10 percent of the difference between the taxpayer's taxable income (as determined under chapter 1) for the preceding taxable year and the taxes imposed on the taxpayer under chapters 1 and 2 for such preceding taxable year, or

"(B) if larger, the amount specified by an order of the court which adjudicated the proceeding under the Bankruptcy Act.

For purposes of subparagraph (A), the taxpayer's taxable income from the preceding taxable year, and the tax imposed by chapter 1 of such year, shall be determined without regard to any loss or credit which may be carried back to such year.

"(3) TREATMENT AS NEW TAX.—For purposes of this subtitle, the amount of each annual payment required to be paid under this subsection shall, under regulations prescribed by the Secretary or his delegate—

"(A) be treated as a tax imposed by chapter 1 with respect to the taxable income of the taxpayer for the preceding taxable year, and

"(B) be paid in such manner as the Secretary or his delegate shall prescribe by regulations.

"(4) RELEASE OF LIABILITY FOR PREBANKRUPTCY TAXES.—For purposes of this title (other than this subsection and section

2210), an individual who is adjudicated a bankrupt in any liquidating proceeding under the Bankruptcy Act shall be released from liability for payment of all taxes (including interest, additional amounts, additions to tax, and assessable penalties) imposed by this title which are allowable in such proceedings and which are unpaid after the termination of such proceeding.

"(5) EXCEPTIONS.—This subsection shall not apply—

"(A) to any amount collected from the exemption of the taxpayer allowed by law and set apart to him under the Bankruptcy Act, from any of the taxpayer's property abandoned by his trustee in bankruptcy, or from any of the taxpayer's property which was owned by him on the date of bankruptcy and which was not administered in bankruptcy for any reason;

"(B) to any tax with respect to which the taxpayer made a false or fraudulent return with the intent to evade;

"(C) to any tax which the taxpayer willfully attempted in any manner to defeat or evade;

"(D) to any tax assessed in any case in which the taxpayer failed to file a return required by law;

"(E) to any tax assessed in any case to which section 6501(e) was applicable; and

"(F) to any tax which the taxpayer was required to collect and withhold from others."

(c)(1) Subchapter C of chapter 11 of the Internal Revenue Code of 1954 (relating to estate tax) is amended by inserting at the end thereof the following new section:

"SEC. 2210. LIABILITY OF ESTATE FOR UNPAID BANKRUPTCY CLAIMS.

If the decedent was adjudicated a bankrupt in any liquidating proceeding under the Bankruptcy Act and any portion of a claim described in section 6873(b)(1) is unpaid at the date of his death, the executor of the decedent's estate shall pay to the United States an amount equal to 10 percent of the difference between the value of the taxable estate of the decedent and the amount of any tax imposed by this chapter, or to the amount of the unpaid claim, whichever is lesser, in satisfaction of such claim. For purposes of subtitle F, such amount shall be treated as an additional tax imposed by this title."

(2) The table of sections for subchapter C of chapter 11 of the Internal Revenue Code of 1954 is amended by adding at the end thereof.

"Sec. 2210. Liability of estate for unpaid bankruptcy claims."

On page 3, line 13, beginning with "taxes" strike out all through "bankruptcy" in line 16 and insert the following: "taxes (including any interest, additional amount, addition to tax, or assessable penalty allowable under subdivision j of section 57 of this Act) due to the United States or to any State or subdivision thereof which are assessed on or after the date of bankruptcy, or which were assessed within three years prior to the date of bankruptcy and with respect to which no notice of a lien has been filed prior to such date;".

Mr. GORE. I yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, under present law, unpaid State and Federal tax claims are not dischargeable in bankruptcy. The Finance Committee is in complete agreement with the Judiciary Committee that this rule should be revised to permit rehabilitation of the bankrupt. But the bill before us—H.R. 3438 and the Senate version, S. 976, which are substantially in agreement—would discharge in bankruptcy all unpaid taxes more than 3 years old, would constitute far too broad a revision.

In attempting to achieve the praiseworthy aim of rehabilitating delinquent taxpayers who have gone bankrupt, the bill would have two extremely undesirable results.

First. It would create a broad avenue by which delinquent taxpayers could avoid paying their proper shares of State and Federal tax revenue.

Second. By providing an obvious escape hatch for tax dodgers, it would undermine the morale of the millions of taxpayers who are paying their fair share of the Nation's large revenue needs.

Let me illustrate. Suppose a speculator enjoys great success for several years, but then falls upon hard times. His troubles are compounded because he has not paid the full amount of State tax and Federal tax on his profits in his good years. His tax liabilities are large—too large for him to handle with his few assets not yet dissipated in speculation. The bill before us would enable such a taxpayer to avoid his legitimate tax liabilities by resorting to bankruptcy. Bankruptcy would wipe those liabilities out completely—even if, after bankruptcy, the taxpayer once again realized very large profits. The unfairness and undesirability of such a result is obvious.

I wish at this point to read a portion of a letter printed in the hearings that were conducted on August 5, 1965. The letter was written by the chairman of the Special Committee on Federal Liens of the American Bar Association, Mr. Laurens Williams, of Omaha and Washington. It reads as follows:

DEAR SENATOR CURTIS: I know of your long-standing interest in Federal tax liens and their impact on the business community. Similarly, you know of my long-continued efforts to help try to bring about amendments which would modernize the portions of the Internal Revenue Code dealing with Federal tax liens (and related procedural provisions). Therefore, I should express to you my deep concern about portions of the above bills.

Several facets of the bills disturb me. In the first place, it seems to me that they well may have a highly undesirable impact on present tax procedures, which might be quite adverse to many taxpayers. For example, situations frequently arise in which the filing of notice of a Federal tax lien would seriously impair a tax-debtor's ability to conduct his business operations. Under current law, district directors of Internal Revenue typically agree to a reasonable program of installment payments of a tax debt, without filing notice of the Federal tax lien. How this jeopardizes other creditors is difficult to see: they have full opportunity, before extending credit, to obtain financial statements showing the tax liability (and if the tax-debtor gives a false financial statement, his discharge in bankruptcy would be denied). In contradistinction, if these bills are enacted in their present form, it seems to me that district directors of Internal Revenue would have little choice but to file notice of a tax lien in such situations.

In the second place, the bills do not seem to me to have been correlated with tax procedures. For example, examine section 2 of S. 976. This amendment would except from discharge in bankruptcy "taxes which became legally due and owing * * * within three years preceding bankruptcy." I take it that in the usual income, estate, or gift tax matter, the date on which a tax becomes "legally due and owing" is the due date of the return. Any tax disclosed by the return is, of course, immediately assessed. However, a deficiency in reported tax liability typically is not assessed until several years later, often more than 3 years later. Thus, under the bill, a deficiency in tax which, because the taxpayer has been pursuing his administrative or judicial remedies, is not assessed until more than 3 years after the original due date of the tax, would be discharged in a bankruptcy proceeding commenced the following day—before the district director had any opportunity to file notice of the Federal tax lien. Indeed, as I read it, this section would mean that if a deficiency on a tax return due more than 3 years before bankruptcy will be discharged if it is assessed the day before bankruptcy, whereas, if it is not assessed until the day after bankruptcy, it will not be discharged.

Moreover, I respectfully suggest that it is not appropriate to have the "3 years preceding bankruptcy" (or whatever time period is thought appropriate) run from the date the tax "became legally due and owing."

As has been pointed out here, that term is not in the tax code.

I continue to read:

Rather, I suggest, it should run from date of assessment. Indeed, as to deficiencies assessed more than 3 years after original due date, the committee might well find it possible to provide a shorter period than 3 years if it were thought wise to do so as a matter of tax policy.

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

Mr. CURTIS. I yield.

Mr. GORE. Mr. President, the Senator has brought up, by way of a letter, a very interesting and very important point, and that is what is due and owing in the case of an inaccurate or understated return, whatever the motivation of the inaccuracy or understatement. It is a very interesting point and offers another possibility of tax avoidance.

Mr. CURTIS. I thank the distinguished Senator.

The Committee on Finance has, on the other hand, recommended an amendment to the bill which will solve the problem of rehabilitation of bankrupts without creating a loophole for the tax dodger and without undermining taxpayer morale.

In general, the amendment would limit the amount of unpaid State and Federal tax collectible in the years after bankruptcy to a specific portion of the bankrupt's future, after-tax earnings.

The amendment would not deny or destroy the purpose of the bankruptcy law. The bankruptcy law is intended to give individuals a fresh start. A taxpayer, be he speculator or renowned athlete, would be discharged from his tax liability without the Senate amendment, even though his future earning potential is great. That is a wrong practice to follow. It cannot be defended anywhere. With the amendment of the Senate Committee on Finance, the tax liability would be preserved, but limited to 10 percent of his future income after taxes.

An individual could not have any income if his expenses exceeded his gross income. He could not have any liability if he did not make enough to pay taxes. However, if in the future the

man has income after taxes, the amendment would limit the amount of State and Federal taxes collectible in the years after bankruptcy to a specific portion of the bankrupt's future after-taxes earnings.

Federal tax collections of unpaid liabilities in any postbankruptcy year would be limited to 10 percent of the bankrupt's Federal taxable income less the applicable Federal taxes.

Suppose a prizefighter were to take bankruptcy. If the bill of the Committee on the Judiciary were passed, he would have discharged his tax liability, even though in the following years he has a substantial income. However, under the amendment of the Committee on Finance, 10 percent of his taxable income after taxes can be applied on the debt which he owes to the U.S. Treasury.

We should keep in mind the people who never go into bankruptcy. I do not want in any way to downgrade people who do go into bankruptcy. Many of those people are honorable individuals and there may be no other way out. However, we have an obligation to those conscientious taxpayers and payers of debts who struggle their entire life to pay some debts that they could avoid. We should not make their row harder.

Collections of unpaid State tax liability, normally smaller in size, would be subject to a 5-percent limit.

If someone goes through bankruptcy, should his tax liability be forever forgiven, or should we provide that his tax liability is present but that we can only touch 10 percent of his income after taxes for Federal taxes and 5 percent for State taxes?

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. LONG of Louisiana. Mr. President, when Hurricane Betsy hit the State of Louisiana, many thousands of homes were devastated in New Orleans alone as a result of the flood and the 140-mile-an-hour wind.

We helped many of those people go back into business with Government loans.

The point has been made many times that if these people had not been honorable people, a majority of them would have been better off financially to go into bankruptcy and start all over again. However, honest people do not want to go into bankruptcy unless it is absolutely necessary.

I do not wish to reflect on any person who has found it necessary to go into bankruptcy. However, I have known of occasions when a man who drives a Cadillac automobile would go into bankruptcy. One would never know that man was bankrupt if he were to visit him or see him on the street. That man wears the finest clothes, eats the finest food, and does the most lavish entertaining while the bankruptcy is being conducted. In all probability that fellow need not have gone into bankruptcy, but he found it to his financial advantage to do so. This is what is being encouraged.

Mr. CURTIS. Mr. President, the amendment of the Finance Committee is reasonable. I think it is reasonable to provide that if someone has gone into bankruptcy and has earnings after taxes at a subsequent period, 10 percent of of those earnings should be reached for the payment of his Federal tax liability.

I think we owe that to the citizens who struggle hard to pay their debts and their taxes, and who deny themselves not only luxuries, but also many things classified by others as necessities.

The amendment recommended by the Committee on Finance would allow those who suffer financial reverses to secure credit and to begin anew. A provision that an individual's after-tax income up to 10 percent is liable for old taxes assessed before his bankruptcy would not prevent that individual obtaining credit and starting anew, because the only thing that the Federal Government could touch would be 10 percent of his income after taxes. The Government could not touch the assets of the creditors, the credit that had been extended to him to make his business go, because that would come out before there was any income.

Mr. LONG of Louisiana. Will the Senator yield?

Mr. CURTIS. I yield.

Mr. LONG of Louisiana. As a practical matter, would not the amount that the Government would have a right to look to only be approximately the amount of the tax cut that was provided in the 1964 act, so far as the average man is concerned?

Mr. CURTIS. It might be.

The amendment recommended by the Committee on Finance would allow those who suffer financial reverses to secure credit to begin anew; but, at the same time, it would insure that those whose fresh start leads to success do not escape their past tax liabilities. It would provide for the collection of those liabilities in a simple, workable manner—but only from future earnings. By making it clear that individuals cannot beat the game, and must satisfy their tax obligations when they can, the amendment would, further, eliminate a potential source of serious disrespect for the tax system.

For all these reasons, I strongly urge that the amendment of the Committee on Finance be adopted.

If individuals, perhaps not from desire, but because of lax habits, buy more things than they can afford and sign more installment contracts than they can pay for and go into bankruptcy to avoid them all, how can the public good be advanced by offering to individuals a chance to go into bankruptcy when they are faced with a heavy tax load? Certainly, if they are truly bankrupt, that tax liability should not deny them a new start. Under the amendment of the Committee on Finance, it would not. But the amendment provides that if they again get on the road to earning money, the Federal Government can touch but 10 percent after taxes.

The amendment is reasonable, it is in the public interest, and it should be adopted. To do otherwise would not be in the public interest. It would not be fair to the other taxpayers, and it would not be fair to those people who struggle through life, eligible to go into bankruptcy but never do, but by self-denial pay their debts, while others play and enjoy things.

Mr. ERVIN. Mr. President, regardless of the outcome of the bill, the large taxpayers who go into bankruptcy will be excused from the payment of their taxes. I make this statement notwithstanding the fact that Joe Louis may have owed a large amount of taxes. Oftentimes, a movie star or athlete, for tax purposes, may incorporate himself. Many wealthy taxpayers are involved in giant corporations, and are sometimes the sole stockholder of a particular corporation. A bankruptcy proceeding leaves these individuals relatively unscathed.

Corporations owe a large amount of taxes, and when it is compelled to go into bankruptcy, the corporation dissolves and goes out of business when the bankruptcy proceedings have been completed. The Internal Revenue Service can never collect taxes from the corporation thereafter. The bill would remove the present discrimination against an individual who is not so sophisticated or so wealthy as to be able to invest his fortune in a giant corporation or to, in effect, incorporate himself.

Senators have suggested that there is something arduous in filing a tax lien. Although they do not object to the private businessman having to file a lien, they have a remarkable compassion for the Treasury Department with its unlimited number of attorneys and accountants.

There is little cost to the Government in filing a tax lien. All the Government need do is to issue a certificate as to the amount of the tax it claims is due from an individual and record it in the appropriate office.

When the Internal Revenue Service does not file a tax lien in 3 years or 4 years or 5 years or 10 years, what is it doing? It is allowing a man to do business with others, who are not aware of any outstanding taxes owed by that person and who may consequently extend credit to him.

The Internal Revenue Service can protect itself from current debts, because under the bill it need only file a tax lien. How long the taxes have been owed does not make any difference. The tax debt then remains in existence forever, and is not affected by a discharge in bankruptcy.

If the proposed amendment is adopted, an individual who deals with the prospective bankrupt will be faced with a situation in which the Government will take all the estate for taxes, which may have been owing for 15 years, and nothing will be left for the creditors who have dealt with the man. This situation results not only because of the failure of the Internal Revenue Service to perform its duty and collect taxes, but also because of its refusal and failure to file a tax lien and give notice to the world of the tax claim.

Senators have spoken on the amendment proposed by the Committee on Finance. It is rather unprecedented for a

committee that has no jurisdiction over legislation of this type to attempt, as a committee to amend a bill which comes from a committee that does have jurisdiction of the legislation. I recognize that Senators who are members of the Committee on Finance have the privilege, as individual Senators, of offering amendments to any bill. But the Committee on Finance has no jurisdiction over this amendment, under the rules of the Senate.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. LONG of Louisiana. Would the Senator from North Carolina agree that his proposal would reduce the revenue that is collected by the Federal Government?

Mr. ERVIN. No more than the Committee on Appropriations reduces the revenue of the Federal Government when it recommends an appropriation bill, and no more than Congress does when it passes an appropriation bill. Nothing in any of those bills provides for the raising of revenue. These bills are not revenue bills. They are bankruptcy bills.

Mr. LONG of Louisiana. This bill reduces revenue. Actions by the Appropriations Committee increases expenditures. Because of the tax problem that the bills present, the Finance Committee is interested in this subject.

My judgment is that the Committee on the Judiciary has jurisdiction with respect to this bill but the Committee on Finance definitely has an interest in the matter because it is our responsibility to make certain the Nation's tax system and tax collection system—over which we do have jurisdiction—are administered properly.

I am not talking about appropriations of money but rather about the collection of taxes owed the Government, this is why this subject is also in the jurisdiction of the Finance Committee.

Mr. ERVIN. Under the theory of the Senator, the Finance Committee would have had supervision over the civil rights bill because its enforcement would reduce the revenue of the Government.

Mr. LONG of Louisiana. The Appropriations Committee has complete power over appropriations of funds. If the Senator had a measure here from the Judiciary Committee that would appropriate money, I would assume that the Appropriations Committee would want to have a look at it.

Mr. ERVIN. The rules of the Senate say that the Committee on the Judiciary shall have jurisdiction over all proposed legislation on the subject of bankruptcy.

Mr. LONG of Louisiana. Would the Senator take a look at the Committee on Finance and see what we have jurisdiction over?

Mr. ERVIN. The Committee on Finance has jurisdiction over revenue measures; that is, bills to raise taxes. This does not undertake to raise revenue. It has jurisdiction over the bonded debt of the United States. This has nothing to do with the bonded debt of the United States.

The Committee on Finance has jurisdiction over the deposit of public moneys. This has nothing to do with the deposit of public moneys. It has jurisdiction over customs, collection districts, and ports of entry and delivery. This has nothing to do with customs, collection districts, and ports of entry and delivery.

It has jurisdiction over reciprocal trade agreements. This has nothing to do with reciprocal trade agreements. It has jurisdiction over transportation of dutiable goods. This has nothing to do with the transportation of dutiable goods. It has jurisdiction over revenue measures relating to insular possessions. This has nothing to do with revenue measures relating to the insular possessions.

It has jurisdiction over tariffs and import quotas, and matters related thereto. This has nothing to do with that. It has jurisdiction over national social security. This has nothing to do with national social security. It has jurisdiction over veterans' measures generally and pensions of all the wars of the United States, general and special. It has jurisdiction over life insurance issued by the Government on account of service in the armed forces and compensation of veterans.

All of that is in the jurisdiction of the Finance Committee. I do not understand, with that much jurisdiction, why the Committee wants to increase its jurisdiction.

Mr. LONG of Louisiana. Mr. President, will the Senator yield on that point?

Mr. ERVIN. I yield.

Mr. LONG of Louisiana. May I suggest that the Senator need not have gone beyond the first item: revenue measures generally. This is revenue generally. The committee has jurisdiction over revenue generally. We are interested in matters that reduce as well as increase the revenue of the Federal Government. This would reduce tax collections. That gives us jurisdiction.

May I say that the Committee on Finance willingly shared jurisdiction with other committees on one item and then another, including the matter before the Judiciary Committee. But we think where we have a responsibility we should discharge it.

Mr. ERVIN. In the English language, as I understand it, and as defined in the law books and the dictionaries, revenue measures are measures to raise revenue.

Mr. LONG of Louisiana. Or reduce revenue.

Mr. ERVIN. Oh, no. My good friend, the Senator from Louisiana [Mr. LONG] demands more jurisdiction. He not only wants to take jurisdiction away from the Judiciary Committee but all other committees.

When we appoint a Federal judge his salary reduces the revenue available to the country by taking it from the Treasury.

Mr. LONG of Louisiana. Is the Senator under the impression that a bill to reduce taxes would not be within the jurisdiction of the Committee on Finance?

Mr. ERVIN. Yes; but that is a revenue bill—not to say that taxes are likely to be reduced.

Mr. LONG of Louisiana. That would be an appropriations bill.

As the Senator knows, we have had this historic argument between the Senate and the House of Representatives. The Senate has always contended that an appropriation bill is not a revenue measure. The House of Representatives contends that it is. Unfortunately, we cannot get before a court to prove that we are right.

I wish to ask the Senator if he would not agree with me that a bill to reduce revenue that the Government collects is a revenue bill?

Mr. ERVIN. On the theory of the Senator from Louisiana, a bill to appropriate revenue reduces the amount of revenue in the Treasury and therefore, the Committee on Finance has jurisdiction over everything.

Mr. LONG of Louisiana. I wish to respond to that by saying that we do not contend that our committee has jurisdiction over appropriations bills. We insist that we do not have jurisdiction over appropriations bills. In that respect we differ from the House of Representatives, which claims that an appropriation bill is a revenue bill. Our committee does not think so. I know that I do not.

Mr. ERVIN. I understand then that the Senator from Louisiana only claims that he has jurisdiction over bankruptcy bills.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. LONG of Louisiana. We do not claim any jurisdiction over a bankruptcy bill as such. We are concerned with bankruptcy bills only insofar as they affect Federal revenues, including the tax collection system over which we do have jurisdiction.

Mr. ERVIN. The Senator is claiming jurisdiction over discharges in bankruptcy.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement which I have prepared concerning the pending bill.

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

STATEMENT BY SENATOR ERVIN

REFORM OF BANKRUPTCY LAW

The reform of our bankruptcy law which we consider today is in the nature of two bills, H.R. 3438 and H.R. 136, both of which have been endorsed by the American Bar Association, the National Bankruptcy Conference, the American Credit Association, and numerous wage earners, businessmen and banks.

The purpose and effect of the first of these proposals, H.R. 3438 is basic legal and logical fairness. It would help cure the arbitrary discrimination against the individual which exists in the present law. While a corporation ceases to exist upon bankruptcy, and tax claims against it are uncollectable, the tax claims of the Federal government follow the rest of us to the grave—and beyond.

Further, the undisclosed and undiscoverable Federal tax claims, because of their size and priority, rob the most cautious businessmen of any share of the bankrupt's estate.

Consequently, the heavy arm of the Federal treasury leans against both the individual and his creditor, while at the same time it thwarts the policy of our bankruptcy laws—that is, the rehabilitation of the bank-

rupt and the fair and orderly distribution of his assets.

These are the inequities that Senator HRUSKA, Congressman WHITENER, and I have sought so long to remedy. We would do this by requiring that individuals who go into bankruptcy be discharged from tax claims accruing more than 3 years before bankruptcy unless reduced to liens. I shall explain the details of the proposed legislation in more detail shortly.

Although I vowed this day would come, I must admit to considerable difficulty in believing it is here. You might conclude from the long delay that these bills are either of grave international consequence or are a matter of severe partisan politics.

In looking back, it seems I have spent so much of my time in the Senate trying to bring H.R. 3438, or its companion, S. 976, to a vote, that after it is disposed of—either by enactment or defeat—I will have lost a friend. There is no doubt I will have lost a constant companion.

The substance of H.R. 3438 has now been passed by the House for the fifth straight Congress; it has been favorably and unanimously reported by the Senate Judiciary Committee for three straight Congresses. Yet, until now, it has withered each fall on the vine of the Senate Finance Committee. It was to that Committee that the bill was referred during the course of each Congress as a matter of courtesy. However, the courteous nature of those of us who support reform became somewhat strained this year, and the Finance Committee was ordered to report back at a time certain.

In doing this, I am frank to state that the Senate ignored the wishes of the Treasury Department. The officials at Treasury appeared shocked to find that pigeon-holing judiciary bills in the recesses of another committee was not regular Senate procedure. An assistant secretary wrote me that "certain aspects of this bill need additional study."

Now I am a gentle man, and I replied gently. I said, "If protracted consideration can improve proposed legislation, then this bill must, by now, have reached that admirable state of near-perfection. In an era characterized by hastily-conceived legislation, I believe Congress has shown remarkable caution and restrain by devoting 10 years to the study of a technical defect in the Bankruptcy Act."

Subsequently, the Finance Committee did report back. Both bills were then re-referred to the Judiciary Committee and were unanimously reported in their original form.

I believe this preceding brief history of our efforts is important in view of the recommendations made by a majority of the Finance Committee over vigorous dissent. That Committee would have us suck the breath from the bills we referred and then add an amendment inimical to the spirit of the Bankruptcy Act—an amendment that has never been the subject of a single day of Congressional hearings.

It is indeed remarkable that a Committee which first concurs in an executive department's request for "additional study" for a 10-year old proposal and then swallows whole the notions and suggestions of that department on the policy of those bills, would subsequently tack an amendment pending before the Judiciary Committee which had received no study from any source.

So much for awesome context of the debate today. Now, I turn to what the bills would accomplish.

H.R. 3438

Under existing law, Federal taxes have a priority on the funds of the estate which is unlimited as to the time prior to bankruptcy in which they accrued, and, of course, these taxes do not have to be reduced to a lien and filed for the benefit of potential creditors. As a result of this, persons having financial dealings with a bankrupt prior to bankruptcy have no ready means of ascertaining the extent of unpaid Federal taxes not reduced to liens. Consequently, the present law is unjust to them because they cannot ascertain whether or not the person who subsequently becomes bankrupt is able to meet their claims by reason of unpaid Federal taxes not reduced to liens. This is true even though they take all available precautions, utilizing the best attorneys, to safeguard themselves against loss by examination of the debtor's title to see if his property is free from all discernible liens.

In order to rectify this plight of the general creditor who has to search the public records to find the claims that will be ahead of his, the bill simply limits the priority of Federal taxes to those becoming due within three years before bankruptcy. Taxes which fall within the three years still will not have to be reduced to a tax lien—only those which are older than three years and have not been placed on public notice will be affected. It does not seem to be unfair to the Federal government to give it three years to file a tax lien.

Also, under existing law, the Federal taxes are not dischargeable in bankruptcy regardless of the length of the period over which they accrued. In other words, while other debts are considered satisfied for the debtor after bankruptcy, Federal taxes continue to haunt him and suppress his rehabilitation. This law discriminates against the individual debtor and in favor of the corporation because corporate taxes can accrue and when the corporation goes bankrupt, the corporation is dead, and, practically speaking, no taxes can be collected from the corporation. The tax liability of the individual continues even after bankruptcy.

In order to aid the effective rehabilitation of the bankrupt, this bill provides that a discharge in bankruptcy will relieve a debtor of all taxes becoming due more than three years before bankruptcy unless the government has reduced those taxes to a tax lien.

One point which I would like to make clear is that this bill does not affect taxes, if the tax has been reduced to a tax lien and made part of the public record.

H.R. 136

One of the fundamental purposes of the Bankruptcy Act is to ensure an equitable distribution of the bankrupt's assets. In order to assure a greater degree of uniformity and equality in the distribution of a bankrupt's estate, I introduced S. 1912. This bill would amend sections of the Bankruptcy Act in which there have been a variety of conflicting Judicial interpretations concerning the appropriate order of distribution. Considerable uncertainty exists in the commercial world as to the strength of secured credit and this measure is designed to deal with this problem.

In view of the widely acclaimed benefits accruing to bankruptcy administration from adoption of these clarifying amendments, the doubts raised by the Treasury Department concerning this bill appear unsubstantiated grounds for objecting to the bill's passage. The only way H.R. 136 affects Federal taxes is the fact that the bill allows the trustees in bankruptcy to prevail against an unrecorded Federal tax lien over three years old. Of course, the Federal Government can file a lien within three years and protect itself fully.

AMENDMENTS TO CHAPTER XIII PROPOSED BY FINANCE COMMITTEE

As for the proposed amendment, I shall only ask that it be consigned to normal Senate procedures. In view of the opposition to it expressed by the Judicial Conference of the United States, this is the least—and the most—we should do.

Mr. ERVIN. Mr. President, I wish to call attention to the great help that the Finance Committee is so generous as to give the bankrupt. On line 21, page 5 a section is entitled "Release of liability for prebankruptcy taxes." This pleasant headnote is wholly inconsistent with the Finance Committee version of the bill. That committee would not relieve the bankrupt of anything. Here is what their proposal says:

I am reading lines 13 to 19 on page 4:

(1) LIMITATION.—If an individual is adjudicated a bankrupt in any liquidating proceeding under the Bankruptcy Act, any portion of a claim for taxes allowable in such proceeding which is unpaid after the termination of such proceeding shall be paid by the taxpayer without notice and demand in annual amounts as provided in this subsection.

Then, they provide in lines 20, on page 4, through line 3 on page 5, that the bankrupt has to pay in annual installments at 10 percent as long as he lives.

The next section states the court can make him pay more than 10 percent a year, and as long as necessary to pay taxes in full.

Then, they pursue him beyond the grave.

I call attention to page 7 of the amendment, lines 8 to 16.

If the decedent was adjudicated a bankrupt in any liquidating proceeding under the Bankruptcy Act and any portion of a claim described in section 6873(b)(1) is unpaid at the date of his death, the executor of the decedent's estate shall pay to the United States an amount equal to 10 percent of the difference between the value of the taxable estate of the decedent and the amount of any tax imposed by this chapter, or to the amount of the unpaid claim, whichever is lesser, in satisfaction of such claim.

So, the poor individual who goes into bankruptcy will be pursued by the Internal Revenue Service throughout this life and into the after life. Even old Shylock did not demand anything but his pound of flesh.

Mr. HRUSKA. Mr. President, during the course of this——

Mr. ERVIN. Mr. President, will the Senator yield for one additional statement?

Mr. HRUSKA. I yield.

Mr. ERVIN. The Senator from Nebraska [Mr. CURTIS] has left the floor, but he read a letter from a former chairman of an American Bar Association committee. It is my understanding that his own committee did not agree and the American Bar Association has approved both the bills now before us.

Mr. HRUSKA. Mr. President, there are one or two propositions to which I should like to address myself. Statements have been made on this floor this afternoon about a bankrupt who can completely avoid all tax liability by reason of the dischargeability of tax liens.

Under the bill, as reported by the Judiciary Committee, I respectfully submit that a statement made in that unqualified fashion is inaccurate. The bill does not provide for a complete discharge of all tax liability. The fact is, there are limitations as to what could be discharged. It is true that the basic proposition is that all tax liens within 3 years

preceding bankruptcy cannot be discharged but beyond that, any tax lien which is of record cannot be discharged. The bill provides that a discharge through bankruptcy will not relieve taxes if the bankrupt has failed to make returns required by law, if he makes a false or fraudulent return, or if he willfully attempts to evade or defeat tax liability. The fact is, these items are contained in section 2 of the bill and I ask unanimous consent that the text of the bill consisting of lines 9, on page 2, through lines 25 on page 2, and lines 1 through 9 on page 3 of the bill, be printed in the RECORD at this point.

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

"(1) are taxes which became legally due and owing by the bankrupt to the United States or to any State or any subdivision thereof within three years preceding bankruptcy: *Provided, however,* That a discharge in bankruptcy shall not release a bankrupt from any taxes (a) which were not assessed in any case in which the bankrupt failed to make a return required by law, (b) which were assessed within one year preceding bankruptcy in any case in which the bankrupt failed to make a return required by law, (c) which were not reported on a return made by the bankrupt and which were not assessed prior to bankruptcy by reason of a prohibition on assessment pending the exhaustion of administrative or judicial remedies available to the bankrupt, (d) with respect to which the bankrupt made a false or fraudulent return, or willfully attempted in any manner to evade or defeat, or (e) which the bankrupt has collected or withheld from others as required by the laws of the United States or any State or political subdivision thereof, but has not paid over; but a discharge shall not be a bar to any remedies available under applicable law to the United States or to any State or any subdivision thereof, against the exemption of the bankrupt allowed by law and duly set apart to him under this Act: *And provided further,* That a discharge in bankruptcy shall not release or affect any tax lien."

Mr. HRUSKA. Mr. President, there, it is plainly stated:

That a discharge in bankruptcy will not discharge a bankrupt from any taxes, (a) which were not assessed in any case in which the bankrupt failed to make a return required by law, (b) which were assessed within one year preceding bankruptcy in any case in which the bankrupt failed to make a return required by law, (c) which were not reported on a return made by the bankrupt and which were not assessed prior to bankruptcy by reason of a prohibition on assessment pending the exhaustion of administrative or judicial remedies available to the bankrupt, (d) with respect to which the bankrupt made a false or fraudulent return, or willfully attempted in any manner to evade or defeat, or (e) which he bankrupt has collected or withheld from others as required by the laws of the United States or any State or political subdivision thereof, but has not paid over; but a discharge shall not be a bar to any remedies available under applicable law to the United States or to any State or any subdivision thereof, against the exemption of the bankrupt allowed by law and duly set apart to him under this Act: *And provided further,* That a discharge in bankruptcy shall not release or affect any tax lien.

So the Federal Government has an opportunity to protect its collectability on these taxes simply by filing a lien. The rather ingenious argument is made: Let us not force the Government to file a tax lien. Let us not do that because, in so many cases, struggling businesses have worked out a program for payment of these taxes and if the Government is forced to file a lien then, immediately, all the people doing business with this individual will foreclose further credit thus driving the business into bankruptcy.

Mr. President, let us take a look at that. Does not the argument go along the line that the Government is collecting taxes virtually under a deceptive arrangement? They make an arrangement with the taxpayer, saying, "Look, we will not file a lien as long as you continue to pay x number of dollars a month or x number of dollars every 6 months." That is fine for the Government. It is fine for the business, but how about those who will be called upon to extend credit to that struggling business or advance goods without knowing what the extent of the lien is, or even that there is a tax liability? That, of course, is the basis for the committee's receiving hundreds of letters from business firms all over the country complaining about this situation.

A creditor, it is said, can protect himself by requiring periodic financial statements from the bankrupt. They can do that, and it is done, but there are cases in which the true extent of the tax liability may not be known even to the debtor as where there are unsettled accounts or legal questions.

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

Mr. HRUSKA. I am happy to yield to the Senator from Tennessee.

Mr. GORE. The Finance Committee has an amendment with respect to the subject matter to which the Senator has just recently been addressing his remarks, but this subject matter is in the bill to be considered, H.R. 136. Of course, I realize that we will soon be dealing with the bill which has this problem but I wish to point out that that specific issue is not in the pending amendment.

Mr. HRUSKA. It may not be, but the argument has been used on the floor of the Senate that the result of the bill as proposed by the Judiciary Committee will force the Government to file all tax liens at once; and if they do that, then the creditors will be scared, making impossible the continuance of the business.

The further argument was made that the dishonest debtor who issues a false statement of his tax liability, if called upon for a financial statement, can find himself in a predicament of not having a dischargeable tax lien. That might be true but the creditor who, in the meantime, advances additional credit or sells more merchandise on credit, will not be protected. He does not want the nondischargeable lien. He wants a situation where he will have some reasonable opportunity to recover his money from the business in distress.

Ultimately, the issue is how to resolve this question, Should the Government as a creditor bear part of the economic burden of the business failure through the loss of some of its tax claims because it has allowed them to accumulate over a long period of time?

Mr. President, recently a letter signed by the Senator from North Carolina [Mr. ERVIN] and myself was addressed to each Member of this body. The letter was composed by the Senator from North Carolina [Mr. ERVIN] and states the case for the bill, in concise, clear, and logical terms.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the letter.

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

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
June 15, 1966.

To the U.S. Senate,
Washington, D.C.

DEAR SENATOR: Out of the desire to accommodate two worthwhile considerations—the effective rehabilitation of debtors and the protection of creditors through an equitable distribution of the debtor's assets—have evolved the laws of bankruptcy. Two bills which we have been interested in for many years have the unique distinction of serving both of these objectives and we earnestly seek your support in securing their passage.

These two bills, H.R. 3438 and H.R. 136, have been reported from the Judiciary and Finance Committees and are now before the Senate for consideration. One of them, H.R. 3438, has passed the House of Representatives five times and the other, H.R. 136, has also received favorable consideration from the House on three occasions. If protracted consideration can improve proposed legislation, then these bills by now should have reached an admirable state of near-perfection. Both of these bills have received the support of the American Bar Association, the American Credit Association, National Bankruptcy Conference, Judicial Conference of the United States, and numerous banks, trust companies, and accountants.

In order to discuss these two bills, it is necessary to indicate the three general types of claims, in order of preference, on a debtor's estate when he is declared a bankrupt. They are: (1) secured claims which are satisfied out of the secured property, such as mortgaged lands; (2) claims of general creditors who enjoy priority status established by the bankruptcy laws; and (3) claims of general creditors without priority of payment.

H.R. 3438

Under existing law, Federal taxes have a priority on the funds of the debtor's estate which is unlimited as to the time prior to bankruptcy in which they accrued, and these taxes do not have to be reduced to a lien and filed for the benefit of potential creditors in order to assume this priority. As a result, persons having financial dealings with a bankrupt prior to bankruptcy have had no ready means of ascertaining the extent of unpaid Federal taxes not reduced to liens. Consequently, the present law is unjust to them because they cannot ascertain whether or not the person who subsequently becomes bankrupt is able to meet their claims by reason of unpaid Federal taxes not reduced to liens. This is true even though they take all available precautions, utilizing the best attorneys, to safeguard themselves against loss by examination of the debtor's title to see if his property is free from all discernible liens.

In order to rectify this plight of the general creditor who has to search the public records to find the claims that will be ahead of his, the bill would limit the priority of Federal taxes to those becoming due within three years before bankruptcy unless they are reduced to liens. Taxes which fall within

the three years still will not have to be reduced to a tax lien—only those which are older than three years and have not been placed on public notice will be affected. It does not seem to be unfair to the Federal government to give it three years to file a tax lien.

Also, under existing law, Federal taxes are not dischargeable in bankruptcy regardless of the length of the period over which they accrued. In other words, while other debts are considered satisfied and are discharged by bankruptcy, Federal taxes continue to haunt the debtor and suppress his rehabilitation. This law discriminates against the individual debtor and in favor of a corporation because a corporation normally ceases to exist upon bankruptcy, and unsatisfied tax claims as well as the unsatisfied claims, have no recourse even though the enterprise may continue in a new corporate firm. Whereas, the tax liability of an individual continues even after bankruptcy and follows him to his grave.

In order to promote the effective rehabilitation of the bankrupt, this bill provides that a discharge in bankruptcy will relieve a debtor of all taxes which became due more than three years before bankruptcy unless the government has reduced those taxes to a tax lien.

One point which we would like to make clear is that this bill does not affect taxes, if the tax has been reduced to a tax lien and made a part of the public record. Also, the bill carefully restricts release from tax liability in the cases of bankrupts who fail to make returns required by law, make false or fraudulent returns, or willfully attempt to evade or defeat tax liability.

H.R. 136

One of the fundamental purposes of the Bankruptcy Act is to ensure an equitable distribution of the bankrupt's assets. In order to ensure a greater degree of uniformity and equality in the distribution of a bankrupt's estate, we solicit your support of H.R. 136. This bill would amend sections of the Bankruptcy Act in which there have been a variety of conflicting judicial interpretations concerning the appropriate order of distribution. Considerable uncertainty exists in the commercial world as to the strength of secured credit and this measure is designed to deal with this problem.

In view of the widely acclaimed benefits accruing to bankruptcy administration from adoption of these clarifying amendments, the doubts raised by the Treasury Department concerning this bill appear unsubstantiated grounds for objecting to the bill's passage. In the recent decision of *U.S.* v. *Speers*, 382 U.S. 266 (1965), the Supreme Court held that the trustee in bankruptcy prevails over an unrecorded tax lien. The Treasury Department's objections to this bill would undo existing law as recently announced by the Supreme Court. Thus, this measure affords the Congress an opportunity to restate the general policy against secret liens. This bill supports the policy of public notice.

In conclusion, we would like to mention the opposition expressed by the Judicial Conference of the United States to an amendment which Senator GORE has offered to H.R. 136. While H.R. 136 has been considered thoroughly, no hearings have been held on the Gore Amendment and we earnestly hope it will be defeated.

We cannot over-emphasize the necessity for favorable Senate action on these bills. The legislation is long overdue and we solicit your favorable consideration of these measures when they are voted on.

If you have any questions concerning this legislation, please do not hesitate to communicate with us.

Sincerely yours,

SAM J. ERVIN, JR.,
ROMAN L. HRUSKA.

Mr. HRUSKA. Mr. President, H.R. 3438 will limit the priority and nondischargeability of taxes in bankruptcy. Existing law affords priority of payment to taxes without limitation in advance of the payment of any portion to general creditors.

Present law prevents an honest debtor from making a fresh start unburdened by what may be an overwhelming liability for accumulated taxes. The rehabilitative purpose of the Bankruptcy Act is frustrated when long overdue taxes continue after bankruptcy. In practice this feature discriminates against the individual debtor, since corporations which enter bankruptcy go out of existence, having the practical effect of discharging all debts including taxes. This bill would not absolve all tax liability in bankruptcy but, rather, would limit the dischargeability to taxes which became legally due and owing more than 3 years preceding bankruptcy.

This 3-year limitation provides adequate opportunity for tax collectors to audit returns and assess deficiencies if they are to do so. Incidentally, this period coincides with the 3-year status of limitations for assessments in Federal income tax cases. The changes for the individual to reestablish himself as a productive and taxpaying member of society are enhanced by preventing him from working himself into an inextricable situation. The bill would not permit discharge where fraudulent means are used to bring discharge.

The revenue which would be derived by the Treasury Department from the continued operation of a business by a solvent debtor would be greater than the amount which may be salvaged by the occasional collection of undischarged tax claims following bankruptcy, and every dollar diverted from the general creditors reduces the amount of their own tax liabilities.

A second aspect of this bill deals with the equitable distribution of the assets of the bankrupt estate among creditors. Under the Bankruptcy Act priority claimants are provided including administrative expenses, wage claims, taxes, and rent claims. Wage claims and rent claims have time or amount limitations but taxes are given unlimited priority. This allows tax collectors to accumulate tax claims without the possibility of discharge in bankruptcy. A financially unsound business thus may continue for many years with accumulated taxes, leaving general creditors with nothing. This is particularly unjust since it is often difficult or impossible for a creditor to determine tax liability of a debtor. If the debtor is dishonest in stating his tax liability, the creditor has no recourse.

Experience has shown that some of the taxing authorities are dilatory in making collection of the amounts due them. Income taxes and sales taxes are often allowed to accumulate over a period of years with no attempt to enforce the taxes until bankruptcy ensues. At that moment, the taxing authorities descend upon the remains of the bankrupt estate with an accumulated claim for taxes extending back over many years. In many cases, this completely exhausts the assets in the estate and leaves nothing for general creditors. The amount of the accumulated and unpaid taxes is not ascertainable by those from whom the bankrupt makes purchases on credit.

The effect of the enactment of this bill will be to challenge the taxing authorities to greater diligence in pursuing their remedies thereby protecting the remedies of other creditors. If they shrug this duty, only taxes which became due and owing within the preceding 3 years will be entitled to preferential payment.

This does not mean that taxing authorities can only collect the amount which became due and owing within the preceding 3 years; only that taxing authorities will receive priority treatment for just 3 years' taxes, with the remaining balance being a general claim and entitled to a pro rata share with other creditors. The principle is supported by the laws of most other commercial countries of the world.

A business which is unable to meet tax obligations extending back more than 3 years is unlikely to recover financial viability. The continued failure to protect the Government's tax interest by instituting liens or distraint warrants generally results only in compounding the loss suffered by general creditors and the Government as well. The effect of forcing the financial issue may in some cases be to save the debtor before his position becomes helpless.

If the Internal Revenue is forced to simply bring the tax liability into the open, much of the unfairness of the present practice will be removed. Sufficient powers are present in the Treasury Department to subsequently compromise a taxpayers' liability if the enforcement of the lien seems too harsh. At least the creditors will be apprised and in a position to protect themselves.

There is a policy decision to be made as to whether the Government as a creditor should bear part of the economic burden of business failures through the loss of some of its tax claims. Part of this decision must weigh the fact that the tax authorities have allowed accumulation of the claim over a long period of years. This legislation will induce tax authorities to act to prevent large accumulations of tax claims to safeguard the public's interest in the collection of revenues which are timely due and enforceable.

The decision to be made in this bill is well defined. This bill provides a rational and fair solution to a situation which in some cases is almost intolerable.

I urge passage of this legislation.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 103 Leg.]

Aiken	Ellender	Mansfield
Bartlett	Ervin	McGee
Byrd, Va.	Gore	Morse
Clark	Holland	Talmadge
Dirksen	Hruska	Young, N. Dak.
Douglas	Jordan, N.C.	Young, Ohio
Eastland	Long, La.	

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

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

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, the following Senators entered the Chamber and answered to their names:

Allott	Harris	Pastore
Anderson	Hart	Pearson
Bayh	Hartke	Pell
Bennett	Hickenlooper	Proxmire
Bible	Hill	Randolph
Boggs	Jackson	Ribicoff
Burdick	Javits	Robertson
Byrd, W. Va.	Jordan, Idaho	Russell, Ga.
Cannon	Kennedy, Mass.	Saltonstall
Carlson	Long, Mo.	Scott
Case	McCarthy	Smathers
Church	McClellan	Smith
Cooper	McIntyre	Stennis
Cotton	Metcalf	Symington
Curtis	Miller	Thurmond
Dominick	Mondale	Tower
Fannin	Monroney	Tydings
Fong	Montoya	Williams, Del.
Fulbright	Moss	Yarborough
Griffin	Murphy	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Tennessee.

Mr. ERVIN. Mr. President, this is a vote which is of vital importance to the bankruptcy bill about which Senator HRUSKA and I wrote to the Members of the Senate. It is a vote on the amendment of the Senator from Tennessee [Mr. GORE] proposed by the Finance Committee. On behalf of the Committee on the Judiciary, we ask that Senators vote against the amendment, because it would destroy the value of the bill, and we ask that Senators then vote for the bill.

Mr. GORE. Mr. President, I shall take a similar length of time.

The amendment pending is an amendment proposed by the Committee on Finance. It is an amendment on which the technical staff of the Committee on Finance, the staff of the Joint Committee on Internal Revenue Taxation, and the Treasury Department have agreed.

The two issues involved are these: The pending bill, without the amendment, would, upon a taxpayer becoming bankrupt, discharge all tax liabilities more than 3 years old.

The amendment that the Committee on Finance proposes, while quite generous, would not discharge the tax liability, but would limit the recovery on it, in the event that the bankrupt subsequently became prosperous, to 10 percent of the individual's current taxable income minus his regular taxes.

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

Mr. GORE. I yield.

Mr. CURTIS. Is it not true that under existing law, in a bankruptcy proceeding, the bankrupt is not discharged from his tax liability?

Mr. GORE. That is true he is not discharged at all. But the pending bill proposes to change that.

Mr. CURTIS. If the amendment of the Committee on the Judiciary is adopted, if an individual, a speculator, or a prizefighter owes taxes, he would be discharged from that liability if they were more than 3 years old and he went bankrupt. If the amendment of the Committee on Finance is adopted, he would have all the benefits of bankruptcy—to get a fresh start—but his liability for these old taxes would be limited to 10 percent of his future income after taxes.

Mr. GORE. The Senator is correct.

Mr. President, the second point of difference is that the proposal of the Committee on the Judiciary deals with priority of claims in bankruptcy. In this regard it refers to taxes "legally due and owing" for 3 years or less. The Committee on Finance has not found the term "legally due and owing" is defined in tax law, and the amendment of our committee uses the term "assessment," which we believe is more precise, and we believe that its meaning is clearly defined.

On this basis, Mr. President, on behalf of the Committee on Finance, I urge that the amendment be adopted, and I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HRUSKA. Mr. President, this bill would not allow the discharge in bankruptcy of all tax liens that are 3 years old or less, nor would it discharge any tax lien of which there is a public record. All the Government need do is to file its tax lien, and no discharge in bankruptcy would be forthcoming in favor of any bankrupt.

Furthermore, this inequity now exists: After a corporation goes into bankruptcy and the bankruptcy proceedings have been completed, the corporation is dissolved. Therefore, all tax liens, whether of record or not, are expunged. That is not the situation in the case of an individual.

The Committee on the Judiciary has thoroughly processed this legislation. This is the second or third time that it has come before the Senate. In favor of this bill, in its present form, are the American Bar Association, American Credit Association, National Bankruptcy Conference, and Judicial Conference of the United States.

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

Mr. HRUSKA. I yield.

Mr. ERVIN. This is a bill over which the Committee on the Judiciary has jurisdiction, under the rules of the Senate.

Mr. HRUSKA. The Senator is correct.

Mr. ERVIN. The Committee on the Judiciary is unanimously in favor of this bill.

Mr. HRUSKA. The Senator is correct.

Mr. ERVIN. And against this amendment.

Mr. HRUSKA. The Senator is correct.

Mr. ERVIN. And the House has passed this bill five times.

Mr. HRUSKA. It has.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee. The yeas and nays have been ordered.

Mr. LONG of Louisiana. Mr. President, I wish to correct one or two statements.

One statement I wish to correct is that the Committee on Finance does not have jurisdiction of this measure. If this measure dealt only with the discharge of liabilities owed to the Federal Government, I suspect that the Committee on Finance would have sole responsibility for it, because that committee does have responsibility for revenue due to the Government, and this bill would discharge an obligation of taxes due to the Government. The Committee on Finance certainly has an interest in the matter, if not complete jurisdiction over it and this bill was reported unfavorably by the Committee on Finance. Also, the Treasury Department is opposed to it.

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

Mr. LONG of Louisiana. I yield.

Mr. ERVIN. The bill might come with an unfavorable report from the Treasury Department, but it comes in with a unanimously favorable report from the Committee on the Judiciary; and the rules of the Senate provide that the Committee on the Judiciary has jurisdiction of bankruptcy legislation.

Mr. LONG of Louisiana. The rules of the Senate also provide that the Committee on Finance has jurisdiction of matters relating to revenue measures generally. This measure deals with how we collect taxes and whether a tax obligation is to be discharged.

As the Senator from Tennessee [Mr. GORE] has pointed out, the number of people going into bankruptcy voluntarily has increased 50 percent, and this measure would add an additional attraction.

All that is being provided for here is that if a person goes into bankruptcy, his future liability to the Government, in any one year, on prebankruptcy taxes, would be limited to 10 percent of his taxable income after taxes.

The argument has been made by analogy that the Finance Committee amendment is discriminatory because a corporation can dissolve, it can go out of business, it can cease to exist, and if this happens it owes no taxes. Of course if an individual ceases to exist, he owes no taxes either. I would not recommend that course to him, however, but this shows that the analogy really does not apply. Also, when credit is extended to a corporation the creditor is well aware that legally he can look only to the assets of the corporation for satisfaction.

The fact is that people elect to go into bankruptcy in many cases when they need not have elected to go into bankruptcy at all. Millions of Americans who might find it advantageous to go into bankruptcy, but do not do so. This proposal of the Committee on Judiciary makes it even more desirable to go into bankruptcy; and even with the amendment proposed by the Committee on Finance the course of voluntary bankruptcy is made more desirable than it has been in the past.

Mr. ERVIN. Mr. President, will the Senator yield for one question?

Mr. LONG of Louisiana. I yield.

Mr. ERVIN. Mr. President, my good friend the Senator from Louisiana [Mr. LONG] says that if the individual ceases to exist, his liability ceases. That is not correct under the amendment. The Treasury Department would pursue him beyond the grave—beyond the time he ceased to exist. They would pursue his administrator. We are trying to wipe out this discrimination by which a corporation—but not an individual—can go into bankruptcy and be absolved of taxes.

Mr. GORE. Mr. President, I wish to take a moment in the interest of clarity. It is the pending bill which proposes to change the law. Under the present law there is no discharge of tax liability by way of bankruptcy. It is such a proposal that is before the Senate.

The Committee on Finance is suggesting and offering an amendment to modify this proposal. We think it is in the interest of the public. It is in the interest of the taxpayer generally. It is in the interest of the Treasury, which supports the amendment. The technical staffs of the Treasury, the Joint Committee on Internal Revenue taxation, and the Committee on Finance are agreed upon this amendment. Without such an amendment there is a possible tax loophole for tax avoidance by way of bankruptcy.

I ask that the amendment be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. BASS], the Senator from Maryland [Mr. BREWSTER], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Hawaii [Mr. INOUYE], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Wisconsin [Mr. NELSON], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from New Jersey [Mr. WILLIAMS], are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD], the Senator from New York [Mr. KENNEDY], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Maine [Mr. MUSKIE], the Senator from South Carolina [Mr. RUSSELL], and the Senator from Alabama [Mr. SPARKMAN], are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] is absent on official business.

The Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. PROUTY], and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

The Senator from Kentucky [Mr. MORTON] is detained on official business.

If present and voting, the Senator from California [Mr. KUCHEL] would vote "nay."

The result was announced—yeas 32, nays 47, as follows:

[No. 104 Leg.]

YEAS—32

Aiken	Fulbright	Pastore
Anderson	Gore	Pell
Bartlett	Harris	Proxmire
Boggs	Hartke	Randolph
Byrd, Va.	Jackson	Ribicoff
Byrd, W. Va.	Long, La.	Symington
Cannon	Mansfield	Talmadge
Church	McGee	Williams, Del.
Clark	Metcalf	Yarborough
Curtis	Monroney	Young, Ohio
Douglas	Morse	

NAYS—47

Allott	Griffin	Montoya
Bayh	Hart	Moss
Bennett	Hickenlooper	Murphy
Bible	Hill	Pearson
Burdick	Holland	Robertson
Carlson	Hruska	Russell, Ga.
Case	Javits	Saltonstall
Cooper	Jordan, N.C.	Scott
Cotton	Jordan, Idaho	Smathers
Dirksen	Kennedy, Mass.	Smith
Dominick	Long, Mo.	Stennis
Eastland	McCarthy	Thurmond
Ellender	McClellan	Tower
Ervin	McIntyre	Tydings
Fannin	Miller	Young, N. Dak.
Fong	Mondale	

NOT VOTING—21

Bass	Kuchel	Nelson
Brewster	Lausche	Neuberger
Dodd	Magnuson	Prouty
Gruening	McGovern	Russell, S.C.
Hayden	Morton	Simpson
Inouye	Mundt	Sparkman
Kennedy, N.Y.	Muskie	Williams, N.J.

So Mr. GORE's amendment was rejected.

The PRESIDING OFFICER (Mr. Moss in the chair). The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 3438) was ordered to a third reading, and was read the third time.

Mr. FONG. Mr. President, I ask for the yeas and nays on the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. BASS], the Senator from Maryland [Mr. BREWSTER], the Senator from Arizona [Mr. HAYDEN], the Senator from Hawaii [Mr. INOUYE], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wisconsin [Mr. NELSON], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Mississippi [Mr. STENNIS], and the Senator from New Jersey [Mr. WILLIAMS], are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD], the Senator from New York [Mr. KENNEDY], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Maine [Mr. MUSKIE], the Senator from South Carolina [Mr. RUSSELL], and the Senator from Alabama [Mr. SPARKMAN], are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD] would vote "yea."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] is absent on official business.

The Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. PROUTY], and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

The Senator from Kentucky [Mr. MORTON], and the Senator from North Dakota [Mr. YOUNG], are detained on official business.

If present and voting, the Senator from California [Mr. KUCHEL] would vote "yea."

The result was announced—yeas 69, nays 8, as follows:

[No. 105 Leg.]

YEAS—69

Aiken	Ervin	Mondale
Allott	Fannin	Monroney
Anderson	Fong	Montoya
Bartlett	Fulbright	Moss
Bayh	Griffin	Murphy
Bennett	Gruening	Pearson
Bible	Harris	Pell
Boggs	Hart	Proxmire
Burdick	Hartke	Randolph
Byrd, Va.	Hickenlooper	Ribicoff
Byrd, W. Va.	Hill	Robertson
Cannon	Holland	Russell, Ga.
Carlson	Hruska	Saltonstall
Case	Javits	Scott
Church	Jordan, N.C.	Smathers
Clark	Jordan, Idaho	Smith
Cooper	Kennedy, Mass.	Talmadge
Cotton	Long, Mo.	Thurmond
Dirksen	McClellan	Tower
Dominick	McGee	Tydings
Douglas	McIntyre	Williams, Del.
Eastland	Metcalf	Yarborough
Ellender	Miller	Young, Ohio

NAYS—8

Curtis	Long, La.	Pastore
Gore	Mansfield	Symington
Jackson	Morse	

NOT VOTING—23

Bass	Magnuson	Prouty
Brewster	McCarthy	Russell, S.C.
Dodd	McGovern	Simpson
Hayden	Morton	Sparkman
Inouye	Mundt	Stennis
Kennedy, N.Y.	Muskie	Williams, N.J.
Kuchel	Nelson	Young, N. Dak.
Lausche	Neuberger	

So the bill (H.R. 3438) was passed.

Mr. ERVIN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HRUSKA and Mr. HOLLAND moved to lay the motion on the table.

The motion to lay on the table was agreed to.

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 the following bills, in which it requested the concurrence of the Senate:

H.R. 698. An act to provide for the establishment of the Guadalupe Mountains National Park in the State of Texas, and for other purposes;

H.R. 8760. An act to amend the provisions of the Oil Pollution Act, 1961 (33 U.S.C. 1001–1015), to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, as amended, and for other purposes; and

H.R. 10860. An act to promote the general welfare, public policy, and security of the United States.

HOUSE BILLS REFERRED

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

H.R. 698. An act to provide for the establishment of the Guadalupe Mountains National Park in the State of Texas, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 8760. An act to amend the provisions of the Oil Pollution Act, 1961 (33 U.S.C. 1001–1015), to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, as amended, and for other purposes; and

H.R. 10860. An act to promote the general welfare, public policy, and security of the United States; to the Committee on Commerce.

LIENS IN BANKRUPTCY—AMENDMENT OF THE BANKRUPTCY ACT

Mr. LONG of Louisiana. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1122, H.R. 136.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 136) to amend sections 1, 17a, 64a(5), 67(b), 67c, and 70c of the Bankruptcy Act, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. ERVIN. Mr. President, this is, in a sense, a companion bill to the bill just passed. In order to make it harmonize with the previous bill, I offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from North Carolina will be stated.

The LEGISLATIVE CLERK. On page 2, lines 3 through 7, it is proposed to strike out "Section 2 and renumber other sections accordingly."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GORE. Mr. President, I offer an amendment at this time, send it to the desk, ask unanimous consent that the reading of the amendment be waived, and that it be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment (amendment No. 492) offered by Mr. GORE is as follows:

On page 2, strike out lines 3 through 7 (section 2 of the bill) and renumber sections 3 through 6 as sections 2 through 5, respectively.

On page 3, line 23, strike out *"Provided,"* and insert the following:

"Provided, That, in the case of a statutory lien for taxes which were asesssed within one year prior to the date of bankruptcy, notice of such lien shall be considered as having been filed immediately prior to the date of bankruptcy and such lien shall be considered as being enforceable at the date of bankruptcy against one acquiring the rights of a bona fide purchaser from the debtor on that date, if notice of such lien is filed within one year after the date of the assessment of the taxes to which the lien relates or within one month after the date of bankruptcy: *Provided further:*".

On page 6, line 8, strike out the closing quotation marks and after line 8 insert the following:

"(6) For the purposes of this Act, in any case in which a statutory lien for taxes covered by a compromise entered into under the provisions of section 7122 of the Internal Revenue Code of 1954 or similar provisions of the law of any State or subdivision thereof has been perfected but notice thereof has not been filed, or in any case in which such lien has been released, a statutory lien for such taxes, valid against the trustee in bankruptcy and a subsequent bona fide purchaser, shall be considered as having existed on the date on which notice of such compromise is filed in the office in which a notice of such lien was or would have been filed, or if such office does not accept such notices of compromise for recording, on the date on which a notice of such compromise is filed in the office of the clerk of the United States district court for the judicial district in which the property subject to the lien is situated. The clerks of the United States district courts are authorized and directed to record all such notices of compromise filed with them under this paragraph."

On page 6, line 9, before "Subsection" insert "(a)".

On page 6, line 15, strike out "The" and insert "Except as against a statutory lien for taxes assessed within one year prior to the date of bankruptcy notice of which is filed within one year after the date of assessment of the taxes to which the lien relates or within one month after the date of bankruptcy, the".

On page 7, after line 12, insert the following new subsection:

"(b) Section 6323 of the Internal Revenue Code of 1954 (relating to validity of liens against mortgagees, pledges, purchasers, and judgment creditors) is amended by adding at the end thereof the following new subsection:

"'(f) Trustees in Bankruptcy.—For purposes of applying subsection (a) with respect to a trustee in bankruptcy, in the case of any imposed by this title which is assessed within one year before the date of bankruptcy, if notice of the lien imposed by section 6321 with respect to such tax is filed by the Secretary or his delegate after the date of bankruptcy but within one year after the date of assessment or within one month after the date of bankruptcy, such notice shall be treated as having been filed immediately before the date of bankruptcy.'"

On page 7, after line 12, insert the following new section:

"SEC. 6. (a) The Bankruptcy Act is amended by inserting after section 32 (11 U.S.C. 55) a new section as follows:

"'SEC. 33. MANDATORY FILING UNDER CHAPTER XIII.—During the pendency of a proceeding in bankruptcy, the court may, upon application of any creditor or upon its own motion, whenever it determines it to be feasible and desirable, and for the best interests of the creditors, order any voluntary bankrupt who is receiving salary or wages to file a petition under section 621 of this Act.'"

(b) Paragraph (3) of section 606 of the Bankruptcy Act (11 U.S.C. 1006(3)) is amended to read as follows:

"(3) 'debtor' shall mean a wage earner who filed a petition under this chapter, or any person filing a petition under this chapter pursuant to an order entered by a court under section 33 of this Act;".

Amend the title so as to read: "An Act to amend the Bankruptcy Act to clarify the status of statutory liens, and for other purposes."

Mr. ERVIN. Mr. President, I wonder if we could agree on a time limitation and ask Senators to remain so we can vote on this bill soon and dispose of it.

Mr. GORE. Mr. President, I shall be glad to take 10 minutes.

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that on the pending amendment there be a time limitation of 20 minutes, 10 minutes under the control of the Senator from Tennessee [Mr. GORE] and 10 minutes under the control of the Senator from North Carolina [Mr. ERVIN].

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Tennessee is recognized for 10 minutes.

Mr. GORE. Mr. President, in bankruptcy creditors generally are paid in the following order: First, each secured creditor is paid out of the security pledged for his debt; second, general creditors entitled to priority are paid; and third, general creditors without priorities are paid.

The Internal Revenue Code provides that Federal tax liabilities are secured claims whether or not public notice of the lien has been filed. However, section 6323 of the Internal Revenue Code provides that in those cases where notice of the lien has not been filed, the tax claim is to be treated as junior to certain other claims such as those of mortgages and judgment creditors where the claims are either recorded or the security is reduced to possession.

The Supreme Court, in United States against Speers, has held that trustees in bankruptcy are judgment creditors for purposes of the tax laws and that, therefore, assessed but unrecorded tax claims are junior to trustees in bankruptcy in the same way as it has been generally understood that they were junior to actual judgment creditors. In taking this position, the Supreme Court has overruled the holdings of the Second, Third, and Ninth Circuit Courts of Appeals, which have treated unrecorded Federal tax claims as senior to the general claims represented by the trustee in bankruptcy, although junior to actual judgment creditors.

Prior to the Supreme Court decision, I believe that most taxpayers thought, and the Commissioner of Internal Revenue thought, that assessed but unrecorded tax claims did have priority over general creditors represented by the trustee in bankruptcy. I say this despite the fact that there have been some references made as to the Supreme Court decision representing the law of the land for the past 50 years. Actually, it would appear that the members of the Judiciary Committee itself must have believed that assessed but unrecorded tax claims did have priority over a trustee in bankruptcy. In fact, the Judiciary Committee's report (S. Rept. 277) on page 10 states:

As a result of several recent decisions, it would appear that the courts are of the view that the trustee does not have the status of a judgment creditor for purposes of section 6323.

I might add that the Judiciary Committee report from which I have just quoted was filed after the Sixth Circuit Court of Appeals decision which took the same position as the Supreme Court's later decision. With this background, it seems to me that we must view this giving of a trustee in bankruptcy a priority status over an assessed but unrecorded tax claim as in reality the equivalent of a change in tax practice.

On the assumption that assessed but unrecorded tax claims came ahead of general creditors as represented by the trustee in bankruptcy, the Internal Revenue Service has followed a deliberate policy in filing tax liens. However, the result of the action which the Senate has just taken, and the action it appears to be about to take, may very well force the Commissioner of Internal Revenue to file thousands of Federal tax liens which in the past he would not have filed; and once a Federal tax lien is filed, the credit of the person against whom it is filed usually vanishes. This can be quite damaging. It may precipitate a great many bankruptcies.

The Internal Revenue Service has followed this practice because it is aware that the filing of a tax lien may destroy a taxpayer because it destroys any opportunity he may have to obtain credit. Now that this priority secured status for assessed but unrecorded tax claims has been lost, the Treasury must of necessity reconsider its former practice and undoubtedly, if no action is taken by the Congress, will speed up the filing of tax liens.

The Finance Committee is well aware of the reasons for the Judiciary Committee's concern about the secured status of assessed but unrecorded tax liens. It believes that giving tax liens this status before they are recorded is disadvantageous to creditors who are unaware of these tax liens. It is undoubtedly for this reason that the Committee on the Judiciary refers to these assessed but unrecorded tax liens as secret liens.

The Finance Committee agrees that as a general rule it is undesirable to give a preferred status to secret liens. For this reason it would limit drastically the period of time during which assessed but unrecorded tax claims are given a secured status above that of a trustee in bankruptcy. The committee feels that this status should be given these tax claims generally for only a year after the assessment date. This, in its view, is essential to an orderly administration of the Internal Revenue laws.

Under present procedures, the Internal Revenue Service usually sends out a series of three delinquency letters which require a period of about 6 months to process. As a result, until after this period has elapsed the Service has not had any personal contact in the delinquency. Also, because of the large volume of cases before the Internal Revenue Service, in numerous situations it cannot even begin its delinquency procedure until the lapse of a considerable period of time after the delinquency first occurs. As a result there is no personal contact with the delinquent taxpayer, to examine his credit standing until a period of 6 months or more has elapsed following the assessment.

Probably more important from an administrative standpoint, experience indicates that about four-fifths of the delinquencies are likely to be paid within 1 year without the filing of a notice of lien.

As a result, the 1-year period enables the Internal Revenue Service to clear the decks of most of its delinquencies without unnecessary harshness in the treatment of these taxpayers. However, if these tax liens are not to have a secured status above trustees in bankruptcy, the Internal Revenue Service may well be forced to file liens in the cases of many of these delinquent taxpayers, where this is now not necessary.

The size of the administrative task which would face the Internal Revenue Service were it to have filed liens in the cases of these delinquent taxpayers is indicated by the fact that approximately 2.4 million new delinquent Federal tax accounts arise each year. However, only some 200,000 notice of liens are filed in the same period, and many of these actually are related to delinquent accounts which arose in prior years.

The Finance Committee is not interested in giving tax claims any better treatment relative to other creditors than is necessary because of the actual facts and circumstances involved. I have pointed out the necessity of giving some better status because of the administrative problems of the Internal Revenue Service. It should also be recognized that the Government's position is somewhat different from that of private creditors, since it is an involuntary creditor rather than a voluntary one. Other creditors before extending credit have the opportunity to check on the status of the individual or company involved and either extend the credit or not depending upon their evaluation.

It should be obvious, however, that the Government does not impose taxes on this basis. It must collect taxes from all alike, both the good and the bad credit risks. This requires some extra opportunity on the part of the Government, after the tax debt is incurred, to make its decision as to the credit standing of the taxpayer and either file or not file a tax lien following that examination.

One more facet of the problem which should be noted is that in addition to security status, which I have been discussing up to this point, under present law, in the absence of a secured status, tax claims are given fourth priority status which still places them above general creditors with no priority. However, another feature of these bills, which I will discuss momentarily, limits even this priority status to those taxes "due and owing" for less than 3 years. A further provision in these bills would even deny tax claims which could not be met in bankruptcy their right of collection in the period after bankruptcy. In other words, these bills, taken together, would have the effect of dropping some tax claims from a secured, nondischargeable status all the way down to an ordinary debt that gets paid last, if at all, and one which, moreover, is wiped out by bankruptcy. At this time, when we need all of the taxes that we can collect, we should not be destroying our opportunity to collect delinquent tax accounts.

PERMISSIVE WAGE EARNER PLANS

Problems have arisen under the present bankruptcy laws where consumers who have accumulated large debts, by the purchase of expensive luxury items on credit plans, avoid the payment of these liabilities by filing voluntary petitions in bankruptcy.

Cases of this type appear to be growing rapidly. In fiscal 1948, 73 percent of the bankruptcy cases commenced were nonbusiness bankruptcies. By 1950, this figure had climbed to 75 percent, by 1955 to 85 percent, by 1960 to 89 percent, and last year to 91 percent.

In numbers the change has been even more startling. In 1948, there were about 13,500 nonbusiness bankruptcies and 5,000 business bankruptcies. By 1950 nonbusiness bankruptcies outnumbered business bankruptcies 25,000 to 8,400; by 1955, 50,500 to 8,900; by 1960, 97,800 to 12,300; and last year there were 163,400 nonbusiness bankruptcies to 16,900 business bankruptcies.

The number of consumer bankruptcies is growing at a rate that cannot continue to be ignored. This trend can be slowed only by requiring these debtors to face up to their financial responsibilities.

The Bankruptcy Act presently contains provisions whereby a wage earner may enter into an arrangement to pay off his debts over an extended period of time and avoid straight bankruptcy. This is chapter XIII of the Bankruptcy Act. Last year, 28,000 of the 179,000 voluntary bankruptcies were commenced under chapter XIII. In a number of States, especially Alabama, Arkansas, Kansas, Maine, and Tennessee, relatively large numbers of the voluntary bankruptcies were commenced by wage earners under chapter XIII.

What this amendment would do is to permit the bankruptcy court, when it is considering one of the rapidly increasing number of voluntary consumer straight bankruptcy petitions, to require the petitioner to use chapter XIII. It should be emphasized that this provision relies upon the discretion of the bankruptcy courts, and it is expected that before exercising this discretion each court will have considered all the factors in the case before it. A material factor would, of course, be the credit and sales practices of the creditors involved.

Mr. President, I do not feel that extended debate on this bill is necessary. The general points involved, for the most part, have been discussed for years. So far as I am concerned, the matter can now be put to a vote.

Mr. ERVIN. Mr. President, this bill is very simple, and it should certainly be passed. It has two purposes. The first is to outlaw certain liens which are not disclosed by the record and cannot be ascertained by creditors.

There has been much confusion in the law of bankruptcy, because that law recognizes a diversity of State laws.

There are States which allow a lien to become effective upon the insolvency of the debtor, or upon the distribution and liquidation of his property, or upon an execution issued upon it. It is not necessary to record these liens in some States; they may even take precedence over recorded chattel mortgages and conditional sales contracts. Other liens not perfected as of the date of bankruptcy are valid against subsequent bona fide purchasers. Liens for such distress as nonpayment of rent are valid in certain States.

The first part of this bill will outlaw these unrecorded and undiscoverable liens, and recognize that the liens which take priority under the law of bankruptcy are the recorded liens which are open to the inspection of the public who deal with the prospective bankrupt. That part of the measure certainly ought to be passed to clear the confusion owing to a divergency of State laws.

The other provision of this bill is intended to clarify the status of the trustee in bankruptcy; that is, to ascertain whether he has the status of a judgment creditor. At the time the report was filed, the law here was also in a state of confusion. Some of the decisions went one way, and some another. Some of the decisions held that an unrecorded tax lien took precedence over the trustee in bankruptcy; others held to the contrary.

This bill was drafted to clarify that situation. Since the bill was introduced, and while it has been pending, the Supreme Court of the United States has handed down a decision to the effect that under existing law, the trustee in bankruptcy occupies the status of a judgment creditor. The amendment offered by my distinguished friend, the Senator from Tennessee, would overrule the decision of the Supreme Court on that point, and it would have what I consider a very unjust result. The amendment provides that even though a man is a bona fide purchaser from the bankrupt prior to bankruptcy and takes a chattel mortgage, or other security for his debt, which is recorded, the Government could come in with an unrecorded tax lien and take precedence, not only over the trustee in bankruptcy, but also over a bona fide purchaser.

There is no occasion under the bill that has been passed for the Government to file tax liens in a hurry. The Government has 3 years in which to do so under that bill. This is sufficient protection for the Government.

I repeat, this bill should be passed. It would clarify the law in one field and would abolish as recognizable liens unrecorded and undiscoverable claims. It would give an advantage under the bankruptcy law to those with recorded liens which are open to the inspection of the public. A bona fide purchaser should have the benefit of his foresight rather than have the Internal Revenue Service take advantage of an individual who has exercised his foresight and wipe out a man who has tried to protect himself.

The amendment should be defeated, and the bill should be passed.

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

Mr. ERVIN. I yield.

Mr. HRUSKA. Mr. President, this bill should be passed without further amendment.

The measure as reported by the Committee on the Judiciary affords Congress an opportunity to restate a policy against unrecorded liens. Further, H.R. 136 is needed to remedy a number of problems which have occurred in bankruptcy proceedings.

Experience with the administration of bankruptcy proceedings indicates that the powers vested in the trustee need to be diversified to adequately protect the assets of the bankrupt estate and to more efficiently handle the estate. In this regard, under present law, the trustee is precluded from assuming inconsistent or repugnant positions with reference to a particular party of transaction. Nevertheless, having chosen a position with respect to one set of circumstances, the trustee as a representative of all the creditors of the bankrupt should not be barred from asserting a different position in other circumstances.

This legislation will shore up the glaring weaknesses which have evidenced themselves in the courts and in the experience of bankruptcy administration on this question as well as a number of others not related to taxes.

Since the policy of the Chandler Act is to protect the costs of administration and wages, it is necessary to postpone to the costs of administration and wages at least those tax liens which are on personal property and are unaccompanied by possession. It is socially desirable to protect those adding to the proceeds of the estate or collecting and protecting the proceeds to be paid for their efforts. In light of this policy, section 67c in this bill retains the provision of existing law which postpones a tax lien on personal property not accompanied by possession, to the debts specified in section 64a clauses (1) and (2).

Since the Treasury Department had objected to the language of previous bills on this point, the proposed section 67c(3) provides that where a postponed tax lien is prior in right to liens indefeasible in bankruptcy, the court shall order payment from the proceeds derived from the sale of the personal property to which the tax lien attaches, less the actual cost of that sale, of an amount not in excess of the tax lien, to the debts specified in clauses (1) and (2) of section 64a of this act. If the amount realized from the sale exceeds the total of such debts, after allowing for prior indefeasible liens and the cost of the sale, the excess up to the amount of the difference between the total paid to the debts specified in clauses (1) and (2) of section 64a of this act and the amount of the tax lien, is to be paid to the holder of the tax lien. This approach adopts the solution which three courts have already innovated under the existing language of section 67c. See *California Department of Employment* v. *U.S.* 210 F. 2d 242 (1954); In re American Zyploptic Co., Inc., (181 F. Supp. 77 (1960)); In re Empire Granite Co. (42 F. Supp. (450 (1942)).

It is the intention of this legislation that a statutory tax lien on personal property not accompanied by possession shall be first tested by the standards of section 67c(1). Then section 67c(3) is to be applied to those liens which have not been invalidated by section 67c(1).

The second major problem met by this legislation concerns the powers of the trustee. Since section 70 of the Bankruptcy Act provides the legal tools for the administration of a bankrupt estate, section 6 of this bill would meet the problems previously outlined concerning the narrow construction of the powers of the trustee.

Specifically, it is provided that the trustee shall have the rights and powers of a "creditor who obtained a judgment against the bankrupt on the date of bankruptcy whether or not such a creditor exists." This provision further sets out specifically the powers which the trustee is to have. By these terms the trustee would be included within the language of section 6323 of the Internal Revenue Code.

These sections of the bill would clarify the status of taxes in bankruptcy cases. The Congress has a constitutional duty under article I, section 8, to establish uniform laws on the subject of bankruptcies. The courts administer these laws but it is for Congress to decide the policy which should be established. The courts are in conflict on a number of the problems to which this bill is directed. Sound solutions are presented in this legislation.

In view of the rising number of bankruptcies and the great increase in the availability of credit which has occurred over the last few years, it is important that the rights of creditors be protected. By giving the trustee the necessary powers, this can be achieved. Tax revenues will not be unduly diminished so long as tax authorities effectively and conscientiously carry out their responsibities.

One of the original purposes of this legislation was met by the Supreme Court in December of 1965 after the Judiciary Committee had reported the bill. In the case of *United States* v. *Speers* 382 U.S. 266, 86 S.Ct. 411 (1965), affirming, In re Kurtz Roofing Co., 335 F. 2d 311 (6th Cir. 1964) it was held that the trustee in bankruptcy is a judgment creditor within the language of that term as used in the Internal Revenue Code (26 U.S.C. 6323 (1964)).

This decision fits entirely within the intent of this legislation and, in fact, the court cited legislative reports on this bill. The court accurately described what our view toward any change in that statement should be when it said: "Should experience indicate that inclusion of the trustee within section 6323 is inadvisable, the fact will not be lost on the Congress."

It would be ridiculous for us to presume today that sufficient experience to dictate modification of this rule has been developed since December 13 of last year when those words were set down. The Internal Revenue Service has had much time to develop workable methods for protecting the Federal tax interests in a bankrupt but has exerted its efforts instead toward devising judicial and legislative efforts toward delaying the adoption of this principle.

In view of this diligent opposition, I have every faith and confidence in the Service to handle the burden which has been placed upon it.

In the future, in light of the experience with this rule, Congress can again examine the problem and make any readjustment which becomes necessary.

Mr. President, I think we should follow the principle declared in the case of United States against Speers. I urge the passage of the bill.

Mr. ERVIN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

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

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is shall it pass?

The bill (H.R. 136) was passed.

Mr. ERVIN. I move to reconsider the vote by which the bill was passed.

Mr. HRUSKA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF FOREIGN AGENTS REGISTRATION ACT OF 1938—CONFERENCE REPORT

Mr. FULBRIGHT. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 693) to amend the Foreign Agents Registration Act of 1938, as amended. 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 June 16, 1966, pp. 13713–13714, 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. FULBRIGHT. Mr. President, the conference on S. 693, to amend the Foreign Agents Registration Act, reached a reasonable compromise on the two House amendments at issue, because the differences were primarily ones of semantics, and not of substance.

The first House amendment dealt with the application of the registration requirements of the act to contacts with Government officials by representatives of businesses engaged in international operations. As I have said before, there was never any intention on the part of the Committee on Foreign Relations to require American businessmen to register for carrying out contacts with Government officials during the course of their normal, legitimate business activities. However, some businessmen were still concerned over the Senate version of the bill, and the House amendment attempted to meet their objections. The House amendment defined the conditions under which the commercial exemption of the act would be available when contacts were made with Government officials where a parent-subsidiary situation was involved.

The conferees of both Houses were in agreement on the objectives of the amendment, but the Senate conferees had reservations about the possibility that the treatment of political activities in behalf of foreign-owned U.S. subsidiaries on the same basis as activities for U.S.-owned foreign subsidiaries might create unintended loopholes for evasion of the act by foreign interests. The compromise reached will require a stricter test for exemption of attempts to influence policy decisions for the U.S. enterprise which is owned or controlled by foreign interests. Under the change agreed to, the exemption will be available only if the purpose of the contact is substantially to further the legitimate, commercial interests of the American subsidiary or affiliate. It eliminates the possibility of a U.S. corporation or business, controlled by foreign interests, being used merely as a front for political activities for the benefit of the foreign principal.

I believe that the business community interested in this problem agrees that the compromise is reasonable and that it will remove much doubt about the scope of the Senate's original amendment to the commercial exemption section.

The second House amendment changed the Senate provision relating to exemptions from registration for attorneys. The intent of the Senate provision was to exempt all attorneys for disclosed foreign interests in their contacts with government agencies where the agency proceedings revealed sufficient information about the agency relationship to make registration unnecessary.

Under the House amendment the exemption would have broadened the Senate provision to exempt contacts with all Government officials, except the Congress. The compromise agreed to would allow the exemption in all circumstances for routine contacts with the agencies and departments. But for attempts to influence policy decisions in the executive branch the exemption would be available only for contacts in connection with established agency proceedings, formal or informal. The purpose is to insure that the exemption is not so broad as to exempt all efforts by an attorney to influence executive branch policies but still sufficiently broad to exempt legitimate activities normally conducted before agency officials by an attorney for a foreign client. It is the Senate conferees' view that the exemption would not cover, for example, attempts to influence the executive branch position on legislation pending before the Congress. The Senate conferees believe that the compromise meets the objectives of the Senate bill, is fair to the legal profession and should be a workable guideline for determining exemption questions.

The approval of this conference report will culminate 5 years of work by the Committee on Foreign Relations on lobbying by foreign interests. Since the Senate passed the bill last year, the Congress and the public have again witnessed the swarming of foreign agents around the sugar pot. Placing this bill on the statute books will not eliminate the conditions which nurture and sustain foreign agents but it will insure that better information is available about how these lobbyists go about their business and exactly what they do to earn their generous fees.

This bill will do a facelifting job on a statute that has served the Nation well but has not been revised to keep it abreast of the times. Foreign and domestic affairs are so interrelated today that the political and propaganda efforts of foreign agents ultimately affect every American. Both Government officials and the public need to—and have a right to—know more about the objectives, tactics, finances, and general mode of operations of those who seek to influence Government policies for foreign interests. With adequate disclosure both the public and officials will be better equipped to protect the integrity of the decisionmaking process of our Government.

Let me summarize briefly the major provisions in the bill:

First. It requires a foreign agent to file a detailed report of political activities employed in behalf of his foreign principal.

Second. Foreign agents will be required to disclose their status as agents when contacting Government officials and Members of Congress. Agents testifying before congressional committees will be required to file copies of their latest registration statement.

Third. Contingent fee contracts between an agent and a foreign interest, where the fee is based on the success of political activities, will be outlawed.

Fourth. Campaign contributions in behalf of foreign principals will be prohibited.

Fifth. The commercial exemption has been broadened and updated.

Sixth. The Attorney General will be given considerable discretionary authority in allowing exemptions from registration and in the amount of information agents must file.

Seventh. Finally, what is in my opinion the single most important provision in the bill, the authorization of an injunctive remedy for the Attorney General. This will permit the Attorney General to bring about compliance with the letter and the spirit of the act without resorting to long, cumbersome criminal proceedings. It provides a flexible tool which will be a substantial improvement over the criminal penalties in the existing act. The act was not intended to bring about wholesale convictions for violations. It was—and is—intended to

bring about disclosure. Injunctive proceedings, as authorized in this bill, will be far more effective in achieving that objective than would ever be possible through criminal sanctions.

I ask for the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

DISTRICT OF COLUMBIA PARKING FACILITY ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1147, S. 2769.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2769) relating to the establishment of parking facilities in the District of Columbia.

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

The motion was agreed to, and the Senate proceeded to consider the bill which had been reported from the Committee on the District of Columbia, with an amendment to strike out all after the enacting clause and insert:

FINDINGS OF FACT: SHORT TITLE

SECTION 1. (a) The Congress finds that—

(1) the growth and development of the National Capital area has been accompanied by an ever-increasing number of persons entering the District of Columbia by motor vehicle which has resulted in serious traffic congestion;

(2) this congestion restricts the interchange of goods, services, and people between the District of Columbia and the surrounding suburbs, to the detriment of both; imposes hardships and inconvenience on residents, employers, employees, and tourists in the National Capital area; impedes the efficient conduct of the United States and the District of Columbia Governments; and interferes with the rapid and effective disposition of police and firefighting equipment;

(3) the orderly growth and development of the National Capital area requires a balanced transportation system which provides residents of and visitors to the National Capital area a variety of economic and efficient means of travel into and through the District of Columbia;

(4) a balanced transportation system requires adequate highways, rapid rail transit, buses, and off-street parking facilities for motor vehicles;

(5) off-street parking facilities in sufficient numbers and at rates and locations adequate to meet the needs of the National Capital area have not been provided; and

(6) the establishment of a parking authority to supplement existing parking with additional off-street parking facilities is necessary to maintain and improve the economic well-being of the National Capital area, the safety, convenience, and welfare of the residents thereof and the visitors thereto, and the efficiency of the United States and District of Columbia Governments.

(b) This Act may be cited as the "District of Columbia Parking Facility Act".

CREATION OF PARKING BOARD

SEC. 2. (a) There is hereby created and established a body politic and corporate of perpetual duration, to be known as the "District of Columbia Parking Board" (herein called the "Parking Board"). The Parking Board shall consist of three members, who shall be the members of the Board of Commissioners of the District of Columbia. The term of office of any member of the Parking Board shall be the same as his term of office as such Commissioner. Two members of the Parking Board shall constitute a quorum. The members of the Parking Board shall select from among their number a chairman and a vice chairman of the Parking Board.

(b) The Parking Board shall appoint, subject to the provisions of the Classification Act of 1949, as amended, and other applicable laws relating to employees of the District of Columbia, an administrator. The Parking Board may delegate to the Administrator such authority as may be necessary or convenient to carry out the purposes of this Act.

PARKING ADVISORY COUNCIL

SEC. 3. (a) There is hereby established a Parking Advisory Council (herein called the "Advisory Council"). The Advisory Council shall be composed of eleven members, consisting of the Secretary of the Interior or his designee, the Director of the District of Columbia Department of Highways and Traffic or his designee, the Administrator of the General Services Administration or his designee, the Chairman of the National Capital Planning Commission or his designee, the Administrator of the National Capital Transportation Agency or his designee, all ex officio, and six members from private life appointed by the Parking Board of whom one shall be designated biennially by the Parking Board to serve as chairman. The members from private life shall be chosen to reflect a range of experience in such fields as architecture, engineering, retail trade, real estate, financing, law, motor vehicle parking, and transportation.

(b) The members of the Advisory Council appointed by the Parking Board shall be appointed for a term of four years, except that with respect to the first appointments made after this Act becomes effective, one member shall be appointed for a one-year term, one member shall be appointed for a two-year term, two members shall be appointed for a three-year term, and two members shall be appointed for a four-year term. Any member appointed to fill a vacancy shall serve only for the unexpired term of the member he is replacing. Any member shall be eligible for reappointment.

(c) (1) Members of the Advisory Council who are officers or employees of the United States or of the District of Columbia shall serve without compensation in addition to that received in their regular public employment, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of duties vested in the Council.

(2) Members of the Advisory Council, other than those to whom paragraph (1) is applicable, shall receive compensation at the rate of $50 per day for each day they are engaged in the performance of their duties as members of such Council and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Council.

(d) It shall be the duty of the Advisory Council to advise and assist the Parking Board in carrying out its functions under this Act, including the overall planning of parking facilities, the acquisition, construction, design, and operation of such facilities and such other matters as the Parking Board shall request or the Advisory Council shall determine. The Parking Board shall request the views of the Advisory Council on each matter made subject to a public hearing by this Act, and shall include the report of the Council, if any, in the Parking Board's record.

(e) The Advisory Council is authorized, within the limits of funds authorized by the Parking Board and subject to the provisions of the Classification Act of 1949, as amended, and other applicable laws relating to employees of the District of Columbia, to appoint an executive secretary. Subject to reimbursement by the Parking Board for the salaries, retirement, health benefits, and similar costs for such employees, the ex officio members of the Advisory Council and the Commissioners of the District of Columbia shall make available to the executive secretary such staff, information, and technical assistance as he shall require to enable the Advisory Council to carry out its responsibilities under this Act.

(f) The Advisory Council is authorized, within the limits of funds authorized by the Parking Board, to hire independent consultants to assist it in carrying out its responsibilities under this Act.

COMPREHENSIVE PARKING STUDY

SEC. 4. (a) The Advisory Council shall, within one year following the date of enactment of this Act, and not less than once each five years thereafter, prepare and distribute a comprehensive report on parking in the District of Columbia metropolitan area. Such report shall include—

(1) an inventory of existing parking facilities in the District of Columbia, both public and private, and an analysis of the manner and extent to which they are utilized.

(2) an inventory of the existing and reasonably anticipated transportation facilities in the National Capital area, including roads, highways, buses, and rapid rail transit, and an analysis of the manner and extent to which they are utilized;

(3) an analysis of the extent, type, and location of all parking facilities and on-street parking which are necessary or desirable for achieving balanced transportation and an efficient flow of traffic in the National Capital area together with recommendations as to the need, if any, for additional public parking facilities and the areas within which such facilities should be located; and

(4) any other information or recommendations that the Advisory Council determines to be useful to the Parking Board in carrying out its duties under this Act.

(b) The Advisory Council shall refer the parking report to all interested agencies in the National Capital area for their information and comments. The parking report and all relevant data used to compile the report shall be made available to owners and operators of private parking facilities in the District of Columbia in order to enable them more effectively to plan the operation and expansion of their facilities.

ACQUISITION OF PARKING FACILITIES

SEC. 5. (a) The Parking Board is authorized to acquire, in its own name, by purchase, lease, gift, exchange, condemnation, or otherwise, such property, real or personal, in the District of Columbia, including any rights or interests therein, as the Parking Board may require to carry out the provisions of this Act; except that in no case shall the Parking Board acquire by condemnation any existing parking garage.

(b) The Commissioners of the District of Columbia are authorized to make available to the Parking Board, without consideration, air and subsurface rights in areas consisting principally of land in highway, railway or subway rights-of-way, bridges, and other lands under their jurisdiction and control in the District of Columbia for use by the Parking Board in carrying out its duties under this Act. The Commissioners to the extent feasible, shall exercise this authority to enable the Parking Board to locate parking facilities in such manner as to coordinate parking with any future highway or subway construction in the District of Columbia.

(c) The Secretary of the Interior and the Administrator of General Services Admin-

istration are authorized, subject to such terms and conditions as they may prescribe, to make available to the Parking Board, without consideration, subsurface rights in lands in the District of Columbia under their respective jurisdiction and control for use by the Parking Board in carrying out its duties under this Act.

(d) The Parking Board shall take no final action with respect to the acquisition of a parking facility or the acquisition of any real property for the purpose of establishing thereon a parking facility (other than the taking of options) until the Parking Board has—

(1) obtained a study of such proposed facility from an independent expert qualified to evaluate the feasibility of any such facility, and

(2) held a public hearing to obtain views on the need for such facility, its proposed size, and its economic feasibility. The Board shall publish notice of any such hearing in at least one newspaper of general circulation in the District of Columbia at least twenty days prior to such hearing.

(e) No condemnation proceeding shall be instituted under this Act unless the Commissioners, acting in their capacity as Commissioners, shall have approved the filing of such proceedings. Condemnation proceedings brought pursuant to this section shall be brought in the name of the Parking Board. Such proceedings shall be instituted and conducted in the United States District Court for the District of Columbia, which court shall have jurisdiction of such proceedings, and shall be prosecuted in accordance with the procedure in proceedings instituted and conducted under the authority of sections 1311 through 1321 of title 16 of the District of Columbia Code, except that (1) wherever in such sections the terms "Board of Commissioners" or "Board" appears, such terms shall be deemed, for the purposes of this Act, to mean the Parking Board, (2) wherever in such sections provision is made for property to be taken in the name of the District of Columbia, such provisions shall, for the purposes of this Act, be construed to mean the Parking Board, (3) wherever in such sections reference is made to the District of Columbia (as a party to a proceeding instituted or conducted under the authority of such sections), such terms shall be deemed to refer to the Parking Board, and (4) wherever in such sections any payment is required by any of such sections to be made from appropriated funds, such payment is authorized to be made from any moneys of the Parking Board which are available for such purpose.

(f) The acquisition, by condemnation, of real property for use by the Parking Board under this Act shall be authorized only if, prior to the initiation of proceedings to condemn such property, the Parking Board shall have taken the following actions:

(1) Retained at least two qualified, independent real estate appraisers to assist it in establishing the fair market value of the property, and such appraisers have advised the Parking Board, in writing, of such value;

(2) Established a fair market value for the property based on such appraisal;

(3) Certified that it has been unable to purchase the property at or above such fair market value;

(4) Initiated condemnation proceedings within ninety days from the date of the certification required by paragraph (3): *Provided,* That in the event the Parking Board shall fail to initiate such proceedings within the prescribed period, the Parking Board shall be foreclosed from initiating any such proceeding against said real property for a period of at least five years from the expiration of said ninety-day period;

(5) Certified that decent, safe, and sanitary housing can reasonably be expected to be available to any families which may be displaced by such condemnation action at rentals they can reasonably afford; and

(6) Certified that, barring acts of God or other unforeseeable circumstances, it will commence, or cause to be commenced, construction of a parking facility upon such property within one year following the date of acquisition.

(g) In addition to any payments required by the preceding subsection, the Parking Board is hereby authorized to make relocation payments to persons displaced by reason of its acquisition of property under the authority of this section to the same extent as such persons would have been entitled to have received if such displacements had been within the purview of section 114 of title I of the Housing Act of 1949, as amended. The Parking Board and the District of Columbia Redevelopment Land Agency are authorized to enter into an agreement under which such Agency shall undertake to administer the payments authorized to be made by this subsection, and provide the Parking Board with relocation services in like manner as such Agency provides such services to the Commissioners.

(h) No parking facility shall be established upon any property zoned residential without the approval of the Zoning Commission of the District, which may grant such approval only after public notice and hearing in accordance with the provisions of section 3 of the Act of June 20, 1938 (52 Stat. 798 (1938); D.C. Code, sec. 5–415).

PARKING BOARD AUTHORIZED TO CONSTRUCT AND OPERATE FACILITIES

SEC. 6. (a) The Parking Board is authorized to undertake, by contract or otherwise, the clearance and improvement of any property acquired by it under this Act as well as the construction, establishment, reconstruction, alteration, repair, and maintenance thereon of parking facilities. The Parking Board shall take such action as may be necessary to insure that all laborers and mechanics employed in the performance of such construction, alteration, and/or repair shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended. The Secretary of Labor shall have, with respect to the labor standards specified herein, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

(b) The Parking Board may, with respect to any facility acquired or constructed pursuant to this Act,

(1) lease space in such facility at or below the level of the street on which such facility fronts or abuts for commercial purposes, and

(2) lease or sell air rights above any parking structure of four or more stories for commercial purposes, if the Parking Board determines that the utilization of such space or air rights for commercial purposes is expedient for the financing of such parking facility and is compatible with the development of the vicinity in which such facility is located: *Provided,* That no petroleum products shall be sold or offered for sale in any entrance to or exit from any parking facility constructed or acquired under this Act. The rentals so generated shall be taken into account in fixing the rental or sales price of any real property or facility leased or sold pursuant to sections 7 and 8.

(c) The Parking Board shall, as soon as practicable, lease or sell, pursuant to sections 7 and 8 hereof, any facility acquired or constructed under this Act unless the Parking Board determines that the public interest would best be served if it operated such facility itself, and includes in its record of the matter a statement as to its reasons therefor. Each such determination so made shall be reviewed by the Parking Board not less than every three years following the date on which such determination is made.

(d) In operating any such facility, the Board shall, to the extent feasible, provide, by contract or otherwise, for such operation of its parking facilities by any person or management firm competent to manage the operation. Any such contract shall be subject to the Service Contract Act of 1965 (79 Stat. 1034).

PARKING BOARD AUTHORIZED TO LEASE FACILITIES

SEC. 7. (a) The Parking Board is authorized to lease any parking facility acquired or constructed by it for such period of time, as the Board may determine, except that a lease which is used as security for permanent financing shall not exceed forty years in duration and any other lease shall not exceed five years in duration. The Parking Board shall invite competitive bids for the lease of any parking facility, but may, whenever it determines it to be in the public interest, negotiate the lease of any such facility. The Parking Board shall include in its record of the matter a statement as to its reason for so negotiating any such lease.

(b) The Parking Board shall not lease any such facility for an annual rental in an amount less than that which is necessary to amortize, within a forty-year period, the cost of acquiring or constructing such facility and to provide a reasonable reserve for such purpose; to meet the Parking Board's obligations, if any, under the lease including any obligation to repair, maintain, or insure the the facility; to make payments in lieu of taxes; and to meet all administrative expenses and other charges in connection therewith; except that the Parking Board may, for good cause, accept for such number of years as the Parking Board may determine is necessary, a lower rental than the minimum hereinabove prescribed, subject to the repayment to the Parking Board of the difference between such lower rental and such minimum rental prior to the termination of the period for which the parking facility is leased.

(c) The lease of a parking facility shall be upon terms and conditions requiring that such parking facility shall be operated and maintained, during the term of the lease, for the parking of motor vehicles by the general public in accordance with rates, hours of service, methods of operation, rules, and regulations established or approved by the Parking Board and posted in such parking facility by the lessee.

PARKING BOARD AUTHORIZED TO SELL FACILITIES

SEC. 8. (a) The Parking Board is authorized to sell any parking facility other than any facility constructed on land owned by or acquired from the governments of the United States or the District of Columbia. The Parking Board shall invite competitive bids for the sale of any such parking facility, but may, whenever it determines it to be in the public interest, negotiate the sale of such facility. The Parking Board shall include in its record of the matter a statement as to its reason for so negotiating any such sale.

(c) The sale of any such parking facility shall be upon terms and conditions requiring that such parking facility shall be operated and maintained for the parking of motor vehicles by the general public in accordance with rates, hours of service, method of operation, rules, and regulations established or approved by the Parking Board and posted in such parking facility by the purchaser.

(c) The Parking Board is authorized, in connection with the sale of a parking facility acquired or constructed by it, to include in the deed for such property a covenant, running with the land, whereby the purchaser agrees, for himself and his successors in interest, that the property purchased from the

Parking Board will be used as a parking facility for such period of time as the Parking Board shall specify in said covenant. The Parking Board is authorized to agree, subject to the requirements of the preceding subsection (b), to the release or modification of any such covenant whenever the Parking Board shall find, after public hearing, that the operation of a parking facility no longer is in the public interest, or the development of the vicinity in which such parking facility is located is or will be of such a character as to make such facility incompatible with such vicinity.

LEASING PROPERTY FOR DEVELOPMENT

SEC. 9. (a) The Parking Board is authorized to lease, for terms not exceeding forty years, any real property acquired pursuant to this Act, and to stipulate in such lease that the lessee shall erect at his or its expense a structure or structures on the land leased, which structure or structures and property shall be primarily used, maintained, and operated as a parking facility. Every such lease shall be entered into upon such terms and conditions as the Parking Board shall impose including, but not limited to, requirements that such structure or structures shall conform with the plans and specifications approved by the Board; that such structure or structures shall become the property of the District, or in the case of a facility constructed on land under the control and jurisdiction of the United States, such structure shall become the property of the United States, upon termination or expiration of any such lease; that the lessee shall furnish security in the form of a penal bond, or otherwise, to guarantee fulfillment of his or its obligations; that the lessee shall take such action as may be necessary to insure that all laborers and mechanics employed in the performance of such construction, alteration, and/or repair shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended, and any other requirements which, in the judgment of the Parking Board, shall be related to the accomplishment of the purposes of this Act.

(b) The lessee may, with the consent of the Parking Board—

(1) sublease space in such facility at or below the level of the street upon which such facility fronts or abuts for commercial purposes; or

(2) sublease air rights above any parking structure of four or more stories for commercial purposes;

if the Parking Board determines that the utilization of such space or air rights for commercial purposes is expedient for the financing of such parking facility and is compatible with the development of the vicinity in which such facility is located: *Provided,* That no petroleum products shall be sold or offered for sale in any entrance to or exit from any parking facility constructed or acquired under this Act. The rentals so generated shall be taken into account in fixing the sales price of any real property sold pursuant to this section and the approval of rates for the parking of motor vehicles in the parking facility constructed thereon.

(c) Any such lease made pursuant to this section shall be upon such terms and conditions as the Parking Board shall determine, and shall include requirements that any parking facility constructed on the land so leased shall be operated and maintained for the parking of motor vehicles by the general public in accordance with rates, hours of service, method of operation, rules, and regulations established or approved by the Parking Board and posted in such parking facility by the lessee.

RATES

SEC. 10. (a) The Parking Board shall establish and, from time to time, revise, with or without public hearings, schedules of rates to be charged for use of space in each parking facility established pursuant to this Act. In establishing such rates, the Parking Board shall (i) consider, among other factors, the existing rates charged by privately operated parking facilities serving the same vicinity; and (ii) consider, in light of the overall transportation needs and problems of the District of Columbia metropolitan area, the extent to which long-term and short-term parking is desirable at each location and shall fix a schedule of rates for each location which is designed to encourage the types of use that are desired at such location. The Parking Board is authorized to provide rate differentials for such reasons as the amount of space occupied, the location of the facility, and other reasonable differences.

(b) The rates to be charged for the parking of motor vehicles within the parking facilities operated by the Parking Board shall be fixed at the lowest rates that will defray the cost of maintaining, operating, and administering such parking facilities; amortize, within a forty-year period, the cost of acquiring or constructing such facilities; pay all charges, fees, and payments in lieu of taxes attributable to such facilities.

(c) The rates to be charged for the parking of motor vehicles within any parking facilities leased pursuant to this Act shall be fixed at the lowest rates that will enable the lessee to meet all his obligations under his lease or leases; to defray all reasonable and necessary operating expenses; and to earn a fair and reasonable profit or return on his investment.

(d) The rates to be charged for the parking of motor vehicles within any parking facilities sold by the Parking Board pursuant to this Act, or constructed on any unimproved real property leased pursuant to section 9 of this Act, shall be fixed at the lowest rates that will enable the purchaser or lessee, as the case may be, to meet all his obligations under the purchase or lease agreement or agreements to amortize his investment over a reasonable period; to defray all reasonable and necessary operating expenses; and to earn a fair and reasonable profit or return on his investment.

AUTHORITY TO ISSUE OBLIGATIONS

SEC. 11. (a) The Parking Board is authorized to issue and sell, upon such terms and conditions as it shall by resolution prescribe, its obligations having such maturities and bearing such rate or rates of interest as may be determined by the Parking Board: *Provided,* That not more than $50,000,000 in such obligations shall be outstanding at any time. Such obligations may be made redeemable at the option of the Parking Board before maturity in such manner as may be stipulated in such obligations. The principal of and the interest on any such obligations so issued shall be payable out of any moneys or revenues of the Parking Board available under the provisions of this Act. The obligations issued under this Act, together with the interest thereon, shall not constitute a debt or obligation of the United States or of the District of Columbia, and the obligations issued by the Parking Board shall clearly so state.

Obligations authorized hereunder may be issued by the Parking Board in the form of temporary, interim, or definitive bonds, at one time or from time to time, for any of its corporate purposes, including acquiring necessary cash working funds, constructing, reconstructing, extending, or improving a parking facility or facilities or any part thereof and acquiring any property, real or personal, useful for the construction, reconstruction, extension, improvement, or operation of a parking facility or part thereof. The Parking Board shall also have power from time to time to refund any bonds by the issuance of refunding bonds, whether the bonds to be refunded shall have or have not matured, and may issue bonds partly to refund bonds outstanding and partly for any other of its corporate purposes. To the extent feasible, the provisions of this Act governing the issuance and securing of other obligations shall govern refunding bonds. All bonds issued under the provisions of this Act shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under article 3 of the Uniform Commercial Code of the District of Columbia. The Parking Board shall determine the date, the price or prices, and the terms of redemption, and the form and the manner of execution of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the District of Columbia. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any bond may bear the facsimile signature of, or may be signed by, such person as at the actual time of the execution of such bond shall be duly authorized to sign such bond although at the date of such bond such person may not have been such officer. The bonds may be issued in coupon or in registered form, or both, as the Parking Board may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, for the reconversion into coupon bonds of any bonds registered as to both principal and interest, and for the exchange of either coupon bonds or registered bonds without coupons for an equal aggregate principal amount of other coupon bonds or registered bonds without coupons, or both, of any denomination or denominations.

In the discretion of the Parking Board, bonds may be secured by a trust agreement by and between the Parking Board and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the District of Columbia. Such trust agreement may contain provisions for protecting and enforcing the rights and remedies of the bondholders, including covenants setting forth the duties of the Parking Board in relation to the acquisition of property and the construction of parking facilities and the improvement, maintenance, operation, repair, and insurance of parking facilities, the rates to be charged and the custody, safeguarding, and application of all moneys; shall set forth the rights and remedies of the bondholders and of the trustees; may restrict the individual right of action by bondholders; and may contain such other provisions as the Parking Board may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such trust agreement may be treated as a part of the cost of operation.

In order to secure the payment of its bonds, the Parking Board shall have power, in the resolution authorizing the issuance thereof or in the trust agreement securing such bonds (which shall constitute a contract with the holders thereof): to pledge all or any part of its revenues, including future revenues, the proceeds of bonds and any other moneys available to the Parking Board; to covenant with respect to pledges of revenues, liens, mortgages, sales, leases, any property then owned or thereafter acquired, or against permitting or suffering any lien on such revenues or property; to

covenant with respect to limitations on any right to sell, lease, or otherwise dispose of any parking facility or part thereof, or any property of any kind; to covenant with respect to the terms of any bonds to be issued, the custody, application, investment, and disposition of the proceeds thereof, the issuance of additional bonds, the incurring of any other obligations by it, the payment of the principal of and the interest on the bonds or any other obligations, the sources and method of such payment, the rank or priority of any such bonds or other obligations with respect to any lien or security or as to the acceleration of the maturity of any such bonds or other obligations; and to covenant with respect to the replacement of lost, destroyed, or mutilated bonds. The Parking Board is further authorized to pledge as security for revenue bonds, the revenues of parking meters, and to covenant with respect to the installation, relocation, operation, and maintenance of parking meters; the maintenance of its real and personal property, the replacement thereof; the insurance to be carried thereon and use and disposition of insurance money; the rates and other charges to be established and charged by the Parking Board under the authority of this Act; the amount to be raised each year or other period of time by rentals, sales, fees, rates, or other charges, and as to the use and disposition to be made thereof; and for the creation of special funds and accounts, including reasonable reserves.

(b) Obligations issued by the Parking Board, their transfer and the income therefrom (including any profit made on the sale thereof), shall be exempt from all taxation now or hereafter imposed by the United States or the District of Columbia, and by any State, territory, or possession, or by any county, municipality, or other municipal subdivision or taxing authority of any State, territory, or possession of the United States, with the exception of estate, inheritance, and gift taxes.

(c) Notwithstanding any restrictions on investment contained in any other laws, all domestic insurance companies, and domestic insurance associations, and all executors, administrators, guardians, trustees, and other fiduciaries within the District of Columbia, may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or other obligations issued pursuant to this Act, it being the purpose of this section to authorize the investment in such bonds, or other obligations of all sinking, insurance, retirement, compensation, pension, and trust funds; except that nothing contained in this section shall be construed as relieving any person, firm, or corporation from any duty of exercising reasonable care in selecting securities for purchase or investment.

(d) No trustee or receiver of any property of the Parking Board shall assign, mortgage, or otherwise dispose of all or part of any parking facility established under this Act, except in the manner and to the extent permitted under any trust or other agreement securing an obligation of the Parking Board. A trustee under any trust or other agreement securing an obligation of the Parking Board may be authorized in the event of default under any such trust or agreement to seek the appointment of a receiver who may enter and take possession of any parking facility of the Parking Board, operate and maintain such facility, collect all revenues arising therefrom, perform all duties required by this Act or by any trust or other agreement securing an obligation of the Parking Board to be performed by the Parking Board or any officer thereof, and take possession of the revenues from parking meters applicable to the payment of any obligations of the Parking Board.

PARKING METERS

SEC. 12. (a) The Parking Board shall, subject to the approval of the Commissioners install, maintain, repair, relocate, and remove parking meters at such locations on the streets, avenues, roads, highways, and other public open spaces under the jurisdiction and control of the Commissioners as the Parking Board may determine as an aid to the regulation and control of the movement and parking of motor vehicles. The Parking Board is authorized to prescribe fees for the parking of vehicles where parking meters are now or hereafter installed and to utilize its own personnel to collect such fees. Such fees shall be collected by the Parking Board and shall be accounted for and disposed of in like manner as other revenues of the Parking Board.

(b) The Parking Board is authorized to pledge, in addition to its other revenues, the revenues of parking meters as security for its obligations, except that no such pledge shall extend to more than 75 per centum of the revenues of the meters in existence at the time such pledge is made. No covenant or agreement entered into by the Parking Board shall prohibit it from relocating parking meters.

EXEMPTION FROM TAXATION

SEC. 13. (a) The Parking Board shall not be required to pay any taxes or assessments upon any parking facilities or any part thereof, or upon the income thereof: *Provided,* That in lieu of such taxes or assessments the Parking Board may pay to the District of Columbia an amount equal to the taxes or assessments that would have been levied against the property of the Parking Board were the Parking Board not exempt from taxation. The exemption from taxes and assessments hereunder shall not be extended to any interest in a parking facility conveyed by the Parking Board to a grantee or lessee. The authority to make payments in lieu of taxes shall be subordinate to the obligations of the Parking Board under any bond, mortgage, obligation, other evidence of indebtedness, or contract.

FRINGE LOTS

SEC. 14. (a) Notwithstanding any other provision of this Act, the Parking Board is authorized, after consultation and coordination with the National Capital Transportation Agency, the Metropolitan Washington Council of Governments, and the Washington Metropolitan Area Transit Commission, to establish fringe lots in the National Capital area. The head of any Federal or District of Columbia government agency or department is authorized to make lands in the National Capital area under his jurisdiction and control available, on such terms and conditions as he shall determine, to the Parking Board for use by it in establishing fringe lots under this section. No fringe lot shall be established outside the District of Columbia, except on land owned by the United States, or any department or agency thereof, unless the Parking Board has first obtained approval therefor from the local governing body of the jurisdiction in which such fringe lot may be located.

(b) The Parking Board is authorized to operate any fringe lot established by the Board under this section, or to lease any such fringe lot pursuant to such terms and conditions as the Board may determine. The Parking Board is further authorized to operate or arrange for the operation of such fringe lots either with or without charge to the persons patronizing such lots, or at such rate as the Parking Board may from time to time establish.

(c) As used in this section, the term "fringe lot" shall mean a parking lot used primarily for the long-term parking of motor vehicles, located at or beyond the fringe of the central business district of the District of Columbia served by buses, rail transit, or other mode of mass transportation.

NATIONAL CAPITAL PLANNING COMMISSION

SEC. 15. (a) The Parking Board shall submit to the National Capital Planning Commission for its review and recommendations thereon its plans for the acquisition of existing parking facilities, construction of new parking facilities, and lease of properties for use as parking facilities: *Provided,* That the recommendations of the Commission shall be advisory in nature, and shall not be binding upon the Parking Board.

(b) The National Capital Planning Commission is authorized, whenever such plans and programs are forwarded to it in accordance with the requirements of this Act, to study such plans and programs and make such report thereon to the Parking Board as the Commission, in its discretion, determines is necessary: *Provided,* That if no such report on such plans and programs is submitted by the Commission within sixty days from the date the Parking Board forwards them to the Commission, the Commission's approval of such plans and programs shall be assumed.

COMMISSION OF FINE ARTS TO REVIEW PLANS

SEC. 16. (a) The Parking Board shall, in accordance with the provisions of the Act of May 16, 1930 (46 Stat. 366, as amended (40 U.S.C. 121 (1964)), submit to the Commission of Fine Arts the plans for each parking facility which the Parking Board proposes to construct or which is to be constructed on land leased by the Parking Board.

PRIVATE PARKING STRUCTURES

SEC. 17. (a) On and after the date of the enactment of this Act, the District of Columbia shall not issue a building permit to construct any parking garage or substantially to expand any existing garage in the District of Columbia without the approval of the Director of the District of Columbia Department of Highways and Traffic (herein called "the Director") and the National Capital Planning Commission. This section shall not apply to parking garages constructed pursuant to this Act.

(b) Upon receiving a request for the approvals required in subsection (a), together with any plans or data they may by regulation require, the Director and the National Capital Planning Commission shall render a decision within sixty days. The Director shall approve any request unless he finds that the size, design, or location of such parking structure would interfere with the efficient flow of traffic. The National Capital Planning Commission shall approve any such request unless it finds that the size, design, or location of such parking structure would be incompatible with the plans and recommendations of the Commission made pursuant to law. The Director and the National Capital Planning Commission may make their approvals subject to such conditions as they deem ncessary to protect the public interest.

(c) If either the Director or the National Capital Planning Commission deny such request, or approve such request subject to any conditions, the party aggrieved may obtain review of any such decision by filing in the United States Court of Appeals for the District of Columbia, and serving upon the Director and/or the National Capital Planning Commission, within sixty days after the entry of such decision, a written petition praying that the decision of the Director and/or the National Capital Planning Commission be modified or set aside in whole or in part. Upon receipt of any such petition, the Director and/or the National Capital Planning Commission shall file in such court a full, true, and correct copy of the transcript of the proceedings upon which the order complained of was entered. Upon the filing of such petition and receipt of such

transcript, such court shall have jurisdiction to affirm, modify, or set aside, in whole or in part, any such decision. In any such review, the findings of fact of the Director and the National Capital Planning Commission shall not be set aside if supported by substantial evidence. The order of the court affirming, modifying, or setting aside, or enforcing, in whole or in part, any such decision shall be final, subject to review as provided in section 1254 of title 28 of the United States Code.

(d) Nothing in this section shall be construed as superseding any existing law or provision of law relating, directly or indirectly, to the construction, establishment, expansion, operation, or location of parking structures in the District of Columbia.

NOTICE TO PARKING BOARD OF SCHEDULE OF RATES TO BE CHARGED BY PRIVATE PARKING FACILITIES

SEC. 18. Every person owning or operating a parking facility in the District of Columbia shall, pursuant to such rules and regulations as shall be established by the Parking Board, file in writing a complete schedule of the rates charged by such person for the storing or parking of motor vehicles in such facility, and in no case shall such person, following the filing of such schedule of rates, make any charge for such storing or parking in excess of that set forth in such schedule so filed until forty-eight hours after he has notified the Parking Board in writing of the new schedule of rates which he intends to charge. Nothing herein shall be construed as authorizing the Parking Board to fix or regulate such rates. The provisions of this section shall not be applicable with respect to any parking facility the rates of which are subject to the control and regulation of the Parking Board under this Act. Any person who shall violate this section shall be subject to a fine of not less than $100 and not to exceed $500.

AUDITS AND REPORTS

SEC. 19. (a) All receipts and expenditures of funds by the Parking Board pursuant to the provisions of this Act shall be made and accounted for under the direction and control of the Commissioners in like manner as is provided by law in the case of expenditures made by the government of the District of Columbia: *Provided*, That nothing herein contained shall be construed as preventing the Parking Board from providing, by covenant or otherwise, for such other audits as it may consider necessary or desirable.

(b) A report of any audit required under subsection (a) shall be made by the Parking Board to the Congress not later than one hundred and twenty days after the close of the Parking Board's fiscal year. The report shall set forth the scope of the audit and shall include a verification by the person conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expenses, (5) sources and application of funds, and (6) a separate income and expense statement for each facility, including as an expense item a payment in lieu of taxes.

(c) The Parking Board shall submit together with the audit report, a comprehensive report to the Congress summarizing the activities of the Parking Board for the preceding fiscal year.

POWERS OF PARKING BOARD

SEC. 20. The Parking Board, in performing the duties imposed upon it by this Act, shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this Act, including the following powers in addition to others herein granted:

(1) To sue and be sued, to compromise and settle suits and claims of or against it, to complain and defend in its own name in any court of competent jurisdiction, State, Federal, or municipal;

(2) To adopt, alter, and use a corporate seal which shall be judicially noticed;

(3) To adopt, prescribe, amend, repeal, and enforce bylaws, rules, and regulations for the exercise of its powers under this Act or governing the manner in which its business may be conducted and the powers granted to it by this Act may be exercised and enjoyed;

(4) To make, deliver, and receive deeds, leases, and other instruments and to acquire easements, rights-of-way, licenses, and other interests in land, and to take title to real and other property in its own name;

(5) To construct and equip parking facilities in the District of Columbia and to exercise all powers necessary or convenient in connection therewith;

(6) To borrow money; to mortgage or hypothecate its property, or any interest therein; pledge its revenues; and to issue and sell its obligations;

(7) To appoint and employ, subject to the provisions of the Classification Act of 1949, as amended, and other applicable laws relating to employees of the District of Columbia, such officers, agents, engineers, accountants, appraisers, and other personnel for such periods as may be necessary in its judgment, and to determine the services to be performed by them on behalf of the Parking Board;

(8) To procure and enter into contracts for any types of insurance and indemnity against loss or damage to property from any cause, including loss of use or occupancy, against death or injury of any person, against employers' liability, against any act of any director, officer, or employee of the Parking Board in the performance of the duties of his office or employment, or any other insurable risk;

(9) To deposit its moneys and other revenues in any bank incorporated under the laws of the United States;

(10) To spend its revenues, or any funds appropriated to carry out the purposes of this Act;

(11) In accordance with the provisions of section 15 of the Act approved August 2, 1946 (60 Stat. 806, 810; 5 U.S.C.A. 55a), to employ, or to enter into contracts with, consulting engineers, architects, accountants, legal counsel, construction and financial consultants, managers, superintendents, and such other consultants and technical experts as in the opinion of the Parking Board may be necessary or desirable;

(12) To enter into all contracts and agreements, in addition to those otherwise mentioned herein, necessary or incidental to the performance of the functions of the Parking Board and the execution of its powers under this Act. Except as otherwise provided in this Act, all such contracts or agreements shall be subject to competitive bidding unless the value thereof does not exceed $1,000;

(13) To sell, exchange, transfer, or assign any property, real or personal, or any interest therein, acquired under the authority of this Act, whether or not improved: *Provided*, That such action shall be in accordance with the general law covering the disposal of such property by the District: *Provided further*, That the Parking Board shall have first determined, after public hearing, that any such real property is no longer necessary for the purposes of this Act;

(14) To obtain from the United States, or any agency thereof, loans, grants, or other assistance on the same basis as would be available to the District of Columbia.

COMMISSIONERS AUTHORIZED TO PROVIDE ASSISTANCE TO PARKING BOARD

SEC. 21. (a) The Commissioners are authorized to aid and cooperate in the planning, undertaking, construction, reconstruction, extension, improvement, maintenance, or operation of any parking facility established pursuant to this Act by providing, subject to reimbursement, such services, assistance, or facilities as the Parking Board may request.

(b) Subject to the reimbursement to the District of Columbia by the Parking Board for the salaries, retirement, health benefits, and similar costs for such employees, there shall be made available to the Parking Board such number of employees of the District of Columbia as the Parking Board certifies are necessary to the proper discharge of its duties in carrying out the purposes of this Act, which employees shall be subject to the Classification Act of 1949, as amended.

(c) The provisions of the second paragraph under the caption "For Metropolitan Police" in the first section of the Act entitled "An Act making appropriations to provide for the expenses of the Government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred, and for other purposes", approved March 3, 1899 (30 Stat. 1045, 1057, ch. 422; sec. 4–115, D.C. Code, 1961 edition), authorizing the Commissioners to appoint special policemen for duty in connection with the property of corporations and individuals, shall be applicable with respect to the property of the Parking Board.

(d) The Corporation Counsel of the District of Columbia is authorized and directed in all matters to act as counsel for the Parking Board, except insofar as the Parking Board may find it necessary or convenient to retain outside legal counsel.

PARKING FACILITIES IN CONNECTION WITH NEW CONSTRUCTION

SEC. 22. The first section of the Act entitled "An Act providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes", approved June 20, 1938 (52 Stat. 797), as amended, is amended (1) by striking out "That to promote" and inserting in lieu thereof "That (a) to promote", and (2) by adding at the end thereof the following new subsection:

"(b) The Zoning Commission shall, after consultation with the District of Columbia Parking Board, issue regulations to require, with respect to buildings erected in the central business district of the District of Columbia after the expiration of the one hundred and twenty day period following the effective date of the District of Columbia Parking Facility Act, that reasonable facilities on the premises or off the premises be provided directly or by contract for the offstreet parking of motor vehicles of the owners, occupants, tenants, patrons, and customers of such building, and of the business, trades, and professions conducted therein."

DEFINITIONS

SEC. 23. As used in this Act, the term—

(1) "District" means the District of Columbia;

(2) "Commissioners" means the Commissioners of the District of Columbia;

(3) "Person" means an individual, firm, copartnership, association, or corporation (including a nonprofit corporation);

(4) "Revenues" means all payments received by the Parking Board from the sale or lease of parking facilities, all moneys received from the operation of parking meters, authorized to be pledged, and all income and other moneys received by the Parking Board from any other source;

(5) "Parking facility" means a parking lot, parking garage, or other structure (either single or multi-level and either at, above, or below the surface) primarily for the offstreet parking of motor vehicles, open to public use for a fee, and all property, rights, easements, and interests relating thereto which are deemed necessary for the

efficient and economical construction or the operation thereof;

(6) "Parking garage" means any structure (either single- or multi-level and either at, above, or below the surface) which is open to public use for a fee and which is primarily used for the offstreet parking of motor vehicles; and

(7) "National Capital area" means the District of Columbia and all surrounding jurisdictions which are commonly recognized as part of the District of Columbia metropolitan area.

ABOLITION OF THE DISTRICT OF COLUMBIA MOTOR VEHICLE PARKING AGENCY AND TRANSFER OF FUNDS AND PROPERTY TO PARKING BOARD

SEC. 24. (a) The Motor Vehicle Parking Agency created by Reorganization Order Numbered 54 and reconstituted under Organization Order Numbered 106 (title 1, appendix, D.C. Code), predicated upon authority contained in Reorganization Plan Numbered 5 of 1952 (66 Stat. 824), is hereby abolished. The functions, positions, personnel, equipment, property, records, and unexpended balances of appropriations, allocations, and other funds, available or to be made available relating to the Motor Vehicle Parking Agency are hereby transferred to the Parking Board.

(b) All positions, personnel, equipment, property, records, and unexpended balances of appropriations, allocations, and other funds, available or to be made available relating to the function of installing, repairing, replacing, and removing parking meters on the public streets of the District of Columbia are hereby transferred to the Parking Board from the Department of Highways and Traffic.

(c) Section 11 of the Act approved April 4, 1938 (52 Stat. 156, 192; sec. 40–616, D.C. Code, 1961 edition), is hereby repealed.

COORDINATION OF ACT WITH PROVISIONS OF REORGANIZATION PLAN NUMBERED 5 OF 1952

SEC. 25. Nothing in this Act shall be construed so as to affect the authority vested in the Board of Commissioners of the District of Columbia by Reorganization Plan Numbered 5 of 1952 (66 Stat. 824). The performance of any function vested by this Act in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners may be delegated by said Board of Commissioners in accordance with section 3 of such plan.

REPEAL

SEC. 26. The District of Columbia Parking Facilities Act of 1942 is hereby repealed.

EFFECTIVE DATE

SEC. 27. The provisions of this Act shall take effect sixty days following the date of its enactment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, on behalf of the distinguished senior Senator from Arizona [Mr. HAYDEN], and at his request, I send to the desk five amendments. I ask unanimous consent that the reading of the amendments be waived, that they be printed in the RECORD, and that they be considered en bloc.

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

The amendments are as follows:

On page 43, lines 8 and 9, strike the last three words after "any", and insert the following: "real property on which there is located a parking facility, unless the Parking Board intends substantially to increase the number of vehicles which can be parked on such property: *Provided*, That if within 30 days after the Board institutes a condemnation proceeding to acquire land on which there is located a parking facility the owners of such property file with the court a signed statement to the effect that they plan to undertake such construction as is necessary to cause to be located thereon a parking facility equal in capacity to that proposed to be constructed thereon by the Board and that they will cause such construction to be commenced within one year after the date such statement is filed, the condemnation proceeding shall be stayed pending the completion of such construction. Upon such completion, the court shall enter an order dismissing the condemnation proceeding. If such construction does not commence within such one year period and proceed expeditiously thereafter, the Board may proceed with the condemnation proceeding."

On page 49, line 14, immediately after the period, insert the following: "The Parking Board shall extend to all qualified persons experienced in the business of motor vehicle parking who owned a parking facility on any land acquired by condemnation pursuant to section 5 the right of first refusal with respect to any sale, or the right to meet the high bid, with respect to the leasing, of any parking facility constructed on such land."

On page 56, line 18, immediately after the period, insert the following: "Obligations issued under this Act shall be offered at public sale to the lowest responsible bidder."

On page 63, line 3, immediately after the period, insert the following: "In carrying out the aforementioned duties, the Parking Board shall, from time to time, consult with the Director of the District of Columbia Department of Highways and Traffic."

On page 70, line 13, immediately after "Sec. 20.", insert "(a)".

On page 73, between lines 13 and 14, insert the following:

"(b) Notwithstanding the provisions of paragraph 13 of subsection (a) of this section, the Parking Board shall not have the authority to exchange any real property acquired by condemnation within one year following such acquisition unless the owners of such property at the time of its acquisition by the Parking Board shall first have been afforded a reasonable opportunity to reacquire such property for an amount equal to that paid to them by the Parking Board plus the cost of improvements made by the Parking Board to such property, if any."

Mr. TYDINGS. Mr. President, the pending bill meets a longstanding and long neglected need in the District of Columbia. Virtually every major American city has a municipal parking program. Witnesses before my Subcommittee testified to the effectiveness of municipal parking agencies in Chicago, Pittsburgh, New York, San Francisco, Detroit, Baltimore, and a host of other major cities.

The ironic fact is that Washington was one of the first cities in the country to have a public parking agency. The Congress created such an agency in 1942, under the able leadership of two Congressmen on the House District Committee: EVERETT DIRKSEN and JENNINGS RANDOLPH. I am proud that both of these distinguished men are cosponsors of my bill.

The facts are, however, that the District of Columbia Motor Vehicle Parking Agency, created by the Congress in 1942, was never able to function effectively. The testimony of Mr. Garfield Kass, a member of the Agency Board, shows that the Board was intentionally stacked to prevent action. The private parking lobby, taking a short-term and short-sighted view of its own self interest, was able to keep the Agency from building a single garage or parking facility in the downtown or monument areas of this city. Finally, in 1961 the parking lobby managed to emasculate the Parking Agency, by persuading Congress to remove its sole source of revenue and expressly to prohibit it from constructing parking facilities in the very areas they were most needed.

I recite this history, because it would justify us, under the circumstances, in reporting and enacting a strong bill. The fact of the matter is that this is a very moderate bill. It has the support of virtually every responsible segment of the community.

There can be no dispute as to the need for improved parking in the District of Columbia. Every driver knows from personal experience the frustration, the difficulty, often the impossibility of obtaining convenient parking at reasonable rates in downtown Washington or in the areas of our monuments and the Capitol.

This bill is of direct and substantial interest to every Senator and Congressman, for its benefits not only the District of Columbia, but every American who visits Washington by car. Stanford Research Institute reported that in 1960 some 15.4 millon people from outside the Washington metropolitan area visited our Nation's Capital. An incredible 75.4 percent of these visitors came by automobile. By 1970 Stanford Research Institute estimates that 24 million people will visit Washington by 1970 and 35 million by 1980.

Every Member of the Congress, has received complaints from constituents whose visits to Washington are marred by the frustrations of finding a place to park. Presently, tourists must compete with area residents for available spaces, and often find that spaces in the business district are nonexistent as a result of long-term parking by employees who arrive early to report to their jobs. Visitors experience considerable wasted time and frustration in looking for parking spaces so they might enjoy the vacations they anticipated. Moreover, the main tourist attractions, such as the Smithsonian Institution, the Capitol, and many of the monuments are not in the downtown business district where most of the parking facilities are to be found. The average tourist is therefore faced with the alternatives of paying commercial sightseeing agencies to drive him and his family from place to place, hazarding the mysteries of public transportation, walking long distances, spending a considerable part of his vacation time searching for existing parking spaces.

The bill has been attacked by the parking lobby as unfair to free enterprise. Such arguments are poppycock. The bill

was reported unanimously by the committee, including its two distinguished representatives of the minority; the Senator from Vermont [Mr. PROUTY] and the Senator from Colorado [Mr. DOMINICK]. It is cosponsored by the Senator from Illinois [Mr. DIRKSEN] and was introduced on the House side by Congressman BROYHILL. These men would not, I am sure, support any legislation that unfairly or unnecessarily regulated or interfered with our free enterprise system. They know that municipal parking agencies have been necessary and useful tools in meeting the traffic problems of their own cities, including Denver and Chicago. The cries of unfair competition from the parking industry have been made so loudly and so often, that like the little boy who cried "wolf," no one believes them any more.

The subcommittee heard testimony that legitimate private parking operators have nothing to fear from a public agency. In fact, the owner of the largest private parking business in Pittsburgh, Mr. John Stabile, who employs over 400 persons on an annual payroll of $1.75 million, testified that the creation of the Pittsburgh Parking Authority was good for his business. He told the committee:

> Pittsburgh as the 16th largest city in the country, would not be where it is today in achieving its world famed renaissance had we been without a strong, progressive and effective public parking program. . . . The private parking industry in Pittsburgh has moved ahead rather than declined as a result of the parking authority's existence. We are proud of the system of permanent, off-street parking facilities we have today, along with those planned for the future in Pittsburgh. Public and private enterprise can exist side by side and work in concert to solve the parking problems.

Mr. President, the details of the bill are explained in the committee report. We have gone into this matter in great detail. The bill has gone through committee prints, and we have tried at each step of the way to accept and incorporate every reasonable objection, criticism or suggestion. I would just like to say, as chairman of the subcommittee, that I extend my sincere thanks and appreciation to every one of our witnesses, many of whom appeared at considerable expense and personal sacrifice, to the staff of the committee and to my colleagues on the committee, particularly to the Senator from Colorado [Mr. DOMINICK] and the Senator from New York [Mr. KENNEDY], for their assistance on the subcommittee, and to our distinguished chairman, the Senator from Nevada [Mr. BIBLE].

Mr. President, the amendments which were offered by the distinguished Senator from Montana [Mr. MANSFIELD] are technical amendments primarily and were proposed by the distinguished Senator from Arizona [Mr. HAYDEN]. We have met with his staff on a number of occasions to work out the language of the amendments. I understand that the amendments are acceptable to the distinguished Senator from Colorado [Mr. DOMINICK].

Mr. DOMINICK. I must say to the disinguished Senator from Maryland that we have not discussed the amendments thoroughly, but if they are acceptable to the Senator from Maryland, I am satisfied.

Mr. TYDINGS. They are acceptable to me.

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

Mr. TYDINGS. I yield.

Mr. DOMINICK. I congratulate the Senator from Maryland for doing an excellent job on the parking bill. Legislation such as this is needed in the District of Columbia. The Senator from Maryland has worked long and hard on the proposed legislation. He has been flexible in his approach to it. He has accepted amendments from the Senator from Arizona and some amendments that I offered in committee. This is a bill with which we can work, and I hope that it will be passed by the House.

Mr. TYDINGS. I thank the distinguished Senator from Colorado. He and I worked on the bill both in the hearings before the subcommittee and in the Committee on the District of Columbia.

I am prepared to accept the amendments, and I shall second the motion of the distinguished Senator from Montana [Mr. MANSFIELD] for the adoption of the amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc, of the Senator from Arizona, to the committee amendment.

The amendments were agreed to en bloc.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill. The bill was ordered to be engrossed and to be read a third time.

The bill was read the third time.

Mr. TYDINGS. Mr. President, the purpose of the bill is to provide an effective method for dealing with motor vehicle parking needs in the District of Columbia. The important provisions of S. 2769 that will carry out the objectives of the bill are as follows:

To create a Parking Board, consisting of the Board of Commissioners of the District of Columbia, and an 11-member Advisory Council, composed of representatives of government and of the public, to advise and assist the Board.

To authorize the Advisory Council to make periodic comprehensive reports on parking and its role in creating a balanced transportation system in the District of Columbia metropolitan area.

To authorize the Parking Board to acquire property for the operation of off-street parking facilities, including limited condemnation powers.

4. To authorize the Parking Board to construct parking facilities, to lease or sell such facilities, or to lease property for development of parking facilities, and to fix the rates charged by facilities operated pursuant to this bill. The Parking Board may operate such facilities only if it determines, every 3 years, that the sale or lease or such facilities to private persons would serve the public interest.

To authorize the Parking Board to issue nontaxable obligations that will not be obligations of the Federal or District of Columbia governments, to finance the acquisition and construction of parking facilities.

To authorize the Zoning Commission to issue regulations requiring parking facilities to be provided in connection with new private construction in the central business district.

The District of Columbia occupies a unique position. It is the seat of government and a major tourist attraction drawing over 9 million visitors each year. With a metropolitan area population that in 1960 consisted of almost 2 million residents, it is 1 of the 10 largest cities in the United States and the fastest growing urban center in the country. The population is expected to reach 3.5 million by 1980, and 5 million by the year 2000.

There are now approximately 800,000 motor vehicles in the National Capital area, and it is estimated that there will be at least 1 million more by 1980. More than 1 million motor vehicles cross District of Columbia boundary lines each day. Statistics indicate that today the total of 765,000 motor vehicles moving in, through and out of downtown Washington every 24 hours is the greatest of any downtown area in any city of the United States. A traffic count taken several years ago showed that almost 200,000 vehicles entered the central business district between 10 a.m. and 6 p.m.

The orderly growth and development of the National Capital area requires a balanced transportation system, consisting of highways, rapid rail, and other public transportation, as well as off-street parking facilities for motor vehicles. More adequate parking is needed to provide residents and visitors a variety of economic and efficient means of travel into and through the District of Columbia. It therefore becomes essential that facilities for off-street parking of motor vehicles be provided at reasonable rates and desirable locations to handle this steady influx of automobile travelers. Where private development of parking facilities is unable to meet the demands for sufficient parking at the places where it is most needed, it becomes a responsibility of government to cooperate with private enterprise to meet these needs.

The problem of adequate parking is not a new one in the District of Columbia. The problem was recognized at least as far back as 1941, when legislation was introduced to provide for a municipal parking program similar to that now sought. In 1942, the Congress passed legislation creating a Motor Vehicle Parking Agency to construct and operate off-street parking facilities. That law was never effectively implemented. Except for four fringe lots, there are no publicly owned or operated parking facilities in the District of Columbia.

In the past 5 years at least 6 studies have been made on the parking situation in the District of Columbia. The results have uniformly shown the need

for additional parking in the central business district and tourist attraction areas to meet the increasing needs of area residents and visitors.

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

Mr. TYDINGS. I yield.

Mr. DOMINICK. During the hearings we received evidence which emphasized that the major needs for parking were not necessarily for the business people going to the central business district, but rather parking for visitors to the National Capital and Government employees. Is that correct?

Mr. TYDINGS. The Senator is correct.

Mr. DOMINICK. On page 5 of our report we tried to emphasize the fact that we hope the Parking Board would concentrate on facilities for those particular groups, visitors and Government employees.

Mr. TYDINGS. The Senator is correct. As a matter of fact, we devoted an extensive part of the report to that.

Mr. DOMINICK. I would hope that we made the RECORD crystal clear not only in this report, as shown on page 5, paragraphs 1, 2, and 3, but also in our colloquy here, that this is where we would like a concentration of effort to relieve the immediate problem, and also to relieve additional problems which may develop if our highway system ever gets going again.

Mr. TYDINGS. The Senator is correct.

The committee held 6 days of hearings, taking testimony from 43 witnesses. The record shows that virtually every major city in the country has created a municipal parking authority with powers similar to those proposed. One knowledgeable expert stated that the District of Columbia is at least 15 years behind the rest of the country in meeting its parking problems.

The proposed legislation, which would enable the Federal and District Governments to cooperate with private parking interests to meet the growing needs of Metropolitan Washington for offstreet parking, has met with almost universal approval. The proposed legislation has the endorsement of the Bureau of the Budget, the Commissioners of the District of Columbia, the National Park Service, the Smithsonian Institution, the Federal City Council, the Metropolitan Washington Board of Trade, Downtown Progress, the Washington Board of Realtors, the local affiliate of the American Automobile Association, organized labor, organizations representing Government employees, the Washington Building Congress, the District of Columbia Federation of Civic Associations, representative members of the District of Columbia Highway Users Conference, and many others. Witnesses included the officials of the two largest banks in the District of Columbia; representatives of major department stores; executive officers of parking, traffic, and rapid transit agencies in other cities; and professional city planners. Opposition came exclusively from the Washington Parking Association, the National Parking Association, and three civic organizations which were concerned about Government interference with free enterprise, or which believed more studies are needed.

Mr. President, as I have indicated in my remarks, we held hearings in depth on this problem. We believe that we have a moderate and workable bill.

I second the remarks of the distinguished Senator from Colorado [Mr. DOMINICK]. I hope that the body on the other side will take prompt action in this area.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2769) was passed.

THE REMOVAL OF A RESTRICTION ON CERTAIN REAL PROPERTY HERETOFORE CONVEYED TO THE STATE OF CALIFORNIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 849, H.R. 1582 be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 1582) to remove a restriction on certain real property heretofore conveyed to the State of California.

Mr. MANSFIELD. Mr. President, there will be no action taken on this bill tonight, but it and another land bill will be taken up tomorrow.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 12 o'clock noon tomorrow.

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

AEC ACCELERATOR—DENVER, COLO.

Mr. DOMINICK. Mr. President, again last week the distinguished Senator from Missouri [Mr. LONG] made an attack on the criteria used by the Atomic Energy Commission in connection with its accelerator, and the six sites that were remaining.

In the Washington Daily News of today, June 21, 1966, there is a fine article written by Mr. Cobb Lewis, of Denver, who writes in regard to transportation and Denver weather, the two points which were attacked extensively by the Senator from Missouri [Mr. LONG] in connection with our choice as one of the six remaining sites.

Because this is such an excellent article showing what we are doing in this field, I ask unanimous consent that the article be printed in the RECORD, at this point.

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

EIGHTH BUSIEST U.S. AIR TERMINAL—DENVER: AIR GATE TO WEST

(By Cobb Lewis)

DENVER.—Stapleton International Airport's spanking new $11.5 million air terminal here is symbolic of Denver's increasing stature as the travel gateway of Rocky Mountain playgrounds.

The terminal, opened April 1, is expected to handle 4 million passengers this year. Its traffic is No. 8 in the U.S., tho Denver is only 26th in population.

Ten airlines serve Denver, two of them, United and TWA, offering daily non-stops to and from Washington. (The TWA Denver-Dulles hop continues to London and Frankfurt).

Denver also is the "Hub City" for three interstate highways, seven primary U.S. highways, six railroads and two transcontinental bus lines.

TO DUDE RANCHES

It is the jumping-off place for the Colorado Rockies both for winter sports and summer dude ranch and other vacations.

Within Colorado are two national parks, four major national monuments, eleven national forests and hundreds of campgrounds, recreational areas and historical sites.

Rocky Mountain National Park in north central Colorado, embraces 405 square miles along the snow-pinnacled Continental Divide. Broad spruce-lined highways lift the vacationer above the 11,000-foot timberline where wild flowers fleck the tundra and eternal snow glistens. Adjoining it are the popular resorts of Estes Park and Grand Lake.

MESA VERDE

Mesa Verde National Park in southwestern Colorado contains the well-preserved ruins and artifacts of an ancient Indian civilization dating back to 500 A.D.

Other nearby attractions include a trip into yesterday on the Durango to Silverton narrow-gauge railroad.

Dinosaur National Monument in extreme northwestern Colorado is a land of fantasy, encompassing grotesque rock formations and the world's biggest bone pile.

CROSSROADS WEST

A highlight of the new Denver air terminal is the appropriately named Crossroads West restaurant and cocktail lounge.

It features a combination of jet age modern with a western historical motif. A large foyer area contains Indian artifacts and trappings, pioneer lore and large western paintings.

Stapleton International's design allows for future expansion to meet the requirements of the super-sonic aircraft. Immediate plans call for it to be one of the first five airports in the nation so instrumented that airlines will be able to operate with new lower landing minimum of 100-foot ceilings and 1200-foot forward visibility. However, city officials are quick to note that Colorado's ideal weather conditions will preclude the use of this system most of the time.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

GREATER MILITARY EFFORT IN VIETNAM IS NOT THE SOLUTION

Mr. MORSE. Mr. President, the statements by the President at his news conference on Saturday are being advertised as concessions to that element of American opinion which the White House believes wants a bigger military effort in Vietnam. The President

warned of increased air raids on North Vietnam and enlarged ground action in South Vietnam.

This sector of opinion is supposed to believe that greater military action is the best way to bring the war to an end quickly. If the President and his administration wished to resist this alleged pressure, they need only point to the many increments of military force that have been exerted against the Vietcong and against North Vietnam, all for the announced purpose of driving them to the negotiating table, not one of which increments has done anything more than bring a corresponding increase in the war effort of the Vietcong and North Vietnam.

The President could have pointed out to these people that even in March, the tonnage of bombs dropped was exceeding the monthly rate of tonnage dropped in all of Europe in World War II.

This is no small war. From the standpoint of the use of American air power and bombing power it already is a massive war.

Bombing Vietnam with more bombs than we dropped all across the face of Europe is hardly a policy of military restraint. That is why I thought it was interesting that a resolution was introduced in the Democratic Party convention in Wisconsin seeking to commend the President of the United States for his restraint in our immoral and illegal war in South Vietnam, but that resolution could not be sold to the Democrats at that convention. It was not adopted, as it should not have been adopted, because our Government is not acting with restraint in conducting its unfortunate war in Vietnam, which is killing increasing numbers of American boys who were sent over there to participate in such a completely unjustifiable war.

In the sense of our air bombing, this is total war. Far from forcing the enemy to negotiate, it has not even prevented them from increasing their assistance to the Vietcong.

Of course, to point out the tremendous military power already brought to bear would be to admit that increased force has not produced the desired results, and that the Pentagon, the State Department, and the White House have been wrong in their estimates that North Vietnam would negotiate in order to save its transportation system, bridges, its industrial complexes—yes, and its harbor.

It should be evident by now that the administration believes the only thing wrong with its policy is that it has not yet used enough force in southeast Asia to bring a peace settlement on our terms. How much force will be enough, Mr. President, I ask you? It appears that the world is going to find out soon from the President, if he carries out the announcement made at his most unfortunate press conference last Saturday.

A part of the picture which the President did not fill in will be the increasing takeover of the war in the South by the United States. General Ky has been compelled to use his military forces to institute a police state totalitarianism. If this is what is meant by "pacification," his troops will do more fighting against the Buddhists and students than they did against the Vietcong.

Mr. President, this is one of the sad things about this war, that we are killing American boys in Vietnam while the Vietnamese themselves are engaged in a religious war. We find this under the leadership of the little tyrant, Ky, who never fought the French. In fact, we find that the military dictatorship which the Johnson administration is supporting in Vietnam is composed of a majority of military officers who never fought the French. A good many of them were on the side of the French against their own people, as a matter of fact. That is the record of the unconscionable course of U.S. outlawry in South Vietnam.

Of course, this fact is generally known in many parts of the world but not by enough Americans. I say most respectfully that I am satisfied when the American people do come to know and to understand, the Johnson administration will find an even greater dip in the polls in support of the President of the United States.

Unless the United Nations, the free world, and the American people demand an end to this war, and act to enforce that demand, the prospect is for an American occupation of South Vietnam and the destruction of North Vietnam, with no likelihood that even those conditions will mean an end to the fighting.

That is one of the many tragedies of American policy in Vietnam. The constant buildup of forces may—or may not—suppress the Vietcong. But it will never produce a peace that will permit the withdrawal of those forces.

When I read the Gallup poll, which reports that a rising proportion of public opinion is ready to pull out of Vietnam altogether—and which I happen to believe would be a mistake—I have a hunch that the American people recognize that the type of war being fought in Vietnam is not going to permit any withdrawal of the half million American troops it will take to suppress the enemy. We are not fighting a foreign invader; we are going to become the occupation force because we are the invader. We, the United States, are the aggressor. While we can maintain that position in South Vietnam, we will never be able to create a strong and stable enough government to enable us to leave. Indeed, as the economic and military strength of China grows over the years, the necessity for continuous U.S. occupation of Vietnam to maintain a pro-U.S. Government will probably grow with it.

That is one of the great concerns of those of us who, for the past 3 years, have been speaking out in this historic debate against the policies of the United States. For we see no end to this road if we continue to follow the road down which the administration is leading us. We see no end but continued occupation of this part of Asia and probably larger areas of Asia as we become more and more involved in a larger and larger war there.

As more and more of our people come to appreciate the consequences of the military buildup, more and more are going to conclude that orderly withdrawal is preferable to eternal occupation of a country 8,000 miles away.

Mr. President, I continue to hold to the point of view that it is much sounder policy to follow a program which has been outlined for us by a General Ridgway, a General Gavin, and a George Kennan than a policy that is now being outlined for the American people by a Lyndon B. Johnson. For, in my judgment, the continuation of the President's war—and it has now become the President's war in southeast Asia—will involve more and more men, more and more casualties, more and more costs, and, finally, more and more danger of our leading mankind into a third world war.

Mr. President, I ask unanimous consent to have printed in the RECORD the Gallup poll to which I have referred, which was published in the Washington Post on June 19, along with various newspaper articles and editorials that comment on the subject of the remarks I have made this afternoon.

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

[From the Washington Post, June 19, 1966]

THE GALLUP POLL: QUIT-VIETNAM MINORITY GAINS

(By George Gallup)

If the American people today were given given two alternatives—continuing the war in Vietnam or withdrawing our troops during the next few months—their vote would be 4-to-3 to continue.

Although a greater proportion of people sampled in the latest survey (48 per cent) say we should stay in Vietnam than say we should get out (35 per cent), sentiment favoring withdrawal has grown considerably since a year ago. In June, 1965, results to a comparable question showed opinion nearly 7-to-2 in favor of continuing the war.

Among the general public, Democrats tend to favor continuing the war, but Republicans are about evenly divided in their views. A greater proportion of men than women would like to see us stay in Vietnam. Education is a factor, with the better-educated more inclined to favor continuing the war.

Other survey evidence helps explain why a sizable minority of people favor withdrawing and why uncertainty exists about what the U.S. should do now.

1. Only one person in six anticipates an all-out victory in Vietnam. A majority think the conflict will end in a compromise peace settlement.

2. Hopes for an early end to the fighting are dwindling.

3. The public is about evenly divided in their opinion as to whether the South Vietnamese want the U.S. to stay in their country.

4. About half the U.S. adults think we should pull our troops out of Vietnam if a majority of the South Vietnamese want us to do so; one in three say we should not.

The survey questions and results:

1. "Suppose you were asked to vote on the question of continuing the war in Vietnam or withdrawing our troops during the next few months—how would you vote?"

[In percent]

Continue	48
Withdraw	35
No opinion	17

(Comparable question asked in June, '65: "Should the U.S. continue its present efforts, or should we pull our forces out?" Results: Continue—66%; Pull out—20%; No opinion—14%.)

2. "How do you think the war in Vietnam will end—in an all-out victory for the U.S. and the South Vietnamese, in a compromise peace settlement, or in a defeat for the U.S. and the South Vietnamese?"

[In percent]

All-out victory	17
Compromise	54
Defeat	6
No opinion	23

3. "In terms of time—months or years—how long do you think the fighting in Vietnam will last?"

[In percent]

	Today	Jan.
6 months or less	2	3
1 year	10	16
2 years	15	20
3 years	7	6
4 years	3	5
5 years	9	9
Longer than 5 years	22	22
Uncertainty, no opinion	32	19

4. "Do you think most of the South Vietnamese want the U.S. to get out of their country, or not?"

[In percent]

Yes	34
No	38
No opinion	28

5. "Suppose a majority of the South Vietnamese wanted us to pull our troops out of Vietnam, do you think we should do so, or not?"

[In percent]

Yes	51
No	33
No opinion	16

[From the Wheeling (W. Va.) Intelligencer, May 20, 1966]

DOUBLE TALK: IF WAR ON AGGRESSION IS COMMON OBLIGATION, WHERE ARE OUR ALLIES?

If that was an Administration trial balloon Secretary McNamara released before the American Society of Newspaper Editors in Montreal, Washington soon should be in no doubt as to the direction of the public wind.

Our guess is what the American people will overwhelmingly reject the idea of a universal draft—the confiscation of two years out of the lives of all of our young people to be spent in military service, in traipsing all over the world in a vast expansion of Peace Corps evangelism, or in "some other volunteer developmental work at home or abroad."

That is conscription far beyond anything practiced in the most arrogant days of militarist Germany when every young man had to do his stint in the army. It runs counter not only to what has been traditional sentiment in the United States but to the universal trend.

While the Defense Secretary advanced this all inclusive service notion as a means of correcting the "inequity" of the Selective Service System, it is apparent that something much farther reaching is involved. Evidently the Washington planners—Mr. McNamara's speech had advance White House clearance—foresee the possibility of our eternal engagement in war, the ever hovering threat of war, or an American-initiated youth crusade to "make meaningful the central concept of security; a world of decency and development where every man can feel his personal horizon is rimmed with hope."

In this connection Mr. McNamara said something curious in the light of what is going on in Viet Nam and the policy of which our involvement there is a consequence.

"The truth, is," he told his hearers, "that the day is coming when no single nation, however powerful, can undertake by itself to keep the peace outside its own borders."

Not only is that time coming, it is here. It has been here for a long time. That's what criticism of the policy of which Viet Nam is but a manifestation is all about. It's what those who deny that we have either an obligation or the capacity to put down aggression all over the world, to stop Communist expansionism throughout Asia and Africa and wherever else it may raise it head, have been saying all along.

These critics have been saying from the outset what Mr. McNamara now says:

"The United States has no mandate from on high to police the world and has no inclination to do so;" no desire to assume the role of 'global gendarme."

That is, the American people have no such desire; are conscious of no feeling of obligation to keep the world peace. But somebody should tip off Washington to that effect. If what Mr. McNamara said in Montreal reflects the feeling of President Johnson and his advisors, why don't they act the way they believe?

For all practicable purposes this is a unilateral war we are waging in South Viet Nam insofar as outside intervention to put down aggression is concerned. If it is a war of liberation we—with a couple of minor exceptions—are the only liberators in all the world. It is necessary that we wage it, we have been told, not only for the sake of the people we presently are defending, but for the sake of maintaining world faith in the integrity of our commitments—we have nearly half a hundred of them in all parts of the globe—and for the purpose of holding in check the forces of aggression in Asia. But where are our allies?

If, as Mr. McNamara also said, it is the responsibility of other free Nations as well as ours to contain aggressive expansionism, why aren't they about it? And if they will not help us in Viet Nam, what reason is there for believing that they will help us in the greater struggles which may lie ahead if, indeed, the danger Washington professes to see actually threatens?

If Mr. Johnson doesn't feel like an international policeman, all he has to do is to quit acting like one. Then it would be unnecessary to think in terms of a blanket youth draft.

[From the London Times, May 16, 1966]

DOUBTS ON U.S. POLICY IN VIETNAM

From Mr. Philip Noel-Baker, M.P. for Derby, South.

Sir,—In his remarkable article "War Games Endanger American Foreign Policy" (May 4), your Washington Correspondent arrived at the conclusion that, in spite of the nuclear theorists, "the United States remains what it always was".

His argument confirms the view that American policy in Vietnam springs from a national conviction that American strength should be used to uphold world law against aggression, and so to establish a firm foundation for world peace.

I have never doubted that it is for great purpose, and for nothing else, that American soldiers are dying in Vietnam, and that the President, with bitter misgiving, is allowing them to die.

Unfortunately, the basic assumption of this policy, is open to doubt. In May, 1966, the question must be asked: Has not American policy in Vietnam done more than any other event in the last decade to undermine the binding force of International Law, and of the Treaties and Agreements in which so much of it is enshrined?

1. The Americans put Diem in power in South Vietnam in 1954. They allowed him not to carry out the elections and not to observe the amnesty, which were the vital clauses of the Geneva Agreements of 1954. They disregarded, as he did, the repeated protests of the International Control Commission. They thus destroyed the whole legal basis on which the victorious Vietminh agreed to stop their war against the French.

2. In 1965, an eminent American jurist, who had been a delegate to the United Nations, Mr. Benjamin Cohen, said as follows in a David Niles Memorial Lecture:

"In recent years there has been an attempt to justify the evisceration of the law of the Charter on the ground that the Charter does not forbid the use of force by one state at the request of the recognized government of another state to quell a rebellion. Such a libertarian construction of the Charter does violence to the letter and spirit of the Charter. The armed intervention of one state in the civil war of another state whether at the request of the established government or its rival government is in fact the use of force by the intervening state in its international relations, whether the civil war be called a war of liberation or a war in the defense of freedom. . . ."

Mr. Cohen specifically referred to Vietnam to illustrate his point.

3. Thailand is a member of the United Nations, a "neutral" in the Vietnam war. But the United States have built there large-scale, and apparently permanent, military bases, from which they carry out the bombing of the Vietcong and North Vietnam. In pursuit of what international law has this policy been adopted? If the answer is that the Thai Government have agreed, does not this make them also guilty of a violation of the Charter?

Nothing said above justifies any violations of international law committed by the Vietcong or the Government of Hanoi. But it shows the urgent necessity of ending a war that is progressively, and most dangerously, eroding the binding force of the Charter and of international treaties and customary law.

As the Prime Minister has recognized, the war has blocked the road to any effective discussion of the armament problem, and is demoralizing the world opinion on which the rule of law in international affairs must rest.

Everyone must hope, therefore, that the British Government will make a new, and a supreme effort, to bring the parties to the conference table.

Yours, &c.,

PHILIP NOEL-BAKER.

House of Commons, May 13.

[From the Manchester Guardian, June 1, 1966]

PLUNGING AHEAD IN VIETNAM

"There is no going back," President Johnson has just said at Arlington National Cemetery about his country's fight in Vietnam. But where is he going on to? Certainly not to the "constitutional government" towards which, he thinks, the South Vietnamese people are moving. Never has constitutional government looked farther out of reach, and such statements make the heart sink after all the fatuously optimistic forecasts that events have made to look ridiculous over the past three years. What the country is going on to is thousands more corpses to add to the scores of thousands of soldiers and civilians already killed; it is going on to more than a million people without homes, to more forests burned down, and farmland devastated, to ever greater inflation and corruption. Why should the course of the war suddenly change? Yesterday, within hours of President Johnson's speech, United States bombers carried out more raids on North Vietnam than on any other day this year. The "progress" that President Johnson talked about is not in the direction of "a Government that will increasingly reflect the will of the people"; it is towards the destruction of the country, both North and South.

For the United States disposes of such destructive power that only its own sense of responsibility can call a halt to the use of it. And so convinced does President Johnson appear to be that he is right that he probably considers it a positive virtue "to do what has

to be done"—that is to intensify the war and therefore the destruction until his political aims, however idealistically conceived, are attained. But what if those very means make the aims all the more impossible of attainment? This is what Senator FULBRIGHT means by the arrogance of power, and, besides ruining Vietnam, it surely cannot fail to corrupt the United States too.

And so, as President Johnson said, "this is the way it will be as far ahead as any of us can see." One cannot but fear that he is right. The building of the base at Camranh Bay alone represents so huge a commitment that few people in South Vietnam seem to imagine it would be abandoned if the Vietcong or Hanoi suddenly sued for peace. And the North Vietnamese Government presumably imagines it still less; that is one reason why it does not sue, or respond to President Johnson's appeal for negotiations that it is convinced can only be on his terms. The American war effort has acquired such momentum that it would need superlative virtuosity for the President himself to stop it. And his Arlington speech, blaming the hapless South Vietnamese for their political misfortunes, shows that he is still sunk in illusion and has no present thoughts of trying. One cannot but sympathize with him in his terrifying dilemma. But that is no reason for Governments less enmeshed to share his illusions. Mr. Wilson rightly rates Anglo-American solidarity as one of the supreme objects of British policy; that is why, in public, he has accepted the U.S. action. But his loyalty to the alliance, and his concern for the well-being of its leading member, are the very reasons why he should speak out. There is no virtue in cheering on a friend marching blindly into a swamp.

[From the Berkshire Eagle, May 16, 1966]

THE WARNING FROM DANANG

If the administration needed further proof of the failure of its policies in Viet Nam, it was provided by Premier Ky's blitzkrieg seizure of the city of Danang.

With South Vietnamese troops fighting other South Vietnamese troops, the anti-Viet Cong forces are split right down the middle. The disunity and confusion of purpose could not be more complete if it were all stage-managed by the Communist government in Hanoi.

Now the United States finds itself without a single useful ally in Viet Nam. Even its puppet government in Saigon has spurned U.S. guidance and is striking out blindly at people nominally on its own side.

So in addition to the major split between the Hanoi government and the Saigon government, there is a second split in South Viet Nam itself, between Premier Ky in Saigon and the five northernmost provinces of his territory. The weekend military operation against the northern city of Danang has deepened the latter division to such a point that it may deteriorate into a civil war.

This is a dead end for U.S. policy as it has been conducted by the Johnson administration. To proceed any further along these lines is to risk being ejected from the country by the very people the United States has pledged hundreds of thousands of troops and many millions of dollars to help.

Obviously, what is required now is a change in direction. The State Department must swallow its pride and find a way to disengage itself from its embarrassing alliance with the arrogant General Ky, so that its pledges of free elections and unification of the country can be carried out.

Ky himself has backed down from an earlier promise to conduct elections this year, and is now temporizing and qualifying his statements in a manner that can only mean he intends to hang on to his power as long as he can.

Since the United States has not been able to control Ky, the best course is simply to ease him off the scene as quietly as possible. He should be retired, and a timetable drafted for elections and formation of a civilian government.

If the government resulting from elections is anti-American and left-leaning, that is unfortunate. But it may be a government that the United States still can deal with. It will not be a total defeat for U.S. policy.

But continued reliance upon General Ky and his gang can only result in total defeat. The blitzkrieg of Danang should be adequate warning.

[From the New York Times, June 21, 1966]

THANT CALLS VIETNAM WAR "ONE OF MOST BARBAROUS"

(By Drew Middleton)

UNITED NATIONS, N.Y., June 20.—Secretary General Thant denounced today the war in Vietnam as "one of the most barbarous" in history and called the situation "very urgent, very critical." Mr. Thant has proposed steps to peace to some of the parties principally concerned.

Those steps, he said, "alone can create conditions" leading to a conference and a peaceful settlement.

The steps are these:

The cessation of bombing of North Vietnam.

The scaling down of all military activities in South Vietnam "which alone could lead to an effective cease-fire."

The willingness of all sides to enter into discussions with those who are "actually fighting" including, presumably, the Vietcong.

Although Mr. Thant has mentioned those steps in the past, today was the first occasion on which he declared that they "alone can create conditions conducive to the holding of a conference and conducive to the creation of conditions for a peaceful settlement of the problem of Vietnam."

Discussing the timing of the steps, Mr. Thant said "the sooner the better." He called the situation "very urgent, very critical," and continued:

"People are being killed in the hundreds every day. And, if I may say so, the war in Vietnam is one of the most barbarous wars in history. I think the sooner the parties involved sit down at a conference table after these conditions have been met the better it will be not only for Vietnam but for the rest of the world."

The Secretary General said he had not made any new proposals in the last few weeks because the three he mentioned today were as applicable now as they were six months ago. Mr. Thant first outlined his proposals here in February. He referred to them at a news conference in Paris May 1 and in a speech in Atlantic City May 24.

"I feel very strongly," he said, "that without the spirit of give and take on the part of the parties primarily concerned there will be no negotiations leading to the return to the Geneva agreements on which everybody now seems to agree.

The Geneva agreements of 1954 were the result of an International conference held after the defeat of France by Communist-led rebels in Vietnam. The agreements were an attempt to establish the political future of the now divided state of Vietnam. They envisioned a united government based on elections that were never held.

ADDRESSES CORRESPONDENTS

The Secretary General's remarks on Vietnam came in response to questions at a luncheon given him by the United Nation's Correspondents' Association. His comments on the barbarity of the war and the urgency of the situation came 48 hours after President Johnson asked North Vietnam and the Vietcong to abandon aggression and held out the prospect of an intensified air and ground war if they did not.

Mr. Thant warned that "the more we wait the worse will be the war situation" and reiterated his view that what was possible in 1964 in arranging a settlement was impossible in 1965 and what was "possible of achievement in 1965 is no longer possible today."

Secretary of State Dean Rusk and Mr. Thant discussed Vietnam when they held an informal discussion at the While House last Tuesday, the Secretary General said.

In a generally gloomy survey of the situation in Southeast Asia, Mr. Thant found some encouragement in his efforts to ease tension between Cambodia and Thailand. He had suggested to the two Governments that he send a special representative for consultation leading to an improvement of relations. He said he had "very good reasons" for believing that both Governments would agree.

HOPEFUL ON SPACE TALKS

Mr. Thant also said there were signs that "a very substantial degree of agreement" would be reached "very soon" between the United States and the Soviet Union on a treaty on the peaceful uses of outer space.

Kurt Waldheim, Austria's chief United Nations representative and chairman of the Committee on the Peaceful Uses of Outer Space, has been discussing the issue with the members concerned with the convening of its legal subcommittee. Mr. Thant said he believed that "very positive steps" would be taken in the "very near future."

The Secretary General sounded a pessimistic note when he discussed the committee that is dealing with the financing of future peacekeeping operations and other kindred subjects.

The prospects are "not very bright," Mr. Thant said. He reported "a mood of disappointment and even frustration" among many members because of the committee's slow progress.

Mr. Thant left unanswered the question whether he will be available for a second term as Secretary General. The general assumption has been that he would decide to accept the post again, but his comments indicated that he had not made up his mind.

He said he would defer his announcement until after his return July 9 from an European trip. His new term would begin Nov. 3. When he discussed the problem Mr. Thant mentioned the possibility that he might not "offer myself for a second term."

[From the Detroit Free Press, June 5, 1966]

THE EDITOR'S NOTEBOOK: CASUALTY LISTS REMIND UNITED STATES WE CAN'T POLICE THE WORLD

"We are alarmingly close to another frustrating fringe war, following the same pattern of gradual involvement that we have seen before. I warn again that military victories alone will not resolve the situation in Southeast Asia." From The Editor's Notebook of April 25, 1954.

Today—12 years later—the United States is wholly committed to the salvation of South Vietnam.

It seemed so simple at first. A few technicians and military advisers would be needed to show the South Vietnamese how to repulse the Vietcong guerillas.

No American soldiers, mind you. Just advice and experts for training the Saigon military forces. In fact, Defense Secretary Charles Wilson said in 1954 that he saw no possibility that U.S. troops would have to fight in the jungles of Southeast Asia. In his blunt way, Mr. Wilson announced that "no such plan is even under study."

How wrong he was. For even then, President Eisenhower and Secretary of State John

Foster Dulles were taking steps which could lead only to a larger involvement.

When President John F. Kennedy came to power, he conceded frankly that he was dismayed by the extent of our pledges. Mr. Kennedy felt privately that the U.S. had been overcommitted and he saw this development as holding great peril for our country.

Yet the pressures from the military, the CIA and the State Department moved inexorably in the direction of armed conflict. At Kennedy's death, President Johnson assured the nation that "we seek no wider war" but it was then that the real escalation began.

The ensuing years saw a sharp buildup of American forces and the construction of permanent harbors and airfields on Vietnam soil. It was to be an "easy" war in which the sheer might of U.S. military capabilities would soon overwhelm the hungry, poorly equipped guerillas of Ho Chi Minh.

But, as the French had discovered to their sorrow, the guerillas are excellent fighters, completely dedicated to a cause in which they believe. Progress was anything but easy, despite assurances from Gen. Maxwell Taylor and Defense Secretary McNamara that victory was just around the corner.

In 1963, following one of Mr. McNamara's inspection tours, he and Gen. Taylor announced officially "their judgment that the major part of the (American) military task can be completed by the end of 1965."

That was nearly three years ago. My comment at the time was that such proclamations were not worth reading "since there is not a word of truth in them." Yet the American people did give them credence because of the high authority of those who made them.

The record is replete with similar predictions of a victory which has proved to be elusive and difficult to come by. One Saigon regime after another has failed to build confidence throughout the countryside. South Vietnamese desertions have totalled some 90,000 in the past year.

Gen. Ky, the present head of the Saigon government, is but one of a number of warlords—all vying for power and prestige. He controls no united nation but rules for the time being because of superior firepower.

And yet Vice President HUBERT HUMPHREY solemnly assured a television audience following the Honolulu conference that it resembled the Churchill-Roosevelt meeting at which the Atlantic Charter was born. As the St. Louis Post-Dispatch has said: "Not even the unctuously thoughtful visage put on by the Vice President can bring us to think of Marshal Ky and Winston Churchill in the same terms, and no matter how hard we try we can't quite bring the Declaration of Honolulu into focus with the Four Freedoms."

At this moment, additional American troops are being rushed into action to fill the void caused by the removal of South Vietnamese forces to cope with Buddhist uprisings. South Vietnamese are shooting at one another to the delight of old Ho Chi Minh who is undoubtedly ready to take advantage of this tragic internal struggle during the monsoon season.

As the New York Times says, "It is paradoxical that as the situation in South Vietnam deteriorates, the American commitment in troops and every other respect escalates." So a reappraisal is in order if the contending factions do not stop fighting each other and hold the promised elections.

Premier Ky can no more win a purely military victory over the Buddhists than the United States can crush communism with force of arms. It is a sorry predicament and no man can foretell the outcome when civil strife outranks in importance the fight against the Vietcong.

"The situation is tragic," says the Observer of London. "In effect, the Americans are caught in a trap. They have increased their commitments in order to strengthen their negotiating position, but by increasing their share in the fighting they have also demonstrated the growing inability and unwillingness of the South Vietnamese to carry on the battle."

Despite his nagging problems, President Johnson continues to exude confidence that "the South Vietnamese are moving forward step by step—and the direction is sound." He dismisses criticism with the oblique observation that "nothing is as dead as yesterday's newspapers."

Yet a study of "yesterday's newspapers" provides a disenchanting compendium of rosy progress reports on Vietnam and the uneasy impression that Johnson is merely feeling his way and waiting for the breaks.

He will need them if a satisfactory solution is to be found.

Without disparaging the good intentions of our President, the indubitable fact is that we blundered into the Vietnam mess and have thus far been unable either to win or to extricate ourselves with honor.

Johnson, of course, is not solely responsible for the unhappy course of events in South Vietnam. The pattern was set long before he assumed office. But one cannot forget that, as Vice President, he once hailed the late, unlamented dictator Ngo Dinh Diem as the "Winston Churchill of Asia."

One day the people will rebel against wars which do not directly involve our national interest. The cost in blood and treasure is appallingly high when measured against the nonachievement of the unattainable objectives.

But even now, President Johnson is giving strong support to the British blockade of Rhodesia though Britain sells her goods and supplies to our enemies in both Cuba and North Vietnam. And the Republic of South Africa may be next on our list as we seek to "reform" the peoples of other lands even as we fail to cope successfully with our major social and economic problems at home.

It is a simple matter to blunder into a trap as we have done in Vietnam; quite another to free ourselves without being severely lacerated.

Our mounting casualty lists are a grim reminder that no matter how noble our motivations may be, the United States is—as Sec. McNamara said recently at Montreal—in no position to police the world and reshape it in our image.

JOHN S. KNIGHT.

Mr. MORSE. Mr. President, in closing, irrespective of what has been published in the newspapers over the weekend as to my position, let me say again, as I said at the time of the comments I made in Chicago—which have not been printed verbatim in the press—I hope very much that my President will follow a course of action to deescalate the war and to follow the recommendations which have been made by such military authorities as a General Ridgway and a General Gavin, and by such diplomats as George Kennan and other authorities in regard to Asia, which will result in a deescalation of the war. Their recommendations mean taking a position to hold those areas that we can hold without sending more American boys to their slaughter, until other nations of the world recognize the mutuality of nations in enforcing peace in southeast Asia, and lead the present combatants to a peacekeeping program under a cease-fire order.

It is my hope the President will follow that course of action at an early date, so that at an early date I can support his reelection. But if he does not follow that course of action, then, because I think this issue pales all the others combined into insignificance, I cannot support his reelection.

I may find myself in a position where I shall have to write in a candidate, because it may very well be that the party of the opposition, the Republican Party—which sometimes gives the impression it is trying to out-war the Democratic Party, which is no justification for the Democratic Party's course of action—may in the meantime have a candidate for the Presidency in 1968 who will be as much in favor of involving us in a major war in Asia as seems to be the case with the Johnson administration at the present time.

Mr. President, even though I have this great difference with my President, I want to say now, as I said in Chicago over the weekend, I do not know of anyone who is more sincere in his desire for peace than is the President of the United States. I do not question my President's sincerity. I do not question my President's desire for peace. I do question his judgment, and the course of action he is taking is based on a judgment taken from the ill advice of men like Secretary of State Dean Rusk, Secretary of Defense Robert McNamara, Maxwell Taylor, and the others who have been advocating an escalation of the war.

The great Senator from Alaska [Mr. GRUENING] said earlier this afternoon that in the last year there have been 86,000 deserters from the South Vietnamese Army, and we have drafted more and more American boys to take their place. There may be some set of moral principles that I have never read that would justify that foreign policy, but, in my judgment, it cannot be justified.

Already over 3,200 American boys have been killed in the war. I want to say again, in spite of what criticisms I will get for the statement, that all Vietnam is not worth one of those American boys. We cannot justify sacrificing a single one of them to involve us in any civil war in Vietnam. It has been a civil war from the beginning, and is today. It is now a civil war within a civil war. It is now a war between Buddhist and Christian. And American boys are dying out in the jungles and on the battlefront while the South Vietnamese fight among themselves. It just does not make sense.

It is so absurd that one cannot get it even within the framework of commonsense. That is our foreign policy. That is the foreign policy the President was talking about in his press conference Saturday. That is the foreign policy we are going to escalate.

There are those who say—and the President clearly implied and intimated it—that his drop in popularity in recent polls is due to the fact that he is not escalating the war enough, and that therefore, apparently, he is going to let the so-called war advocates take over.

The only way out, in view of the fact that Congress will not exercise its function and lead the way out, is through the people themselves.

May I say most respectfully to them, if you are not willing to use your ballots to stop the President's bullets in South Vietnam, if you are not willing to use your ballots to stop the sacrifice of the lives of American boys, which is completely unwarranted, you have no one to blame but yourselves, for history will record that we are writing the first paragraph of the first chapter of the decline of American civilization.

If this war is not stopped and it leads into a massive war, which will result in a war with China, and then with Russia, history will record the decline of the nations that participated in that war, including Russia and the United States.

Again I say, even though I have this irreconcilable difference with my President, it in no way minimizes my deep regard for him and my conviction that he wants peace. Our difference is a difference on how to get peace. But if the President continues to follow the advice which he apparently, in his press conference Saturday, indicates he is willing to, then I think the President is going to find increasing millions and millions in this country losing confidence in his foreign policy, until enough people in the United States will recognize and make known publicly that they must exercise their constitutional right with ballots by defeating those candidates who in 1966 and 1968 support the escalation of the war, resulting in the unwarranted sacrifice of the flower of American manhood in an unjustified war in Asia.

Mr. President, it is easy to talk, in the security of this Chamber, in the security of our businesses in this country, in the security of our homes, about supporting U.S. policy, but we are not going to do the dying.

I am very saddened as I listen to people in American economic life, both on the side of management and on the side of labor, talk about the relationship of the war to the economy of the United States. Mr. President, blood money is not worth what it will buy. I would rather give security to the young men of military age in this country than economic security to those making a profit out of this holocaust.

So I want to say to the American people, you, and you alone, I am sorry to say at the present time—it is my fear, though—can stop the writing of the sad history in the foreign policy of this administration that it is now writing by making perfectly clear that your ballots will be used against this administration and also used against Republican candidates that favor the escalation of this war.

ADJOURNMENT

Mr. MORSE. Mr. President, in accordance with the order previously entered, I now move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 40 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, June 22, 1966, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 21, 1966:

U.S. Attorney

Ben Hardeman, of Alabama, to be U.S. attorney for the middle district of Alabama for the term of 4 years. (Reappointment.)

Federal Communications Commission

Nicholas Johnson, of Iowa, to be a Member of the Federal Communications Commission for a term of 7 years from July 1, 1966.

In the Air Force

Brig. Gen. Duane L. Corning, [redacted] South Dakota Air National Guard for appointment to the grade of major general in the Reserve of the U.S. Air Force, under the provisions of sections 8218, 8351, 8363, and 8392, title 10 of the United States Code.

Public Health Service

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. For appointment:

To be senior surgeons

J. Robert Lindsay
William M. Dixon
Patricia A. Webb

To be surgeons

John L. Doppman
William G. Greenough III
John S. Vasko
Donald M. Mason
Louis A. Faillace
Martha J. Leas
William T. Davis
Marilyn K. Hutchison

To be senior assistant surgeons

Ralph L. Morris
Lewellys F. Barker
James W. M. Owens
John W. Coker
Charles W. Breaux
Gustavo A. Colon
Daniel W. Bruce
Irwin R. Henkin
Jesse Roth
Jose D. Quinones
Costan W. Berard
Michael E. Harkey
Frederick B. Glaser
Kenneth L. Herrmann
Alphonse D. Landry, Jr.
George H. Hubert
Jay M. Whitworth
Robert G. Douglas, Jr.
Thomas E. Elliott
Raymond F. Chen
Gerald V. Tweed
Norman S. Turner
Kenneth R. McIntire
John C. Silver
Michael J. Olichney
Valentin F. Mersol
Carolyn R. McKelvey
Thomas C. Carrier
Frank J. Demento
Leroy L. Constantin
Sidney L. Downs
Winston I. Cozine
James P. Sayer
Wilfred D. Little, Jr.
David A. Danley
Ben M. Birkhead
Paul C. Hiley
Carl W. Tyler, Jr.
Edward P. Siegel
David M. Neville, Jr.
Thomas D. McCaffery
John S. Strauss
Norman A. Cummings
Robert E. Becker
Charles R. McGill
Anthony S. Mastrian
James H. Smith
Charles E. Mize
Roy L. Curry, Jr.
Douglas A. Morningstar
Roy W. Turner
Lloyd C. M. Tom
Emanuel Stein
Gary W. Cage
Robert A. Fortuine
George B. Mitchell
Kenneth W. Moss
Franklin G. Pratt
James C. Rahman
Thomas J. Porter
Leo H. Von Euler
Carl H. Andre
Charles R. Key
Ralph E. Alving
Wiley H. Mosley
Alfred E. Krake
Bruce M. Bucher
Franklin L. Geiger, Jr.
Gerald D. Buker
Patrick E. Watson
Charles F. Tschopp
Franklin C. Scudder
William N. Caudill
Kenneth Klint
David Sulman
William W. Niemeck
Michael D. Osborne
William C. Sullivan
Augustine D. Brewin, Jr.
Norman Sohn
Kent B. Lamoureux
Stanley I. Rapoport
Gordon F. Schaye

To be senior assistant dental surgeons

John L. Anderson
Emery J. Alderman, Jr.
Will D. Brantley, Jr.
Stuart A. Bender
Preston A. Littleton, Jr.
David L. Diehl
Gene F. Grewell
James W. Menzies
John P. Barlow
Raymond M. Sugiyama
David R. Libby
Donald P. Ponitz
Donald V. Hagan
Alma B. Judd
Leo S. Henrichsen
Ronald P. Schmidt
Jerry G. Wilde
Thomas D. West
James B. Sweet
John H. Nasi
George H. Bouldien
Robert A. Boden
Jerry L. Dickson
Steven A. Weiss
Barry M. Goldman
Vernon B. Beck

To be senior assistant sanitary engineers

Donald T. Wruble
Richard Liberace
Kirk E. Foster
Roger T. Shigehara
Henry L. Fisher, Jr.

To be assistant sanitary engineers

David L. Brooman
William D. Hamann
James B. Coyne
Lynn P. Wallace
Donald J. Dunsmore
Roy B. Evans
George L. Pettigrew

To be junior assistant sanitary engineers

Billy F. Pearson
Joel I. Barkman
John F. Steiner, Jr.
Lawrence F. Buck
Charles J. Conlee
Peter Baker
Gedge W. Knopf, Jr.
Edward M. Beck

To be pharmacists

Thomas H. Hodges
Donald E. Baker

To be senior assistant pharmacists

Donald E. Mabry
Lawrence E. Gustafson
Roger W. Tenney

To be assistant pharmacists

Richard J. Bull
Ronald C. Becker
Richard A. Moss
John W. Levchuk
John F. Klaverkamp
Hilliard L. Moore
Roger S. Wilson
Frederick J. Abramek
Lawrence R. Ulrich
Doyle W. Warren
William R. Francis

To be junior assistant pharmacists

Ivan Lambert
Max Lager

To be senior assistant scientists

Dee N. Lloyd
Frank A. Pedersen

To be senior assistant sanitarians

Corwin D. Strong
Johnny R. Sanders
Kurt L. Feldman
Theodore A. Ziegler

To be assistant sanitarians

Gene P. Burke
Robert E. Sanders
Walter R. Payne

To be senior assistant veterinary officers

Richard E. Dierks
Richard A. Mason
John I. Freeman

To be nurse officers

Dorothy DeLooff
Carol M. Larson
Audrey M. Lindgren

To be senior assistant nurse officers

Jerry L. Weston
Katherine A. Callaway
Leon S. McAulay

To be dietitian

Christine M. Chowning

To be junior assistant dietitian

Paula E. Kiles

To be senior assistant therapists

Maurna E. Kaufmann
Edwin S. Corneille, Jr.

To be assistant therapists

Wayne C. Farmer
Anthony N. Morreale

To be health services officers

Francis F. Relerson
Peggy S. Pentz
Nathan E. Seldin
Gunnar D. Frederiksen

To be senior assistant health services officers

Robert F. Clarke
Robert C. Jackson
Carolyn Rolston
Robert S. Callis
Barbara A. Maxwell
Joseph Scotto

To be assistant health services officers

Phillip H. Buchen
Ronald L. Jacobson

EXTENSIONS OF REMARKS

Conservation Activity in Missouri Expands Through R.C. & D. Project Work

EXTENSION OF REMARKS
OF
HON. RICHARD (DICK) ICHORD
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 21, 1966

Mr. ICHORD. Mr. Speaker, last November, Agriculture Secretary Orville L. Freeman designated areas in 10 States to receive U.S. Department of Agriculture planning assistance for resource conservation and development, a conservation program authorized by the Congress in the Food and Agriculture Act of 1962.

These locally sponsored projects, additions to ongoing USDA programs in resource conservation, are aimed at assisting rural communities in the development and multiple use of land and water resources.

Missouri was one of the States that applied for the USDA-assisted R.C. & D. project. Since receiving authorization for project planning, sponsors of the Missouri project have moved ahead with a number of proposals, many of which have been approved for technical help from appropriate agencies.

This activity, in addition to the recent organization of three new soil conservation districts making a total of 68 in the State, is an important advance in soil and water conservation work in Missouri.

It is an indication of the widening interest and involvement in improved soil and water management among Missouri farmers and ranchers. Indeed, a second group of landowners in a nine-county area in southwest Missouri have filed application for another R.C. & D. project in the State.

I am especially impressed with these developments because they reflect an intensification in concern for soil and water resources that conservation leaders in Missouri have worked hard to stimulate.

I am informed that since 1960, 26 counties have held successful referendums for formation of soil and water conservation districts. This is the kind of progress we need in Missouri to join the ranks of those States that are 100-percent covered by soil conservation districts.

The objectives of the Missouri R.C. & D. project collectively will contribute to increase living standards and enlarge economic development of the potential of small watershed projects for flood prevention, irrigation, and recreation—through improved management of woodland potential and a marketing cooperative for wood products and through improvement of transportation and communication facilities.

Farmers and other landowners as well as the whole State generally will benefit from Missouri's small watershed projects, which as of May 1 number 20 authorized for planning assistance including 11 approved for construction operations. These projects will reduce substantially the erosion on uplands and the flood damage to cropland and pasture.

It gives me great satisfaction to report that Missouri is taking advantage of all the conservation tools provided by the Congress toward greater development and care of our basic resources.

The 22d Anniversary of Independence of Iceland

EXTENSION OF REMARKS
OF
HON. QUENTIN N. BURDICK
OF NORTH DAKOTA
IN THE SENATE OF THE UNITED STATES
Tuesday, June 21, 1966

Mr. BURDICK. Mr. President, Friday was the 22d anniversary of the independence of the Republic of Iceland. It is appropriate that the Senate pause to recognize this occasion because of the contributions made by this tiny island nation to our own country.

Coming to North America in the early 1870's, the Icelanders settled in central Canada, near Winnipeg. Some moved into the Dakota Territory and established communities there despite the hardships entailed in developing new settlements.

Thorstina Walters, a native of Iceland reared in North Dakota, in her book "Modern Sagas" stated:

> In general, most of the early settlers were young, energetic, and thrifty. They were anxious to learn from the experience of others who were better orientated to the new land than they were.
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> In not too long a time the Icelanders in the Dakota territory began to take pride in breaking the sod and to have a liking for the prairie. To them, the prairie became a symphony of sounds. There were times when the tall grass swaying in the wind seemed to speak the language of the ocean waves that washed the shores of their oceanbound homeland. And often enough the faint stirring of the breeze whispered of hidden opportunities still lying buried under the soil of Dakota's vast prairie.

The Icelandic people who settled in North Dakota did take advantage of the opportunities of the country they lived in. They established thriving communities in the land they conquered and are constantly striving to improve the communities and their country. Today about 1,000 of these Icelandic-Americans are citizens of North Dakota. The community of Mountain, N. Dak., is among the few true Icelandic-American communities remaining in our country. It was among those established at the time of early settlement and depicts the characteristic unity and community pride attributed to the Icelandic people.

The small communities were and still are examples of the democratic way of life. Early local governments were centered around the individual and his life in the community. Representative forms of government were established in the community as was the means of protection for the individual. Trial by jury was initiated in Iceland and this essential part of democracy carried forth in the new communities.

Democracy has been inherent in the lives of the Icelandic people for more than 1,000 years as they had established a representative form of government characterized by their Parliament or Althing founded in the year A.D. 930. Consequently, when independence came in 1944 the Icelandic people were prepared to live under a democratic government.

History allowed Iceland to contribute significantly to the development of America. Historians have maintained that the Vikings would not have come to the North American Continent had it not been for the halfway point of Iceland. Early Scandinavian explorers were able to replenish supplies and repair their vessels before going on to further countries. Today the island country is an essential partner in NATO. The country has leased land to the United States for the use of NATO forces. Iceland is also a connecting link in our distant early warning line through which aircraft are kept aloft over the island countries of Iceland and Greenland for defense purposes.

And so, Mr. President, because of the contributions Iceland has made to our country, I believe it is only appropriate that all of us acknowledge Icelandic Independence Day, 1966.

Amendments to the Housing Act of 1949

EXTENSION OF REMARKS
OF
HON. RODNEY M. LOVE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 21, 1966

Mr. LOVE. Mr. Speaker, yesterday I introduced two bills, H.R. 15789, to amend title I of the Housing Act of 1949 to authorize financial assistance for urban renewal projects involving the central business district of a community without regard to certain requirements otherwise applicable and, H.R. 15790, to make certain expenditures of the city of Dayton, Ohio, eligible as local grants-in-aid for the purpose of title I of the Housing Act of 1949.

These bills would greatly accelerate the present urban renewal program by allowing noncash credits for the Sinclair Community College and the county courts-jail complex. These noncash credits could then be used for other urban renewal projects in Dayton. Also, these measures would permit us to begin, at an earlier date, a project of vital importance to the entire Dayton community. This would be a project in the

inner west Dayton area—an area of extremely blighted housing and highly concentrated social and economic conditions. These problems are more severe in this area of Dayton than in any other part of the city.

My request for consideration of credits is a natural outgrowth of the present local grant-in-aid procedure which has been developing since the Housing Act of 1949. As you know, this act provides that cities should be given credit for public improvement activities necessary for revitalization of declining areas. This revitalization is very necessary for aiding private development.

Mr. Speaker, it is my feeling that all cities in the United States with urban renewal programs would benefit by the enactment of H.R. 15789 and, it is my sincere hope that the Congress will recognize the importance of this measure and the value of H.R. 15790 to Dayton, Ohio, by giving favorable consideration to these two measures during this session of Congress.

San Francisco Welcomes the U.S.S. *Enterprise*

EXTENSION OF REMARKS
OF

HON. WILLIAM S. MAILLIARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 21, 1966

Mr. MAILLIARD. Mr. Speaker, today the nuclear-powered attack aircraft carrier U.S.S. *Enterprise* will be arriving on her first visit to her new home port at the Naval Air Station, Alameda, Calif., following a tour of more than 8 months in combat operations in the South China Sea.

Commissioned on November 25, 1961, the *"Big E"* has been performing yeoman service for the United States. Along with the carrier *Independence*, she participated in the Cuban quarantine and was subsequently deployed to the Mediterranean.

In July 1964, the *Enterprise* in company with her nuclear-powered escorts, the *Long Beach* and *Bainbridge*, circumnavigated the globe in Operation Sea Orbit. This task force comprised of nuclear-powered surface ships performed the entire 65-day globe-circling voyage without receiving any fuel, food, or other provisions en route. It was an unprecedented history-making feat, impossible of duplication without replenishment by conventional-powered surface ships.

In December of last year, the *Enterprise* was deployed to Vietnam and became the first nuclear-powered ship to engage in combat operations. For the first time in our naval history, vessel operations were completely independent of the limitations of propulsion by either wind or limited fossil fuel supply. Two oil-burning escorts were her sole limitation, for which the nuclear-powered carrier carried black oil for refueling.

On her second day on station in South Vietnam waters, the *Enterprise* broke the existing record for the number of sorties flown in a single day by setting a new high of 165.

Displacing more than 83,000 tons, the *"Big E"* is the largest warship in the world. Her flight deck area is equivalent to almost 4½ acres, and the total height of the ship from the keel to mast top is equal to that of a 25-story building.

Powered by eight nuclear reactors producing over 200,000 horsepower, this $444 million carrier has a top speed of more than 28 knots. Her evaporators produce enough water for the daily consumption of almost 1,500 homes. She has over 900 telephones. The total output of all electronic equipment on board is equal to the output of about 300 powerful radio stations operating simultaneously. She has 900 television receivers, a closed-circuit television station, and generates sufficient electricity to meet the needs of a city of over 2 million people. In addition, her equipment includes such modern and complex items as the naval tactical data system, a data processing and communications system which evaluates enemy threats and recommends counter moves to shipboard commanders in millionths of a second. A second mechanical brain is the integrated operational intelligence system which stores data from reconnaissance flights to be called up as needed in order to provide the tactical commander with a full background of information on any given target area. She represents, therefore, one of the most amazing engineering feats of modern times.

The word "enterprise" signifies boldness, initiative, and readiness to undertake important missions, and this aptly describes the world's only nuclear-powered aircraft carrier which is the pride of the U.S. Navy. It also characterizes the shipbuilding and ship repair capabilities of the San Francisco Bay area and particularly the naval shipyard, and represents a tribute to these Pacific coast facilities by the selection of the Naval Air Station at Alameda as her home port, joining as she does the three other aircraft carriers also homeported at this location—the U.S.S. *Hancock* (CVA–19), the U.S.S. *Coral Sea* (CVA–43), and the U.S.S. *Ranger* (CVA–61).

As befitting the occasion, there will be a huge welcoming reception for the *Enterprise* and her crew today at the Alameda Naval Air Station, and I wish to join my voice in extending a warm personal welcome to the commanding officer of the U.S.S. *Enterprise*, Capt. James M. Holloway III, USN, and the approximately 5,000 officers and men of that gallant ship.